Moriroku Group
CSR Procurement Guidelines Manual

Moriroku Company, Ltd.

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Introduction

We created this manual to assist in voluntary CSR efforts by our business partners. We hope that this manual will be useful for the Moriroku Group and its business partners in sharing values related to social responsibility and working together to meet the expectations of society.

<Structure of This Manual>

This manual is structured as follows.



Items which must be implemented
- Lists the basic items that we would like our business partners to implement as a minimum response.
- However, the items listed here do not completely cover all conditions for satisfying the guideline requirements.

Items for which we request implementation
- This section goes beyond basic items and lists activities that we would like our business partners to practice in order to enhance sustainability.

Explanation of guidelines/terminology

1. Compliance & Corporate Ethics

1.1 Compliance

Comply with the laws, rules and regulations of your country and the countries and regions where you conduct business.

Items which must be implemented

- Understand and comply with the relevant laws and regulations in your own country and the countries and regions where you conduct business.
- Periodically confirm the compliance status.
- Keep all legally required permits, approvals, licenses, registration certificates, inspection certificates, and related reports up-to-date without expiring. Conduct all required in-house activities and reports to external parties.

Some laws and regulations apply not only to your own country and the countries and regions in which you operate, but also to other countries (for example, the Foreign Corrupt Practices Act of the United States).
Furthermore, in conjunction with globalization of supply chains and markets, compliance with laws and regulations may be required not only within your company but also throughout your entire supply chain (Modern Slavery Act (UK and Australia); Article 1502 in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Uyghur Forced Labor Prevention Act (United States); Child Labor Due Diligence Act (Netherlands); Supply Chain Act (Germany), etc.).
Additionally, from the perspective of maintaining international security and peace, in export transactions, in addition to complying with relevant laws, you are required to carefully determine that the exported products and technology will not be used for the development and manufacture of weapons, and that there are no relationships with countries, regions, organizations, or individuals subject to sanctions. You must also engage in appropriate procedures and management related to the above.

1.2 Prevention of Corruption

Do not engage in any form of corruption such as bribery, embezzlement, or money laundering. Furthermore, do not be complicit in such corrupt practices.

Items which must be implemented

- Establish policies that prohibit all forms of corruption.
- Conduct periodic education and training to ensure continuous compliance with those policies.
- Do not provide money, entertainment, gifts, or other benefits or conveniences to public officials, etc., in hopes of obtaining some form of business reward such as obtaining/maintaining permits and licenses or transactions, or acquiring non-disclosed information, regardless of whether such arrangements are direct or indirect.
- Create proper and accurate accounting records and implement appropriate internal controls to prevent bribery and other improper expenditures.
- Eliminate transactions with anti-social forces and business partners which hold relationships with anti-social forces. Specify provisions in contracts for the purpose of eliminating such transactions.

Bribery is the giving or receiving of a gift, loan, gratuity, reward or other advantage from any party as an inducement to engage in fraudulent acts, illegal acts, or breach of trust in the conduct of a business. Entertainment or gift-giving that goes beyond social etiquette to politicians, domestic and foreign public officials, or other equivalent parties (hereinafter, “Public Officials, Etc.”) and political contributions which do not follow formal procedures are also included in bribery, even if no business reward is sought.
You are also required to eliminate any relationship with anti-social forces. We absolutely refuse the use of anti-social forces to purchase land or promote business, as well as the act of anti-social forces making threats in order to obtain unfair economic benefits.

1.3 Ensure Fair Competition

Comply with competition laws and subcontracting laws, and promote free and fair competition without abusing superior bargaining positions in order to impose unilateral terms and conditions on business partners or engaging in anti-competitive agreements that limit competition (cartels, etc.).

Items which must be implemented

- Establish internal procedures and other preventative measures to prevent involvement in or complicity in anti-competitive behavior.

- Hold education and training on relevant laws/regulations and the importance of fair competition.

A cartel is an arrangement between companies in the same industry regarding the price of products and services, and the allocation of quantities, regions, customers, etc. Abuse of superior bargaining position means taking advantage of the position as a purchaser or consignor to unilaterally determine or change terms of transactions with suppliers, etc., or to impose unreasonable demands or obligations on suppliers. Other anti-competitive agreements include bid rigging in which bidders conspire to agree on a winning bidder and winning price. Other behavior defined as unfair competition includes obtaining and using trade secrets of other companies in an illegal way, making false representations about other companies' products, and making indications that mislead customers about the origin, quality, etc., of your own products.

1.4 Protection and Respect for Intellectual Property Rights

Protect the intellectual property rights (patent rights, copyrights, design rights, etc.) belonging to your company from infringement by third parties, and do not infringe on the intellectual property of third parties.

Items which must be implemented

- When developing, producing, selling, or providing products and services, conduct thorough preliminary research on the intellectual property of third parties, including customers and suppliers, and do not illegally obtain or use that intellectual property.

In addition to intellectual property rights, intellectual property also includes trade secrets and technical know-how. Intellectual property rights include patent rights, copyrights, design rights, utility model rights, and trademark rights.
Obtaining and using the trade secrets of a third party by illegal means (for example, illegal duplication of computer software or other copyrighted works) is also an infringement of intellectual property.

1.5 Management and Protection of Personal and Confidential Information

Protect personal information, privacy information, confidential information, and other information handled in the course of business, and develop and operate

an appropriate management system to prevent information leaks. Also, prevent information leaks and the occurrence/spread of damage by taking appropriate measures against cyber risks in computers and information networks.

Items which must be implemented

- Establish policies related to information security and internal regulations regarding the handling of information.
- Hold education and training to ensure compliance with policies and regulations.
- Formulate a plan for quick response (backing up important data, duplicating servers and data centers, etc.) in the event of an information leak.

Personal information means information that can identify a specific individual by name, date of birth, or other descriptive items. (This includes information that can be easily collated with other information to identify a specific individual). You are required not to illegally or unfairly obtain, use, or disclose personal information, or to leak personal information.
Privacy information refers to information and secrets of each individual's private life that should not be subject to interference by others. Unlike personal information, even information that cannot identify a specific individual may violate the right to privacy.
Confidential information generally refers to information disclosed in documents, etc., (including data information that is electromagnetically or optically recorded) that have been agreed to as being confidential, or information disclosed orally after the issuance of notification defining that information as confidential.
Risks from cyberattacks include information leaks, falsification, and information system outages. Attackers may use the obtained customer information and business partner information to expand the scope of their attack targets, so the damage is not limited to your own company. Furthermore, devices targeted by cyberattacks are not limited to conventional computers and servers, but also include industrial systems and devices called Internet of Things (IoT). Therefore, it is also necessary to formulate measures for these devices. Cyberattacks include acts resulting in damage such as the leakage of trade secrets such as personal information, customer information, business partner information, and confidential information or the encryption of important files through methods such as malware infection or redirecting users to malicious sites through targeted emails.

1.6 Prohibition of Insider Trading

Do not buy or sell stocks, etc., of a corporation based on important undisclosed information about customers or other business partners that you have learned in the course of business. Also, do not provide undisclosed information or solicit trading to third parties.

Items which must be implemented

- Establish internal regulations regarding insider trading.
- Educate and train executives and employees on corporate information that may be the target of insider trading and prohibited acts.

> Important undisclosed information means undisclosed information that could influence a reasonable investor's decision to trade in shares or other securities. Examples of important undisclosed information are financial conditions such as earnings and dividend plans, acquisitions, mergers, new products, and new technology.

1.7 Responsible Mineral Procurement

Confirm that mineral resources such as tantalum, tin, tungsten, and gold contained in products do not have a negative impact on human rights or the environment in conflict areas.

Items which must be implemented

- If your products contain minerals such as tantalum, tungsten, gold, etc., and if you receive a request for cooperation from a customer/business report to investigate whether conflict minerals are included in those minerals, you must cooperate with the investigation.

Conflict minerals generally refer to the four mineral resources of tantalum, tin, tungsten, and gold (3TG) that are supplied from conflict areas and areas with a high risk of conflict, including the Democratic Republic of the Congo and its neighboring countries. In addition to these four mineral resources, NGO reports and other sources have pointed out concerns similar to 3TG for other minerals such as cobalt, lithium, nickel, and mica.
Inhumane acts, human rights violations, environmental destruction, and other acts by local armed groups have become major international issues. Trading conflict minerals can provide a source of funding for local armed groups. The Dodd-Frank Wall Street Reform and Consumer Protection Act (United States) and the Conflict Minerals Regulation (EU) aim to cut off funding sources for armed groups by requiring manufacturers that use conflict minerals to disclose and report on usage.

1.8 Establishment of Whistleblowing /Consultation System and Prohibition of Retaliation

Establish a whistleblowing and consultation system that can be used by stakeholders (including workers and suppliers) in order to prevent misconduct within your company and your supply chain, and to promptly respond if such misconduct occurs. In addition to maintaining confidentiality for information of individuals who have submitted a whistleblowing report or consultation, take appropriate measures to protect those individuals so that they do not suffer retaliation or other disadvantages due to their report or consultation. Respond promptly and appropriately to the contents of reports and consultations in accordance with laws and regulations, as well as your company's code of conduct and conduct guidelines.

Items which must be implemented

- Establish an appropriate consultation/whistleblowing contact point that can be easily used by all related parties, and inform related parties of how to use the contact point.
- Establish mechanisms to protect whistleblowers.

Establish independent whistleblowing/consultation contact points inside and outside your company so that stakeholders can file complaints anonymously. This will enable management to quickly identify and respond to problems. The following efforts are important for effectively operating the whistleblowing and consultation system.

- To ensure that the whistleblowing/consultation contact point can be used by stakeholders, increase access to the whistleblowing/consultation contact point as much as possible (inform related parties of the whistleblowing/consultation contact point, ensure availability in the language of users, ensure availability without worrying about costs, ensure availability from any location, etc.).
- Maintain confidentiality for personal information of all whistleblowers and consultees, and guarantee that they will not be subject to disadvantageous or retaliatory measures from the organization.
- Maintain transparency regarding information on procedures when using the whistleblowing/consultation contact point (flow of procedures after receipt of whistleblowing/consultation, required time, progress of processing of whistleblowing/consultation, etc.).
- In addition to keeping a record of responses, work to prevent the occurrence of future problems by periodically analyzing the frequency, pattern, and factors of whistleblowing and consultation.

2. Human Rights and Workers' Rights

2.1 Respect for Internationally-Recognized Human Rights and Labor Standards

Support and respect internationally-recognized human rights and labor standards, including the International Bill of Human Rights and the ILO Core Labor Standards.

Items which must be implemented

- Understand and comply with applicable laws and regulations on human rights and labor in each country and region.

Items for which we request implementation

- Respect international standards and norms related to human rights and labor. When there are differences in laws and regulations applicable in each country or region, strive to respect the higher standards.
- Respect international standards and norms related to human rights and labor. When there are conflicts among applicable laws and regulations in each country or region, pursue ways to respect internationally-recognized human rights while complying with those laws and regulations.
- Establish labor-related policies and rules based on international human rights and labor standards, and clearly state the company's position on human rights issues such as discrimination, harassment, forced labor, and child labor.

The International Bill of Human Rights consists of the Universal Declaration of Human Rights and its main treaties; specifically, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. The ILO Core Labor Standards consist of "freedom of association and the effective recognition of the right to collective bargaining," "prohibition of all forms of forced or compulsory labor," "effective abolition of child labor," and "elimination of discrimination in respect of employment and occupation."
Other international norms that corporations must comply with when respecting human rights include the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the UN Global Compact.

2.2 Prohibition of Discrimination

Prohibit and eliminate discriminatory acts based on nationality, race, ethnicity, religion, beliefs, gender, age, sexual orientation/gender identity, and existence of any disabilities. Also do not impair equal opportunity, etc., in hiring and employment.

Items which must be implemented

- Establish policies and regulations that clearly state non-discrimination as criteria for hiring, assignment, training, promotion, etc.
- Hold training on the prohibition of discrimination.
- Establish and raise awareness of channels for reporting and seeking advice on

discrimination. If discrimination occurs, verify the facts and take steps to provide remedy to those affected, take corrective action, and prevent recurrence (related guidelines: 1.6 Establishment of Whistleblowing/Consultation System and Prohibition of Retaliation).

Discrimination refers to differences in opportunities and treatment in hiring, job seeking, promotion, remuneration, educational opportunities, work assignments, wages, benefits, punishment, dismissal, etc., due to factors that are not based on a person's qualifications, skills, experience, ability to perform work, etc. For example, using pregnancy tests or birth control as a condition of hiring or continued employment, using the results of medical examinations unless necessary for safety and health reasons, and asking female job applicants and workers whether they are pregnant are also types of discrimination.
Sexual orientation is the concept of where a person's love/sexuality is directed toward (or not toward). Examples include lesbian, gay, bisexual, or asexual (no feelings of love/sexuality toward any gender).
Gender identity is the concept of how an individual perceives their own gender (emotional gender), regardless of biological sex (physical gender). Transgender is a state in which a person's physical gender and emotional gender are different. These concepts are sometimes abbreviated as "SOGI," which is an acronym for "Sexual Orientation & Gender Identity."

2.3 Prohibition of Harassment

We prohibit all forms of harassment for individuals in the workplace, including sexual harassment and power harassment, and do not tolerate such remarks or actions.

Items which must be implemented

- Clearly define disciplinary policies and procedures related to harassment, and communicate those policies/procedures to employees.
- Conduct training for executives and employees to prevent damage from harassment.
- Establish a whistleblowing/consultation contact point to identify and help workers who have suffered damage (related guidelines: 1.6 Establishment of Whistleblowing/Consultation System and Prohibition of Retaliation).
- Upon receiving a report or a request for advice, promptly verify the facts and

take steps to protect those affected, take corrective action, and prevent recurrence.

Harassment refers to remarks, actions, etc., that are directed at another person and make that person feel uncomfortable, hurt their dignity, or put them at a disadvantage, regardless of the intention of the person who made the remarks/actions. In addition to occurring between workers, harassment also includes cases where workers are harassed by customers, etc., and cases where workers harass stakeholders such as business partners.
Sexual harassment refers to sexual remarks or actions that make the other party feel uncomfortable. This includes remarks or actions that cause the victim to suffer from mental distress, that result in disadvantage such as dismissal or pay cuts due to refusing the sexual remarks/actions, or harm the workplace environment.
Power harassment refers to remarks and actions that are based on workplace hierarchies (work position, relationships, etc.) and that go beyond the appropriate scope of work, thereby causing mental or physical pain or harming the workplace environment.

2.4 Freedom of Association and Right to Collective Bargaining

Based on laws and regulations, respect the rights to freedom of association and collective bargaining, and engage in sincere discussions and dialogue with employees.

Items which must be implemented

- Inform employees that they can freely choose to join (or withdraw from) labor unions without suffering any disadvantage. Do not interfere with the establishment, management, operation, or collective bargaining of labor unions.
- Provide opportunities for workers or their representatives to discuss working conditions and the work environment with management, taking into account local laws and regulations.

Items for which we request implementation

- Work to resolve issue between labor and management by providing employees with alternative means to negotiate individually and collectively, even when local laws or conventional customs effectively restrict freedom of association. These

alternative means include establishing a system for raising opinions and concerns through employee representatives, supervising employees who raise concerns so that they do not suffer any adverse consequences, and informing employees of these measures.

Freedom of association means the right of employees to form and join (or decline to form or join) labor unions of their own choice, subject to applicable laws and regulations.
The right to collective bargaining refers to the right to use labor unions and employee representatives to ensure constructive dialogue with management on working conditions and management practices.

2.5 Prohibition of Forced Labor

Eliminate and prevent all forms of forced labor.

Items which must be implemented

- Establish a clear policy of not using, being complicit in, or profiting from forced labor.
- As an effort to ensure the effectiveness of the policy, ensure that all relevant executives and employees have a thorough understanding of what constitutes forced labor.
- Make all overtime work voluntary for workers. Inform workers that all workers have the right to refuse to work overtime.
- Comply with applicable laws and regulations and previously agreed terms on working hours, and do not require workers to work excessive hours.

Items for which we request implementation

- For situations in which it is insufficient simply to comply with provisions on forced labor in national legislation, consider international standards (ILO conventions, etc.).

Forced labor refers to any labor or service performed involuntarily and under coercion due to the threat of some form of punishment. Punishment includes confinement, violence, the threat of violence, and restrictions on the freedom of workers to leave the workplace.
Forced labor takes many forms. Examples of those forms are listed below. The provision of wages or other remuneration does not necessarily indicate that forced labor is not occurring.

- Slave labor as a result of human trafficking
- Bonded labor under conditions in which debt restricts a worker's freedom to quit a job
- Labor performed by having the employer take possession of a passport, identity card, or work permit
- Labor that is done by falsifying labor conditions, etc.

2.6 Prohibition of Child Labor

Eliminate and prevent all forms of child labor.

Items which must be implemented

- Establish a clear policy of not engaging in or using child labor.
- When hiring employees, use official documents (government-issued photo ID) to confirm and document the age of each employee.
- If you use an intermediary to recruit employees, ensure that the intermediary implements a similar process for age confirmation.

Items for which we request implementation

- In countries/regions where there is a risk of official documents being forged, directly confirm age with the related parties.

Child labor generally refers to the employment of children under the age of 15, under the legal employment age per the laws and regulations of that country/region, or under the age at which compulsory education is completed in that country/region, whichever of these ages is highest. It also refers to persons under the age of 18 (young workers) engaged in dangerous and harmful work that may impair the health, safety, or ethics of those persons. However, as a transitional period, developing countries with insufficiently developed economies and educational institutions may establish a minimum working age of 14 years old. In some cases, the working age may differ depending on the type of work.
Child labor does not include “reasonable on-the-job training programs for educational purposes” consistent with Article 6 of the ILO Minimum Age Convention No. 138 or “providing light labor” consistent with Article 7 of the same Convention.

2.7 Responsible Recruitment and Employment

Comply with relevant laws and regulations, and conduct hiring based on ethical practices. When using a recruitment agency, use an agency that is appropriately licensed and complies with workers' rights.

Items which must be implemented

- Hiring fees and other costs related to employment will not be solicited from candidates in a manner considered unfair under international norms.
- Provide all employees with an employment contract containing the terms and conditions of employment, including the freedom to resign and resignation procedures.
- When hiring foreign migrant workers (including foreign technical intern trainees), present the employment contract and working conditions in a language that the employee can understand, and ensure that the employee receives the employment contract before leaving their home country. Do not substitute or change the employment contract at the time of arriving in the host country, unless providing conditions which satisfy local law and are at least equivalent to the original contract.
- Except as required by law, employers, recruitment agencies and their contractors must not retain, destroy, conceal, or confiscate government-issued identification,

identification such as passports or work permits, or immigration documents. Even in cases where retention is required by law, ensure that employees have access to these documents at all times.

Recruitment agencies refer to both public employment agencies and private employment agencies, and all other intermediaries or agents that provide recruitment, placement, and referral services.
When dealing with hiring fees and other costs related to employment, refer to the ILO “general principles and operational guidelines for fair recruitment and the definition of recruitment fees and related costs.”

2.8 Wages and Benefits

Comply with relevant laws and regulations, pay employees at least the minimum wage, and avoid unfair wage deductions.

Items which must be implemented

- Check the statutory minimum wage in each country/region and ensure payment of a wage above the minimum wage.
- Do not require employees to work in excess of normal legal working hours (whether calculated on an hourly, daily, weekly or monthly basis) in order to earn the minimum wage.
- For work in excess of the legal working hours, pay the higher of overtime pay according to laws/regulations or overtime pay according to the labor agreement.
- Do not deduct from wages or statutory benefits as a disciplinary action. Only deduct from employees’ wages as permitted by laws and regulations or the collective bargaining agreement.
- Calculate wages and allowances accurately, pay them by the designated due date, and provide workers with a breakdown of these payments.

Items for which we request implementation

- Pay employees at a level that considers the living wage. Living wage refers to a wage level that is sufficient to meet the needs of employees and their families and to ensure an adequate standard of living. Elements of an adequate standard of living include food, water, housing, education, health care, transportation, clothing, provisions for contingencies, and other essential needs. Minimum wages are

expected to guarantee the minimum salary necessary for employees and their families to meet their basic needs. Since the minimum wage may be lower than the living wage, it is socially expected that consideration should be given to the living wage when paying wages.

Minimum wage means the minimum amount of wages to be paid as stipulated by the laws and regulations of a country or region. This section (2.8) also includes overtime pay and statutory benefits.
Unfair wage deductions refer to wage deductions that violate labor-related laws, regulations, etc. Examples of unfair wage deductions are deductions for uniform costs not agreed upon in labor-management agreements, costs for personal protective equipment necessary for work, and cleaning costs for uniforms. However, non-payment corresponding to hours not worked due to being late or absent from work is not included in unfair wage deductions.

2.9 Prohibition of Long Working Hours

Comply with laws, regulations, and any applicable labor-management agreements, properly manage working hours so as not to exceed legal limits, and prevent illegal long working hours.

Items which must be implemented

- Comply with the legal working hours of the country where you conduct business, manage working hours so as not to exceed the upper limit on hours (including overtime), and strive to shorten working hours. Provide workers with holidays in accordance with laws and regulations, and give all workers the right to annual paid leave as stipulated by laws and regulations.
- Accurately record and store the working hours of all workers, including those of workers whose wages are paid on a fee-for-service basis. Ensure that workers have access to their own records of working hours.

Items for which we request implementation

When possible, strive to comply with the following labor standards required by international labor standards:

- Prescribed working hours, excluding overtime, shall be stipulated in the employment contract and shall not exceed 48 hours per week or the legal limit, whichever is stricter.

- Overtime work by workers shall be voluntary and shall not exceed 12 hours per week. Each worker's actual working hours shall not exceed 60 hours per week, except in emergency or extraordinary circumstances.
- Workers shall be able to take at least one day off (24 hours) once every seven days.

In order to prevent long working hours, it is necessary to comply with laws, regulations, and labor-management agreements. On the other hand, in countries/regions where legal systems are not sufficiently developed, it is necessary to manage working hours based on ILO international standards.
Emergencies or extraordinary circumstances refer to situations where overtime work is required due to unforeseen events. For example, equipment failures, power outages, or other emergencies that stop the production line for an extended period of time; or unexpected shortages of raw materials/parts or quality issues that stop production. On the other hand, holidays, production demand during busy periods, new product launches, etc. are predictable and require proper planning to minimize the need for overtime work.

3. Occupational Safety and Health

3.1 Ensuring Workplace Safety

Identify and assess risks related to occupational safety in the workplace. Ensure safety through appropriate design, technology, and control measures. Evaluate the safety risks of machinery and equipment used in operations, and take appropriate safety measures.

Items which must be implemented

- Establish policies and regulations on occupational safety.
- Evaluate risks related to occupational safety, consider countermeasures against risks, and formulate and implement plans to ensure occupational safety.
- Comply with policies and regulations, and appoint a responsible person and staff in charge of managing the plan.
- In accordance with laws and regulations, keep permits, inspection certificates, and licenses for machinery and equipment up-to-date without expiring.

- Prepare manuals and procedures for the safe use of machinery and equipment in languages that workers can understand.
- Make reasonable accommodations for employees who are pregnant, have recently given birth, or are breastfeeding. An example of reasonable accommodation is relocation from hazardous work environments. Hazards include lifting/moving heavy objects, exposure to infectious diseases, exposure to lead, exposure to toxic chemicals, working in postures that cause strain or discomfort, exposure to radioactive materials, long working hours, excessive heat, excessive noise, etc.

Items for which we request implementation

- Periodically check the structure of buildings and their safety in the event of a fire.
- Establish a health and safety committee to periodically evaluate the effectiveness of operations.
- If it becomes necessary for a worker to breastfeed a child being raised under the age of 1, take measures such as establishing an appropriate rest period for childcare such as breastfeeding or breast pumping, as well as providing a safe and clean place that cannot be accessed by colleagues/the general public and is blocked from view.

Occupational safety risks in the workplace include potential risks such as accidents and health problems occurring during work due to chemical substances, electricity and other energy sources, fire, vehicles/moving objects, slippery/uneven floors, falling objects, etc.
Appropriate design, technology, and control measures refer to the elimination or reduction of hazards through step-by-step controls such as the following:

① Elimination of risk factors or substitution of safe ones
② Engineering controls (for example, monitoring of hazardous areas with sensors, blocking by locking power sources supplied to machines and devices (lock-out))
③ Management during operation (for example, installation of a tag clearly stating that operation of the energy blocking device is prohibited while the power source being blocked (tag-out))
④ Provision of personal protective equipment (safety glasses, safety helmets, gloves, etc.)

Appropriate safety measures for machinery and equipment refer to management to prevent accidents and health problems that occur during work. Examples include the adoption of safety mechanisms such as fail-safe, fool-proof, interlock, and tag-out, the installation of safety devices and protective barriers, and the implementation of periodic inspection and maintenance for machinery and equipment.
Fail-safe refers to always controlling operations in a safe manner in the event of a malfunction or failure, under the premise that machinery, equipment, and systems will inevitably fail.
Fool-proof means equipping machinery, equipment, or systems with a structure or mechanism that prevents dangerous operation in the event of a malfunction or incorrect operation, or that prevents malfunction or incorrect operation in the first place.
An interlock is a mechanism that prevents machinery, equipment, or systems from operating unless certain conditions are met.

3.2 Preparedness for Emergencies

In preparation for fires, earthquakes, tornadoes, and other emergencies that threaten the safety of human life and physical safety, create action procedures

and implement safety measures necessary to avoid or minimize damage, and thoroughly raise workplace awareness for those procedures/measures.

Items which must be implemented

- Evaluate/identify emergencies and abnormal situations in advance and formulate countermeasures.
- Periodically conduct evacuation drills for all workers, including night shift workers.
- Ensure that all workers know the location of emergency exits for use in emergencies, and keep evacuation routes clear from obstructions.
- Based on laws and regulations, install appropriate fire extinguishing equipment and instruct workers on how to use that equipment.
- Document and retain records of evacuation drills, inspection of fire extinguishing equipment, etc.

Action procedures and safety measures in the event of an emergency include emergency reporting procedures, worker notification, clarification of evacuation procedures, provision of evacuation facilities, clear and unobstructed exits, appropriate exit facilities, emergency medical supplies, installation of fire detection systems, installation of fire extinguishers, fire doors, and sprinklers, securing means of external communication, development of recovery plans, and storage of stockpiles (medicine, first aid supplies, preserved food, etc.).
Raising workplace awareness includes educating workers on emergency response (including evacuation drills), and storing and posting emergency response procedures, etc., in places within easy reach in the workplace.

3.3 Prevention of Occupational Accidents and Illnesses

In order to prevent the occurrence of occupational accidents and occupational illness, if an accident, trouble, etc., occurs, identify, evaluate, record, and report on the situation of occurrence, and take appropriate countermeasures and corrective actions.

Items which must be implemented

- In the event of an accident or trouble related to occupational safety, formulate and implement a plan to prevent recurrence.
- Have workers engaged in work that may adversely affect their health (work involving high-pressure, radiation, specific chemical substances, organic solvents,

etc.) undergo a special medical examination.

- Maintain records of occupational accidents and illnesses (including records of reports to labor inspection agencies) and records of education/training held for first aid responders.
- Prepare first aid kits at designated locations. Inform workers of the contents of the kits and the designated locations.

Items for which we request implementation

- Periodically conduct trend analysis of data on occupational accidents and illnesses (number, type, etc., of occupational accidents and illnesses) in order to prevent the occurrence of occupational accidents and illnesses.
- Prepare equipment and tools (AEDs, etc.) at designated locations for initial response in the event of an accident or disaster. Inform workers of the designated locations.

Identification, evaluation, recording, reporting, appropriate countermeasures, and corrective actions in the event of an accident specifically include encouraging workers to report; conducting surveys/analysis to identify direct causes/root causes and inadequacies in the management system leading to accidents and illnesses; classifying and recording accidents and illnesses; providing medical treatment as necessary; implementing corrective measures to eliminate causes; establishing systems and measures which make it possible to support worker's return to the job, etc.; enrolling in occupational accident insurance, etc.

3.4 Industrial Hygiene

Identify and appropriately manage situations involving contact with chemical substances, living organisms, noise, odors, etc., that may have a harmful effect on the human body.

Items which must be implemented

- Provide workers with personal protective equipment (e.g. safety glasses, safety helmets, gloves, etc.) free of charge as needed. Hold education and training on how to correctly use that equipment.
- Maintain SDS (Safety Data Sheets) for all chemical substances in languages that workers can understand. Notify workers of the contents and storage locations of those chemical substances.

- Ensure that the age of workers who handle chemical substances is 18 years or older. Establish mechanisms to avoid handling by workers under the age of 18 and by pregnant women.

> Chemical substances that can have harmful effects on the human body include soot, steam, mist, dust, poisonous substances, radiation, and substances that cause chronic diseases (lead, asbestos, etc.). This classification also applies to large amounts of noise, odors, air pollution, and vibration.
> Examples of appropriate management are establishing and implementing management standards, holding education and training for workers, and providing appropriate personal protective clothing and equipment (related guidelines: 4.6 Chemical Substance Management).

3.5 Physically Demanding Work

Identify physically demanding work and work that may damage health, and implement appropriate management to prevent occupational accidents and illnesses.

Items which must be implemented

- Identify physically demanding work, evaluate risks, and take action to reduce risks.

> Physically demanding work includes heavy labor such as manual transportation of heavy objects, as well as repetitive and continuous work over a long period of time (for example, assembly procedures and data entry).
> Appropriate management includes periodic short breaks, the introduction of work aids, and sharing of burden and cooperation by multiple workers.

3.6 Safety and Health Communication

Provide opportunities for education and training in languages that workers can understand to enable learning about occupational hazards that may affect the safety and health of workers, as well as related protective measures. Also, establish mechanisms for workers to express their concerns and opinions regarding workplace safety.

Items which must be implemented

- Clearly post health and safety information in facilities in languages that workers

can understand, or place such information in locations that are identifiable and accessible by workers.

- Provide education and training to all workers before starting work and periodically thereafter, and to all relevant workers when new facilities or machinery is introduced.
- Keep a record of holding education and training.
- Encourage workers to raise safety concerns without fear of reprisal, harassment, or other repercussions.

> Education and training includes proper use of personal protective clothing and equipment, emergency response, safe operating procedures for machinery, and preparation before entering hazardous environments.

3.7 Ensuring an Environment with Appropriate Sanitation, Food, and Housing

Provide workers with clean restrooms and drinking water. Maintain a safe and healthy environment when providing food and housing.

Items which must be implemented

- Install an appropriate number of restrooms according to laws/regulations or the number of workers.
- In regard to the use of restrooms, consider gender, individual privacy, convenience, and hygiene, and do not interfere with the right to freely use restrooms.
- Ensure that housing provided to workers complies with laws and regulations related to safety, health, and security, including fire safety, hygiene management, electricity, and structural safety. Obtain all necessary permits and licenses.
- Keep restrooms and showers in housing clean. Equip all rooms with adequate ventilation and general air conditioning where necessary.
- When providing food to workers, ensure that health standards of the cafeteria comply with laws and regulations, and obtain all necessary permits and licenses.

> A safe and healthy environment means an environment that is clean and hygienic, and has safe drinking water, fire control measures, ventilation, temperature control, emergency evacuation routes (exits), safe storage of personal belongings, etc.

3.8 Promoting the Health of Workers

Perform appropriate management to ensure the physical/mental health of workers and to prevent health disorders.

Items which must be implemented

- Ensure that all employees have the opportunity to undergo periodic health checkups.

Items for which we request implementation

- Ensure that all employees have the opportunity to undergo periodic stress checks.
- Based on the results of health checkups and stress checks, if necessary, provide support for treatment and counseling by specialists such as medical institutions and counselors.
- Provide workers with support programs to address health risks not directly related to their work. Examples of support programs include programs for quitting smoking, dietary advice, and gym and fitness programs.

Appropriate management refers to the implementation of health checkups, etc., at the level stipulated by laws and regulations, and the prevention and early detection of illnesses among workers. It is also necessary to give sufficient consideration to preventing health problems caused by overwork, providing mental health care, etc.

4. Environment

4.1 Compliance with Environmental Laws and Regulations

Comply with environmental laws and regulations, obtain and maintain necessary permits and licenses related to environmental conservation, and comply with requests regarding related operation and reporting.

Items which must be implemented

- Also keep all permits and licenses up-to-date without expiring. Conduct all required in-house activities and reports to external parties.

The following are examples of permits, etc., mainly in Japan.

[Environmental Permits] Business licenses based on the Waste Management and Public Cleansing Act, permits for manufacturing and importing chemical substances under the Act on the Regulation of Manufacture and Evaluation of Chemical Substances

[Inspection Certificates] Inspection based on Article 11 of the Purification Tank Act, inspection of underground tank leakage

[Registration Certificates] Environmental management system registration certificates issued by third-party certification bodies such as ISO14001 and EMAS

[External Reporting] Response to requests from the national government, local governments, customers, and other stakeholders. This includes notifications related to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act), laws regarding conserving the amount of energy consumption, and other environmental laws and regulations.

In Japan, there are cases in which it is necessary to appoint a manager or responsible person who has acquired the qualifications stipulated by laws and regulations (manager of specially controlled industrial waste, qualified person for energy management, pollution control manager, manager of poison/deleterious substances, manager of specified chemical substances, manager of hazardous items, etc.).

Furthermore, depending on factors such as the nature of operations or the location of the factory, there are cases which require administrative approval and licenses for environmental impact assessments, hazardous material handling facilities, etc.

4.2 Construction of Environmental Management System

Construct and operate a company-wide management system for environmental conservation, and continuously reduce environmental impact.

Items which must be implemented

- Establish policies and regulations on environmental conservation.
- Comply with policies and regulations related to environmental conservation, and appoint a responsible person and staff in charge of managing activity plans for environmental conservation.
- As efforts for environmental conservation, identify the negative impact of your company on the global environment, and formulate and implement activity plans to avoid or reduce that impact.

Items for which we request implementation

- Construct an appropriate management system and management system according to the scale and industry of your company.

> The construction and operation of an environmental management system (EMS) is one method for minimizing environmental impact.
> In operation, continuous improvement is achieved by the PDCA cycle, which is an acronym for Plan, Do, Check, and Act.
> Representative EMS: ISO14001, Eco-Action 21 (Japan), etc.

4.3 Response to Climate Change

In order to contribute to the resolution of climate change issues, in addition to your business activities, minimize the amount of energy consumed and the amount of GHG emissions by promoting the efficient use of energy and the expanded use of renewable energy throughout the life cycle of your products and services.

Items which must be implemented

- Ascertain the amount of energy consumed and the amount of GHG emissions (Scope 1 and 2).
- Set reduction targets for the amount of GHG emissions (Scope 1 and 2) and work to reduce emissions.

Items for which we request implementation

- Ascertain the amount of GHG emissions for Scope 3.

The life cycle of products and services refers to a series of processes from the planning/design stage to resource extraction, raw material production, product/service production, distribution, consumption, disposal, and recycling.
Renewable energy is energy that exists abundantly in the natural environment, does not deplete resources, and does not emit CO2. Examples include solar power, wind power, water power, wave power/tidal power, terrestrial heat, geothermal heat utilization, biomass, etc.
Although there are various types of GHG, they refer particularly to the group of six substance specified by the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride.

To minimize greenhouse gas emissions, it is necessary to measure emissions, set emission reduction targets, and promote reduction efforts. When calculating emissions, refer to the internationally-recognized Greenhouse Gas Protocol.

English:
https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

Japanese translation
https://ghgprotocol.org/sites/default/files/standards/corporaterevised-edition-japanese.pdf

The GHG Protocol defines the following three management categories.

- Scope 1: Direct GHG emissions occur from sources such as combustion of fuel by the company
  (direct emissions: combustion of fuel, industrial processes, etc.)
- Scope 2: GHG emissions emitted when electricity, heat, and steam purchased from other companies are produced by other companies
  (indirect emissions)
- Scope 3: Indirect emissions other than Scope 1 and Scope 2

4.4 Efficient and Cyclical Use of Resources

In addition to complying with laws and regulations related to the appropriate processing, recycling, etc., of waste, reduce the amount of waste generated in your business activities and promote the efficient and cyclical use of resources.

Items which must be implemented

- Appropriately process industrial waste in accordance with laws and regulations.
- Understand the source and amount of waste generated in business activities, and work to reduce waste.

Items for which we request implementation

- At the product planning and design stage, strive to use environmentally-friendly raw materials, including recycled products and recycled materials.
- Strive to design and develop products that are easy to reuse and recycle through measures such as adopting structures that facilitate secondary use, separation, and disassembly of used products.

According to laws and regulations, classification of waste into industrial waste that has a direct adverse impact on people and the environment, and other general waste. For the processing of industrial waste, utilization of licensed contractors, preparation of the necessary written records and manifests (management documents confirming appropriate processing of waste) in accordance with laws and regulations, and submission of these written documents to governmental agencies, regulatory agencies, and relevant third parties (carriers and recipients) as necessary.

4.5 Prevention of Pollution

In accordance with laws and regulations, appropriately manage emissions into the air, water, and soil, prevent or reduce the emission of pollutants, and reduce raw materials that cause emission of pollutants.

Items which must be implemented

- Ascertain the amount of pollutants emitted into the external environment and report those amounts to the government in accordance with laws and regulations.
- Immediately report to the relevant authorities in the unlikely event of contamination or accident.
- Strive to reduce emissions of pollutants.

Items for which we request implementation

- Promote the switch to alternative substances and manufacturing processes that do not emit pollutants or that emit less pollutants.

Pollutants are substances for which continuous exposure or ingestion may harm the health of humans or other living organisms, and which cause pollution in air, soil, or water.

4.6 Chemical Substance Management

Based on laws and regulations, identify and appropriately manage chemical substances and other hazardous substances that adversely affect the human body, other living organisms, and the environment. Clearly indicate any such substances that are contained in your product, and safely handle the substances throughout the entire life cycle, including manufacturing, transport, storage, use, recycling, reuse, and disposal.

Items which must be implemented

- Identify and appropriately manage chemical substances that should not be contained in products and raw materials at the manufacturing stage.
- Ascertain the amount of hazardous chemical substances emitted into the external environment and work to reduce the amount of such emitted substances.
- Report the amount of emitted hazardous chemical substances to the government in accordance with local laws and regulations.
- Identify and evaluate potential adverse effects on the human body and the surrounding environment during the manufacturing stage and the subsequent stages of transport, storage, use, and disposal. Document and organize the related management procedures.
- Educate and train all workers who handle chemical substances or who may be affected by chemical substances. Education and training includes standard work procedures to be obeyed in the work area, methods for introducing or changing to new chemical substances or processing procedures, procedures for responding to emergencies, etc.
- In accordance with the manufacturer's instructions, store chemicals in containers that are free from damage and leaks and that are made of suitable materials. Store the containers in locations which avoid the possibility of being impacted by weather or other external environmental influences.

Items for which we request implementation

- In accordance with product stewardship, in order to minimize the negative impact

of products on human health/safety and on the natural environment, give consideration to safe handling throughout the entire life cycle (development, procurement, production, distribution, sales, use, disposal/recycling) for products containing chemical substances which were manufactured or sold by your company.

Failure to properly manage chemical substances during manufacture, use, storage, disposal or transport creates the risk of hazardous chemical spills, fire, health hazards and environmental pollution. Appropriate management includes risk assessment of the chemical substance assumed at the stages of manufacturing, transport, storage, use, and disposal, countermeasures to reduce such risks, and, as necessary, identification of third parties/individuals with the necessary professional qualifications for handling such chemical substances. Product stewardship refers to responsible care activities that protect the health and safety of people and the environment throughout the value chain by disclosing risk information related to product safety, and by sharing and collaborating with stakeholders.

4.7 Appropriate Use of Water

Conserve water resources used in your business activities and the production of raw materials through appropriate management and efficient use of water resources.

Items which must be implemented

- Comply with laws and regulations regarding water use and drainage. In particular, prevent illegal discharge of wastewater by obtaining permits, licenses, registrations, and regulatory approval related to wastewater, and by maintaining and managing those permits, etc., in a valid or up-to-date status.
- Ascertain the water source and amount of water resources used by your company, and work to reduce the amount of water used.

Items for which we request implementation

- Confirm water stress at your company's business sites and upstream in the supply chain, assess and identify water-related risks in the case of high water stress, and take countermeasures against risks.

Efficient use of water includes working to reuse wastewater and using various technologies to collect rainwater, reduce water intake, conserve water, and recycle water.

Water is a finite resource. You are expected to manage the amount of water used and discharged in your business activities. You are also expected to confirm whether your company's business site is located in an area with high water stress, what kind of water risks exist, and how to deal with those risks.

Water-related risks include increased water stress and water pollution in local communities due to your company's use of water, as well as the resulting increased costs of using water resources, deterioration of relations with local communities over access to water resources, and loss of operating permits.

Generally speaking, as an index to express the degree of tightness in the supply and demand of water, water stress often uses "maximum usable water resources per capita." There are tools such as Aqueduct (created by the World Resources Institute (WRI)) used to identify areas with high water stress.

4.8 Conservation of Biodiversity

Understand the impact of business activities on biodiversity and reduce the negative impact of those activities. Also, work to create positive impact when possible.

Items for which we request implementation

- In the value chain, understand how your company's business activities impact biodiversity and how those activities are dependent on the ecosystem services generated by biodiversity.
- Consider approaches that avoid/reduce negative impacts and create positive impact when possible.

Biodiversity refers to the variety of differences in life forms on the Earth. It is a term that expresses the abundance of nature that exists on the Earth.
The majority of our daily lives and socioeconomic activities depend on the various benefits that are produced by biodiversity (this is called “ecosystem services”). Examples of ecosystem services include supply services that supply food and raw materials, regulatory services that purify water and air and mitigate damage from disasters, and cultural services such as beautiful landscapes and tourism.
There has been significant loss of biodiversity and ecosystem services over the past 50 years. In the long term, it is possible that business activities themselves will be affected. Therefore, it is important to understand how each business depends on and impacts nature in the value chain.
In the production and processing business, it is necessary to take measures to reduce the adverse impact on biodiversity based on the impact on the surrounding environment due to the amount of water intake/discharge, water quality management, discharge of chemical substances/waste, etc. (related guidelines: 4.4 to 4.8).
Furthermore, there are reports of negative impacts on biodiversity due to deforestation during the extraction and cultivation of raw materials (for example: wood, palm oil, natural rubber, etc.). In order to identify potential risks of damage to biodiversity or positive impacts on biodiversity conservation, companies are expected to collect a wide range of information on top upstream supply chains and producers, and to utilize expert knowledge to evaluate the impact of your company.

※ Value chain: As defined in ISO26000, this term refers to a series of activities or the entirety of parties that provide or receive value in the form of products or services. In addition to upstream suppliers, it also includes downstream parties such as customers and consumers.

5. Safe and Quality

5.1 Construction of Quality Management System

Construct and continuously operate/improve company-wide management

mechanisms for securing and improving quality.

Items which must be implemented

- Establish policies related to quality control and quality assurance.
- Appoint a responsible person/person in charge of complying with policies.
- Identify issues for improving the quality of products and services, and formulate and implement necessary activity plans.

Items for which we request implementation

- Construct an appropriate management system and management system according to the scale and industry of your company.

Especially in industries (manufacturing industry, etc.) where quality control is emphasized, the construction and operation of a quality management system (QMS) is expected as a means of complying with your company's own quality standards and customer requirements. In operation, achieve continuous improvement by the PDCA cycle, which is an acronym for Plan, Do, Check, and Act. Representative QMS include the set of ISO9000 standards and ISO/TS16949.

Moriroku Technology has also created a Quality Assurance Guide for Business Partners which lists requirements for quality assurance. We also request related efforts in our basic transaction contracts.

5.2 Ensuring the Safety of Products and Services

Comply with laws and regulations related to the safety of products and services, and ensure the safety and health of users.

Items which must be implemented

- In addition to complying with statutory quality standards related to product safety, develop and supply products that meet the quality requirements of the Moriroku Group.
- When developing products and services, conduct design to ensure sufficient safety. In product sales and after-sales service, comply with the Product Liability Act.

In Japan, laws and regulations related to the safety of products and services include the Act on the Regulation of Manufacture and Evaluation of Chemical Substances, the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement, the Product Liability Act, and the Safety Standards of the Road Transportation Vehicles. Safety standards include detailed enforcement rules for laws and regulations, JIS, etc. Laws and regulations outside Japan include the RoHS Directive, the EU REACH regulation, the US Federal Motor Vehicle Safety Standards (FMVSS), the Toxic Substances Control Act (TSCA), the ECE standards of the United Nations Economic Commission for Europe (UNECE), and the Australian Design Rules (ADR). Safety standards include UL, BSI, and CSA.

To ensure product safety throughout the supply chain, it is important to establish internal and external traceability (history of materials, parts, processes, etc.).

5.3 Providing Accurate Information on Products and Services

When providing information on products and services, in order to contribute to the rational selection of final consumers and users, comply with relevant laws and regulations, do not omit or misrepresent information that is important to final consumers and users, and provide factual, unbiased, and comparable information.

Items which must be implemented

- If the information on products and services contains important information for final consumers and users, establish and comply with internal rules and procedures for confirming that information does not cause any disadvantage to final consumers and users when providing the information on products and services.

Factual, unbiased, and comparable information refers to complete, accurate, non-misleading, and comparable information on product and service specifications, quality, and handling methods, materials contained in components and parts used in products, social and environmental considerations, etc. In the display and advertising of catalogs, etc., related to products and services, perform management to prevent the use of misleading categorical expressions, false or exaggerated explanations of products and services (misleading representations, etc.), and content that slanders, discriminates, or infringes on the rights of other corporations or individuals.

6. Business Continuity Plan (BCP)

6.1 Formulating and Preparing a Business Continuity Plan (BCP)

In preparation for emergencies such as disasters, establish measures for business continuity and a business continuity plan (BCP).

Items which must be implemented

- Identify core businesses that should be prioritized for continuation and restoration.
- Identify and evaluate emergencies that impact the business continuity of core businesses.
- Take measures to avoid or minimize damage to business activities in the event of an emergency (storage of data and documents that should not be lost or destroyed, preparation of lists for documents to be removed in an emergency, etc.).
- Prepare alternative measures for business sites, production facilities, and procurement of purchased goods.
- Communicate with all workers about business continuity.

Items for which we request implementation

- Set a target recovery time for core businesses in an emergency.
- Hold advance consultation with customers regarding the level of products and services that can be provided in an emergency.
- Obtain opinions from experts about the measures and plans for the business plan

that your company has considered.

If there is the possibility of an emergency situation impacting the business of your company or your business partners, it is necessary to prepare to continue business activities or resume production activities as soon as possible in order to fulfill your supply responsibility. For that purpose, identify and evaluate in advance the risks that interfere with business continuity, carefully examine the impact on business, and formulate a BCP that summarizes necessary preventive measures over the medium- to long-term.
An emergency refers to a situation that may cause serious damage or impact on core businesses due to large-scale natural disasters, disease epidemics, terrorism, riots, accidents, or other man-made disasters.
Core businesses refer to the most important (or urgent) businesses from the perspective of a company's survival and its responsibility to supply to society.
A business continuity plan (BCP) refers to predetermined plans or countermeasures for activities that should be performed during normal times and for methods, means, etc., to ensure business continuity in an emergency, with the aim of continuing the operation of core businesses or restoring that operation as soon as possible in the event of an emergency, while also minimizing damage to business assets.

7. Contribution to Regional Society

7.1 Contribution to Regional Society

While broadly contributing to society through our business activities, we will respect local traditions, cultures, customs, etc., and implement activities that meet the demands and expectations of local communities.

Items for which we request implementation

- If it is possible to utilize your company's resources to contribute to the better development of local communities, consider and implement related activities (participation in activities promoted by local governments and local communities, contribution to solving local issues, etc.)
- In regions, etc., which lack the public investment necessary for the development

of local communities, there are cases in which corporations can utilize their own resources to invest in public infrastructure, etc. (called social investment), thereby contributing to the development of local communities. When making such social investments, promote them after thorough consultation with stakeholders such as representatives of the local community.

Contributions to society through business activities include the stable supply of safe, high-quality products and services that lead to the creation of social value, and the creation of employment through business activities.
All organizations are members of society. Therefore, building good relationships with the local communities in which your company operates and contributing to the development of local communities are vital to the sustainability of your company. Doing so will improve the social reputation of your company, facilitate the acquisition and retention of excellent human resources, and stabilize employment at your business sites.
Concrete activities that utilize corporate management resources include contributing to solving local issues by leveraging corporate strengths, collaborating with communities in the event of a disaster, volunteering using facilities and human resources, supporting activities by NPOs/NGOs, and donation. Each corporation is expected to determine the scope of activities that can be executed and to actively engage in social contribution.

8. Management System for Promotion of These Guidelines

8.1 Construction of Management System for Promotion of These Guidelines

When making efforts to address the requests described in sections 1. to 7. of these guidelines, construct and operate systems and mechanisms to identify issues and steadily implement responses.

Items which must be implemented

- Appoint a responsible person/person in charge who possesses the necessary authority and knowledge to proceed with these efforts.
- Construct a management system to steadily promote these efforts.
- Review the status of the company's initiatives and assess its risks, and take steps to address any issues identified.

Items for which we request implementation

- Identify issues from the gap between the expectations/demands of society and stakeholders and the current situation of the company. Through repeated use of a PDCA cycle to Plan, Do, Check, and Act for addressing these issues, construct and operate a management system which is a mechanism for management aimed at continuous improvement (regardless of certified or non-certified standards).

It is important that the management system is a system/mechanism that enables continuous improvement according to the scale and industry category of your company. Elements commonly included in management systems and mechanisms are listed below.

- Policies and commitments approved by management
- Responsible person/person in charge of managing efforts in accordance with policies and commitments
- Internal processes for ascertaining and understanding requests and expectations from laws/regulations and stakeholders such as customers
- Internal processes for identifying issues by grasping your company's current situation and conducting risk assessments in relation to requests and expectations
- Goals to drive continuous improvement
- Internal education and training
- Documentation and maintenance of records on efforts and procedures for actions

(End)

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