

Socionext Group CSR Procurement Guidelines

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Socionext

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1. Introduction

Socionext Group has established a code of conduct based on the below values of Change, Technology, Growth, Speed, and Sustainability as we work to achieve our stated mission of “Together with our global partners, we bring innovation to everyone everywhere.”

Based on these fundamental principles, our CSR activities are aimed at using our business to further improve enterprise value while solving a variety of social problems and realizing a better society.

We believe that Socionext Group has a social responsibility to look beyond quality, technology, price, delivery schedules, and other factors that directly impact our business and work toward solutions for societal problems such as human rights, labor, the environment, and ethics—not just in terms of our own employees, but throughout our entire supply chain. Socionext Group CSR Procurement Guidelines was created based on this concept. we ask that our suppliers understand the meaning of the Socionext Group CSR Procurement Guidelines and conduct their business in accordance with these guidelines. Similarly, we request that our suppliers also ask the members of their own supply chains to understand and abide by these Socionext Group CSR Procurement Guidelines.

Production Control Group
Socionext

2. Socionext Group Purpose • Philosophy

2.1 Purpose (Socionext Basic Philosophy)

Mission

“Together with our global partners, we bring innovation to everyone everywhere.”

Value

[Change]	We adapt ourselves to the disruptive discontinuous changes in business, technology, mind, operations, and other environments.
[Technology]	By pursuing cutting-edge technology, we aim to become a company that supports global innovation through development of competitive technology.
[Growth]	Our growth contributes to the growth of all stakeholders, including shareholders, customers, partners, and employees.
[Speed]	We respond quickly to dynamic and rapidly-changing markets and customers.
[Sustainability]	We ensure a sustainable future by creating a cohesive society with customers and partners.

2.2 Action Guidelines

- Each individual takes ownership of his or her work, responds to changes in the environment, and thinks and acts independently from a market oriented customer perspective. To maintain access to growing markets and companies, we address customers' problems with effective solutions backed by the latest technologies and knowledge.
- Each individual's willingness to take on challenges to persevere toward his or her goals and the desire to become a professional will lead to personal and company growth.
- We make speedy decisions on an individual and organizational basis, always looking ahead and creating value for customers.
- As a member of the global society, we will fulfill our corporate social responsibilities and contribute to the realization of a sustainable and prosperous society.

2.3 Corporate Social Responsibility Guidelines

- Compliance with laws, regulations and social standards
We fully comply with laws, regulations, and social standards, thus earning the trust of society.
- Respect for human rights
We respect each individual's rights, and do not discriminate or tolerate human rights violations.
- Establishing an improved work environment
We want our employees to be happy. We respect their individuality, treat them fairly and aim to create a healthy and comfortable work environment.
- Environmental considerations
We conduct our business with consideration for the global environment.
- Promoting fair trade
Our relationships with our customers and suppliers are built on trust, in accordance with the principles of fair trade.
- Information management
We carefully manage and ensure the confidentiality company information, third party information from and our customers suppliers, and personal information.
- Respect for intellectual property
We value and protect intellectual property, which is the primary corporate asset.

2.4 Management Policy

At the Socionext Group, we are putting our guiding principles into practice through our own distinctive Solution SoC business model for customers wanting to develop leading-edge custom SoCs whereby we combine an optimal mix of technologies to implement the functions they require.

Along with the automotive, networking & data center, and smart device fields that represent our leading growth sectors, we are also seeking to combine regional balance with the winning of more business from global customers in the industrial field and in IoT & radar sensing.

Along with winning the trust of customers and supporting their growth by becoming the SoC supplier of choice to major global and growth companies, our business activities also serve as a means for us to leverage our technologies to help overcome the challenges facing society, in areas like low power consumption, for example. Moreover, through the development work we undertake in partnership with customers, we seek to create a virtuous circle of growth for both engineers and the company, enhancing corporate value through this growth and thereby generating returns for our shareholders.

2.5 Procurement Policy

"Together with our global partners, we bring innovation to everyone everywhere." This is the mission that the Socionext Group has set itself. To realize this vision and fulfill our social responsibilities as a global company, we have established rules for procurement whereby the goods and services we require are purchased from the global market at appropriate quality, price, and delivery terms in a way that is in keeping with the laws of each country

and is based on fair and reasonable trading relationships.

We are also taking steps to reinforce sustainable supply chain arrangements by reducing the risks associated with societal challenges throughout our supply chain, including at our customers and suppliers. Along with labor, human rights, ethics, environmental, and business continuity considerations, this also includes responsible minerals procurement.

- **Coexistence and Co-prosperity with Suppliers**

Socionext Group works with many different suppliers and procures a broad range of things for the purpose of designing, developing, and selling products. Based on this understanding, we aim to work closely with Socionext Group's suppliers and build mutual relationships of trust over the long term while also working individually to level up our own abilities so that we can all continue to prosper together.

- **Fair and Impartial Evaluation of Suppliers**

We evaluate suppliers through a comprehensive evaluation based on economic rationality, including (1) reliability, (2) technological capabilities, (3) quality, price, and delivery time of procured goods, and (4) Status of efforts to fulfill corporate social responsibility. In terms of comprehensive evaluation, regardless of the business scales and regardless of whether it is domestic or overseas, we will always strive to create fair and just opportunities for new market entry applicants and respond sincerely to them.

- **Select Suppliers through Fair Criteria**

In selecting suppliers, we will, in principle, procure from suppliers with the most favorable terms and conditions based on a comprehensive evaluation of economic rationality, including corporate reliability, technological capabilities, and the specifications, quality, and performance of the goods and services to be procured, as well as transaction terms and conditions and the status of corporate social responsibility initiatives.

- **Compliance with Laws and Social Norms**

Socionext Group will maintain compliance with all laws and company regulations. In our procurement activities, we will strive to fully understand and comply with relevant laws and regulations, and respect the spirit of such laws and regulations in conducting operations.

- **Ensure Transparency**

To ensure transparency in our business dealings, we will clarify how companies can start doing business with Socionext Group by outlining the entire process, including our fundamental business policies, criteria for selecting suppliers, etc. where necessary. Upon request, we will also explain to prospective new entrants in an easy-to-understand manner where they are in the process of receiving an order.

- **Ethical Principles**

Socionext Group will comply with social norms and corporate ethics and promote socially responsible procurement activities such as human rights, labor, health and safety, global environmental conservation, responsible mineral procurement, security trade control, and information security with our suppliers.

2.6 Labor Policy

- **Basic Philosophy Regarding Human Rights**

In the CSR policies that constitute our group philosophy, the Socionext Group recognizes that it has an important duty to respect human rights and to maintain a good working environment.

「Respect for human rights」:

We will respect the human rights of each and every employee and have no tolerance for discrimination or other such violations of human rights.

「Maintain a good working environment」:

To foster the wellbeing of employees, we will create a healthy and pleasant working environment that respects individuality and treats people fairly.

At the Socionext Group, we respect the human rights of all stakeholders involved in the conduct of our business (including customers, suppliers, employees, and local communities) and will not treat people in ways that are

discriminatory or violate their human rights, whether it be with regard to gender, age, nationality, ethnicity, beliefs, religion, social status, employment type, marital status, pregnancy, ancestry, sexual orientation or gender identification, physical features, health, disability, or other such attributes.

We will respect the human rights of everyone who works at the Socionext Group or in our supply chain. Along with eliminating harassment and providing a healthy and empowering workplace, we will comply with all labor laws covering matters such as working hours and minimum wage and never engage in forced labor, child labor, or slavery. We also support freedom of association, the right to collective bargaining, and the right to privacy.

•Basic Philosophy on Human Resource Development

With our leading-edge SoC solution business, the Socionext Group seeks to live up to the many expectations of our stakeholders (including customers, suppliers, employees, and local communities) by striving to achieve sustainable growth as a company that supports global innovation through the pursuit of advanced technology while also adapting to discontinuous change. To achieve this, we undertake human resource development initiatives to ensure that we can continue to foster more talented professionals who take ownership of their work and are willing to take up challenges as enthusiastic self-starters.

•Basic Philosophy on Diversity

The Socionext Group strives to foster a corporate culture that is welcoming of people with different personalities, attitudes, and values and in which they are able to fulfil their potential. To achieve this, we recruit and appoint staff regardless of factors such as nationality, gender, or age, and are working to create an environment in which a diverse range of people can thrive in their work.

2.7 Environment Policy

Socionext contributes to the protection of a rich global environment with customer through the design, development, and sale of SoC with superior environmental performance through advanced technology and the solutions business or services centered on these SoC. Socionext makes efforts to reduce the environmental impact and environmental pollution based on the following action policy through the entire life cycle from development to procurement, production, sale, use, and disposal.

- (1) Active contribution to reducing the environmental impact, such as reducing CO2 emissions and waste matter by actively promoting the development of products that consider the environment, electric power conservation, light-weight products, and the suitable management of items containing chemical substances.
- (2) Compliance with each country's and each region's environment laws and regulations, and agreements with customers.
- (3) Aiming for improved awareness of the environment for all Socionext personnel, and promotion of environmental contributions to regional communities.
- (4) Continuous improvement of environmental management system to effectively implement these environmental activities.

2.8 Ethics Policy

From the perspective of complying with social norms and corporate ethics, Socionext Group will evaluate manage the below items as appropriate in accordance with the RBA as it engages in procurement activities with suppliers.

- Business integrity
- Elimination of inappropriate profit
- Disclosure of information
- Protection of intellectual property
- Fair business, advertisements, and competition
- Protection of identities and prohibition of countercharge
- Responsible procurement of minerals
- Protection of privacy
- Managing international trade from a security standpoint
- Information security

2.9 Information Security Policy

In addition to establishing basic systems and measures to protect information security, Socionext Group will properly manage its own information resources and those of its customers and suppliers to ensure information security throughout the group, striking a good balance between the confidentiality, integrity, and availability of that information security.

3. What we ask of our suppliers in Socionext Group CSR Procurement Guideline

- ① Socionext Group conducts its procurement activities in accordance with its basic CSR policies as well as the code of conduct defined by the Responsible Business Alliance (RBA), an international industry association. we ask our suppliers for their understanding and cooperation regarding those activities.
- ② Socionext Group asks our suppliers for their cooperation in completing a self-assessment (which may include CSR procurement audit) so that we may better understand their compliance and initiatives related to the previous item.
- ③ If it determines that rational changes are necessary based on the results of a supplier's self-assessment or CSR procurement audit, Socionext Group will work with them to make those improvements.

3.1 Compliance with the RBA Code of Conduct

The Responsible Business Alliance (RBA) Code of Conduct is a model created by a group of companies primarily from the electronic devices industry but including those in automobiles, toys, aircraft, and IoT technology. It defines a set of standards aimed at creating safe workplaces within the electronics industry, industries that produce products consisting primarily of electronic devices, and their respective supply chains; ensuring that workers are treated with respect and dignity; and motivating companies to act ethically while taking responsibility for the natural environment. The RBA Code of Conduct is applicable to the areas such as labor, health and sanitation, environmental conservation, ethics, as well as their management systems.

It forms the core Socionext's CSR Procurement Guidelines.

(reference) RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT

The Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), Code of Conduct establishes standards to ensure that working conditions in the electronics industry, or industries in which electronics are a key component, and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

Considered as part of the electronics industry for purposes of this Code are all organizations that may design, market, manufacture, or provide goods and services that are used to produce electronic goods. The Code may be voluntarily adopted by any business in the electronics sector and subsequently applied by that business to its supply chain and subcontractors, including providers of contract labor.

To adopt the Code and become a participant ("Participant"), a business shall declare its support for the Code and actively pursue conformance to the Code and its standards in accordance with a management system as herein. Participants must regard the Code as a total supply chain initiative. At a minimum, Participants shall also require its next tier suppliers to acknowledge and implement the Code.

Fundamental to adopting the Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules, and regulations of the countries in which it operates. The Code also encourages Participants to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility and business ethics. In no case can complying with the Code violate local laws. If, however, there are differing standards between the RBA Code and local law, the RBA defines conformance as meeting the strictest requirements. In alignment with the UN Guiding Principles on Business and Human Rights, the provisions in this Code are derived from and respect internationally recognized standards including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. The RBA is committed to obtaining regular input from stakeholders in the continued development and implementation of the Code of Conduct.

The Code is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D adds standards relating to business ethics. Section E outlines the elements of an acceptable system to manage conformity to this code.

A. LABOR

Participants are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

The recognized standards, as set out in the References, were used in preparing the code and may be useful sources of additional information.

The labor standards are:

1) Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2) Young Workers

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Participants shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Participants shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Participants shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation is provided.

3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. Workers shall be allowed at least one day off every seven days.

4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

5) Humane Treatment

There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of

these requirements shall be clearly defined and communicated to workers.

6) Non-Discrimination/Non-Harassment

Participants should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

7) Freedom of Association

In conformance with local law, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

B. HEALTH AND SAFETY

Participants recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Participants also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

1) Occupational Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women and 'nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

2) Emergency Preparedness

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills.

Emergency drills must be executed at least annually or as required by local law, whichever is more stringent.

Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

3) Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, participants shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not

feasible, potential hazards are to be controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

5) Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

6) Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

7) Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the participant or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

8) Health and Safety Communication

Participants shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

C. ENVIRONMENT

Participants recognize that environmental responsibility is integral to producing world-class products. Participants shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

The environmental standards are:

1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals, and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

2) Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

3) Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

4) Solid Waste

Participants shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge.

Ozone-depleting substances are to be effectively managed in accordance with the Montreal protocol and applicable regulations. Participants shall conduct routine monitoring of the performance of its air emission control systems.

6) Materials Restrictions

Participants are to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

7) Water Management

Participants shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Participants shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

8) Energy Consumption and Greenhouse Gas Emissions

Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

D. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Participants and their agents are to uphold the highest standards of ethics including:

1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Participants shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

3) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the participant's business books and records. Information regarding participant's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

4) Intellectual Property

Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

5) Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition are to be upheld.

6) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Participants should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

7) Responsible Sourcing of Minerals

Participants shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

8) Privacy

Participants are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Participants are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

E. QUALITY AND SAFETY

1) Ensuring Product Safety

When participants design products, they must ensure adequate product safety and consider their responsibility as a manufacturer when providing products. They must also consider the safety that the product should ordinarily provide, in addition to legal compliance.

Example Japanese laws regarding product safety include the Electrical Appliance and Material Safety Act, Consumer Product Safety Act, and Household Goods Quality Labeling Act. Safety standards are defined in bylaws and JIS standards, etc. Overseas safety standards include UL, BSI, and CSA standards, etc.

Effective measures for ensuring product safety include management such as traceability (history of materials, components, and processes, etc.) and swift handling to solve problems.

2) Quality Management

Participants must comply with all laws and regulations that apply to the quality of products and services, and are also required to establish appropriate frameworks and management systems for complying with their own quality standards and customer requirements.

3) Providing Accurate Information on Products and Services

Participants are required to provide information to customers and consumers that is correct, accurate and does not lead to misunderstandings. They must not provide false information or information that has been falsified.

F. INFORMATION SECURITY

Participants must prevent leaks of confidential and personal information and strengthen information security. With the development of the advanced information technology society in recent years, information management is becoming more and more important. Problems with information management such as the leak of confidential information and personal information can have a profound effect on various stakeholders including the supply chain, in addition to the company itself and its customers.

Recognized management systems such as ISO27001 were referred to when establishing these guidelines, and may contain additional useful information.

1) Defense from Cyber Attacks

Participants are required to prevent trouble caused by cyber attacks, such as the leak or modification of information and the stopping of information systems. Since attackers can expand their target of attack based on customer and client information they obtain, the scope of damage from cyber attacks is not limited to the company in question. The devices subject to cyber attacks are expanding from conventional computers and servers to industrial systems and devices part of the IoT (Internet of Things), and countermeasures must also be implemented for such devices. It is also important to establish a plan for quickest recovery from a remedy of cyber attack. Plans include data back up and redundancy of data server or data center.

2) Protecting Personal Information

Participants are required to comply with local laws and regulations to carefully handle the personal information of suppliers, customers, consumers, and employees. Personal information must only be collected, stored, processed, transmitted, and shared within the scope required to achieve the specified purpose it is used for.

3) Preventing Leak of Confidential Information

Participants are required to establish an appropriate framework and management system for managing the confidential information collected by the company or received from third parties and customers. This includes defining information management levels and employee training.

G. BUSINESS CONTINUITY PLANNING

The occurrence of large-scale natural disasters such as earthquakes and typhoons as well as terrorism, riots, infectious disease, and accidents may cause a major impact on business continuity. Participants must make appropriate preparations for such events to ensure that production operations can quickly resume, and thereby minimize impact on the supply chain.

Recognized management systems such as ISO22301 were referred to when establishing these guidelines and may contain additional useful information.

1) Developing and Preparing a Business Continuity Plan

Business continuity risks include large-scale natural disasters (such as earthquakes, tsunamis, floods, heavy rainfall, heavy snowfall, and tornadoes) as subsequent power outages, water outages, and traffic obstructions, accidents (such as fires or explosions), the spread of infectious and contagious diseases, and terrorism or riots. Advance countermeasures required include local recovery strategies indicating how to protect, mitigate, and

recover the various elements of production sites from estimated damage. It is also important to secure alternative methods of recovery from damage when it takes longer than expected. Participants must provide continuous training to employees so that they can act in the event of an actual disaster, and establish a manual for quickly recovering business according to a business continuity plan (BCP).

H. MANAGEMENT SYSTEMS

Participants shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. the management system should contain the following elements:

1) Company Commitment

Corporate social and environmental responsibility policy statements affirming Participant's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the local language.

2) Management Accountability and Responsibility

The Participant clearly identifies senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

3) Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

4) Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with Participant's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the Participant's social, environmental, and health and safety performance, including a periodic assessment of Participant's performance in achieving those objectives.

6) Training

Programs for training managers and workers to implement Participant's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

7) Communication

A process for communicating clear and accurate information about Participant's policies, practices, expectations, and performance to workers, suppliers, and customers.

8) Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continual improvement. Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

9) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

12) Supplier Responsibility

A process to communicate Code requirements to suppliers and to monitor supplier compliance to the code.

REFERENCES

- RBA https://www.responsiblebusiness.org/media/docs/RBACodeofConduct7.0_English.pdf