

Murata Group
Supply Chain CSR Procurement Guideline

Procurement Division, Production Engineering Unit

Murata Manufacturing Co., Ltd.

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1. Introduction

With the recent rapid progress of business globalization and the increasing complexity of supply chains, a social environment has evolved in which the way a company addresses previously latent social problems and issues impacts its corporate value and reason for existence. This is why companies are now required, as a social mission, to take responsibility with regard to their products and services for compliance with laws and regulations, respect for human rights, global environmental conservation, occupational safety, information management and more, throughout the supply chain including stakeholders.

In line with this recognition, the Murata Group is working to solve social issues through its business based on its management philosophy and to help develop a sustainable society through ESG (Environmental, Social, and Corporate Governance) initiatives. In our procurement activities, we have been working to further improve the transparency of transactions as social demands from stakeholders for CSR procurement become stronger.

As one of these specific initiatives, we have published the Murata Group Supply Chain CSR Procurement Guideline to convey our CSR procurement policy in the supply chain to stakeholders in an easy-to-understand manner.

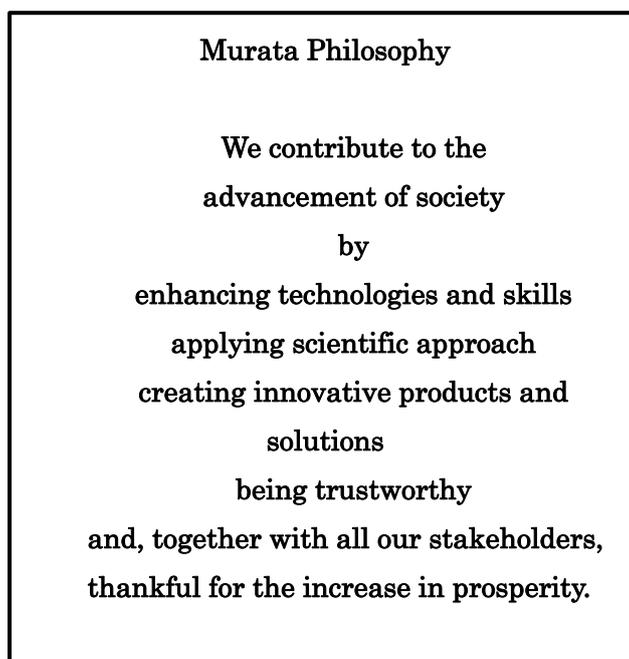
These guidelines will help you to understand the Murata Group's CSR procurement policies and requirements, with which we request our suppliers to comply. In addition, through mutual reviews based primarily on self-checks, we will cooperate with suppliers to promote the dissemination, establishment, and instillation of the practices described.

In order to build a sustainable society, the Murata Group will work to fulfill its social responsibility throughout the supply chain while practicing careful communication with suppliers with the aim of coexistence and co-prosperity.

Director of Procurement Division,
Production Engineering Unit
Murata Manufacturing Co., Ltd.

2. Management Philosophy (Murata Philosophy)

We are working to solve global issues by sharing the management philosophy (Murata Philosophy) created in 1954 by the Group's founder, Akira Murata, among all employees and putting it into practice.



3. Related Policies

(1) Murata Group CSR Charter

1) Corporate governance

We will fulfill accountability and enhance management transparency, so as to remain open to our communities and society, and continue to be a reliable and respectable company.

- a. We will promote dialog with customers, employees, stockholders/investors, business partners, communities and other stakeholders.
- b. We will work to improve management transparency, improve audit effectiveness, and reinforce the internal control system.

2) Human rights and labor

We will respect the human rights and dignity of individuals

- a. We will prohibit forced labor, and will not use child labor in any processes.

- b. We will guarantee our employees lawful working hours, holidays/leaves and wages, and eliminate all forms of discrimination against any employee based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status, so as not to tolerate inhumane treatment.
- c. In accordance with the law of each country, we will respect workers' rights to join labor unions, and promote free communication with these unions.

3) Health and safety

We will improve product and service quality and boost employee morale by securing a safe and comfortable working environment and managing employees' health.

- a. We will ensure workplace health and safety and maintain appropriate workplace conditions. Should an occupational accident/disease or an emergency occur, we will take appropriate steps by identifying the situation and devising emergency countermeasures.
- b. For manufacturing equipment and facilities and other machinery used, we will take safety measures to prevent accidents and health problems.
- c. We will identify all types of physically demanding work, always surveying the conditions and controlling such work.
- d. We will maintain hygiene in welfare facilities (dormitories, canteens, etc.) so that these facilities are kept safe and clean.

4) Environmental preservation

We aim to realize a society where people can live a healthy life with peace of mind, by reducing negative impact of our corporate activities on society, environment and natural resources.

- a. We will obtain any and all required environmental permits and licenses from administrative bodies in accordance with laws and regulations, and fulfill management and reporting (disclosure) requirements.
- b. We will control chemical substances designated by laws and regulations, and minimize environmental impact of wastewater, sludge, exhaust and other pollutants through application of our voluntary standards in addition to compliance with relevant laws and regulations. We will reduce greenhouse gas emissions and waste by appropriately monitoring and managing them, and setting up voluntary targets.
- c. We will establish and implement the management system to promote environmental activities based on the Plan-Do-Check-Act (PDCA) cycle.

5) Fair trade and ethics

We aim to maintain the highest standards of ethics, so as to be a company that fulfills its social responsibility and wins social trust.

- a. In all business relationships, we will prohibit corruption, blackmail and embezzlement, and will not offer or accept bribes or other improper advantages.
- b. We will prohibit abuse of dominant bargaining positions, rejecting all behaviors that impede fair, transparent and free competition.
- c. We will accurately record information regarding its business activities, labor, health and safety, and environmental practices and provide and disclose such information to our stakeholders without falsification or misrepresentation.
- d. We will respect the intellectual property rights of others and will not infringe upon these rights.
- e. We will conduct education and raise awareness to prevent improper conduct.
As for reporting of improper conduct, we will establish a system to protect the confidentiality of informants, and quickly deal with improper conduct.
- f. We will voluntarily work to contribute to the development of the international community and local communities.
- g. We will never transact with, provide assistance to, or sympathize with antisocial forces that adversely affect public order and sound corporate activities, and will never engage in any other acts that benefit such forces.
- h. We will strive to promote the transparency in supply chains and the responsible procurement of minerals contained in our products.

6) Management system

We will establish a system that ensures compliance with this CSR Charter, and continuously improve the system.

- a. We will abide by relevant laws and regulations as well as customer requirements, in conformity with the CSR Charter.
- b. We will design a system to clarify and mitigate risks that may occur in implementing this Charter, and continuously improve the system.

(2) Human Rights and Labor Policies

We (Murata Manufacturing Co., Ltd. and the member companies of the Murata Group; hereinafter referred to as “Murata”) have formulated a CSR Charter, which provides standards to be observed by all individuals working for Murata. Recognizing that human rights are both universal and an important element in business, and that respect for human rights is a social responsibility in the quest to realize sustainable business activities, we hereby establish the following policies:

1) Respect for fundamental human rights

- a. Murata will respect internationally-recognized standards and the laws and regulations, cultures, religions, creeds, customs, and histories of all countries and regions where Murata conducts business, and use these as the basis for respecting, protecting, and never violating the fundamental human rights of all Murata employees.
- b. Murata will comply with the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the two human rights principles and four labor principles of the United Nations Global Compact, the Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Convention on the Elimination of all Forms of Discrimination against Women, and the Code of Conduct of the Responsible Business Alliance (RBA).

2) Prohibition of discrimination and harassment

- a. Murata will not engage in any form of discrimination or inhumane conduct that harms the personal dignity of employees in employment practices including hiring, wages, promotions, compensation, and availability of education and training.
- b. Murata will not engage in any form of discrimination or offensive and inhumane conduct that harms the personal dignity of employees on the basis of race, color, age, sex, sexual orientation, gender identify or gender expression, race, national origin, disability, pregnancy, religion, creed, political affiliation, union membership, military or veteran status, protected genetic information, current or past marital status, pregnancy, or having children including, for example, power harassment, sexual harassment, sexual abuse, corporal punishment, emotional or physical oppression, and verbal abuse.

- c. Murata will investigate, examine, or confirm matters that may be grounds for the discrimination set forth above to the minimum to the extent necessary and by necessary means only in cases where doing so is necessary to comply with laws and regulations or to ensure workplace health and safety or to maintain employee health. Specifically, Murata shall not perform pregnancy tests or HIV tests for the purposes of hiring or continued employment.
- d. Murata will strictly manage personal information (e.g., pregnancy, hepatitis B infection, HIV infection, etc.) obtained through such investigation, examination, or confirmation and shall not use such information for any purpose other than the purposes specified above.

3) Prohibition of forced labor

- a. Murata strictly prohibits any forced labor by employees in its business activities.
- b. Murata will guarantee that all employee labor in its business activities is voluntary and shall cause managers not to force employees to perform labor contrary to their will.
- c. When concluding labor agreements, Murata will take the following measures to ensure that forced labor does not occur:
 - Labor agreements will be concluded in the employee's native language or a language that the employee understands.
 - Employee personal identification documents and work qualification documents issued by a public authority will be confirmed to the minimum extent necessary and by necessary means when concluding a labor agreement, and demands to deliver or entrust original documents to the employer shall not be made.
 - No fees, guarantee money, or other monies, regardless of designation, will be collected or received.

4) Prohibition of child labor and restrictions on the employment of minor workers

- a. Murata strictly prohibits employment of children in its business activities. In this policy, "child" means a person under the age of fifteen (15) or a person who has not reached the age for the completion of compulsory education in the respective country or region, or the age at which labor is permitted pursuant to the laws and regulations of the respective country or region, whichever is later.
- b. Murata prohibits the employment of workers under the age of eighteen (18) years (referred to as "Minor Workers") at night or on days off or in work that exposes the Minor Worker to health or safety risks.
- c. Murata shall cause managers not to hire or employ children and not to allow Minor Workers to engage in the work prohibited in Paragraph (1).

- d. When concluding labor agreements, Murata will confirm employee ages using documents issued by public authorities to prevent situations contrary to the preceding three sub clauses from occurring.

5) Respect for the rights of labor organizations

- a. Murata will respect and will not infringe on employees' freedom of membership in labor unions and the right of collective bargaining by labor unions in accordance with internationally-recognized standards and the laws and regulations of each country and region where Murata conducts business.
- b. Murata will respect the operations of labor unions, engage in open collective bargaining based on mutual trust, and strive to resolve problems with labor unions through good-faith and constructive discussion, taking into account the labor practices of the relevant region.
- c. Murata will not engage in discrimination, retaliation, harassment, or any other disadvantageous treatment on the basis of employee membership in a labor union, or employees' request for collective bargaining, participation in collective bargaining, or exercise by workers of the right to organize or the right to collective bargaining.

6) Ensuring proper working conditions

- a. Murata will properly comply with working conditions relating to working hours, days off and holidays, breaks, wages, and so on in accordance with the laws and regulations of each country and region where Murata conducts business pursuant to internationally-recognized standards. In cases where there are discrepancies between internationally recognized standards and the laws and regulations of each country and region where Murata conducts business, Murata shall seek methods to comply with internationally-recognized standards.
- b. Murata shall establish reliable working time management systems, accurately record working time and days off in accordance with such systems, formulate rules for proper working time management, and conduct management to prevent deviation from those rules.
- c. Murata shall present to employees pay statements in each employee's native language or a language that the employee understands, pay wages in accurately-calculated amounts by the pay dates accurately specified in accordance with (1) and (2) above, and shall not make any improper deductions.

- d. With respect to the payment of wages pursuant to the preceding paragraph, in cases where minimum wages are specified by the laws and regulations of each country and region where Murata conduct business, Murata will ensure that wages exceed such minimum wages.

7) Human rights due diligence

- a. In order to carry out these policies, Murata will establish a Management Manual on Fundamental Human Rights and Labor Policies, conduct management in accordance with the manual, and make revisions and improvements as necessary.
- b. Murata will periodically and continuously conduct appropriate education for officers, managers, and employees and confirm the status of such education so that human rights due diligence is understood and effectively carried out.
- c. If any circumstances contrary to these policies are discovered, Murata will promptly implement appropriate corrective measures.

8) Support for business partners

- a. Murata will request that business partners throughout the Murata supply chain endeavor to realize a society in which these policies are complied with and shall provide support for those efforts.

(3) EHS Disaster Prevention Policy

As part of the practice of management philosophy, the Shaze (Murata philosophy), the entire Murata Group work together to reduce the Group's impact on the environment, ensure health and safety , and implement disaster prevention activities.

- 1) The Group will comply with all laws and regulations as well as matters agreed upon with relevant parties.
- 2) The Group will address the following issues throughout its business activities:
 - a. Reducing the Group's impact on the environment
 - Reducing the environmental impacts of our products
 - Preventing environmental pollution
 - b. Ensuring health and safety
 - Eliminating work-related accidents
 - Creating safe and healthy workplaces
 - c. Implementing disaster prevention activities
 - Eradicating fires
 - Minimizing damage from natural disasters
- 3) The Group will establish an EHS disaster prevention management system and continually work toward its improvement.
- 4) The Group will announce this policy both internally and publicly.

(4) Procurement Policy

- 1) We will evaluate and select suppliers fairly based on such rational standards as quality, price, delivery performance, steady supply, environmental conservation, financial stability, and consideration for human rights and labor safety.
- 2) We will not accept gifts of money or items of value from suppliers, and will make not personal requests of them.
- 3) We will not receive preferential treatment or entertainment from suppliers that defies social common sense.
- 4) We will not force suppliers to purchase Murata products.
- 5) If suppliers provide us with information that is specified confidential, we will strictly manage the information and maintain its confidentiality.
- 6) We will promote green procurement, always taking environmental protection into account.
- 7) We will not acquire unlisted shares of suppliers stocks, nor will we purchase suppliers' stocks based on information undisclosed to the public.
- 8) In the event accidents or claims arise, we will deal with them promptly and enforce measures to prevent their recurrence.

4. Supplier Code of Conduct

This Code summarizes the standards of conduct and activities that we would like suppliers to specifically implement and comply with, in accordance with the Murata Group's CSR Charter, Human Rights and Labor Policies, Environmental Policy, and Procurement Policy. The Murata Group observes all laws and ordinances in its procurement, and expects the same compliance, along with due consideration for the community and environment, by its suppliers as they conduct their corporate activities. Accordingly, we ask suppliers to pursue CSR procurement by practicing the following.

(1) LABOR

Suppliers 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 annex, were used as references in preparing the Code and may be a useful source of additional information.

1) Freely Chosen Employment

- a. Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.
- b. There shall be no unreasonable restrictions on workers' entering, exiting or moving about company facilities, including restrooms and welfare facilities.
- c. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin.
- d. Employers shall not be allowed to make any substitution or change(s) 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.
- e. Workers must be free to end their employment of their own accord, without being forced to work or bonded.
- f. Workers' identification, passports, etc. must not be taken into custody, work permits, shall not be held, unless such holdings are required by law, or otherwise destroyed, concealed, confiscated or access by employees denied.

- g. Workers shall not be required to pay employers' or 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

- a. Child* labor is not to be used in any stage of manufacturing. The following children* must not be hired as employees. *The terms "child and children" mean a person under the age of fifteen (15) or a person who has not reached the age for the completion of compulsory education in the respective country or region, or the age at which labor is permitted pursuant to the laws and regulations of the respective country or region, whichever is later.
- b. Workers under the age of 18 (Young Workers) shall not perform night shifts, overtime, or work that is likely to jeopardize their health or safety.
- c. Student workers and trainees must be properly managed based on relevant laws and regulations, such as those regarding the protection of the rights of those concerned, through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations.
- d. Student workers and trainees must be paid at a wage rate based on the relevant laws and regulations. Appropriate support and training shall be provided to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be the same wage rate as other entry-level workers performing equal or similar tasks.

3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness.

- a. Working hours are not to exceed the maximum set by local law.
- b. A workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations.
- c. Workers shall be allowed at least one day off every seven days.

4) Wages and Benefits

- a. Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.
- b. 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.

- c. 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.
- d. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

5) Humane Treatment

- a. There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers.
Nor is there to be the threat of any such treatment.
- b. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

6) Non-Discrimination

- a. Suppliers should be committed to a workforce free of harassment and unlawful discrimination.
- b. Suppliers shall not engage in discrimination based on race, skin color, age, gender, sexual orientation, gender identity and expression, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership, military service status, protected genetic information or current or past marital, pregnancy or child-rearing status in hiring and employment practices such as wages, promotions, rewards, and access to training; nor are there to be any offensive and inhumane acts that harm the dignity of individual employees, such as power harassment, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse.
- c. Workers shall be provided with reasonable accommodation for religious practices.
- d. In addition, workers or potential workers should not be subjected to medical tests or physical exams that could lead to discrimination.

7) Freedom of Association

- a. In conformance with local law, suppliers 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 to refrain from such activities.
- b. Workers 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.

(2) HEALTH and SAFETY

Suppliers 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. Ongoing worker input and education is also recognized as essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as OHSAS 18001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be a useful source of additional information.

1) Occupational Safety

- a. Potential risks to worker safety (e.g. chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified and assessed, and controlled through proper design, engineering and administrative controls, preventive maintenance and safe work procedures (including lockout/tagout), and ongoing safety training.
- b. 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.
- c. Reasonable steps must also be taken to remove pregnant women/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, as well as include reasonable accommodations for nursing mothers.

2) Emergency Preparedness

- a. 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, appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities and recovery plans.
- b. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

3) Occupational Injury and Illness

- a. Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to: classify and record cases of injury and illness that could occur in the workplace; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of workers to work.

4) Industrial Hygiene

- a. Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled according to the management system.
- b. Potential hazards are to be eliminated or controlled through proper design, engineering and administrative controls.
- c. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriately maintained personal protective equipment.
- d. Protective programs shall include educational materials about the risks associated with these hazards.

5) Physically Demanding Work

- a. The degree of hazard 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

- a. Equipment used for production and other purposes shall be evaluated for safety.
- b. Physical guards, interlocks, protective barriers, etc. are to be provided and properly maintained for equipment that may be dangerous to workers.

7) Sanitation, Food, and Housing

- a. Workers must be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities.
- b. Worker dormitories provided by suppliers are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting 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

- a. Appropriate health and safety information and training shall be provided in the language of the worker or in a language the worker can understand for all workplace hazards that workers may be exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards.
- b. Health and safety-related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers.
- c. Health and safety training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise safety concerns.

9) Employee Health Management

- a. Appropriate health management programs are to be provided for all employees.
Appropriate health management serves to prevent and detect employee illness early by providing at least health checkups prescribed in laws and regulations. This includes adequate consideration for prevention of health problems due to overwork and care for mental health.

(3) ENVIRONMENTAL

Suppliers recognize environmental responsibility as integral to producing world-class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized 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.

1) Environmental Permits and Reporting

- a. 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

- a. Efforts must be made to reduce or eliminate wastes generated by and the use of resources (including water and energy) in business activities by revising production operations, substituting materials, recycling and reusing materials.

3) Hazardous Substances

- a. Chemicals 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

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

5) Air Emissions

- a. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge.
- b. The performance of air emission control systems shall be routinely monitored.

6) Materials Restrictions

- a. All applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal, are to be adhered to.

7) Water Management

- a. A water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination shall be implemented.
- b. Wastewater generated in business operations is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal.
- c. Routine monitoring of the performance of wastewater treatment and containment systems shall be conducted to ensure optimal performance and regulatory compliance.
- d. A system to prevent the inflow of pollutants into rainwater drainage channels shall be constructed and implemented to prevent contamination by rainwater drainage.
- e. Measures to minimize water consumption shall be pursued and implemented.
- f. Water-related risks such as drought, floods and water pollution must be understood.

8) Energy Consumption and Greenhouse Gas Emissions

- a. Energy consumption and all relevant Scope 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level.

- b. Cost-effective methods to improve energy efficiency and to minimize energy consumption and greenhouse gas emissions are to be sought.

(4) ETHICS

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

1) Prevention of Corruption

- a. There shall be a zero tolerance policy in order to prohibit any and all forms of bribery, corruption, extortion and embezzlement.
- b. All business dealings must be transparent and accurately reflected in suppliers' accounting.

2) No Improper Advantage

- a. Economic advantage, whether direct or indirect, must not be received, promised, sounded out or hinted at to civil servants, officials and employees of public organizations or business partners, in order to obtain improper business advantage.
- b. Entertainment shall not be provided, except for that which is commonly and clearly acceptable under local law and social and business practices.
- c. Education and training for complying with laws and regulations related to the prevention of bribery is to be provided to employees, etc., and procedures shall be established and implemented to monitor the status of compliance.

3) Disclosure of Information

All business dealings should be transparently performed and accurately reflected in suppliers' business books and records.

- a. Information regarding suppliers' labor, health and safety, environmental practices, business activities, organizational structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices (e.g. information on labor, health and safety, environmental initiatives, business offerings, organization, financial situation and performance, information security and supply chain).
- b. Falsification of records or misrepresentation of conditions or practices in the supply chain are prohibited.

4) Intellectual Property

- a. 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

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

6) Protection of Identity and Non-Retaliation

- a. Programs that ensure the confidentiality, anonymity and protection of those who report company fraud (employees and suppliers) are to be maintained, unless prohibited by law.
- b. There must be a system that allows employees to raise any concerns with the supplier without fear of retaliation.

7) Responsible Minerals Procurement

- a. A policy for responsible minerals procurement shall be maintained to reasonably assure that the tantalum, tin, tungsten, gold and cobalt in the products manufactured does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country.
- b. The policy must be made public on the supplier's own website, etc.
- c. Initiatives must be carried out in line with OECD Due Diligence Guidance.
- d. Suppliers must be required to procure 3TG and cobalt from smelters certified as conformant by third-party auditors.
- e. Due diligence shall be exercised on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

8) Privacy

- a. Commitment must be made to protecting the reasonable privacy expectations of personal information of everyone with whom business is done, including suppliers, customers, consumers and employees.
- b. Privacy and information security laws and regulatory requirements are to be complied with when personal information is collected, stored, processed, transmitted, and shared.

9) Appropriate Import/Export Controls

- a. A clear management framework must be maintained and appropriate import/export procedures taken for the import and export of technologies and items regulated under the law, etc.

“Technologies and items regulated under the law, etc.” refers to components, products, technologies, equipment, software, etc. covered by laws and regulations governing import/export controls, based on international accords (such as the Wassenaar Arrangement). In some cases, certain procedures are required by supervisory authorities when importing or exporting items, such as obtaining permission from said authorities.

(5) BUSINESS CONTINUITY PLAN (BCP)

Suppliers must develop a business continuity plan (BCP) that anticipates risks in the supply chain. In the event of a risk such as a disaster, suppliers must identify risks in the supply chain, promptly investigate the impact on production and procurement, and disclose that information.

1) Development and Management of a BCP

- a. A business continuity plan (BCP) must be developed to minimize damage caused by large-scale natural disasters and to recover as soon as possible.
- b. The business continuity plan (BCP) must be improved and reviewed on a regular basis through training and other activities.

2) Identification of Important Materials and Risk Measures

- a. Materials that would become bottlenecks in the event of a disaster are to be identified, and measures such as diversifying sources and securing inventory are to be clarified.

3) Understanding of the Supply Chain

- a. The location where purchased items are produced and suppliers' emergency contact information must be identified, and there must be a system to quickly confirm the impact on production and procurement in the event of a disaster.

4) Impact Investigation in Disasters

- a. In the event of a disaster, the damage to production facilities and buildings and risk/harm to employees as well as the impact on production and procurement must be quickly ascertained, and there must be a system to contact business partners.

(6) INFORMATION SECURITY

- 1) A system must be established and operated for information security within the supplier (e.g. appointment of a responsible person, enactment of rules, education of employees, auditing, and leakage response procedures).
- 2) Measures are to be taken to protect against threats from cyber-attacks and other threats to prevent damage to the supplier's own company and others.
- 3) Confidential information, not only of the supplier's own company but also that received from customers and third parties, must be appropriately managed and protected.

(7) MANAGEMENT SYSTEM

A management system whose scope is related to the content of this Code shall be adopted or established. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the supplier'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) Supplier Commitment
 - a. Corporate social and environmental policies are to be established, affirming commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.
- 2) Management Accountability and Responsibility
 - a. Senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs for labor, the environment, health and safety, ethics, BCP and information security ("CSR-related items") are to be clearly identified.
 - b. Senior management is to review the status of the management system for CSR-related items on a regular basis.

3) Legal and Customer Requirements

- a. There must be a system to identify, monitor and understand applicable laws, regulations and customer requirements in CSR-related items, including the requirements of this Code.

4) Risk Assessment and Risk Management

- a. There must be a system to identify the risks in CSR-related items.
- b. Identified risks are to be managed appropriately.

5) Improvement Objectives

- a. There must be documented performance objectives, targets and implementation plans to improve social and environmental performance.

6) Training

- a. Training is to be conducted to implement policies, procedures and improvement objectives for CSR-related items and to meet applicable legal and regulatory requirements.

7) Communication

- a. There must be a system for communicating clear and accurate information about the supplier's policies, practices, expectations and performance to its employees, suppliers and customers.

8) Employee Feedback, Participation and Grievance

- a. There must be a system to assess employees' understanding of or violations against practices and conditions for CSR-related items covered by this Code, to obtain feedback, and to encourage continuous improvement.
- b. There must be an ongoing system, including an effective grievance mechanism.

9) Audits and Assessments

- a. Periodic self-evaluations are to be conducted to ensure conformity to legal and regulatory requirements of CSR-related items, the content of the Code and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

- a. There must be a system for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews of CSR-related items.

11) Documentation and Records

- a. Documents and records are to be created and maintained to ensure regulatory compliance and conformity to company requirements pertaining to CSR-related items along with appropriate confidentiality to protect privacy.

12) Supplier Responsibility

- a. There must be a system to communicate the requirements of the supplier's own code to its suppliers and to monitor its suppliers' compliance with the code.

《REFERENCES》

The following standards were used in preparing these guidelines.

- Universal Declaration of Human Rights
<http://www.un.org/en/universal-declaration-human-rights/>
- ILO*1 International Labor Standards
<http://www.ilo.org/declaration/lang--en/index.htm>
- United Nations Global Compact
<https://www.unglobalcompact.org/what-is-gc/mission/principles>
- United Nations Guiding Principles on Business and Human Rights
https://www2.ohchr.org/english/bodies/hrcouncil/docs/17session/A.HRC.17.31_en.pdf
- RBA*2 Code of Conduct 6.0
<https://www.responsiblebusiness.org/code-of-conduct/>
- Guidelines for Responsible Business Conduct created by the Japan Electronics and Information Technology Industries Association (JEITA)
<https://www.jeita.or.jp/cgi-bin/public/detail>
- ISO 14001 (Environmental Management System)
<https://www.iso.org/standard/60857.html>
- ISO 27001 (Information Security Management System)
<https://www.iso.org/isoiec-27001-information-security.html>
- OHSAS 18001 (Occupational Health and Safety Management System)
<http://www.bsigroup.com/en-GB/ohsas-18001-occupational-health-and-safety/>
- ISO 45001 (Occupational health and safety management systems)
<https://www.iso.org/standard/63787.html>
- OECD Guidelines for Multinational Enterprises
<http://www.oecd.org/daf/inv/mne/48004323.pdf>
- UK Modern Slavery Act
<http://www.legislation.gov.uk/ukpga/2015/30/introduction/enacted>
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
<http://www.oecd.org/corporate/mne/mining.htm>
- Responsible Minerals Initiative (RMI*3)
<http://www.responsiblemineralsinitiative.org/>

*1 International Labor Organization

*2 Responsible Business Alliance

*3 Responsible Minerals Initiative