

**UACJ Group  
Sustainable Procurement Guidelines  
(Version 2023)**

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## 1. Introduction

The UACJ Group is committed to sustainability activities as a member of society based on the UACJ Group Philosophy (Our Purpose, Our Vision, Our Values) and the UACJ Way, which is our code of conduct established with the aim to continue to be a company delivering long-lasting support for society and the daily lives of the general public with the aim to realize our challenge of “Aluminum lightens the world over a hundred years ahead.” The UACJ Group signed the United Nations Global Compact, obtained approval in 2021, and is promoting activities compliant with the Guiding Principles on Business and Human Rights by identifying the critical issues to be solved (materiality) in line with the SDGs and setting objectives aligned with international trends for the respective aspects of the environment (E), society (S), and governance (G).

In view of the global supply chain as a whole, not only the UACJ Group’s commitment but also the understanding of business partners who directly or indirectly provide us with the materials, equipment, or services regarding the sustainability activities of our Group from is critical.

In this regard, we have reviewed our conventional UACJ Group CSR Procurement Guidelines for which our business partners demonstrated understanding and cooperation and have newly established the UACJ Group Sustainable Procurement Guidelines.<sup>i</sup> The UACJ Group will promote our procurement activities based on the Sustainable Procurement Guidelines. We respectfully ask our business partners to ensure that they understand the Guidelines and provide cooperation with our sustainable procurement activities.

December, 2023  
UACJ Corporation

## 2. UACJ Group Philosophy

### 2.1. Our Purpose

Contribute to society by using raw materials to manufacture products that enhance prosperity and sustainability.

### 2.2. Our Vision

Aluminum is our passion. It inspires our work in building a better world and a healthier environment.

### 2.3. Our Values

- Respect and understand your associates
- Embrace honesty and foresight
- Be curious and challenging

### 2.4. UACJ Way (Code of Conduct)

The UACJ Way is our code of conduct based on “Safety and Compliance” in pursuit of our corporate activities and based on our three values of *mutual understanding and respect, integrity and a future-oriented mindset, and inquisitive thinking and challenging spirits.*

#### 2.4.1. Respect and understand your associates

- Value and contribute to your workplace’s efforts to engage with the local community
- Accept diversity and respect people’s values
- Communicate openly with your co-workers while placing importance on individual and team development
- Contribute to making your workplace more positive and dynamic

#### 2.4.2. Embrace honesty and foresight

- Follow the Group’s five Gen principles.\*
- Sincerely respond to the expectations of stakeholders by helping the Group manufacture genuine products with integrityStay ahead of emerging trends and play an active role in protecting the environments

\* The five gen principle is a concept used by manufacturers in Japan that stresses the importance of the place where relevant activities happen (genba), relevant things (genbutsu), actual conditions (genjitsu), know-how (genri), and rules (gensoku)..

#### 2.4.3. Be curious and challenging

- Be inquisitive about changing trends and take on challenges while helping the Group provide products and services needed by society
- Aim to be creative and innovative in your work with a forward-looking perspective

### 3. Sustainable Procurement Guidelines

#### 3.1. Legal Compliance and Respect for International Norms

We operate our businesses in compliance with all applicable laws and ordinances in Japan and other countries and regions. We respect the requirements of society and the religions, customs, cultures, and traditions of the countries and regions where we operate our businesses.

In the UACJ Group, we believe that the term “compliance” refers to not only compliance with laws and ordinances or social norms\* but also attention to the requirements and expectations of society. In our business activities, it is necessary to comply with all applicable state and regional laws and ordinances in addition to local laws. If laws or ordinances are not enacted or are enacted but not appropriately enforced in developing or emerging countries, we strive to act in a stricter manner than the requirements of the laws and ordinances of such countries based on respect for the international code of conduct\*.

\*Social norms refer to the disciplines observed in daily life, including religion, customs, culture, tradition, and morals. As some countries and regions emphasize these disciplines in a manner similar to laws and ordinances, it is necessary to consider them in addition to laws and ordinances.

\*The international code of conduct refers to expectations for the conduct of socially responsible organizations led by international customary law, generally accepted international law principles, and universally or nearly universally accepted intergovernmental agreements (including pacts or treaties). These include the United Nations Guiding Principles on Business and Human Rights or Sustainable Development Goals (SDGs), the OECD Guidelines for Multinational Enterprises, and the ILO’s Declaration of Principles Concerning Multinational Enterprises.

#### 3.2. Human Rights and Labor

We respect the rights of workers by complying with not only relevant laws and regulations but also international human rights standards, including the ILO core labor standards.

##### 3.2.1. Prohibition of Forced Labor<sup>ii</sup>

We do not engage in any forced labor, binding labor, or inhumane labor. We do not retain any work forces gained from slavery or human trafficking. We protect the rights of workers to voluntarily end their work.

We prohibit human transfer, concealment, recruitment, assignment, or acceptance through threat, imposition, abduction, or fraud. In addition, the exploitation of commissions from workers in exchange for job placement may give rise to forced labor. In addition, forced labor in lieu of unpaid commissions is prohibited. Forced labor, particularly by foreign and

immigrant workers, has been frequently reported. In hiring foreign workers, an employment agreement specifying the employment terms and conditions written in a language understandable by the workers must be offered before they leave their respective home country. Acts to preclude workers from accessing their government-issued identity certificate, passport, visa, work permit, or immigration application form (except for persons other than workers who are obligated to bring these certificates under applicable laws) by means of concealment, confiscation, or otherwise and acts to impose undue restrictions on workers regarding entry or exit from the facilities or on moving around certain facilities can also give rise to forced labor.

### 3.2.2. Prohibition of Child Labor and Care for Young Workers<sup>iii</sup>

We do not employ children younger than the minimum age for work. We do not employ young workers under 18 years of age for dangerous work that may compromise their health or safety, including nighttime work and overtime work.

In all cases, child labor is prohibited by the ILO and under the laws and ordinances of the respective countries. Among child labor, the labor required for urgent and immediate responses is referred to as the “Worst Form of Child Labor.” The ILO Convention, 1999 (No. 182), defines the following four forms as this degree of child labor:

- Slavery or other similar practices.
- Use, placement, or provision of children for prostitution, pornography production, or obscene performances.
- Use, placement, or provision of children for drug manufacturing, particularly drug deals, and other improper activities.
- Those jobs with a nature of having or under circumstances leading to a potential risk of harm children’s health, safety, or morals.

ILO Recommendation No. 146 (Minimum Age) stipulates that satisfactory labor terms and conditions should be guaranteed for workers (including students) under 18 years of age and that these workers should be provided the following benefits in particular:

- Fair compensation is based on the principle of the same pay for work of the same value.
- Strict limitations on weekly and daily working hours, including the prohibition of long work hours, to ensure adequate time for education, training, resting, and off-time activities.
- Consecutive 12-hour nighttime and weekly off-duty periods at a minimum.
- Annual paid holidays amounting to at least four weeks and for a period not shorter than that granted to adults.
- Enrollment in social security programs that guarantee occupational accident, health support, and various disease allowances.
- Security rules, good health conditions, and appropriate education and supervision.



In addition, to protect their rights, due diligence<sup>1</sup> is required.

### 3.2.3. Prohibition of Discrimination<sup>iv</sup>

We do not commit any type of discrimination or harassment. We will consider requests from workers related to religious customs to the extent appropriate.

In our practice of dealing with wages, promotions, payroll, education, recruitment, and employment, any acts that may give rise to discrimination based on the workers' race, beliefs, nationality, gender, sexual orientation, gender identity, language, religion, philosophy, social origin, or disability should not be permitted. If a health check-up or pregnancy test compromises the fairness of equal opportunities or working terms and conditions, it constitutes a discriminatory act. The principles of the prohibition of discrimination concerning employment and professions includes the principle of the same wage for men and women engaged in work of the same value. According to ILO Convention No. 100 (equal pay for men and women workers engaging in work of equal value), the above principle applies to *all payments to be paid directly or indirectly from the employer to the workers in cash or in kind for reason of the employment, including payroll, standard wages, or other basic expenses* (excerpt from Convention No. 100). It is necessary to consider the elements of the work, responsibilities, skills, effort, work conditions, key deliverables, and other factors when judging the value of work from an objective viewpoint. In addition, discrimination includes that based on age, disability, health conditions (HIV or AIDS, in particular), participation in trade unions, and sexual orientation.

### 3.2.4. Freedom of Association and Collective Bargaining Rights<sup>v</sup>

We respect the workers' right to organize as a means to realize a labor management consultation in terms of the working environment, wage level, and other matters.

We shall respect the rights of workers to associate with a trade union of their choice and participate in such unions as well as their rights regardless of whether they participate in or refrain from related activities. In addition, we shall make available the workers or their representatives for collective bargaining to publicly communicate their opinions and concerns regarding working conditions and operational practices with management without fear of discrimination, retaliation, threats, or harassment.

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<sup>1</sup> The due diligence indicated in this paragraph refers to human rights due diligence. Human rights due diligence refers to a continuous management process to identify what types of risks related to human rights are occurring in what types of places or business areas in the company and its business partners as well as to review its own environment (business areas, business conditions and size, and similar business areas) to fulfil its responsibilities for respecting human rights.

### 3.2.5. Prohibition of Inhumane Treatment<sup>vi</sup>

We respect the human rights of workers and do not engage in inhumane acts, including mental or physical abuse, forcible work, or harassment; moreover, we do not commit any act that may appear to be inhumane.

For example, mental abuse refers to a violent act that has a harmful effect on another person's mind and emotions through inhumane gestures, hate campaigns, neglect, or words that harm others' self-dignity. Physical abuse refers to violence or working in relentless environments, among others. Imposition refers to forcibly causing someone to do something that the person does not want, by means of a threat or otherwise. For example, pressing someone for overtime work constitutes an imposition. Harassment refers to an act that makes the target individual uncomfortable through hate campaigns or hazing. Specifically, sexual harassment, sexual abuse, physical punishment, mental or physical constriction, verbal abuse, and the omission of providing basic physical amenities (e.g., chair or personal protective equipment) constitute harassment. Harassment also includes actions generally referred to as *sekuhara* (sexual harassment), *pawahara* (harassment by a person assuming a higher job title, taking advantage of power or status), or *matahara* (harassment of female workers during the maternal period). As an example of the definition of harassment, the ILO established a definition under the Violence and Harassment Convention, 2019 (No. 190).

### 3.2.6. Appropriate Wage<sup>vii</sup>

We comply with the laws and ordinances applicable to the compensation (including minimum wage, overtime pay, and statutory allowances and deductions) to be paid to the workers. In addition, we will make an effort to pay the wage at a level that allows the workers to purchase the necessities for their daily lives (a living wage).

Minimum wage refers to the minimum wage stipulated in wage-related laws and ordinances in the country of residence. Employers must pay a wage in the amount no less than the statutory minimum wage. In addition, enterprises are expected to take into consideration the "living wage," which is calculated as the wage necessary to maintain the minimum level of living, in addition to the statutory minimum wage as part of the voluntary initiatives of the respective enterprises. An unjust reduction in wages may constitute non-payment of wages. For example, International Standards SA 8000 for Work and Human Rights stipulates that enterprises must ensure that pay cuts are not applied as disciplinary action. As an exception, the standards allow a pay cut for the purpose of disciplinary action if (1) the pay cut for the purpose of disciplinary action is authorized under local laws and (2) the pay cut for the purpose of disciplinary action is agreed upon in a collective bargaining agreement entered into after negotiations free of restrictions.

In addition, compensation for overtime work must be paid to workers at a higher wage rate that is not less than the standard hourly pay rate in accordance with local laws and regulations. When compensation is paid, a payroll statement containing information showing that the payment breakdown is valid must be attached.

### 3.2.7. Working Hours<sup>viii</sup>

We do not cause our workers to work longer hours in excess of the limitations stipulated under the laws and regulations and properly manage the working hours and nonworking days of the workers based on the international standards.

We appropriately provide working hours, non-working days, and breaks based on the laws and ordinances of the respective countries. In addition, we consider international standards.

## 3.3. Compliance

We conduct business activities based on high ethical standards in addition to complying with all applicable laws and regulations.

### 3.3.1. Fair Business Performance

We carry out fair and free inter-company competition and do not commit any unjust restrictive trade practices, including cartels and other acts in breach of the competition law of each country.

A fair and free intercompany transaction refers to an act that complies with the laws and ordinances regarding fair competition and the transactions stipulated in the respective countries and regions as well as an act that does not engage in an agreement on the impediment of effective competition, such as a cartel, unfair transaction scheme, misstatements, or other illegal acts. We do not disseminate information (advertisements) for unjust purposes or with factually incorrect content.

### 3.3.2. Prohibition of Abuse of Dominant Bargaining Position

We strive to select our suppliers, manufacturing contractors, and other business partners based on price, quality, delivery dates, and other objective criteria. We do not commit any act that would create a disadvantage for our business partners by abusing a dominant bargaining position attributable to us.

We regard our suppliers, manufacturing contractors, and other business partners as our partner companies, and we need to have an equal relationship with them. However, we assume a dominant bargaining position based on the purchaser's right to choose. We

execute procurement transactions faithfully and in an equal and fair manner based on contractual agreements without abusing a dominant position. We will comply with the laws and ordinances regarding the abuse of dominant bargaining positions when operating in a country where such laws are enforced.<sup>2</sup>

### 3.3.3. Management and Protection of Confidential Information

#### 3.3.3.1. Protection from Cyberattacks

We implement protective measures for cyberattacks and other exposure to prevent damage to the company and others.

For example, a cyberattack refers to an act that causes an outflow of an entity's trade secrets, such as personal, customer, business partner, or confidential information, encrypts an entity's important files or causes other damage by means of malware infection with targeted e-mails or directing to malicious sites.

The attackers may expand their targets using customer or business partner information that they have managed to gain; therefore, the damage will expand outside the company. Devices subject to cyberattacks are expanding from conventional personal computers to industrial systems and devices referred to as the Internet of Things (IoT). Hence, protective measures for these devices have become necessary.

#### 3.3.3.2. Privacy Policy

We appropriately retain personal information attributable to the company and its business partners and other third parties pursuant to the laws and ordinances enacted in the respective countries.

Personal information refers to information pertaining to existing individuals that enables someone to identify a specific individual by the full name, date of birth, or other content contained in the information (including personal information that allows the identification of a specific individual using other easily verifiable information). Appropriate retention refers to the establishment and implementation of a control system that prevents fraudulent or unjust acquisition, use, disclosure, or divulgence of personal information.

#### 3.3.3.3. Prevention of Divulgence of Confidential Information

We appropriately manage and protect the company's confidential information and confidential information received from its business partners and other third parties.

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<sup>2</sup> In Japan, the Subcontract Act, etc.

Confidential information is generally referred to as information (including electromagnetically or optically recorded data) disclosed based on a written document in which confidential provisions are agreed upon or other information is verbally disclosed after notification that it is confidential. Appropriate management refers to the establishment and implementation of a general management system pertaining to confidential information and includes the formulation of related norms and policies to be observed by workers and the planning and implementation of measures, audits, and reviews in accordance with such norms and policies. Appropriate protection refers to the prevention of fraudulent or unjust acquisition, use, disclosure, or divulgence of confidential information.

#### 3.3.4. Respect of Intellectual Property

We respect the company's intellectual property and that of its business partners and other third parties.

Intellectual property includes trade secrets, technical expertise, and intellectual property rights. Intellectual property rights are stipulated in laws and ordinances and include patent rights, utility model rights, design rights, trademark rights, and copyright, among others. We conduct adequate preliminary examinations of third parties' intellectual property when we develop, manufacture, market, and offer our products and services. The unauthorized use of a third party's intellectual property constitutes an infringement of intellectual property rights unless a valid reason exists. In addition, the illegal reproduction of computer software or other copyrighted works constitutes an infringement of intellectual property rights. Any illegal acquisition or use of a third party's trade secrets also constitutes an infringement of intellectual property rights.

#### 3.3.5. Prohibition of Corruption and Bribery

##### 3.3.5.1. Prohibition of Inappropriate Provision or Receipt of Advantages

We comply with anti-bribery-related local and foreign laws and ordinances applicable to our business activities and not only do not engage in provision or receipt of bribery but also do not commit any act that may raise doubt regarding bribery.

It is prohibited to directly or indirectly provide or receive any money or articles to gain business or acquire an inappropriate advantage. In addition, not only the provision or receipt of any money or articles but also the promise or offering of such provision or receipt is prohibited.

##### 3.3.5.2. Anti-Corruption

In no event do we commit any bribery or other acts of corruption.

We prohibit any act of corruption, including bribery, lavish gifts, entertainment, extortion, and embezzlement.

To eliminate acts of corruption, it is necessary not only to define policies and establish rules and regulations but also to provide workers with appropriate education and training to ensure consistent implementation of the policies.

### 3.3.6. Elimination of Relationship with Antisocial Forces

Against antisocial forces, we take decisive attitudes and eliminate any relationship without submitting to unjust demands.

Against antisocial forces (antisocial individuals or entities), such as the boryokudan (Japanese gang groups), it is necessary to take decisive attitudes and eliminate any relationship so as not to submit to any unjust demands.

### 3.3.7. Protection of Whistleblowers

If we receive a report on a compliance issue, we strive to keep the details of the report strictly confidential and protect the whistleblower from any disadvantage as a result of the whistleblowing.

Whistleblowing refers to the reporting or disclosure of fraudulent acts occurring in a company or its supply chain. We never tolerate retaliation against whistleblower officers or workers who act in good faith concerning compliance issues. We strive to keep the details of whistleblowing confidential and protect the whistleblower from suffering any disadvantage such as dismissal, demotion, verbal or bodily threats, or harassment as a result of whistleblowing.

### 3.3.8. Responsible Procurement of Minerals

We proceed to procurement activities, taking into account the potential impact on the communities as a result of the use of raw materials that may cause social issues related to human rights or the environment, among others (e.g., conflict minerals [tantalum, tin, tungsten, and gold] and cobalt). If any concern has arisen, we take action to prevent the use of such raw materials.

### 3.3.9. Provision of Precise Information regarding Products and Services

We provide accurate and non-misleading information about our products and services.

Examples of accurate information are as follows:

- Information on specifications, quality, and handling guidance for our products and services is accurate.
- Accurate information on the substances contained in the materials or parts used in our products and services is accurate.

Customers must be provided with accurate and non-misleading information regarding our products and services. We do not provide untrue or false information.

### 3.3.10. Prevention and Early Detection of Compliance Violations

We strive to establish a system to prevent, detect early, and respond to compliance violations.

To prevent compliance violations, we strive to provide workers with education and awareness promotion and foster an open workplace culture. The establishment of a system for early detection and response to compliance violations refers to the placement within and outside the company of a whistleblowing liaison office to report any improper acts and the formulation of a structure that enables management to detect any improprieties at an early stage.

### 3.4. Publication of Information

We disclose our information with respect to our work, safety and hygiene, environmental activities, business activities, organization structure, financial standing, and results of the operation. We never tolerate falsification of records or disclosure of false information.

The information provided to our stakeholders and the disclosure include the details of our business activities, financial standing, results of operation, environmental, social, and governance (ESG) information, risk information (e.g., damage from a large-scale disaster, occurrences of adverse effects on the environment or society, and detection of serious legal violence), and supply chain information, among others. As for serious risk information, we announce to the general public and notify our customers of any such risk at the time of occurrence as part of our proactive information provision.

With respect to the information listed above, we never tolerate falsification or misrepresentation of records or untrue information disclosure.

### 3.5. Safety and Hygiene

In addition to complying with relevant laws and regulations, we take into consideration international guidelines such as the ILO Guidelines on Occupational Safety and Health Management Systems, in efforts to minimize work-related injuries and illnesses and to maintain a safe and healthy working environment.

### 3.5.1. Security Measures on Machinery and Equipment

We evaluate the potential safety risks for the machinery and equipment used by the workers during their work and implement appropriate safety measures.

Appropriate safety measures refer to safeguard management to prevent accidents or health disorders that may occur at work. For example, measures include the adoption of safety mechanisms called failsafe, foolproof, interlock, or tagout; installation of safety devices or protective barriers; and implementation of periodic inspections and maintenance of machinery and equipment.

### 3.5.2. Safety at Workplaces

We identify and evaluate risks involving occupational safety and secure safety with the appropriate designs, technologies, and management approaches. In particular, we take pregnant and breastfeeding workers into reasonable consideration.

Occupational safety risks refer to the potential risk of accidents or health disorders incurred during work by way of electricity or other energy sources, fire, vehicles, moving objects, slippery or uneven floor surfaces, or fallen objects. Appropriate designs, technologies, and management approaches refer to, for example, sensor monitoring in dangerous areas, locking of the power sources to the machinery or equipment to shut down the supply (lockout), installation of tags that indicate warning words to prohibit operation on the energy shutdown devices during the course of the power source shutdown (tagout), and provision of protective equipment such as protective glasses, safety helmets, and safety gloves. Reasonable consideration of pregnant and breastfeeding workers includes lifting or moving heavy objects, exposure to infectious diseases, lead or poisonous chemical substances, working in uncomfortable or strained postures, exposure to radioactive materials, threats of violence, long-hour tasks, extremely high temperatures, and excessive noise.

### 3.5.3. Hygiene in Workplaces

We identify and evaluate risks of exposure to hazardous biological, chemical, or physical effects on the workers and implement appropriate management.

Subjects with hazardous effects include poisonous and deleterious substances, radiation, and substances that can induce chronic diseases (e.g., lead and asbestos). In addition, noise and bad odors are deemed hazardous to the human body if their level is significant. Appropriate management refers to, for example, the establishment and implementation of management standards and the provision of appropriate education, training, and reasonable personal protective equipment for workers.



#### 3.5.4. Occupational Disasters and Diseases

We identify, evaluate, record, and report the status of our occupational disasters and diseases and take appropriate action and remedial measures.

Appropriate measures refer to the programs or efforts that facilitate whistleblowing by workers, classification and recording of disasters and diseases, arrangement of medical treatment as necessary, surveys of disasters and diseases, implementation of remedial measures with the aim of eliminating the root causes, and facilitating the reinstatement of workers. Appropriate measures also include the response to the necessary procedures of the administrative authorities and enrollment in occupational disaster insurance in accordance with the laws and ordinances.

#### 3.5.5. Emergency Response

To prepare for potential emergencies, such as disasters or accidents, that compromise life or bodily safety, we identify the related risks and probabilities of the occurrence, establish emergency response action steps to minimize the damage to the workers and our assets, install necessary facilities, and provide education and training so as to take the prescribed actions in the event of a disaster.

Emergency response refers to, for example, emergency reporting, notice to workers, clarification of evacuation methods, installation of evacuation facilities, easily understandable and obstacle-free exits, appropriate moving-out facilities, stockpiling of first-aid kits and medications, preparation of external communication means, establishment of recovery plans and the installation of fire alarm systems, extinguishers, fireproof doors, and sprinklers.

#### 3.5.6. Attention to Jobs Involving Bodily Burden

We identify and evaluate physically demanding jobs and appropriately manage them so as not to give rise to occupational disasters or diseases.

Physically demanding jobs include manual jobs in the handling of raw materials, hard labor such as handcarrying tasks of heavy objects, assembly tasks requiring bodily strength, long-hour repetitive and/or continuous tasks such as data entry, and long-hour tasks in unnatural postures.

### 3.5.7. Security and Hygiene at Facilities

We appropriately ensure security and hygiene at the facilities provided to the workers for their daily lives (e.g., dormitories, cafeterias, and bathrooms). In dormitories, we ensure appropriate emergency exits.

To ensure security and hygiene, we keep facilities clean and hygienic and must consider the following points.

Potable water: Water quality tests compliant with laws and regulations, safe potable water (e.g., water servers).

Provision of hygienic meals: Cooks' gowning and health checkups, pest control, appropriate temperature control of foodstuffs, and cafeteria business licenses.

Bathrooms: Clean bathroom facilities of adequate number for the total number of workers and provision of toilet paper rolls and other amenities.

Dormitories: Fire measures, emergency evacuation paths (exits), air ventilation, temperature control, and appropriate lighting.

### 3.5.8. Communication Concerning Safety and Hygiene

We provide all workers with appropriate education and training on safety and hygiene programs with respect to the various occupational risks that may affect them in languages and with approaches that are understandable to the workers. In addition, we establish a feedback system for opinions on safety provided by workers.

With respect to the occupational risks workers are exposed to (including but not limited to the risks of machinery, electricity, chemicals, fire, and physical hazards), we provide workers with appropriate occupational safety information and related education and training. Safety and hygiene information is posted prominently in the facilities or included in areas where workers can find or access it. This information is provided in languages that are understandable to workers. Education and training are provided to workers before work commences and regularly thereafter.

Workers are encouraged to raise any safety concerns.

### 3.5.9. Health Management for the Workers

We appropriately manage the health conditions of all workers.

Appropriate health management refers to the arrangement of health checkups, at least at the statutory level, suggestions on taking medical examinations at a medical institution for workers who need an additional or thorough checkup, and making an effort toward the prevention and early detection of workers' diseases. Simultaneously, we focus on the prevention of health disorders from overwork as well as mental health and other care.

### 3.6. The Environment

We actively address global environmental problems such as resource depletion, climate change, and pollution, as well as regional environmental problems considering the health and safety of its relevant local community.

#### 3.6.1. Management of Chemical Substances Contained in the Products

We comply with all laws and regulations and customer requirements applicable to the prohibitions or restrictions of the use of specific substances contained in the products.

Regarding the substances in the products, we must also consider customer requirements.

- We must comply with the laws and regulations of the destination countries for the products.
- Regarding final products, we must be responsible for the parts incorporated into them. Thus, upstream enterprises must provide the necessary information to downstream enterprises.

For example, in the case of exports to EU member countries, the related laws and regulations include the RoHS Directive and REACH regulations. It is also necessary to consider which substances should be added, mixed, or attached during the manufacturing process.

#### 3.6.2. Management of Chemical Substances Used during the Manufacturing Process

During the manufacturing process, we comply with laws and regulations; identify, label, and manage the chemical substances and other materials that may expose risks to the human body or the environment; and ensure that these substances and materials are handled, moved, stored, used, recycled or reused, and disposed of in a safe manner.

In Japan, chemical substances are managed under the Chemical Substance Control Law, the Poisonous and Deleterious Substances Control Law, the Safety and Hygiene Law, the Fire Service Act, and the PRTR (Pollutant Release and Transfer Register).

#### 3.6.3. Environment Management System

We design and implement an environment management system.

An environment management system refers to a comprehensive management system that facilitates environmental activities and includes the organizational structure, planned activities, the assignment of responsibilities, practices, procedures, processes, and operating resources. Environmental activities refer to activities to formulate environmental

policy, implement measures in line with the policy established, deliver successful results, and review and maintain the policy. Environmental activities also include continuous remediation by applying the concept generally called the PDCA cycle. A representative environmental management system is ISO 14001, which enables enterprises to obtain third-party authentication.

#### 3.6.4. Environmental Permit and Reporting

We obtain, register, and report specific permits, licenses, and approvals necessary for our business operation in accordance with the laws and regulations applicable to the place of business.

In Japan, we have appointed administrators who have obtained the qualifications stipulated by laws and ordinances, including management representatives for industrial waste subject to special control under the Waste Disposal Law, energy administrator under the Energy Conservation Law, and pollution control administrators under the Air Pollution Control Law and the Water Pollution Control Law. In addition, administrators are responsible for the control of poisonous and deleterious substances as well as hazardous substances in relation to the chemical substances used in our businesses.

#### 3.6.5. Effective Use of Resources and Waste Control

We implement appropriate controls by complying with the laws and regulations, thereby pursuing the effective use of resources by facilitating reduction, reuse, and recycling of the resources, and promote initiatives to minimize the generation of waste.

Even for waste from substances the hazardous nature of which has not been identified, we identify and control such waste and take a systematic approach to responsible disposal and recycling in our pursuit of waste reduction. We are committed to activities that conserve natural resources by minimizing the disposal of substances in compliance with the laws and regulations applicable to the place of business.

#### 3.6.6. Reduction of Energy Consumption and Greenhouse Gas Emission

We are committed to the improvement of energy efficiency and promoting activities for the continued reduction of energy consumption and greenhouse gas emissions.

The improvement in energy efficiency refers to the minimization of energy consumption and greenhouse gas (GHG) emissions subject to Scope 1 and Scope 2. We facilitate improvement activities on a facility-by-facility and office-by-office basis. As part of the

continuous reduction activities, we have set the goals of our voluntary reduction, drafted plans, and solidly implemented the activities.

### 3.6.7. Emission to the Air

We implement appropriate measures to reduce the emission of hazardous substances into the air in compliance with the related laws and regulations.

Hazardous substances emitted into the air include volatile organic compounds, aerosols, corrosive substances, fine particles, ozone layer-depleting substances, and combustion byproducts, among others. We strive to analyze and monitor the status of these substances prior to emission, and we carry out emission only after going through the necessary control or treatment based on the results of the analysis and monitoring. Appropriate measures also include periodic monitoring of the handling of substances to be emitted and the performance of processing systems.

### 3.6.8. Water Control

We monitor the water sources we use, our water consumption status, and the water discharging practices in compliance with laws and regulations to save water consumption. Any wastewater is subject to identification of its characteristics, monitoring, control, and processing as necessary before discharge or disposal. In addition, we identify a source of contamination that may cause water contamination and apply appropriate controls.

In water control, we need to monitor the water sources, water consumption, and discharge status; conserve water; and manage pollutant pathways. The management of pollutant pathways includes keeping the water paths on company premises free of contamination, safeguarding the company premises from contamination, and preparing emergency response facilities, among other tasks.

### 3.6.9. Biodiversity

We consider the effect of a wide variety of business activities on the ecosystem and strive for biodiversity conservation by promoting our initiatives for sustainable resource utilization.

Our daily lives are supported by the bounty of ecosystems in which diverse living organisms interact. For example, oxygen and potable water, which are essential for our lives, are derived from woodlands, rice, vegetables, fish, meat, and other living organisms that are directly transformed into foodstuffs. These organisms are also used as raw materials for

papermaking, construction materials, apparel, and medical supplies. In addition, forests and oceans play a role in adjusting global temperature and climate and sometimes serve to reduce damage in the event of a disaster. The deterioration of ecosystems due to environmental destruction has serious adverse effects on our daily lives.

### 3.7. Quality and Safety

#### 3.7.1. Ensuring Product Safety

We adhere to the product design and manufacturing and marketing practices that assure adequate levels of product safety and meet the safety standards stipulated in the laws and ordinances of the respective countries to fulfil our responsibilities as a supplier.

In product design, we should adopt a design that can assure adequate levels of product safety and market the products taking into account our responsibilities as a manufacturer. In addition, for product safety, we must consider not only legal compliance but also the safety levels generally required. In Japan, laws and ordinances related to product safety include the Electrical Appliance and Material Safety Law, the Consumer Product Safety Act, and the Household Goods Quality Labeling Act. Safety standards are stipulated in the detailed rules of laws and ordinances and in the Japanese Industrial Standards (JIS). Outside Japan, related safety standards include the UL, BSI, and CSA. Ensuring product safety, traceability (history of materials, parts, and processes), other controls as well as swift troubleshooting responses are effective measures.

#### 3.7.2. Quality Control

We need to comply not only with all laws and regulations applicable to the quality of products and services but also with customer requirements and the quality standards on our own.

Enterprises must not only comply with all laws and regulations applicable to the equality of their products and services but also establish an appropriate mechanism or management system to comply with customer requirements and quality standards on their own.

#### 3.7.3. Quality Management System

We establish and implement a quality management system.

A quality management system refers to a comprehensive management system that facilitates quality assurance activities, including the organization structure, planned activities, the assignment of responsibilities, practices, procedures, processes, and operating resources. Quality assurance activities are activities aimed at formulating the

quality policy, implementing measures in line with the policy established to deliver successful results, and reviewing and maintaining the policy. Quality assurance activities include continuous remediation by applying the concept generally called the PDCA cycle. A representative quality management system includes ISO 9001, IATF 16949, and ISO 13485, among others.

### 3.8. Business Continuity Plan

We carry out the activities necessary to ensure, maintain, and improve our ability to continue our business (business continuity management) to fulfill our supply responsibilities even in the case of emergency and maintain trust.

Business continuity management (BCM) refers to management activities to be implemented on peace days, including the formulation, maintenance, and update of the business continuity plan, the acquisition of budget and resources to accomplish business continuity, the implementation of preliminary measures, the provision of education and training to embed these activities, assessments, and consistent remediation. The business continuity plan (BCP) indicates the policy, system, and procedures to prevent an interruption of critical businesses or recover from an interruption, if one occurs, in the shortest amount of time possible in the event of a large earthquake and other natural disasters, an outbreak of infectious disease, terrorist attacks, cyberattacks, catastrophes, a disruption of the supply chain, a sudden change in business conditions, or other unexpected events. We formulated related instruction manuals and checklists as necessary to facilitate responses to unexpected events and recovery activities. Further, we continuously provide workers with education and training based on the established BCP, consistently review the BCP, and periodically evaluate, improve, and report the overall activities based on the PDCA concept in our pursuit of enhancing BCM effectiveness.

### 3.9. Contribution to Society

For growth in communities, we exert effort to understand the culture and social mechanism of the respective countries and regions, examine their social issues, and pursue social contribution activities that give rise to a solution to such issues while closely interacting with the relevant communities.

Activities that contribute to the growth of communities refer to community support activities that utilize the business resources of enterprises. In general, the following aspects are involved in these activities:

- Social contribution by utilizing organic businesses or technologies.
- Non-monetary social contribution by utilizing corporate facilities and human resources.

- Social contribution with donation of funds.

These activities include cooperation with the region at the time of an earthquake, employee volunteering, support for NPO/NGO activities, donation activities, and various information sharing and offerings. Their respective enterprises determine the scope of their practical activities and proactively promote social contributions.

#### 4. Guideline Compliance System

##### 4.1. Support and Offering of Guideline Compliance Process

We strive to report the requirements of the guidelines to our business partners and provide them with the supports and processes so as to help them in their compliance with the code of conduct.

Enterprises are required by the United Nations Guiding Principles for Business and Human Rights and the OECD Guidelines to assume responsibility for the response to the CSR initiatives of the enterprise on its own as well as those of its supply chains at the same level of responsibility assumed by the enterprise. Therefore, enterprises must announce the requirements of the guidelines to their business partners, monitor their compliance status, and encourage remediation if necessary. The supply chain refers not only to the process from the raw material phase to the arrival of products and/or services to the consumer, irrespective of the roles played by the respective enterprises, but also to all chains, including staff placement agencies and contractors.

##### 4.2. Appropriate Import/Export Management

For the import/export of technologies or articles subject to restrictions under laws and ordinances, we follow the appropriate import/export procedures by establishing a clearly defined management system.

Concerning imports and exports, various laws and regulations in the respective countries must be understood and observed. Technologies and articles subject to restrictions under laws and ordinances refer to the parts, products, technologies, equipment, and software to be exported or imported and governed under an international treaty or pact (e.g., the Wassenaar Arrangement). Certain exports or imports may require the acquisition of a license or other procedures from competent supervisory agencies or other government authorities.

##### 4.3. Consultations, Negotiations, and Remedies

We strive to establish a mechanism for consultations, negotiations, and remedies that are available for the workers, business partners, and other stakeholders to prevent any improper acts by the company and its supply chains.



The mechanism for consultations, negotiations, and remedies refers to a mechanism by which an informant raises their voice against a doubtful act in breach of the guidelines and facilitates rectification. A request for consultation, negotiation, or remedy must be made available anonymously. To address any grievances, the informant should not be treated disadvantageously. Examples of hotline functions include comment boxes, phone calls, emails, and external liaison offices. To comply with the guidelines, it is important to establish a mechanism for consultations, negotiations, and remedies accessible to workers, business partners, and other stakeholders as well as due diligence and to enable the mechanism to address any issues raised as a continuous process. To ensure that the mechanisms for consultations, negotiations, and remedies function effectively, an awareness survey to measure the level of understanding and involvement in the consistent remediation process by offering suggestions is helpful.

#### 4.4. Disclosure of Ongoing Status

We strive for our sustainability initiatives and information disclosure under the related laws and regulations.
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Enterprises need not only to disclose information in accordance with the provisions stipulated in laws and ordinances but also to disclose information on their initiatives related to the code of conduct to customers and other stakeholders. The information provided to the stakeholders and the disclosure content include details of the business activities, financial standing, results of operations, ESG information, risk information (e.g., damage from a large-scale disaster, occurrences of adverse effects on the environment or society, and detection of serious legal violence), and supply chain information, among others. Regarding serious risk information, we announce to the general public and notify our customers of any such risk at the time of occurrence as part of our proactive information provision. With respect to the information listed above, we never tolerate falsification or misrepresentation of records or untrue information disclosure.

#### 5. Request for Dissemination of Information to Your Business Partners

We respectfully ask you to disseminate our effort related to sustainability activities in line with the foregoing objectives to your business partners for their successful penetration and prevalence.

## 6. Mutual Communication

- (1) For mutual communication, we may visit your plant or other sites as necessary. In lieu of this, we may contract for a third-party assessment with a recognized entity for objective evaluations.
- (2) If you have obtained ASI, SA 8000, TLS 8000, or other international authentications, the above assessment may be exempt or simplified.
- (3) If you consent to the intent of the guidelines, we respectfully ask you to affix your signature to the Letter of Consent attached herewith and submit it to us.

## 7. Continuous Communication

We would like to request your cooperation in conducting a review at least once every three years through a survey or reconfirmation of this guideline, of your company and supply chain's latest sustainability activities.

## 8. Related Policies

- UACJ Group Sustainability Policy
- UACJ Group Code of Conduct
- UACJ Group Human Rights Policy
- Basic Policies on Safety and Health
- Basic Environmental Policies
- Basic Quality Policy

### Revision History

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Issuer

Purchasing Department, UACJ Corporation

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Issuer

Procurement Department and Corporate Legal Department, UACJ Corporation

[Reference]

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- i Japan Electronics and Information Technology Industries Association (JEITA) . 2020. *Responsible Business Conduct Guidelines -Promoting Responsible Business Conduct in the Supply Chain-*
- ii IHRB.*Dhaka Principles for Migration with Dignity*, ILO. 2017. *General principles and operational guidelines for fair recruitment*,
- iii ILO. *Minimum Age Convention*, 1973 (No. 138), *Worst Forms of Child Labour Convention*, 1999 (No. 182)
- iv ILO. *Equal Remuneration Convention*, 1951 (No. 100), *Discrimination (Employment and Occupation) Convention*, 1958 (No. 111)
- v ILO. *Freedom of Association and Protection of the Right to Organise Convention*, 1948 (No. 87)*Right to Organise and Collective Bargaining Convention*, 1949 (No. 98)
- vi ILO. *Violence and Harassment Convention*, 2019 (No. 190)
- vii ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- viii ILO. *Hours of Work (Industry) Convention*, 1919 (No. 1)*Hours of Work (Commerce and Offices) Convention*, 1930 (No. 30), *Weekly Rest (Industry) Convention*, 1921 (No. 14), *Weekly Rest (Commerce and Offices) Convention*, 1957 (No. 106), *Forty-Hour Week Convention*, 1935 (No. 47)*Reduction of Hours of Work Recommendation*, 1962 (No. 116)