

KURABE Group

CSR Purchasing Guideline

2019 September of the year



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Introduction

In recent years, the environment surrounding corporations has been diversifying and undergoing major changes, including the globalization of corporate activities and the maturation of the information society. On the other hand, looking at society as a whole, the number of incidents of corporate scandals and severe criticism of unfaithful corporate activities have become conspicuous. As a result, there has been a growing interest in corporate initiatives aimed at the formation of a sustainable society. Under such circumstances, companies are expected to fulfill their social responsibilities not only with respect to legal compliance but also as a member of society. In other words, they are expected to actively pursue corporate social responsibility (CSR: Corporate Social Responsibility).

"CSR" is generally interpreted as "voluntary efforts undertaken by enterprises with the goal of sustainable development in areas other than purely financial activities, such as legal compliance, consumer protection, environmental protection, labour, respect for human rights, and community contributions" (METI). In other words, "Private companies are social entities, and are responsible for managing their businesses with due consideration of the stakeholders of the company under an ethical management system."

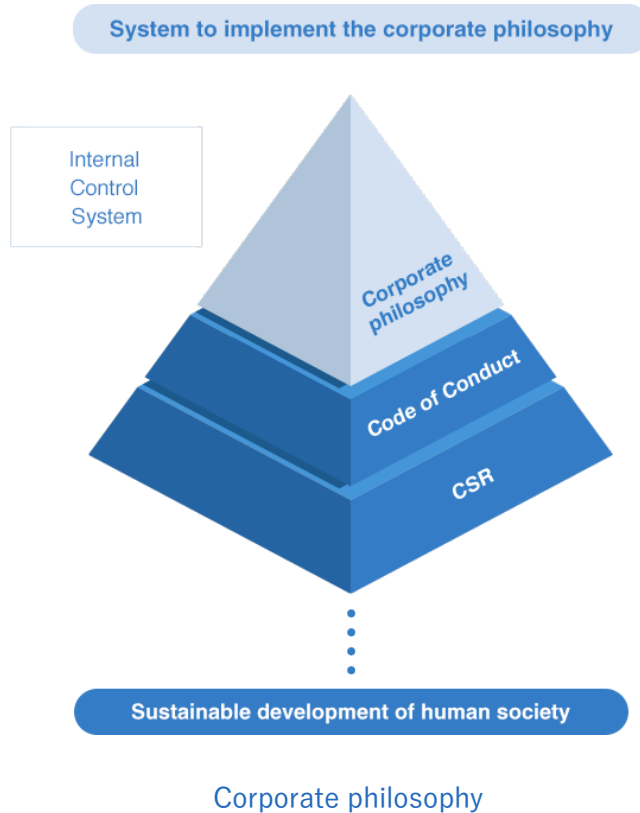
The CSR has attracted great public attention by publishing reports on CSR at various government agencies and reviewing the Japan Federation of Economic Organizations' Charter of Corporate Behavior from the CSR perspective. Many companies, regardless of their industries, are promoting CSR. Looking at the world, there is increasing interest in CSR, such as the advocacy of global compacts in the United Nations and the trend toward ISO standardization. Social demands for corporate initiatives are expected to continue to grow in the future.

Furthermore, from the perspective of supply chain management, in order to respond to the growing interest of consumers in the entire business processes, such as how products are produced and sold, companies are required not only to promote CSR in their own activities but also to give consideration to the CSR of suppliers. In this sense, we believe that the mutual prosperity of the entire supply chain can only be realized when all companies that participate in a series of business processes consisting of development, production, sales, services, etc. cooperate to meet the needs of society.

※ These guidelines are based on the "Supply Chain CSR Promotion Guidebook" published by the Japan Electronics and Information Technology Industries Association (JEITA) and the "CSR Guidebook" published by the Japan Automobile Parts Industries Association (JAPIA).

Our CSR

Each employee of the Kurabe Group shall act in good faith to realize the corporate philosophy in accordance with the Code of Conduct and the CSR Policy.



General Plan

1. We devote ourselves to make contributions to the society and community through our corporate activities.
2. We will set goals and objectives in all aspects of our lives and will act firmly on them.
3. We will cultivate love, responsibility and freedom in our mind and endeavor to create a happy human relations.

Slogan

For the exciting future society, we will continue to build fair relationships with all our stakeholders, and provide constant innovations in the form of high quality products.

Kurabe CSR Basic Policy

We respect the law and its spirit, and comply with social norms.

Responding to the expectations of society, we will contribute to the establishment of a sustainable society through our corporate activities.

Key activity

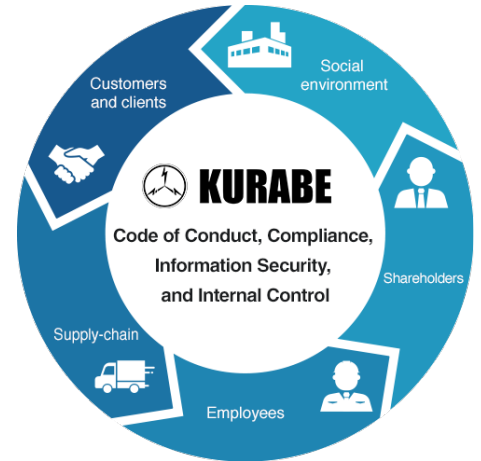
Innovation Provided to Customers

Ensuring fair transactions with the supply chain

Realizing a recycling-oriented society for the environment

Implementation of steady dividends to shareholders

Pursuing both physical and mental welfare for employees



Purchasing policy

Fair and equitable transactions

We make reasonable and optimal procurements on a free competitive basis.

Building a Sound Business Relationship

We respect the relationship of trust with our business partners and aim for mutual development.

Compliance

We will comply with the relevant laws and regulations of each country where we do business.

Appropriate Price and Quality and Stable Procurement

When procuring goods, suppliers are evaluated based on evaluation criteria that comprehensively evaluate prices, delivery dates, quality, technological capabilities, the environment, as well as information capabilities, proposal capabilities, and communication capabilities, and make purchases in a stable manner.

Promotion of Corporate Social Responsibility (CSR) Procurement

We will conduct responsible procurement activities that take social considerations such as environmental and human rights into consideration. We also require our business partners to comply with CSR procurements.

CSR Purchasing Guidelines

In order for the Group to practice CSR, it is essential that suppliers understand and cooperate.

The CSR Purchasing Guidelines have been established and implemented by our suppliers.

The CSR Purchasing Guidelines cover seven areas of human rights and labor, safety and health, the environment, fair trade and ethics, quality and safety, information security, and social contributions. Please understand and implement the purpose of these Guidelines. In addition, suppliers are requested to introduce these Guidelines to their suppliers.

Kurabe Group CSR Purchasing Guideline

I Human rights and labor

I-1 Prohibit forced labor

Employ all employees voluntarily, and refrain from forced or compulsory labor.

I-2 Prohibition of harsh or inhumane treatment

Respect the human rights of employees and prohibit harsh and inhuman treatment including abuse and harassment.

I-3 Prohibition of child labor

Refrain from hiring children under the minimum age of employment or from engaging in work that is detrimental to the development of children Yellow.

I-4 Prohibition of discrimination

Eliminate discrimination in job offers and employment and strive to realize equality of opportunity and treatment.

I-5 Appropriate wages

Employees will be paid at least the legal minimum wage and will not receive unfair wage reductions.

I-6 Working hour

Properly manage the working hours, holidays, and leave of absence of employees to avoid exceeding the legal limit.

I-7 Respect the right to freedom of association

Respect the right of employees to organize as a means of achieving labor-management consultations on working conditions, wage levels, etc.

II Safety and health

II-1 Machine safeguarding

Take appropriate safety measures for machinery and equipment used by the company.

II-2 Safety in the workplace

Assess workplace safety risks and ensure safety by appropriate design, technology and management methods.

II-3 Workplace health

Understand the conditions of contact with harmful human organisms, chemical substances, noise, offensive odors, etc. at the workplace, and take appropriate measures.

II-4 Apply appropriate measures for occupational injuries and illnesses

Understand the status of occupational accidents and diseases, and take appropriate measures.

II-5 Emergency Response

Prepare and disseminate emergency response measures to safeguard life and physical safety in the workplace in anticipation of possible disasters and accidents.

II-6 Be careful about physically demanding work

Properly manage physically burdensome work so that it does not lead to disasters or illnesses.

II-7 Safety and health in facilities

Properly ensure the safety and health of facilities (dormitories, mess rooms, toilets, etc.) provided for the livelihood of employees.

II-8 Employee Health Management

Properly manage the health of all employees.

III Environment

III-1 Chemical substances control of the product

Manage chemical substances designated by laws and regulations for all products.

III-2 Control hazardous chemicals in manufacturing

Manage chemical substances designated by the laws and regulations of the country in which they are located in the manufacturing process.

III-3 Environmental Management System

Establish and operate an environmental management system

III-4 Minimize environmental pollution (water, soil, air)

We shall comply with the laws and regulations of the country where we are located with regard to wastewater, sludge, exhaust, etc., and, if necessary, make further improvements using voluntary standards.

III-5 Environment License/Administrative Approval

Subject to the laws and regulations of the host country, obtain approval from the authorities when necessary, and submit the required control reports to the authorities.

III-6 Efficient use of resources and energy (3 R)

Establish voluntary targets for resource and energy conservation, and strive for the continuous effective utilization of resources and energy.

III-7 Reduce waste

Establish voluntary targets for the reduction of final wastes, and work to continually reduce wastes.

IV Fair trading

IV-1 Prohibit corruption and bribery

Maintain sound and normal relations with political and administrative bodies and refrain from bribery and illegal political contributions.

IV-2 Prohibit abuse of a superior position

Do not act against suppliers by abusing a dominant bargaining position.

IV-3 Prohibit the offering and receiving of inappropriate profit and advantage

Refrain from giving or receiving inappropriate benefits in relation to stakeholders.

IV-4 Prohibit impediments to free competition

We shall not engage in conduct that impedes fair, transparent, and free competition.

IV-5 Provide accurate information on products and services

Provide accurate information about products and services to consumers and customers.

IV-6 Respect intellectual property

Without infringing the intellectual property rights of others.

IV-7 Appropriate export control

Appropriate export procedures for technologies and goods exported under laws and regulations

IV-8 Disclosure of information

Actively provide and disclose information to stakeholders regardless of whether disclosure is required by laws and regulations.

IV-9 Detect injustice promptly

Conducting activities to prevent misconduct and establishing a system to promptly detect and respond to misconduct.

IV- 10 Responsible Procurement of Resources and Raw Material

We shall conduct procurement activities that take into account the impact on local communities by avoiding the use of resources and materials which would generate social problems rooted on inhumane acts such as human trafficking, slavery, forced labor, child labor, abuse, and war crimes (e.g. conflict minerals from Congo).

V Quality, safety

V-1 Ensure product safety

When product design is carried out under the company's own responsibility, the product satisfies the safety standards stipulated by the laws and regulations of each country.

V-2 Quality Management System

Establish and operate a quality management system.

VI Information security

VI-1 Secure computer networks against threats

Develop safeguards against threats on computer networks and manage against harm to themselves and others.

VI-2 Prevent the leakage of personal information

Properly manage and protect the personal information of customers, third parties and employees.

VI-3 Prevent the leakage of customer and third-party confidential information

Properly manage and protect confidential information received from customers and third parties.

VII Social contribution

VII-1 To contribute to society and the local community

Voluntarily engage in activities that can contribute to the development of the international community and local communities.

No later than [Top](#)

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