

# KURABE Group CSR Guideline

Revised July 2024



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## Introduction

In recent years, the environment surrounding corporations have diversified and undergone significant changes, such as the globalization of corporate activities and the maturation of the information society. At the same time, society has become increasingly concerned about corporate efforts to create a sustainable society, as evidenced by the proliferation of corporate scandals and harsh criticism of dishonest corporate activities.

In this environment, companies are expected not only to comply with laws and regulations, but also to fulfill their social responsibilities through corporate activities as a member of society, in other words, to actively engage in "Corporate Social Responsibility (CSR)". CSR is generally defined by laws and regulations.

CSR is generally defined as "voluntary efforts by companies for the purpose of sustainable development in areas other than purely financial activities, such as compliance with laws and regulations, consumer protection, environmental protection, labor, respect for human rights, and contribution to local communities" (Ministry of Economy, Trade and Industry). In other words, the concept is that "even private companies are social entities and have a responsibility to conduct business operations with due consideration for the stakeholders of the company under a management system based on ethical standards.

CSR has been attracting a great deal of attention from society, as evidenced by the publication of CSR reports by government agencies and the revision of the Charter of Corporate Behavior by Nippon Keidanren from a CSR perspective, and many companies, regardless of industry, are trying to promote CSR. Looking at the world, the UN's Global Compact and the ISO standardization movement have heightened interest in CSR, and social demands for corporate initiatives are expected to continue to increase.

In addition, from the viewpoint of supply chain management, companies are expected not only to promote CSR in their own activities, but also to consider the CSR of their suppliers to respond to consumers' growing interest in the entire business process, including how products are manufactured and sold. In this sense, it can be said that companies must not only promote CSR in their own activities, but also consider the CSR of their suppliers. In this sense, mutual prosperity of the entire supply chain can be realized only when all companies participating in the business process, which consists of development, production, sales, and service, cooperate with each other to meet the demands of society. We believe that mutual prosperity of the entire supply chain can be realized only when all companies participating in the series of business processes, including development, production, sales, and service, cooperate with each other to meet the demands of society.

### About the CSR Guideline

We have recently revised our "CSR guidelines" by adding new items that society requires us to address.

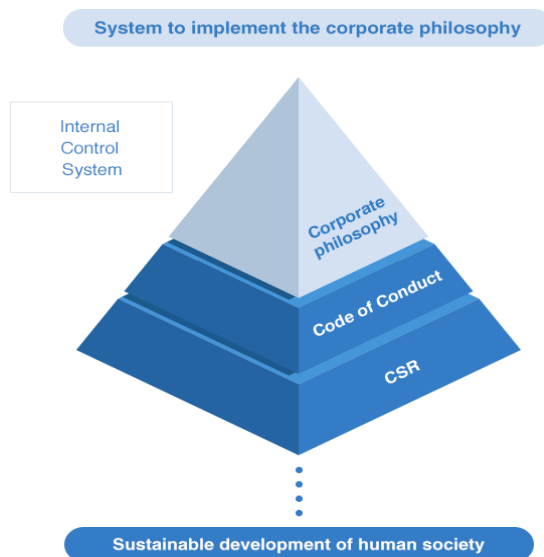
We will make every effort to put the guideline into practice, including the new additions. We would like to ask our suppliers to understand, agree to, and put into practice the guideline.

We also ask for the continued cooperation of our suppliers in the implementation of CSR and sustainability throughout their supply chains, based on the guideline.

\*The guideline is based on the items and wording of the Responsible Business Alliance (RBA) Code of Conduct and the Japan Electronics and Information Technology Industries Association (JEITA) “Supply Chain CSR Promotion Guidebook”.

## 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.



## Corporate philosophy

### General Plan

1. We contribute to the civilization of society at large through our corporate activities.
2. We establish goals and objectives in all aspects of our lives and act vigorously in accordance with them.
3. We cultivate love, responsibility and freedom in our hearts and strive to create happy human relationships.

### 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, follow social norms, meet social expectations, and contribute to building a sustainable society through our corporate activities.

### Key activity

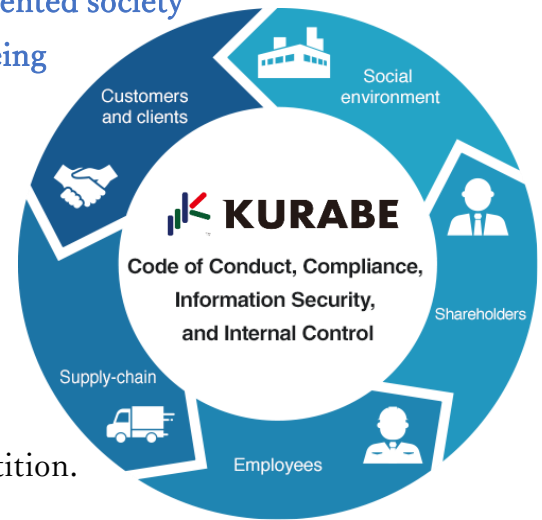
For customers: **Providing innovation**

For the supply chain: **Ensuring fair trade**

For society and environment: **Realization of a recycling-oriented society**

For employees: **Pursuit of both physical and mental well being**

For shareholders: **Provide stable dividends**



### Purchasing policy

#### **Fair and honest transaction**

We procure reasonably and optimally based on free competition.

#### **Building sound business relationship**

We value the relationship of trust with our business partners and aim for mutual growth.

#### **Compliance**

We comply with the relevant laws and regulations of the countries in which we do business.

#### **Fair prices and quality, and stable procurement**

In procurement, we establish evaluation criteria for suppliers and make stable procurement decisions based on a comprehensive evaluation of price, delivery time, quality, technological capabilities, environmental friendliness, information and proposal capabilities, and communication skills.

#### **Promotion of CSR (Corporate Social Responsibility) procurement**

We carry out responsible procurement activities that consider the environment, human rights, and other social aspects. We require our suppliers to comply with CSR procurement.

# KURABE Group CSR Guideline

## I Human Rights and Labor

### I – 1 Prohibition of forced labor

We do not engage in forced labor or human trafficking, and we employ our employees at their own free will. It does not enforce any employment and recognizes the right of employees to leave or terminate their employment on their own initiative.

### I – 2 Prohibition of child labor and consideration for young worker

We do not employ child subjects who are under the minimum working age stipulated by the laws and regulations of each country or region.

In addition, we do not allow employees under 18 years of age to work in a manner that impairs their development.

### I – 3 Consideration for working hour

Employees shall not be required to work beyond the limits set by the laws and regulations of the region where they work, and working hours and holidays shall be properly managed, considering international standards.

### I – 4 Appropriate wages and prohibition of discrimination in benefit

We will comply with the laws and regulations of each country and region, strive to provide our employees with better working conditions for a better quality of life, pay at least the legal minimum wage, and will not unreasonably reduce wages.

### I – 5 Prohibition of inhumane treatment

Respect the human rights of employees by refraining from inhumane treatment such as abuse, corporal punishment, and various types of harassment.

### I – 6 Prohibition of discrimination

To prohibit discrimination of any kind in any employment situation, regardless of race, color, age, sex, ethnicity, national origin, religion, pregnancy, etc., and to realize equal opportunity in working conditions.

### I – 7 Freedom of association and the right to collective bargaining

Respect the right of employees to organize as a means of achieving labor-management consultations on the working environment, wage levels, etc., in accordance with the laws and regulations of each country and region.

### I – 8 Sustainable career development

To enable employees to develop their careers in their own way throughout their lives, we respect diversity and create an environment in which everyone can maximize their abilities and make contributions.

## II Health and Safety

### II – 1 Workplace safety

Evaluate risks to workplace safety and ensure safety through appropriate design, engineering, and management measures.

## II – 2 Preparation for emergency

To protect human life and physical safety, emergency response measures and action procedures shall be formulated, and education and training shall be conducted based on the assumption of possible disasters and accidents.

## II – 3 Workplace accident and illness

The status of occupational accidents and illnesses shall be monitored, and appropriate countermeasures shall be implemented.

## II – 4 Industrial hygiene

Identify and assess the risk of employee exposure to harmful biological, scientific, and physical effects in the workplace and implement appropriate controls.

## II – 5 Consideration for physically demanding work

Identify physically demanding work and manage it appropriately so that it does not lead to accidents or illnesses.

## II – 6 Safety measures for mechanical equipment

Evaluate the risk of machinery and equipment and implement appropriate safety measures, inspections, and maintenance.

## II – 7 Facility health and safety

Provide employees with sanitary living facilities (dormitories, cafeterias, restrooms, etc.).

## II – 8 Communication of health and safety

Provide education and training in appropriate health and safety information about the various hazards to which employees may be exposed on the job, in language and methods that employees can understand.

## II – 9 Health management of worker

Provide appropriate health care to all employees.

# III Environment

## III – 1 Environment permitting and reporting

Obtain government permits and approvals when required in accordance with the laws and regulations of the country where they are located, and submit required management reports to the government.

## III – 2 Energy consumption and greenhouse gas emission limit

Make efforts to improve energy efficiency and engage in continuous activities to reduce energy consumption and greenhouse gas emissions, including the use of renewable energy sources.

## III – 3 Air emission

Comply with relevant laws and regulations, regularly monitor exhaust emissions that could lead to air pollution, and implement appropriate measures to reduce emissions of hazardous substances into the atmosphere.

## III – 4 Water management

Comply with relevant laws and regulations, characterize, monitor, control, and treat as necessary prior to discharge or disposal. In addition, identify potential sources of water

pollution and implement appropriate controls.

III – 5 Resource efficiency and waste management

To comply with laws and regulations, and through proper management, to make effective use of resources and minimize the generation of waste.

III – 6 Chemical substance management

We will identify chemical substances contained in the products we handle and manage them as specified by laws and regulations.

In addition, chemical substances used in manufacturing processes and maintenance management shall be identified and their release into the external environment shall be controlled.

III – 7 Management of chemical substances in product

Comply with all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of the use of certain substances in products.

## IV Fair Trade and Ethic

IV – 1 Anti-corruption

No bribery, corruption, extortion, and embezzlement of any kind. Have no relationship whatsoever with antisocial activities or forces. We will not engage in money laundering and will be alert for signs of such activities.

IV – 2 Prohibition of improper giving and receiving of benefit

Prohibition of offering or condoning promises, offers, or permission as a means of obtaining bribes or other improper giving and receiving of benefit.

IV – 3 Appropriate information disclosure

Appropriately disclose corporate information to stakeholders to maintain mutual understanding and trust.

IV – 4 Respect for intellectual property

We will not illegally obtain or use the intellectual property of third parties or infringe on their rights.

IV – 5 Conducting fair business

Conduct fair business, free competition and advertising. Conduct business in good faith, without using false or inaccurate information or other forms of misrepresentation. Not engage in discussions or agreements that mutually restrict free business activities, such as agreements with competitors on prices and costs. Set prices and other terms and conditions on an equal footing, without taking advantage of a superior position. We do not monopolize the market by unfairly excluding competitors from the market or obstructing new entrants. Conduct appropriate export procedures for the export of technology and products that are regulated by laws and regulations.

IV – 6 Protection of whistleblower

We shall protect the confidentiality of information related to whistleblowing and the anonymity of whistleblowers, and shall eliminate retaliation against whistleblowers.



#### IV – 7 Responsible mineral procurement

We will conduct procurement activities with consideration for the impact on local communities caused by the use of resources and raw materials (e.g., conflict minerals) that may cause social problems or environmental destruction due to inhumane acts such as human trafficking, slavery, forced labor, child labor, abuse, and war crimes, and will strive to avoid their use if there is a possibility of such problems or destruction.

### V Quality and Safety

#### V – 1 Ensuring product safety

We fulfill our responsibility as a supplier by designing, manufacturing, and selling products that meet the safety standards set forth by the laws and regulations of each country and ensure sufficient product safety.

#### V – 2 Quality control

Continuously improve quality control to prevent quality defects and ensure stable quality.

#### V – 3 Providing accurate product and service information

Provide accurate and not misleading information on products and services.

### VI Information Security

#### VI – 1 Protection against cyber attacks

We will manage our computer network defenses against threats to prevent damage to our own and other companies.

#### VI – 2 Protection of personal information

All personal information of suppliers, customers, consumers, employees, etc. shall be properly managed and protected in compliance with relevant laws and regulations.

#### VI – 3 Prevention of leakage of confidential information

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

### VII Business Continuity Plan

#### VII – 1 Development and preparation of business continuity plan

Identify and evaluate risks that may impede business plans, and formulate a business continuity plan (BCP) that includes a close examination of the impact on business, necessary proactive measures over the medium to long term, and the status of such measures.

Issue/ KURABE Industrial Co., Ltd.

Date of issuance/ April 2019

Revised July 2024

Contact/ CSR team

TEL +81-53-447-7132

Ver3.1