

MIRAIT ONE Group

**SUPPLY CHAIN SUSTAINABILITY
PROMOTION GUIDELINES**

First edition

November 2024

【Revision History】

| No. of edition | Month of issue | Description |
|----------------|----------------|--|
| First edition | November 2024 | MIRAIT ONE Group Supply Chain Sustainability Promotion Guidelines established. |
| | | |

Introduction

In recent years, companies have been required to fulfill their responsibilities to society in addressing numerous social issues such as growing inequality and poverty, forced labor, and environmental problems such as climate change, while at the same time promoting economic development through globalization. The MIRAIT ONE Group has established the "Basic Procurement Policy" and the "MIRAIT ONE Group Supply Chain Sustainability Promotion Guidelines" and hopes to work together with our suppliers to realize a sustainable supply chain and ultimately a sustainable society.

Basic Procurement Policy

1. Fair and equitable trade

We select suppliers fairly and equitably by comprehensively evaluating quality, reliability, price, delivery time, stable supply, and other factors.

2. Compliance with laws, regulations, social norms, etc.

We will comply with domestic and foreign laws, regulations, and social norms related to our business activities.

3. Pursuit of Safety and Security

We pursue safety and security in order to respond to our customers' needs.

4. Consideration for the Environment

Through the entire supply chain, we aim to achieve environmental conservation and "wellbeing/high quality of life" and contribute to the realization of a recycling-oriented society by reducing climate change and maintaining and restoring natural capital.

5. Consideration for human rights, working environment, and safety and health

We will conduct procurement activities with respect for human rights and with consideration for the working environment and health and safety.

6. Thorough information security

We will strengthen information security to prevent confidential and personal information leakage.

7. Establishment of a stable supply system

We will strive to establish a stable and flexible supply system of materials and services to ensure a continuous supply of products to our customers and to respond to demand fluctuations.

8. Social contribution activities

We respect local culture and customs and make efforts to develop a sustainable society.

Requests to Our Suppliers

We would appreciate your understanding of the purpose and content of the "Basic Procurement Policy" as well as your cooperation, including that of our supply chain, such as our subcontractors.

The Guidelines describes the items that each company in the supply chain should proactively address in order to achieve a sustainable society. For the purpose of the Guidelines, the term “suppliers” applies to any entity that provides products, people, or services to the MIRAIT ONE Group. We also ask that the suppliers that make up the upstream supply chain to communicate the contents of the Guidelines and encourage compliance with the Guidelines.

We may conduct questionnaires and interviews to grasp the actual status of suppliers' sustainable supply chain activities as defined in the Guidelines. We also ask for your cooperation in providing support for improvements to strengthen our efforts, which we will implement accordingly.

Please understand that we may have to review subsequent transactions in order to avoid risks in the supply chain if we do not receive your cooperation for improvement.

If each company of the MIRAIT ONE Group establishes its own guidelines other than the Guidelines, or in the event that the laws of the country in which each company of the MIRAIT ONE Group is located, the ordinances and regulations of the local government, or customer requests require a different guideline than the Guidelines, the guidelines of each company shall take precedence.

We ask our suppliers for their understanding and support of the MIRAIT ONE Group's sustainable supply chain initiatives.

November 1, 2024

MIRAIT ONE Corporation
Procurement Department
General Coordination Department

Contents

Requests to Suppliers (Code of Conduct)

Common items..... 6

1. Establishment of Management System
2. Establishment of Complaint Handling Mechanism
3. Disclosure of Initiatives related to the Guidelines

I Human rights•Labor..... 8

1. Prohibition of forced labor
2. Prohibition of inhumane treatment
3. Prohibition of child labor and consideration to young labor
4. Prohibition of discrimination
5. Decent wages and benefits
6. Working hours
7. Freedom of association, collective bargaining rights
8. Implementation of human rights due diligence in the supply chains
9. Promotion of technology by high ethical standards

II Health and safety..... 13

1. Labor safety
2. Safety measures for machinery and equipment
3. Workplace hygiene control
4. Occupational Accidents and Diseases
5. Emergency preparedness and response
6. Consideration for physically demanding tasks
7. Facility health and safety
8. Employee health management
9. Communication for health and safety

III Environment 17

1. Environmental permits and reporting to the government
2. Management of chemical substances contained in products
3. Management of chemical substances
4. Minimalization of environmental impact (wastewater, sludge, exhaust, noise, vibration, etc.)
5. Reduction of energy consumption and greenhouse gas emissions
6. Reduction of environmental burdens through product assessment
7. Effective use of resources and waste management
8. Biodiversity conservation
9. Implementation of environmental surveys in the supply chain

| | |
|--|-----------|
| IV Fair trade and ethics | 21 |
| 1. Prevention of corruption and illegal political contributions, and prohibition of improper provision and receipt of benefits | |
| 2. Prohibition of abuse of a dominant position | |
| 3. Conducting fair business | |
| 4. Respect for intellectual property | |
| 5. Proper import/export control | |
| 6. Fraud prevention | |
| 7. Conducting responsible mineral surveys and due diligence | |
| V Quality and Safety | 24 |
| 1. Assurance of product safety | |
| 2. Provision of accurate product and service information | |
| VI Information Security | 25 |
| 1. Provision of products and services respecting security and privacy | |
| 2. Prevention of confidential information leakage | |
| 3. Protection of Personal Information | |
| 4. Countermeasures against cyber attacks in the company | |
| 5. Security incident response | |
| VII Development of Business Continuity Plan | 28 |
| VIII Social Contribution Activities | 28 |
| Others | 29 |

Requests to Suppliers (Code of Conduct)

Common items

(Common item -1) Establishment of Management System

- A management system shall be established to achieve each of the items in the Guidelines.

The management system is a mechanism for continuous improvement through the Plan-Do-Check-Action (PDCA) cycle for policy compliance, implementation systems, corrective actions, and stakeholder engagement.

This does not necessarily aim at or imply certification.

The following are some of the points to keep in mind when constructing the system.

- ✓ Whether laws, regulations, and customer requirements related to operations and products are complied with.
- ✓ Whether the contents of the Guidelines are included.
- ✓ Whether risks related to what is described in the Guidelines have been identified and mitigated.
- ✓ Whether these are expected to lead to continuous improvement.

The management system also includes:

- ✓ Corporate commitment
- ✓ Management accountability and responsibility
- ✓ Legal requirements and customer requirements
- ✓ Due diligence
- ✓ Risk identification and risk management
- ✓ Improvement Objectives
- ✓ Education and training
- ✓ Communication
- ✓ Worker feedback, participation, and complaints
- ✓ Assessment and auditing of identified risks
- ✓ Corrective action process
- ✓ Documentation and records

The following are examples of typical management systems for each of the individual items.

<Health and Safety>

- ✓ Guidelines for ILO Occupational Health and Safety Management Systems, OHSAS18001, ISO45001, etc.

<Environment>

- ✓ ISO14001, EMAS, Eco Action 21, Eco Stage, etc.

<Quality and Safety>

- ✓ ISO9000 Family, IATF16949, ISO13485, etc.

<Information Security>

- ✓ ISO/IEC27001, ISO20243, SOC2, IEC62443, security-related NIST documents, etc.

<Business Continuity Plan>

- ✓ ISO22301, etc.

(Common item-2) Establishment of Complaint Handling Mechanism

- **In addition to the risk management necessary for compliance to the Guidelines, a mechanism to handle the complaints from stakeholders including employees and suppliers shall be established to allow for the handling of issues as an ongoing process.**
- **A reporting system accessible to employees and stakeholders shall be made known to them.**
- **The confidentiality of the information related to the report and the anonymity of the informant shall be protected.**
- **Informants shall be protected from being treated unfavorably by companies or individuals because of their reporting.**

A complaint handling mechanism is a mechanism for concerned parties to report suspected violations of the Guidelines and to encourage corrective action. Complaints must be able to be made anonymously. No favorable treatment must be given to the informants in the complaint handling process. For example, reporting channels such as suggestion boxes, telephone, e-mail, or external organizations may be used. To ensure that the complaint handling mechanism functions effectively, it is also useful to conduct awareness surveys to ascertain the level of understanding, and to encourage participation in continual improvement through suggestions.

An Informant is an employee or executive of a company, or a person who makes a report or disclosure regarding improper conduct by a public official or public body.

Unfavorable treatment refers to conduct that harms the working environment including harassment and to changes in the working conditions such as unfair performance evaluation, compensation, dismissal, and reassignment.

(Common item-3) Disclosure of initiatives related to the Guidelines

- **In accordance with applicable laws, regulations, and industry practices, information regarding the status of the company's initiatives, business activities, organizational structure, financial condition, and business performance in relation to the Guidelines shall be publicly disclosed. Even if not publicly disclosed, the information shall be disclosed to the MIRAIT ONE Group as necessary.**
- **Information on environmental preservation activities shall be publicly disclosed as much as possible. Even if not publicly disclosed, the information shall be disclosed to the MIRAIT ONE Group as necessary.**
- **When an act or event that fails to meet the requirements of the Guidelines occurs or is identified, information shall be voluntarily disclosed to the MIRAIT ONE Group, without waiting for a request from the MIRAIT ONE Group.**
- **No falsification of records or false disclosure of information is allowed.**

I Human rights·Labor

(I-1) Prohibition of forced labor

- **No labor obtained through coercion, bondage, inhumane prison labor, slavery, or human trafficking shall be used.**
- **All workers must be protected in their right to leave their jobs or terminate their employment voluntarily, without being forced to work.**
- **No transporting, concealing, recruiting, transferring, or accepting persons by threat, force, abduction, or fraud shall be tolerated.**
- **No commissions for work shall be exploited from workers. No forced labor is allowed with such commissions as a debt.**
- **When hiring foreign workers, an employment contract that describes the terms and conditions of employment in a language the worker understands shall be provided before the worker leaves his/her home country. In addition, use of government issued identification documents, passports/visa, work permits or immigration application forms (except in cases where the retention of these documents by non-workers is required by law), etc., shall not be prevented by hiding or confiscating them from the worker, nor shall unreasonable restrictions be placed on the worker's access to the facility or movement within the facility.**

Forced labor is defined as (involuntary) labor performed by a person under threat of punishment or other punishment and against his/her free will.

(I-2) Prohibition of inhumane treatment

- **The human rights of workers are to be respected, and inhumane treatment such as mental or physical abuse, coercion, or harassment, as well as any such potential acts, are not to be tolerated.**
- **Dormitories shall provide facilities for the storage of personal property and valuables, and personal space large enough to allow for proper access.**
- **Disciplinary policies for those involved, procedures for handling incidents, etc., shall be developed, and a complaint handling mechanism shall be in place, communicated to workers, and operated in order to ascertain the facts of inhumane treatment.**

Psychological abuse is defined as psychologically violating another person by, for example, inhumane language, harassment, neglect, or words that damage self-esteem, thereby causing mental and emotional harm.

Physical abuse includes violence and working under harsh conditions.

Coercion refers to forcing a worker to do something he or she does not want to do or to work overtime, for example, by threatening to do so.

Harassment refers to actions that make the recipient feel uncomfortable due to harassment or bullying, such as sexual harassment, power harassment, and maternity harassment. Specifically, it includes sexual harassment, sexual abuse, corporal punishment, mental or physical oppression, verbal abuse, and non-provision of facilities for basic physical comfort (such as furniture).

(I-3) Prohibition of child labor and consideration to young labor

- **Children under the minimum working age shall not be allowed to work.**
- **Young workers under the age of 18 shall not be assigned to night shifts, overtime work, or other hazardous work that may jeopardize their health or safety.**
- **If child labor is identified, an improvement plan or program to support children shall be provided.**

Child labor is defined as any activity or labor that, by its nature or performance, harms the intellectual, physical, social, or moral development of young people, makes it impossible for them to attend school, forces them to drop out of school, or forces them to balance work and study, thereby undermining their educational opportunities and healthy development.

ILO 138 Convention (1973) stipulates that the minimum age for employment or employment shall not be less than the age for completing compulsory education, and in no case less than 15 years of age (as a transition period, in developing countries with underdeveloped economies and educational institutions, 14 years of age may be set as the minimum). The employable age also varies depending on the type of work. All countries must set the minimum working age at the age of 18 for dangerous or hazardous work. If the following condition is met, however, such work may be performed at the age of 16.

- ✓ Prior consultation has taken place with national labor and management associations, the safety, health and morals of young people are adequately protected, and they have received sufficient specific education or vocational training in the field of activity concerned.

Hazardous work is defined as:

- ✓ Work that exposes children to physical, psychological, or sexual abuse
- ✓ Work performed in mines, underwater, at dangerous heights or in confined spaces
- ✓ Work involving the use of dangerous machinery, equipment, and tools or the manual handling or transport of heavy objects
- ✓ Work performed in an unhealthy environment (e.g., exposing children to hazardous substances, factors, or processes, or to temperatures, noise levels, or vibrations that are harmful to children's health)
- ✓ Work under particularly difficult conditions, such as work during long hours, work at night or work in which the child is unreasonably restricted to the employer's premises

(I-4) Prohibition of discrimination

- **In wages, promotions, compensation, education, hiring or employment practices, no action shall be taken that may lead to discrimination on the basis of race, color, age, sex, sexual orientation, gender identity and expression, ethnicity or national origin, disability status, pregnancy, religion, party or political affiliation, union membership, military service status, protected genetic information, or marital status.**
- **Appropriate consideration shall be given to requests from workers regarding their religious practices, to the extent that such requests do not violate public welfare or social conventions.**
- **Medical examinations and pregnancy tests do not undermine equal opportunity or fairness in treatment.**
- **Appropriate consideration should also be given to the unique problems that exist in each country and region, such as the discrimination against outcast people in Japan.**

(I-5) Decent wages and benefits

- **All laws and regulations applied to compensation paid to workers, including minimum wages, overtime pay, and legally mandated benefits and wage deductions shall be observed. In addition, consideration should be given to the payment of wages at a level that can provide for the necessities of life (living wage).**

A minimum wage is the lowest wage stipulated by wage-related laws and regulations in the country of residence. This must be paid to workers without delay and at the appropriate time in accordance with the laws and regulations of the country of residence.

A living wage is a wage level that, according to international standards, meets the needs of workers and their families, enables them to lead a social life, and satisfies their dignity.

Unfair wage deductions refer to payroll deductions that violate labor-related laws and regulations. However, it does not include nonpayment for time not worked, such as for tardiness or absence.

When compensation is paid, a statement containing information confirming the appropriateness of the payment must also be provided.

(I-6) Working hours

- **Workers shall not be made to work beyond the limits set by the laws and regulations of the region in which they work, and workers' working hours and days off shall be properly managed, taking into account international standards.**
- **Even within the working hours stipulated by law, efforts shall be made to ensure the working hours to not be excessive.**
- **Workers' will shall be respected in performing overtime work, and compensation for overtime work shall be in accordance with local laws and regulations in the area.**

Proper management is defined as follows:

- ✓ The number of prescribed working days per year shall not exceed the legal limit.
- ✓ The number of hours worked per week, including overtime hours (but excluding unavoidable such as disasters and others) shall not exceed the legal limit.
- ✓ Paid annual leave, maternity leave, and parental leave shall be entitled as stipulated by law.
- ✓ A break period shall be given as stipulated by law.
- ✓ Physical and mental health examinations to protect the health of workers shall be conducted.

Following the laws and regulations of each country, working hours, days off, and breaks must be properly granted. International standards must also be taken into consideration. For example, ILO1Convention (1919) and 30 Convention (1930), one of the international standards, state that the weekly working hours shall not exceed 48 hours per week, including overtime hours, except in emergency or unusual circumstances. ILO14Convention (1921) and 106 Convention (1957) stipulate that at least one day off (not less than 24 hours) must be provided for every seven days (not more than six consecutive days). In addition, 116 Recommendation (1962) was adopted as the social standard to be achieved by Convention No. 47 (1935), which established the principle of a 40-hour work week. Some industry standards specify a maximum working hours, including overtime, of 60 hours per week.

(I-7) Freedom of association, collective bargaining rights

- **In compliance with local laws and regulations, the right of workers to organize shall be respected as a means of achieving labor-management consultations on working conditions, wage levels, etc.**
- **The right of all workers to form and join labor unions of their choice shall be respected, as well as the right of workers not to participate in or refrain from such activities.**

(I-8) Implementation of human rights due diligence in the supply chains

- **Human rights due diligence shall be conducted on suppliers of raw materials and parts, and on suppliers of services, as necessary, to ensure that there are no violations of this item.**

All suppliers with whom the MIRAIT ONE Group does direct business are responsible for communicating and encouraging compliance with the requirements of these Guidelines on human rights issues to their upstream suppliers, and ensuring that they are in compliance with the Guidelines, including any violations.

"OECD Due Diligence Guidance for Responsible Business Conduct" recommends that companies conduct risk-based due diligence in order to avoid and address negative impacts on their operations and supply chains.

(I-9) Promotion of technology by high ethical standards

- **Regarding new technologies, such as artificial intelligence (AI), applicable laws and regulations shall be complied with, and data protection and management shall be responsibly and appropriately used, with respect for human rights and nature.**
- **In particular, when using these technologies in transactions with the MIRAIT ONE Group, the following points shall be complied with.**
 - ✓ The amount of unfair discrimination and other negative impacts arising from algorithmic and data biases shall be identified and addressed as appropriate.
 - ✓ As far as possible, efforts should be made to present the basis for the decisions that led to the output of the AI judgment results.
 - ✓ The data used for training of AI and others shall be guaranteed to be data obtained by appropriate means.

New technology such as artificial intelligence (AI) shall be used in the way that preserves the coexistence of people and nature. To this end, it is necessary to pursue the research and development, utilization, and social implementation of such new technologies with high ethical standards.

II Health and safety

(II-1) Labor safety

- **In addition to complying with the laws and regulations of the country in which the company is located regarding occupational safety, risks to safety on the job shall be identified and evaluated, and safety shall be ensured through appropriate design, technology, and management measures. In particular, reasonable consideration shall be given to pregnant women and nursing mothers.**
- **Training on health and safety in the work environment shall be provided to workers.**
- **Work under the influence of illegal or controlled substances shall be prohibited.**

Risks to safety on the job refer to potential risks of accidents and health problems that may occur during the course of employment due to electricity and other energy, fire, vehicles and moving objects, slippery or tripping surfaces, falling objects, and other hazards.

Appropriate design, technology, and management measures include, for example, the following.

- ✓ Monitoring hazardous areas with sensors
- ✓ Blocking by locking the power source supplying the machine or equipment (lockout)
- ✓ Installing tags clearly indicating the prohibition of operation of the energy cutoff device during shutdown of the power source (tagout)
- ✓ Providing protective equipment such as safety glasses, safety hats, gloves, etc.

Reasonable consideration for pregnant women and nursing mothers during the lactation period, for example, includes the following.

- ✓ Lifting/moving heavy objects
- ✓ Exposure to infectious diseases
- ✓ Exposure to lead
- ✓ Exposure to toxic chemicals
- ✓ Work in an unreasonable or burdensome posture
- ✓ Exposure to radioactive substances
- ✓ Threats of violence
- ✓ Long-time work
- ✓ Extreme high temperature
- ✓ Excessive noise

In addition, if a worker needs to breastfeed a child in nursing care during the first year after delivery, measures should be taken, such as providing adequate break time for breastfeeding or milking and a safe, clean area shielded from view and inaccessible to co-workers or the public.

(II-2) Safety measures for machinery and equipment

- **Safety risks of machinery and equipment used by workers shall be evaluated and appropriate safety measures shall be implemented.**

Appropriate safety measures refer to controls to prevent accidents and health problems that may occur during the course of employment and include, for example, the following.

- ✓ Adoption of safety mechanisms known as fail-safe, foolproof, interlock, tagout, etc.
- ✓ Installation of safety equipment and safety shields

- ✓ Implementation of periodic checks and maintenance of machinery and equipment

(II-3) Workplace hygiene control

- **The risks that workers may be exposed to harmful biological, chemical, and physical influences in the workplace shall be identified and assessed and appropriate controls shall be implemented.**

Harmful influences include toxic substances, radiation, and substances that cause chronic disease (lead, asbestos, etc.). These may be present in the form of soot, vapor, mist, or dust. Noise and odors are also considered hazardous to the human body if they are significant.

Proper management means, for example, the following.

- ✓ Establishment and operation of management standards
- ✓ Appropriate education and training for workers
- ✓ Provision of appropriate personal protective equipment

(II-4) Occupational Accidents and Diseases

- **Occupational accidents and diseases shall be identified, evaluated, recorded, and reported, and appropriate measures and corrective actions shall be taken.**

Appropriate measures refer, for example, to systems and measures that enable the following.

- ✓ Encouraging reporting by workers
- ✓ Classification and recording of disasters and diseases
- ✓ Providing necessary treatment as needed
- ✓ Survey of disasters and diseases
- ✓ Implementation of corrective actions to eliminate the cause of the problem
- ✓ Promoting workers' return to work

Appropriate measures also include the following.

- ✓ Implementing the necessary procedures for the administration according to the provisions of the law.
- ✓ Enrolling in workers' compensation insurance

(II-5) Emergency preparedness and response

- **To prepare for emergencies such as disasters and accidents that may endanger human life and physical safety, the possibility of the occurrence of such an emergency shall be identified, and action procedures for emergency responses that minimize damage to workers and assets shall be prepared, necessary equipment, etc. shall be installed, and education and training shall be provided so that such actions can be taken in the event of a disaster.**

Any occupational accidents or diseases that occur in the course of performing the work of the MIRAIT ONE Group and for which the MIRAIT ONE Group is legally, morally, or ethically responsible shall be reported. Emergency response means, for example, reporting emergencies, notifying workers, clarifying evacuation procedures, setting up evacuation facilities, clear and unobstructed exits, appropriate exit facilities, stockpiling emergency medical supplies, installing fire detection systems, installing fire extinguishers, fire doors and sprinklers, securing external communication means, and developing recovery plans.

This information also needs to be made known within the workplace which, for example, includes the following actions.

- ✓ Implementing emergency response training for workers (including evacuation drills)
- ✓ Keeping/posting emergency response procedures and other documents in an easily accessible location in the workplace

(II-6) Consideration for physically demanding tasks

- **The task that is physically demanding shall be identified, evaluated, and properly managed to prevent occupational accidents and diseases.**

Examples of physically demanding work include the following.

- ✓ Manual handling of raw materials
- ✓ Heavy labor, including manual heavy lifting
- ✓ Assembly work requiring a lot of strength and repetitive and continuous work over a long period of time, such as data entry.
- ✓ Work in unnatural postures for extended periods of time

Proper management includes, for example, the following.

- ✓ Improving the work environment base on ergonomics
- ✓ Regular short breaks
- ✓ Provision of work aids
- ✓ Work sharing and cooperation with multiple workers

Proper management also includes consideration of the surrounding environment so that people can move correctly and efficiently, and so that accidents and errors are reduced.

Ergonomics refers to the field of research that designs objects and environments so that humans can use them in the most natural movement and condition possible and utilizes this in actual design. This includes preparing the surrounding environment to allow people to move correctly and efficiently, and to reduce accidents and errors.

(II-7) Facility health and safety

- **Health and safety of facilities provided for workers' living (company housing, dormitories, cafeterias, toilets, etc.) shall be properly ensured.**
- **Appropriate emergency exits shall be provided for emergencies in company housing and dormitories.**

To ensure health and safety, the following must be taken into consideration, in addition to maintaining the cleanliness and sanitation of the facility.

- ✓ Drinking water: water quality inspection in compliance with regulations, etc.
- ✓ Providing hygienic meals: medical checkups of cooks, control of proper food temperatures, etc.
- ✓ Toilets: provision of an adequate number of clean toilet facilities for the number of people, etc.
- ✓ Company housing and dormitories: fire protection, adequate room size, ventilation, temperature control, proper lighting, etc.

(II-8) Employee health management

- **Appropriate health care shall be provided to all employees.**

Appropriate health management refers to the prevention and early detection of employee illnesses by conducting medical examinations at least at the level required by law. It also includes the prevention of health problems caused by overwork and adequate care for mental health issues.

(II-9) Communication for health and safety

- **Education and training in appropriate health and safety information about the various hazards to which workers may be exposed on the job shall be provided in a language and manner that workers can understand.**
- **A system shall be created to provide feedback from workers on their opinions related to safety.**
- **Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible to workers, and shall be provided in a language that workers can understand.**
- **Education and training shall be provided to all workers prior to the start of work and periodically thereafter.**
- **A system shall be created for workers to raise safety concerns.**

Education and training items may include, for example, the following.

- ✓ Correct use of personal protective equipment
- ✓ Emergency response
- ✓ Safety operation of machinery
- ✓ Preparation before entering a harmful environment

III Environment

(III-1) Environmental permits and reporting to the government

- **Permits and approvals necessary for the business shall be obtained and registration and reports shall be made according to the laws and regulations of the location of the business.**

Permits and approvals specified by the laws and regulations include, for example, the following.

- ✓ Permits/approvals related to waste management
- ✓ Permits/approvals related to prevention of air pollution

In addition, depending on the chemical substances used in the business, permits and approvals may be required for the handling and management of toxic substances, specified chemical substances, and hazardous materials.

Depending on the nature and location of the business, government permits and approvals may also be required for environmental impact assessments, facilities for handling hazardous materials, and so on.

(III-2) Management of chemical substances contained in products

- **All laws and regulations applied to the prohibition or restriction of the use of specific substances contained in products and customer requirements shall be complied with.**

For substances in products, the laws and regulations of a destination country shall be complied with. In addition, companies in the upstream supply chain must provide the information needed by companies in the downstream supply chain because they must also be responsible for the components that are incorporated in the final product.

(III-3) Management of chemical substances

- **In compliance with the laws and regulations of each country, chemicals and other substances that pose a hazard to human health, or the environment shall be identified, labeled, and controlled to ensure safe handling, transfer, storage, use, recycling or reuse, and disposal.**

(III-4) Minimalization of environmental impact (wastewater, sludge, exhaust, noise, vibration, etc.)

- **The laws and regulations of the country where the facility is located shall be observed with regard to wastewater, sludge, exhaust, noise, and vibration and further improvements shall be made with voluntary standards as necessary.**
- **In wastewater management, the source, use, and discharge of water shall be monitored to conserve and reuse water. Any wastewater shall be characterized, monitored, controlled, and treated as necessary before discharge or disposal, and pollution sources that may cause water contamination shall be identified and properly managed.**
- **In sludge management, the amount of sludge discharged shall be reduced, and appropriate sludge treatment or sludge recycling shall be implemented.**

- **In exhaust management, appropriate measures shall be implemented to reduce the emission of hazardous substances into the atmosphere.**
- **In the management of noise and vibration, efforts shall be made to reduce generation of noise and vibration and preserve the living environment.**

Voluntary standards mean having targets for reducing environmental burdens beyond the levels specified by laws and regulations. In addition to preventing pollution, they include improvement of monitoring, control and treatment methods for wastewater, sludge, exhaust, noise, and vibration and reduction of the amount of their discharge and emissions as activities for further reduction of environmental burdens.

Management of wastewater pollution pathways include, for example, the following.

- ✓ Ensuring no stagnant water or grease pools near storm sewers
- ✓ Equipment of shutoff valves and hydrants to stop water and sewage leaks and spills in the event of a plant disaster or natural disaster.

Appropriate sludge treatment in the sludge management includes, for example, reduction of sludge volume by concentration, dewatering, and incineration (volume reduction).

Hazardous substances released into the atmosphere in exhaust management include volatile organic compounds, aerosols, corrosive substances, particulates, ozone-depleting substances, and by-products of combustion. These substances must be analyzed and monitored for content prior to emissions, and the necessary controls and actions must be taken based on the results before emission.

Measures against emissions of hazardous substances into the atmosphere include.

- ✓ Regular monitoring of the handling of substances to be emitted and the performance of treatment systems

(III-5) Reduction of energy consumption and greenhouse gas emissions

- **Energy efficiency shall be improved, and continuing efforts shall be undertaken to reduce energy consumption and greenhouse gas emissions.**
- **Energy used shall be renewable energy whenever possible.**

In 1997, the Kyoto Protocol, adopted at the 3rd Conference of Parties to the United Nations Framework Convention on Climate Change (COP3), established numerical targets for reducing emissions of six greenhouse gases: carbon dioxide, methane, nitrous oxide, HFC, PFC, and SF6. In 2015, the Paris Agreement was adopted at COP21 to address the global issue of climate change, with the following goals: to keep the global average temperature increase well below 2°C above pre-industrial levels and to pursue efforts to limit the increase to 1.5°C; to achieve an equilibrium between emissions from anthropogenic sources and removals from sinks (carbon neutrality) by the second half of the century. COP26 in 2021 also reaffirmed the long-term global goal of keeping the increase in global average temperature well below plus 2 °C above pre-industrial levels and pursuing efforts to limit the increase to 1.5 °C. To achieve these agreements and targets, it is important for all businesses, or the entire supply chain, to be aware of and work toward them, not only by each business itself, but also by encouraging upstream and downstream suppliers and stakeholders.

Examples of a framework in which each business operator voluntarily sets its own greenhouse gas reduction targets and promotes initiatives include the following.

- ✓ Science Based Targets (SBT), an international climate change initiative
- ✓ “RE100,” an alliance of businesses that aim to use 100% renewable energy to power their operations.

(III-6) Reduction of environmental burdens through product assessment

- **Implementation of product assessment, and design/manufacturing that reduces environmental burdens shall be voluntarily undertaken.**

Product assessment include, for example, the following.

- ✓ Materials (selection of easily recyclable materials, control of use of hazardous materials, etc.)
- ✓ Designing (energy saving, weight reduction, longevity improvement, etc.)
- ✓ Labeling (identification of material names, etc.)
- ✓ Packaging materials
- ✓ Recycling and disposal

(III-7) Effective use of resources and waste management

- **Laws and regulations shall be observed, and appropriate management shall be implemented to promote reduce, reuse, and recycling to make effective use of resources and minimize the generation of waste.**
- **Even for disposal of materials that have not been identified as hazardous, a systematic approach to identify, manage, and responsibly dispose of or recycle wastes shall be implemented and efforts made toward reduction.**
- **For disposal of materials, measures shall be taken not to waste natural resources (water, fossil fuels, minerals, virgin forests and its products, etc.) by complying with and minimizing the legal regulations of the location of the project.**
- **Waste from business activities shall be identified and reduced as much as possible, and reused and recycled, and efforts shall be made to identify disposal methods (material cycle, thermal cycle, final disposal method, etc.) and recycling rates.**

To implement the above, the following means may be used.

- ✓ Change of production facilities at the source
- ✓ Substitution of materials
- ✓ Reuse of resources
- ✓ Recycling

It is important to set voluntary goals for the activities in order to comply with laws and regulations.

Non-use and reuse of disposable plastics and use of compostable materials are also recommended.

(III-8) Biodiversity conservation

- In addition to taking biodiversity conservation into consideration for the materials used, activities to conserve ecosystems and rare plants and animals inside and outside of business sites shall be undertaken together with stakeholders (employees, local governments, NGOs and other experts, etc.).
- Damage to local water resources shall be kept to a minimum.

(III-9) Implementation of environmental surveys in the supply chain

- If there is a concern that a supplier of raw materials, parts, or services may be in violation of laws and regulations or seriously damaging the environment, an investigation shall be conducted, and appropriate corrective and preventive measures shall be implemented.

IV Fair trade and ethics

(IV-1) Prevention of corruption and illegal political contributions, and prohibition of improper provision and receipt of benefits

- **Policy to prohibit any and all bribery, excessive gifts or entertainment, corrupt or illegal political contributions, extortion, and embezzlement shall be adopted and adhered to on an ongoing basis.**
- **Not to offer or condone promises, offers, or authorizations shall be made or accepted as a means of obtaining bribes or other undue or improper advantage.**
- **Appropriate education and training shall be provided to employees to ensure ongoing compliance.**
- **Measures shall be taken to prevent money laundering.**

Bribery is the offering of money, entertainment, gifts, or other benefits or favors to public officials and similar persons (hereinafter referred to as “public officials, etc.”) in return for some business benefit, such as obtaining or maintaining permits, licenses or transactions, or obtaining non-public information.

It also includes entertainment and gift-giving to public officials, etc. that goes beyond social propriety, even when no quid pro quo is sought in the course of business.

Illegal political contributions include, for example, making political contributions in exchange for some business consideration, such as obtaining or retaining permits, licences or business; obtaining non-public information; or making political contributions that do not follow proper procedures.

(IV-2) Prohibition of abuse of a dominant position

- **No act shall be committed that would cause a disadvantage to the suppliers by abusing a dominant position.**

Abuse of a dominant position refers to taking advantage of one's position as a purchaser or consignor to, for example, engage in any of the following acts.

- ✓ Unilaterally determining or changing the terms and conditions of transactions with suppliers, etc.
- ✓ Imposing unreasonable demands or obligations

Procurement transactions must be conducted in good faith, fairly and equitably on the basis of contracts, etc., to prevent any abuse of a dominant position. In countries that have laws and regulations regarding abuse of a dominant position, those laws and regulations must be observed.

(IV-3) Conducting fair business

- **The laws and regulations concerning fair competition and fair trade established in each country and region shall be observed, and illegal acts such as cartels and other competitive restriction agreements, unfair trade practices, and improper advertisement shall not be conducted.**
- **Eliminate forces that threaten the order and safety of civil society and to comply with all laws, ordinance, and all other social norms.**

Fair advertisement refers to advertisements without any dishonest purpose or provision of information that is not true. It also refers to the avoidance of expressions that mislead consumers and customers about the advertisement's content, and the avoidance of slander, libel, or infringement of the rights of other companies or individuals.

(IV-4) Respect for intellectual property

- **To respect intellectual property rights and to transfer technology and know-how in a way that protects intellectual property rights.**
- **Intellectual property of third parties, including customers and suppliers, shall also be protected.**

Intellectual property includes intellectual property rights as well as trade secrets and technical know-how.

Intellectual property rights are rights stipulated by law which include patent rights, utility model rights, design rights, trademark rights, and copyrights.

(IV -5) Proper import/export control

- **The laws and regulations regarding the import and export of technology and goods exist in each country shall be understood and observed. To this end, a clear management system shall be put in place and appropriate import/export procedures shall be followed.**

Technologies and goods regulated by laws and regulations include parts, products, technologies, equipment, and software that are regulated for export by laws and regulations based on international agreements such as Wassenaar Arrangement. In some export cases, it may be necessary to obtain a license from a regulatory authority or to follow other procedures to export the product.

(IV-6) Fraud prevention

- **The activities to be undertaken to prevent fraudulent acts.**

The activities to prevent fraudulent acts refer to educating and enlightening employees as well as creating an open workplace culture.

(IV-7) Conducting responsible mineral surveys and due diligence

- **Due diligence shall be conducted on whether minerals such as tantalum, tin, tungsten, and gold contained in the products being manufactured cause or contribute to serious human rights harm, environmental destruction, corruption, or conflict in trouble spots and high-risk areas.**

Some minerals produced in areas of conflict are said to finance armed groups that engage in inhumane acts and contribute to conflict, or cause human rights violations.

In order to fulfill our social responsibility in procurement activities, the MIRAIT ONE Group will work with our suppliers to ensure transparency in the supply chain and promote initiatives to eliminate the use of “conflict minerals,” which are a funding source for armed groups, in accordance with the objectives of the US Dodd–Frank Wall Street Reform and Consumer Protection Act and EU Conflict Minerals Regulation. Furthermore, there are minerals that are not a funding source for armed groups even in areas where conflicts exist, and we will work to ensure that the use of such minerals will not be hindered.

For the due diligence for responsible mineral sourcing, the internationally recognized “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” states the following five steps.

- Step 1: Establish strong company management system
- Step 2: Identify and assess risks in the supply chain
- Step 3: Design and implement a strategy to respond to identified risks
- Step 4: Carry out independent third-party audit of refiner's due diligence practices
- Step 5: Report annually on supply chain due diligence

V Quality and Safety

(V-1) Assurance of product safety

- **The company shall fulfill its 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 that ensure sufficient product safety.**

Laws and regulations related to product safety include, in Japan, the Electrical Appliances and Materials Safety Act, the Consumer Product Safety Act, and the Household Goods Quality Labeling Act. Safety standards are stipulated in detailed rules and regulations of laws and regulations, JIS, and so on. Overseas safety standards include UL, BSI, and CSA.

To ensure product safety, it is useful to manage traceability (history of materials, parts, processes, etc.) and take prompt action to solve problems.

(V-2) Provision of accurate product and service information

- **Accurate and non-misleading information on products and services shall be provided.**
- **No false information and manipulated information shall be provided.**

Accurate and non-misleading information includes, for example, as following.

- ✓ Accurate information related the specification, quality, and handling of products and services
- ✓ Accurate information on substances contained in materials and parts used in products

VI Information Security

(IV-1) Provision of products and services respecting security and privacy

- **Products or services are designed to provide confidentiality, authenticity, integrity, and availability of data.**
- **Policies and procedures shall be established and implemented to ensure that products or services are free of backdoors, malware, and malicious code during product or service development.**
- **Based on the risk, support necessary to ensure security, such as providing security patches shall be provided during the support period.**

Security and privacy-conscious products or services must provide confidentiality, authenticity, integrity, and availability of data.

In developing a product or service, it is important to develop and implement policies and procedures that do not allow for the product or service to contain backdoors, malware, or malicious code. It is helpful to regularly scan, test, and remediate the security of the product, service, and underlying infrastructure, as well as to have processes in place to ensure that the product or service is authentic and identifiable.

It is also important that the product or service provider provide guidelines for secure configuration, operation, and use, and provide contact information, security advisories, vulnerability management, security patches, and support during the defined support period, based on risk. An effective prerequisite for this is the implementation of appropriate asset management, vulnerability management, and change management policies that can mitigate risks to the service environment.

(V-2) Prevention of confidential information leakage

- **A framework and management system shall be established to appropriately manage and protect confidential information received not only from the company but also from customers and third parties. This includes setting information management levels and employee education/training.**

Confidential information refers to, in general, the information disclosed by the documents whose confidentiality has been agreed upon (including data information electronically and optically recorded) and the information orally disclosed after its confidentiality was notified.

Appropriate management refers to the establishment and operation of an overall management system for confidential information, including the establishment of rules and policies observed by workers, the planning according to the said rules and policies, implementation thereof (such as access management using an ID of the appropriate level), and audit and review.

Appropriate protection refers to not illegally or improperly obtaining, using, disclosing, or revealing sensitive information throughout the entire data lifecycle, and requires the implementation of appropriate encryption and other data protection.

It is also important to implement appropriate access control and other measures to prevent unauthorized physical access.

(VI-3) Protection of Personal Information

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

Personal information is information about a living individual that can be used to identify the specific individual by name, date of birth, or other description contained in the information. It includes information that can be easily cross-checked with other information and thereby identify a specific individual.

Appropriate management refers to the establishment and operation of an overall management system for personal information, including the creation of norms and policies to be observed by workers and others, planning, implementation of measures, audits, and reviews in accordance with these norms and policies.

Appropriate protection means that personal information will not be illegally or improperly obtained, used, disclosed, or revealed.

(VI-4) Countermeasures against cyber attacks in the company

- **Measures (identification, prevention, detection, response, and recovery) against threats such as cyber-attacks to the company's information systems, networks, and products and services shall be taken and managed (including employee education and training) to prevent damage to the company and other parties.**
- **A security policy in accordance with international standards shall be established and in operation.**

A cyber attack is an act that causes damage, such as the leakage of trade secrets including personal information, customer information, business partner information, and confidential information, or the encryption of important files, through malware infection by targeted e-mails, for example, or inducement to malicious websites.

It is necessary to prevent problems such as information leakage, falsification, and information system outages caused by cyber attacks. Damage is not limited to the company itself, as attackers may expand their attack targets from the customer and business partner information they obtain.

The devices targeted by cyber attacks are not only traditional PCs and servers, but also industrial systems and devices known as the Internet of Things (IoT), and it is effective to take countermeasures for these devices as well. It is also important to have a plan in place for quick recovery in the event of a cyber attack. Such measures include, for example, backup of critical data and redundancy of servers and data centers.

If the company subscribes to cloud services, it is also important to confirm the formulation and feasibility of these plans based on the terms and conditions of the contract.

(VI-5) Security incident response

- **If a security incident occurs, stakeholders shall be notified immediately, the cause of the incident shall be identified, damage shall be prevented from spreading, and measures shall be taken to prevent recurrence.**
- **If a security incident occurs or is suspected to occur in products and services provided to MIRAIT ONE Group and in works outsourced by MIRAIT ONE Group, MIRAIT ONE Group shall be notified immediately.**
- **The cause, the results of the response, and the preventive measures shall be reported to MIRAIT ONE Group as requested.**

VII Development of Business Continuity Plan

- **Preparation for large-scale natural disasters (earthquakes, tsunamis, floods, torrential rains, heavy snowfalls, tornadoes) and associated power outages, water outages, transportation disruptions, etc., accidents (fires, explosions), pandemics spreading such as widespread infectious diseases, terrorism, riots, cyber attacks, significant changes in supply and demand balance of raw materials and parts, etc. that will significantly affect the business continuity shall be made so that production activities are resumed as soon as possible to minimize the impact on the supply chain.**
- **Efforts shall be made to formulate a communication system and means of communication to assess the impact of the disaster on delivery dates, etc., and to enable early contact with stakeholders, including customers.**

As a proactive measure, it is important to have a local recovery strategy that addresses, for example, how to protect, mitigate, and restore individual elements of the production site in response to possible damage. It is also important to secure alternative means of recovery in anticipation of a prolonged recovery from the damage. It is effective to formulate a manual for the early restoration of business according to the contents of the business continuity plan in the event of an actual business shutdown, and to continuously educate and train employees to be able to cope with actual disasters.

VIII Social Contribution Activities

- **Local culture and customs shall be respected and efforts shall be made to develop a sustainable society.**

Others

This Guidelines are subject to revision as necessary to reflect changes in social conditions and new knowledge.

Established on November 1, 2024

【Inquiries】

MIRAIT ONE Corporation
Procurement Department
General Coordination Department