

**Nitto Group**  
**Supplier Code of Conduct**

**February 2025**

**NITTO DENKO CORPORATION**

## Introduction

The Nitto Group has set the 2030 vision as becoming an "An essential top ESG company" and is actively promoting sustainable procurement activities across the entire supply chain.

To become a company trusted and chosen by all stakeholders, the Nitto Group established the CSR Procurement Guidelines in 2016 and revised them in 2019, actively engaging in CSR procurement. To respond to external environmental changes such as greenhouse gas reduction, water management, biodiversity, and business and human rights, and to align with recent trends in supply chain management, legal regulations, and the revision of the Responsible Business Alliance (RBA) Code of Conduct, the Nitto Group has now revised the CSR Procurement Guidelines and updated them to the "Supplier Code of Conduct."

Achieving CSR procurement requires the Nitto Group and our suppliers to share common values and work together across the entire supply chain on CSR activities, which we believe will lead to coexistence and mutual prosperity with our suppliers.

This code outlines the standards of behavior and actions we ask our suppliers to specifically practice and comply with. We kindly ask our suppliers to understand the intent of this code and comply with the Supplier Code of Conduct. Furthermore, we request your cooperation in advancing sustainable procurement across the entire supply chain, including extending these efforts to your suppliers.

The Nitto Group prioritizes transactions with suppliers who comply with the Supplier Code of Conduct. Additionally, we request your cooperation in responding to CSR assessments conducted by the Nitto Group and participating in site visits for compliance verification. Should any aspects of the code not be addressed based on the findings of such assessments, the Nitto Group will fully support our suppliers in their efforts to comply with the code. We ask for your cooperation in improving these efforts together with us. Please note that if cooperation cannot be provided in the future, we suspend transactions or review the terms of our business.

We look forward to continuing to work with our suppliers, and we appreciate your understanding and cooperation.

## Partner Hotline

The Nitto Group has established a reporting channel for suppliers who do business with the Nitto Group. If you suspect any ethical or compliance violations by Nitto Group officers or employees in procurement activities, or if you have concerns related to any items outlined in this code within the entire supply chain, we kindly ask you to report them via the Partner Hotline. The reporting destination is not the procurement department but the compliance department, and we ensure that no unfavorable treatment will occur because of any reports.

*Note: "Business partners" are those who have business relationships with the Nitto Group*

*throughout the supply chain (suppliers and customers), and “suppliers” are those who provide products and services to the Nitto Group (including indirect transactions).*

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## 1) Labor and Human Rights

Creating a supportive work environment and enhancing productivity requires realizing "Decent Work" (human dignity and meaningful work) for all employees. Companies must respect the rights (human rights) of all employees working in their workplaces, regardless of their employment type, and treat them with dignity.

### 1-1) Prohibition of forced labor

- Any form of forced labor, such as labor involving human trafficking, bonded labor, or slavery, must be prohibited.
- All employees must be employed voluntarily based on their free will, with mutual agreement on employment terms before starting work.
- Employment documents, such as contracts and condition notices, must be written in a language the employee understands and in a legally compliant manner.
- Unreasonable restrictions on the freedom of movement of employees must not be imposed.
- Employees must be allowed to leave employment freely at any time without penalty if they provide a valid explanation for their resignation.
- The collection of fees or unjust deductions from employees is prohibited.
- Requiring employees to deposit identification documents, such as passports or work permits, is strictly prohibited.

#### Explanation

"Forced labor" refers to work imposed on individuals without their consent, constituting a serious violation of human rights. Ensuring that employment terms are clearly explained in a language the employee can understand is essential to confirm their voluntary agreement to the job. Furthermore, practices like collecting fees, unjust deductions, or requiring the deposit of identification documents (e.g., passports, residency cards, or social security cards) can restrict employees' freedom to leave and are not acceptable under Nitto Group policies.

#### *Note:*

*Practices like collecting fees: Referral (placement) fees at the time of hiring, etc.*

*Unjust deductions: Forcing individuals to pay for uniforms, personal protective equipment, and training required for the job, etc.*

### 1-2) Prohibition of child labor

- Children below the minimum working age set by the laws of each country/region must not be employed.
- For young workers under the age of 18, overtime work, hazardous or harmful tasks, and night shifts are strictly prohibited.

#### Explanation

"Child labor" refers to work performed by children who are under the minimum working age as defined by the laws of each country/region, or by the International Labour Organization (ILO). For example, in Japan, the Labor Standards Act prohibits employment until the completion of compulsory education (up to March 31 following the 15th birthday). Additionally, young workers under the age of 18 are generally prohibited from engaging in hazardous work or night shifts.

In countries where the minimum working age is not clearly defined, please follow the ILO's standards.

If child labor is found, appropriate steps should be taken to support the child's education and provide necessary assistance in a humane manner.

#### *Note:*

*Hazardous tasks: Work involving exposure to harmful substances or performing at heights.*

*Night shifts: Typically defined as at least seven consecutive hours between 10 PM and 7 AM.*

### **1-3) Working hours**

- Working hours, including overtime, must not exceed the limits set by the laws and regulations of each country/region.
- Employees must be given at least one day off within every seven-day period.
- Employees must be granted annual paid leave and long-term leave as specified by the laws of each country/region.
- Accurate records of working hours, including regular and overtime hours, must be maintained.

#### Explanation

Excessive working hours can negatively affect the mental and physical health of workers, potentially leading to conditions such as depression, overwork-related illnesses, or even death. Therefore, it is crucial to manage working hours appropriately to protect workers' health and safety. For instance, the Responsible Business Alliance (RBA), a coalition aimed at supporting safe labor practices in supply chains, establishes a weekly working hour limit of 60

hours, while the International Labour Organization (ILO) sets this limit at 48 hours to enhance global labor conditions and living standards. Companies are expected to use such international standards as references when formulating their own policies.

Furthermore, in the interest of prohibiting forced labor, it is essential to ensure that all overtime work is performed voluntarily. Additionally, special consideration should be given to workers' circumstances, such as pregnancy or recent return from childbirth, by reflecting these factors in the arrangement of breaks and working hours, thus fostering a gender-inclusive work environment.

#### **1-4) Appropriate wage**

- Employees must be paid at least the minimum wage specified by the laws of each country/region.
- Overtime wages must comply with the laws of each country/region and be calculated at a rate higher than the regular hourly wage.
- Employers must provide employees with pay slips in a language they can understand and in a legally compliant manner.

#### Explanation

The "minimum wage" refers to the lowest legally mandated wage in each country/region. If welfare benefits are required by law, they must also be provided without any deficiencies. Wage reductions as disciplinary measures or unjust deductions are prohibited, adhering to the principle of "payment for work performed." Additionally, wages must be appropriate for the hours worked, and equal pay must be provided for employees performing the same work and possessing the same qualifications, ensuring no discrimination.

Pay slips must be clear, accurate, and written in a language and format that employees can understand to confirm the correctness of their compensation. Employers are also expected to explain the contents of pay slips when necessary.

Furthermore, for employees leaving the company, wages must be paid promptly and within the timeframe agreed upon during employment.

#### **1-5) Prohibition of inhumane treatment and discrimination**

- Abuse and all forms of harassment must be prohibited, and disciplinary policies and procedures to address such incidents must be clearly defined and disclosed to employees.
- Discrimination in recruitment and employment must be eliminated, and efforts must be made to ensure fairness in workplace treatment.

- Reasonable accommodations must be provided for religious practices or for individuals with disabilities seeking workplace adjustments.

#### Explanation

Employees' human rights must be respected, and inhumane treatment such as physical or mental abuse, sexual harassment, power harassment, corporal punishment, verbal abuse, or any other form of harassment must be eliminated.

Discrimination refers to creating differences in opportunities or treatment in areas such as recruitment, promotion, compensation, and training based on factors unrelated to the individual's ability, aptitude, or performance. Examples of discriminatory factors include race, ethnicity, nationality, place of origin, skin color, age, gender, sexual orientation, disability, religion, political beliefs, pregnancy, marital status, union membership, or genetic information.

When requesting pre-employment medical examinations, including health or pregnancy tests, it is recommended to clarify their purpose (such as ensuring a safe work environment) to avoid their use as a condition for employment.

Additionally, a reporting process must be established to allow employees to safely raise concerns about inhumane treatment or discrimination affecting themselves or others, ensuring that they feel secure in doing so.

#### **1-6) Employees' right to organize**

- The right of employees to organize, engage in collective bargaining, and participate in peaceful assemblies and associations as a means of improving their working conditions and treatment must be respected.

#### Explanation

Respecting employees' right to organize means ensuring that employees have the freedom to join labor unions and engage in collective bargaining or related activities without fear of retaliation, threats, or harassment. This should be done in compliance with the laws and regulations of each country/region.



## **2) Safety and Health**

Minimizing work-related injuries and illnesses and maintaining a safe and hygienic workplace environment are essential. These measures contribute to product and service quality, consistent production, employee retention, and increased motivation.

### **2-1) Safety and health in the workplace**

- Appropriate safety measures must be implemented for all machinery and equipment used in the workplace.
- Risks associated with hazardous chemicals, energy sources, and potential falls from heights must be evaluated. Measures such as establishing technical and managerial controls, educating workers, and ensuring awareness must be taken to guarantee their safety.
- Standards must be established to prevent exposure to harmful chemical and physical substances. This includes educating workers, raising awareness, and providing personal protective equipment (PPE) as needed.
- A suitable working environment, including proper lighting, temperature control, and ventilation, must be provided.
- Safety and health policies for individuals requiring special considerations (e.g., pregnant or nursing workers) must be established, and appropriate safety measures must be implemented.

#### Explanation

Safety devices must be adopted for mechanical equipment used in work, unfavorable environments with chemical substances, dust, bad odor, noise, etc. which are harmful to the human body must be improved. In addition, it is necessary to provide protective equipment to workers in such an environment, establish and apply management standards, and educate workers.

The company is also required to establish a communication process that allows employees to feel comfortable communicating workplace safety concerns to the company.

### **2-2) Emergency response**

- Potential disasters and accidents must be assessed and identified. Emergency response plans should be thoroughly communicated in the workplace through training and education.
- Training must be conducted at least once a year, with all employees participating.
- Emergency evacuation routes (e.g., emergency exits) must be secured in compliance with local laws and regulations.

### Explanation

Managing facilities to prevent accidents or disasters is fundamental. However, in case of emergencies, having a pre-established emergency response plan (ERP) is essential to protect employees' lives, health, and company assets. An ERP includes assigning roles and responsibilities, setting up emergency contact methods, and establishing procedures for communication and recovery.

Emergency response measures typically involve reporting incidents, notifying employees, setting up evacuation facilities, clarifying evacuation methods, storing emergency supplies like medicines and food, installing fire alarms and extinguishers, securing communication tools, and preparing recovery plans.

Training and education methods include conducting evacuation drills, posting evacuation routes and emergency procedures, and providing emergency response education such as fire safety and first aid. For facilities operating 24 hours, night-time drills are necessary to ensure employees can respond effectively in low-light conditions.

### **2-3) Labor accidents and occupational illnesses**

- Establish procedures and systems to prevent and manage labor accidents and occupational illness.
- When labor accidents or occupational illnesses occur, create procedures and systems for tracking and reporting, identify causes, and take necessary corrective actions.
- Identify tasks that put physical strain on employees, such as handling heavy objects or prolonged standing, and manage them appropriately by providing regular breaks, work aids, or task-sharing among multiple workers to prevent accidents and illnesses.
- Provide first aid kits, ensure their contents are sufficient for the size of the workplace, and inspect them regularly.

### Explanation

Reducing and preventing labor accidents and illnesses is key to creating a safe workplace. This means having systems and steps to encourage employees to report incidents, classify and record cases, investigate them, provide necessary treatment, find the causes, and take corrective actions to fix the issues. It's also important to support employees returning to work and ensure they are covered by workers' compensation insurance.

If employees are in immediate danger from a labor accident, the company must act quickly to keep them safe. The company should also check that similar risks won't happen again at the

site.

Additionally, it is important to complete any required procedures with administrative authorities in accordance with the laws of each country/region.

#### **2-4) Safety and health in facilities**

- Safety and health must be appropriately ensured in facilities provided for employees' living needs, such as dormitories, cafeterias, break rooms, and restrooms (e.g., lighting, temperature and humidity control, emergency evacuation routes).

#### Explanation

"Ensuring safety and health" includes not only maintaining cleanliness and hygiene but also meeting international housing standards and separating workspaces from rest areas.

*Note :International Housing Standards:*

*-Dormitories must have clean and properly maintained sanitary facilities (e.g., common areas, hallways, restrooms).*

*-Living areas and cooking facilities must be separated.*

*-Appropriate fire and heat detection, alarms, communication systems, and fire extinguishing equipment must be provided.*

*-Each worker must be provided with sufficient space and a private, secure locker for their belongings.*

*-All facilities must be segregated by gender and accommodate the number of users appropriately.*

*Reference: Workers' accommodation: processes and standards*

*<https://www.ifc.org/en/insights-reports/2000/publications-gpn-workersaccommodation>*

#### **2-5) Employee health management**

- All employees must have health checkups that meet legal standards, and health management must aim to prevent and detect diseases early.
- Particular attention must be paid to ensuring the health and safety of female workers during pregnancy and after childbirth (including during breastfeeding).

#### Explanation

Health checkups that meet the legal standards of each country/region help prevent and detect physical and mental illnesses from overwork early. This can improve work efficiency and

ensure stable operations.

### **2-6) Authorizations, etc. based on safety and health laws**

- Necessary permits, licenses, and inspections must be obtained, and reports must be submitted to administrative authorities in compliance with the laws of each country/region.

## **3) Environment**

In global manufacturing, fulfilling environmental responsibilities is essential. Companies must identify their environmental impacts and minimize their dependency and effects on local communities, the environment, and natural resources.

### **3-1) Management of chemicals contained in products, etc.**

- Ensure that products and auxiliary materials do not contain substances prohibited by national or regional laws and customer requirements.
- If a product contains chemicals that are required to be displayed by the laws, etc. of a country/region, it must be clearly labeled.

#### Explanation

Compliance with laws and regulations regarding prohibited substances and disclosure requirements is mandatory. Companies should conduct necessary testing and retain records to confirm the presence or absence of such substances.

### **3-2) Management of hazardous substances**

- Identify hazardous substances harmful to humans and the environment and handle, store, and label them appropriately in compliance with national and regional laws.
- Delegate the transport and disposal of hazardous substances to authorized processors and document the completion of proper processing.

#### Explanation

Hazardous substances in manufacturing processes, products, or waste must be managed to prevent adverse effects on humans and the environment. Then, an emergency response plan for accidents caused by hazardous substances must be developed and disseminated. Companies must also evaluate and, where necessary, take corrective action regarding waste processors and transporters to ensure compliance.

### **3-3) Waste Management**

- Dispose of or recycle waste following national or regional laws and strive to reduce waste generation.
- Verify that waste is appropriately processed and maintain documentation.

#### Explanation

Companies should adhere to waste-related laws while implementing 3R principles (Reduce, Reuse, Recycle) to decrease environmental impact. Establishing resource-efficient management systems and promoting a circular economy are also crucial steps.

### **3-4) Prevention of air pollution**

- Analyze and monitor air pollutants, including ozone-depleting substances, and manage emissions following national and regional laws.
- Regularly monitor air pollution control systems for abnormalities.

#### Explanation

Air pollutants, such as volatile organic compounds, aerosols, corrosive substances, particulate matter, and combustion by-products, must be appropriately managed to minimize environmental harm.

### **3-5) Prevention of Noise Pollution**

- Efforts should be made to analyze noise sources and transmission pathways, monitor boundary noise levels, and implement necessary controls in compliance with applicable national or regional laws.

### **3-6) Prevention of water pollution**

- Analyze and monitor wastewater and ensure its management and treatment comply with national or regional laws before discharge.
- Regularly inspect wastewater treatment systems for abnormalities.

### **3-7) Conservation of Nature and Biodiversity**

- Understand the use and impact of natural resources and environmental burdens across the value chain.
- Establish internal standards to reduce resource usage through equipment improvements and recycling initiatives, regarding the use of natural resources (raw materials, water, etc.).

- Assess and address local risks associated with natural resources, including water risks, land use, and conservation areas.
- Consider creating and publishing policies on nature and biodiversity conservation.

#### Explanation

Globally, there is concern about the decline of natural resources such as water and forest resources, and the degradation and loss of related natural and biodiversity resources. Therefore, companies are required to not only work to reduce the amount of natural resources they use, but also to understand their dependence on and impacts on nature and biodiversity throughout their entire business (value chain), identify the risks and opportunities related to their use of natural resources, and take action.

Evaluate the status of natural resource use and the environmental impact caused by your business, identify business areas and regions that need to be addressed as a priority, and then consider measures. Until now, environmental issues have focused on measures to address the impact that the environmental burden generated by companies has on the surrounding area. However, in recent years, when using natural resources, issues have arisen such as protecting the ecosystems surrounding the production areas as well as protecting the livelihood rights of residents with conflicting interests.

### **3-8) Reduction of Energy Consumption and Greenhouse Gas Emissions**

- Establish reduction targets for energy consumption and greenhouse gas (GHG) emissions, and make continuous efforts to reduce such consumption and emissions.
- Publicly disclose energy consumption and GHG emissions and report progress toward the established targets.
- Manage GHG emissions not only in operational phases (Scopes 1 and 2) but also across the entire value chain, including upstream and downstream phases (Scope 3).

#### Explanation

Fossil fuels, heat, electricity, and other energy sources should be used efficiently, with continuous efforts to promote energy conservation. While "greenhouse gases" include various substances, particular attention should be given to the seven gases identified under the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>). It is important to set voluntary reduction targets for these gases and consistently strive to achieve them.

To address the global challenge of climate change effectively, businesses are required to

contribute to GHG reductions throughout the entire life cycle of their operations (value chain). Identifying activities with significant emissions from resource procurement to disposal allows for implementing targeted and effective measures.

Moreover, measuring and reporting GHG emissions should refer to international standards like the GHG Protocol, which serves as a globally recognized framework for calculating and reporting GHG emissions.

The Nitto Group has announced its commitment to "Nitto Group Carbon Neutral 2050," aiming to achieve a decarbonized society. Key initiatives include joining the international "RE100 (Renewable Energy 100%)" initiative, targeting 100% renewable energy usage in business operations, and adopting science-based targets (SBTs) certified by the Science Based Targets Initiative (SBTi). These efforts extend to Scope 3 emissions, promoting GHG management and reduction across the supply chain.

We strongly encourage our suppliers to align with Nitto Group's policies by setting actionable targets, such as SBTs, and collaborating with us in advancing GHG reduction effort.

*References:*

- RE100: <https://www.there100.org/>
- SBTi: <https://sciencebasedtargets.org/>

### **3-9) Compliance with Environmental Laws and Permits**

- Obtain the necessary permits and licenses and make reports to relevant administrative authorities as required by the laws and regulations of each country/region.

#### Explanation

Permits and reports required by law may include the appointment of qualified managers as stipulated by regulations, notifications of specific facilities, and reports to administrative authorities prepared by such managers.

To ensure compliance with environmental laws, internal and external audits must be conducted to verify adherence to permitting requirements.

## **4) Fair trade and ethics**

To fulfill corporate social responsibility and achieve business success, companies must conduct fair transactions while maintaining a high standard of ethics, not only within their own organization but also throughout the entire supply chain.

#### **4-1) Fair corporate activities**

- Develop, publish, and implement sincere ethical standards and business conduct guidelines in all transactions.
- Do not abuse a superior position to impose disadvantages on suppliers or other parties.
- Do not engage in activities that impede fair, transparent, and free competition.
- Build healthy and equal relationships with suppliers and avoid conduct that might compromise fairness, such as collusion with specific suppliers, monetary or gift exchanges, or excessive entertainment.
- Maintain healthy and normal relationships with political and administrative authorities and refrain from engaging in bribery, illegal political donations, or similar acts.
- A clear policy prohibiting the offering or acceptance of improper benefits, such as bribery, extortion, embezzlement, and corruption, must be established and implemented.
- Encourage internal reporting to prevent conflicts of interest.
- Comply with anti-corruption laws and regulations.
- Do not utilize or provide benefits to criminal organizations, terrorist groups, or other anti-social forces.

#### Explanation

Engage in all business transactions with integrity and ethical conduct. Do not exploit your position as a purchaser or contractor to unilaterally determine or change transaction conditions in a way that constitutes unfair transactions with suppliers. Always base transactions with suppliers on fair contracts.

Maintain fair and free competition with competitors, avoid illegal acts such as cartels or bid-rigging, and never engage in unfair competition, such as unlawfully obtaining competitors' trade secrets or misleading customers about other companies' products.

#### **4-2) Provision and disclosure of accurate information**

- Conduct all transactions transparently and appropriately disclose accurate information about products, services, etc., in compliance with the laws and regulations of each country/region.
- Provide and disclose timely and appropriate information to stakeholders regarding products, services, business activities, financial conditions, performance, and risks.

#### Explanation

Provide accurate information to consumers and customers about the specifications, quality,



handling methods, and materials or chemical substances used in products and services.

Proactively disclose and provide information to stakeholders about the details of business activities, financial conditions, performance, and risks, regardless of legal disclosure obligations.

Establish and operate processes to ensure that information disclosed by the company is accurate and free from falsehoods or misleading content before publication. External audits and verifications can also be effective in ensuring the accuracy of information.

#### **4-3) Respect for intellectual property**

- Do not infringe on the intellectual property rights of others.

##### Explanation

“Intellectual property” refers to patents, utility model rights, design rights, trademark rights, copyrights, trade secrets, etc.

When developing, producing, selling, or offering products and services, be sure to thoroughly investigate in advance that there is no infringement of the intellectual property of others.

#### **4-4) Appropriate export controls**

- Regarding the export of technologies and goods which are regulated by laws, etc., a management system must first be established and necessary export procedures must be performed before export.

##### Explanation

“Technology and goods which are regulated by laws, etc.” refers to parts, products, technologies, equipment, software, etc., whose exports are regulated by the laws of each country/region based on international agreements (the Wassenaar Arrangement, etc.).

#### **4-5) Responsible procurement of minerals**

- Minerals from conflict-affected and high-risk areas, which may serve as a funding source for armed groups, must not be used as raw materials for products.
- Conduct due diligence with suppliers to ensure that minerals sourced from conflict-affected and high-risk areas are not used, and investigate the origin and supply chain of minerals involved in transactions.
- Establish and disclose a responsible mineral sourcing policy that prohibits the use of minerals from conflict-affected and high-risk areas.
- Fully understand the requirements set forth in the “Nitto Group Responsible Mineral

Procurement Policy" for suppliers.

#### Explanation

"Conflict minerals" typically refer to minerals such as tin, tantalum, tungsten, and gold (3TG), which are mined in conflict-affected or high-risk regions, including the Democratic Republic of Congo and surrounding countries. These minerals may serve as a funding source for armed groups, contributing to severe human rights abuses.

Furthermore, in recent years, there have been concerns that minerals such as cobalt pose similar risks to conflict minerals, and they may be required to be managed together." To verify the absence of 3TG and cobalt minerals associated with risks of funding armed groups or severe human rights violations, implement due diligence in accordance with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas."

The management systems for conflict minerals should be reviewed annually to ensure compliance and improved as necessary.

#### **4-6) Construction of a system to detect and prevent misconduct**

- Establish anonymous internal and external reporting channels to receive concerns, problems, or inquiries from suppliers, employees, and others. Build a system that ensures confidentiality for whistleblowers and prevents disadvantageous treatment, document it, and make it publicly accessible.
- Provide feedback to appropriate stakeholders on how the company responded to the received reports or inquiries.
- Inform suppliers and employees about the available reporting channels.

#### Explanation

To ensure fair business practices, companies should educate employees and establish internal and external reporting channels to detect and address misconduct early. These systems must protect the confidentiality of whistleblowers and ensure they receive appropriate safeguards.

Careful handling of obtained information is essential, along with ensuring the safety of whistleblowers, including protecting their physical and mental well-being and prohibiting retaliation.

## **5) Quality and safety**

To ensure trust in products, the pursuit of quality and safety is essential. High-quality and safe products not only provide a competitive edge for businesses but also help reduce costs associated with recalls and defective product returns.

### **5-1) Ensuring product safety and quality**

- Regarding product safety and quality, ensure that there is sufficient safety and quality from the time of product design, and in addition to meeting the regulatory requirement and standards of each country/region in which it is used, the product must be manufactured and sold with consideration of responsibility as a manufacturer.
- Please immediately report any quality incidents that may affect transactions with our company.

#### Explanation

To ensure product safety, ensure traceability of materials, parts, process histories, etc., and establish a system to promptly identify the core of the problem, should any problem occur.

## **6) Information Security Training**

Information security management of confidential information such as personal information, privacy, and trade secrets is essential. An appropriate management of non-electronic data, such as printed materials, is required as countermeasures against threats to computer networks.

### **6-1) Protection of confidential information**

- Confidential information such as trade secrets, customer secrets/company secrets, etc. must be properly managed and protected.
- Protective measures against threats to computer networks must be implemented and must be thoroughly managed to prevent damage to the company or to other companies.
- Information security laws must be complied with, and the information obtained from business partners must be protected.

#### Explanation

“Appropriate management and protection of confidential information” means that the confidentiality level, storage period, etc. are set appropriately for each type of confidential information to protect confidential information from leaks and unauthorized disclosure and use by managing confidential information such as storage methods, access restrictions, access

records, etc.

“Threats to computer networks” refer to threats that leak information stored on a computer, due to a computer virus, spyware, or the like. As countermeasures, there are technical measures such as installing anti-virus software, applying security patches to computer OS (Windows, etc.) and applications, and isolating computers that store highly sensitive information from other computers. However, attackers are launching new attacks every day and continuous improvement activities are essential.

## **6-2) Protection of personal information**

- Personal information of customers, employees of the company, third parties, etc. must be properly stored and managed. Information that no longer needs to be stored must be disposed of promptly using appropriate measures.
- Laws regarding the protection of personal information must be complied with, and information obtained from business partners must be protected.

### Explanation

“Personal information” refers to information about a living individual that can be used to identify the individual. (This includes cases in which the individual can be identified not only by this information but also by matching it with other easily accessible information.)

Strict management of personal information is required, for example, in Japan under the Personal Information Protection Law, and in the EU under the EU General Data Protection Regulation (for example, setting the storage period of personal information). Information that no longer needs to be stored must be disposed of promptly using the necessary measures (for example, shredding paper documents, etc.).

To prevent the leakage or misuse of personal information, it is also necessary to establish an internal monitoring system for the protection of personal information.

## **6-3) Response in the case of an incident**

- Establish a response system, response procedures, etc. in the event of an information security incident, and work to respond promptly in the event of an accident.
- Please immediately report any incidents that may affect transactions with our company.

### Explanation

A response system and procedures should be established in advance so there can be a swift response in the event of an incident related to information security, such as infection by a

computer virus or information leakage, so that the relevant departments and companies can gather quickly to take measures to respond to the incident (understand the details of the accident, determine the scope of the impact, take primary measures, investigate the cause, take fundamental measures, etc.).

## **7) BCP (Business Continuity Plan)**

It is essential to formulate a BCP (Business Continuity Plan) as a framework for companies to address potential risks and disasters while ensuring business continuity. By formulating a BCP and preparing to execute it promptly in the event of a disaster, companies can minimize revenue losses and continue providing services to customers and business partners.

### **7-1) Formulation of a BCP (Business Continuity Plan)**

- A BCP must be formulated to prepare for disasters and unforeseen events.

#### Explanation

During emergencies, a system should be established to enable information sharing with your suppliers. Additionally, we request your cooperation in building a framework and system to share supply chain information and emergency response measures with the Nitto Group.

## **8) Social contribution**

When a company contributes to building a sustainable society, it is not just charity work. By proactively addressing social issues and problems and providing social value, the company can improve its competitiveness and brand value, leading to the realization of sustainable business.

### **8-1) Contribution to society and the community**

- As a member of society, please engage in efforts to develop international and local communities through corporate activities and to address global environmental issues.

#### Explanation

“Contribution activities for the international society and local society” refers to activities to support the community by utilizing corporate management resources. For example:

- Social contribution using the businesses, technologies, etc. of the company
- Non-financial social contribution utilizing facilities, human resources, etc.
- Social contribution by donating money

Please define the scope of activities that can be carried out, such as communication and partnerships with NPOs/NGOs and local communities, sharing various information, donation activities, employee volunteers, etc. and be proactive in working on social contribution activities.

## **9) Spreading CSR throughout the supply chain**

Efforts to promote CSR throughout the supply chain help reduce corporate reputational and legal risks and contribute to the healthy development of business partnerships with partners who share common goals and values.

### **9-1) Chain of corporate social responsibility**

- Ensure that this Supplier Code of Conduct is communicated and complied with throughout your entire supply chain, including your own suppliers.

#### Explanation

To fulfill corporate social responsibilities and provide products that earn the trust of our customers, it is essential to reduce risks across the entire supply chain and maintain stable and continuous transactions. This requires management and cooperation not only with our primary suppliers (Tier 1 suppliers), but also with your suppliers (Tier 2 suppliers from our perspective) and further upstream suppliers (Tier 3 suppliers from our perspective).

We request your cooperation to ensure the thorough implementation of CSR throughout the entire supply chain.

## **10) Management System**

A management system is a framework that supports effective business operations, including goal setting, improvement of work processes, and resource optimization. Implementing a management system is essential for improving business performance and strengthening competitiveness.

### **10-1) Establishment and Continuous Improvement of Management Systems**

- To implement the elements required by this Supplier Code of Conduct within your business, you must establish an internal management system and strive for continuous improvement.
- In particular, for areas such as environment, quality, and information security, please refer to relevant ISO management systems when building your system
  - Occupational Health and Safety: ISO 45001
  - Environment: ISO 14001
  - Quality: ISO 9001
  - Information Security: ISO 27000

#### Explanation

As part of the management system, you are required to establish a PDCA (Plan-Do-Check-Act) cycle that includes policy formulation, clarification of roles and responsibilities, identification of risks and opportunities, setting goals and plans, developing operational control processes, creating training plans, evaluating performance, and implementing corrective actions.

When formulating policies, please consider including elements from this Supplier Code of Conduct. Terminology does not need to match perfectly. Additionally, ensure that policies are created in a language understood by all employees in your organization, and make efforts to communicate and disseminate them, such as through publication.

### **10-2) Risk Assessment**

- Identify risks associated with compliance with the elements of this Supplier Code of Conduct, consider methods to minimize these risks, and strive to implement appropriate measures.

#### Explanation

It is necessary to conduct risk assessments using hierarchical control measures to minimize risks and to continuously monitor the effectiveness of these measures (ensuring that risks are

minimized).

*Note: Hierarchical Control is an approach in occupational health and safety management that emphasizes implementing measures in a hierarchical order to properly manage workplace hazards. This includes elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE).*

### **10-3) Education and Training**

- Employees must be provided with the necessary education on relevant laws and regulations at appropriate times and levels on a continuous basis.

#### Explanation

To ensure the management system functions effectively, it is necessary to conduct awareness programs and training for employees. Based on the education plan formulated within the management system, establish a framework that provides:

1. Training required for each job position, and
2. Training to respond to emerging threats in a continuously changing environment.

Additionally, employee education must be conducted within 30 days of their hiring date. Training and awareness must be provided in a language that employees can understand before they begin their duties and should be conducted regularly thereafter to ensure understanding and retention.

### **10-4) Internal Audits and Corrective Actions**

- Consider conducting internal audits by third parties within the organization, in addition to evaluations of actual performance by responsible personnel to verify the effectiveness of the management system.
- Any issues identified during the review by responsible personnel or internal audits must be corrected promptly.

#### Explanation

To ensure the management system is functioning as intended, responsible personnel are required to evaluate (review) the management system at least once a year or immediately in the event of changes to the business environment.