

GS Yuasa Group Responsible Procurement Guidelines

Ver. 1

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GS Yuasa International Ltd.

To Our Suppliers

We would like to express our sincere gratitude for your continued support of and cooperation with GS Yuasa's procurement activities.

In recent years, against the backdrop of rapid globalization and an increasing number of social issues requiring solutions, "contribution to the creation and development of a sustainable society" has come to be considered a core corporate social responsibility (CSR), and the expectation that companies engage in CSR activities is becoming increasingly pronounced. There is also heightened interest from stakeholders concerning initiatives taken by companies toward helping to create a sustainable society, while severe criticism of corporate scandals and dishonest activities is becoming noticeable. For this reason, CSR is attracting increasing attention on a global scale and many companies, irrespective of the industry in which they operate, are pursuing CSR activities.

At the same time, from the perspective of supply chain management, companies are not only promoting CSR on their own. They are also collaborating with their suppliers to respond to the demands of society relating to CSR. Stakeholders are interested in the entire business process, including how products are manufactured and how they are brought to market. We believe that it is by collaborating with our suppliers in response to these societal demands that we will be able to realize mutual prosperity across the entire supply chain. Forced labor, child labor, and environmental destruction are surfacing as global issues. It is vital that we pursue raw materials procurement activities with more emphasis than ever on CSR factors including human rights, labor environments, and the global environment, in addition to quality, performance, cost, and delivery conditions.

The GS Yuasa Group, as a global citizen conducting business worldwide, has therefore issued the present Guidelines in order to pursue responsible procurement (based on consideration toward sustainability). In line with these Guidelines we will work on addressing these social issues jointly with our suppliers under an ethics-based management framework.

The GS Yuasa Group has committed itself to pursuing responsible procurement as stated in the CSR Policy and the CSR Code of Conduct, both established on May 1, 2017. With these present Guidelines, we plan to pursue responsible procurement activities across the entire supply chain with the understanding of our suppliers. We hope that you will be sympathetic to the intent of these Guidelines and would like to request that you take steps to conform to the Standards of Conduct described in these Guidelines. We would also like to request that you to expand the application of the Standards of Conduct in the Guidelines to your own supply chain.

Osamu Murao, President,
GS Yuasa Corporation

1. Purpose of Issuing these Guidelines

The GS Yuasa Group aims to improve the performance of both the Group and its suppliers by building a strong partnership throughout the supply chain.

These Guidelines present the areas (3. Standards of Conduct) that we expect our suppliers to work on in order to conduct responsible procurement. The purpose of preparing these Guidelines is to, through contributing to the creation of a sustainable society based on partnership between the Group and its suppliers, improve the performance of both the Group and its suppliers, while reducing business risks that may affect business sustainability.

2. Scope of Application

These Guidelines are applicable to the suppliers of the departments of the GS Yuasa Group that handle procurement operations (including operations relating product outsourcing and subcontracting of installation work, facilities, maintenance, design, software, etc.).

3. Standards of Conduct

The standards we would like our suppliers to comply with in the interests of responsible procurement in the GS Yuasa Group's supply chain are described below.

A. Labor

Our suppliers should uphold the human rights of workers and engage with them with dignity and respect so as to gain the understanding of the international community. Workers include regular employees, contract employees, temporary workers, student workers, expatriate workers, and workers in all other employment formats.

1) Freedom of employment

a. All forms of forced labor must be prohibited. The following types of labor, for example, are types of forced labor:

- Non-voluntary labor (work that is against the worker's will, forced overtime work, etc.)
- Exploitation of labor (employing workers at low pay, collecting unjustified fees from workers, etc.)
- Bonded labor (restricting the freedom to quit job due to debt repayment, restricting movement by holding identification papers, etc.)
- Slave-like labor (use of slave labor or forced labor through human trafficking)
- Forced labor (inhumane labor in harsh conditions, etc.)

b. When employing a worker, our suppliers shall be required to convey the important terms of employment to the person in a language that he or she understands prior to hiring.

The following are examples of important terms of employment:

- Job description
- Working hours, holidays
- Requirements for taking holidays
- Benefits (allowances for housing, transportation, uniforms, etc.; retirement pension, insurance, etc.)
- Wages, wage deductions (including social insurance), method to calculate wages

c. When employing a foreign worker, our suppliers shall be required to provide an employment contract (document written in the person's native language or a language that he or she understands) that includes the terms of employment to the person before he or she leaves their home country. Further, if any changes are made to the terms of employment after he or she arrives at the host country, the terms of employment offered to the person must clear the applicable laws and regulations.

- d. Our suppliers shall not let a worker pay any employment-related fee.

If payment of the employment-related fee by the worker is identified, the amount must be returned to the worker. The following are examples of employment-related fees:

- Fees related to hiring, assignment, and procedures (applicable to all workers)
Charges related to recruitment examinations, health checks, training, transferal to a different working location, job placement, etc.
- Fees related to foreign workers
Travel expenses upon hiring or completion of employment, immigration expenses, expenses for acquiring a passport and visa for employment, etc.

Note that the following charges are not applicable: Fees related to preparation for a job interview (preparing resume, obtaining certificates, etc.), expenses necessary to meet employment requirements (obtaining certification, licenses, etc.) and charges for using dormitories, company housing, and cafeterias.

- e. The freedom of the worker to choose jobs (transfer, resignation) must not be hindered.
f. No unwarranted restrictions on workers enjoyment of their basic freedoms shall be imposed.

Unwarranted restrictions on the following actions are examples of this:

- Use of restroom or drinking water during work
- Receiving treatment at external medical institutions
- Entering and leaving the plant or dormitory (including locking of facilities that hinders the freedom of movement of workers; excluding entry/exit restrictions of dormitories based on appropriate closing time rules)

- g. Identification papers of workers (originals of officially issued identification papers, passports, work permits of foreigners, etc.) must not be retained, destroyed, concealed or confiscated nor the worker prevented from using them.
h. Prohibition requirements on slave labor and human trafficking must be included in the contracts with labor intermediaries and contractors.

2) Young workers

- a. Child labor must be prohibited.

A child denotes anyone who is under the minimum legal working age as stipulated by the relevant applicable laws and regulations. In countries where such legal regulations do not exist, the minimum working age is considered to be 15 years. If the age of completion of compulsory education is set at 16 years or above, that age will be set as the minimum working age.

It is necessary to recognize that many children who are unable to complete their compulsory education course because of child labor go into unstable, low-paying jobs or become jobless.

- b. Our suppliers shall be required to establish steps to confirm that child labor is not being used.

Confirmation, for example, could be carried out with the following methods:

- Confirmation of age and other information using personal identification papers (confirmation using officially issued personal ID card, driving license, graduation certificate, work permit for foreigners, passport, birth certificate, etc.)
- Matching photographs of the worker against the photographs on personal identification documents
- Confirmation using third party resources (inquiries about the person sent to the local government, etc.)

- c. Workers under 18 years of age must not be employed in work that could be dangerous or hazardous to their health.

The following jobs, for example, will fall under work that is restricted for people under the age of 18 as stipulated by applicable laws and regulations:

- Work that involves the handling of hazardous materials or dangerous substances
- Work that uses dangerous equipment, facilities, or tools
- Manual handling of heavy objects or work involving the carrying of such objects
- Work carried out inside mines, underwater, or at dangerous heights
- Work carried out in places with temperatures, noise levels, or vibration that could adversely affect

the health of a child

- Long working hours (overtime, etc.)
- Night duty (if applicable laws and regulations do not define night duty, continuous work of more than seven hours between the hours of 22:00 to 7:00)

d. The rights of student workers (part-time, internship, apprenticeship, etc.) must be protected appropriately. The following, for example, are methods to appropriately protect their rights:

- Employment outside school education hours
- Offering work that is related to a student's major field of study or vocational training

3) Working hours

a. The working hours must not exceed the limits set by applicable laws and regulations.

In addition, our suppliers shall be required to strive to ensure that weekly working hours, except during emergencies or crises, do not exceed 60 hours.

Overwork by workers could lead to lower productivity, increase in workers leaving jobs as well as increases in injuries and illnesses.

b. Our suppliers shall be required to strive to grant at least one day off per seven-day week to employees.

c. Working hours of employees must be managed appropriately. Management includes keeping highly reliable records of regular working hours and overtime hours and improvement of long overtime work in order to ensure that working hours do not exceed the statutory working hours.

d. Our suppliers shall be required to allow employees to take breaks, long-term vacations, and paid vacations (including sick leave and maternity leave).

4) Wages

a. Our suppliers shall be required to pay correctly calculated wages to employees without delay in accordance with the applicable wage-related laws and regulations (including minimum wages, overtime pay, and welfare allowance).

b. Our suppliers shall be required to pay overtime wages at a rate higher than the regular hourly wages in accordance with the applicable wage-related laws and regulations.

c. Our suppliers shall not engage in salary reduction in violation of the applicable wage-related laws and regulations.

d. A pay slip that can be easily understood by the employee must be provided at an appropriate timing when paying wages. The pay slip must include sufficient information to confirm the compensation paid for their labor.

e. Our suppliers shall be required to comply with the applicable wage-related laws and regulations regarding wages for temporary employees, dispatched employees, and contract employees.

5) Humane treatment

a. Our suppliers shall not engage in unpleasant and inhumane acts against workers.

The following are examples of unpleasant and inhumane acts:

- Harassment (sexual harassment, harassment based on power and position, etc.)
- Ill-treatment, corporal punishment (physical violence, psychological pressure through words, etc.)
- Sexual abuse (indecent conduct, etc.)

b. Our suppliers shall be required to strive to formulate policies and measures related to disciplinary punishment in case such acts occur. In addition, our suppliers shall be required to strive to convey these matters to workers.

6) Eliminating discrimination

a. Our suppliers shall be required to strive to develop a workplace where workers do not experience unjust discrimination.

b. Our suppliers shall not engage in discrimination in connection with labor conditions and employment opportunities, including discrimination relating to wages, promotions, compensation, and training opportunities, based on race, skin color, age, gender, sexual orientation, gender identity, national characteristics, nationality, disabilities, pregnancy, religion, political affiliation, union membership, military duty experience, heredity, or marital status.

c. Our suppliers shall not engage in discrimination against workers or prospective employees in connection

with labor conditions or employment opportunities based on the results of health checks or pregnancy tests.

- d. Our suppliers shall be required to make accommodations as needed, within reason, so that the workers can practice their religious customs (prayer, food, clothing, etc.). These accommodations include taking breaks or adjusting working hours to discharge religious duties.

7) Freedom of association

- a. Our suppliers shall be required to respect local laws that guarantee the right of the worker to form or participate in labor unions at his or her own will so as to take part in collective bargaining and peaceful assembly. The worker's right to not participate in such activities must also be respected.
- b. Workers or the worker's representative must be able to freely communicate with management and share their opinions and concerns regarding labor conditions and management without facing discrimination, retaliation, intimidation, or harassment.

8) Avoiding involvement in human rights violation

- a. Our suppliers shall be required to strive to take appropriate care that human rights violations such as forced labor or child labor are not perpetrated by their respective suppliers.

B. Health and Safety

As far as health and safety are concerned, our suppliers should comply with laws and regulations of the countries or regions where they operate as well as their own regulations to minimize work-related injuries and illness. In order to identify and ameliorate issues related to workplace health and safety, our suppliers will take into account the creation and operation of an appropriate framework for managing health and safety (including management of compliance with the applicable health and safety laws and regulations), after ensuring that the basic policy for health and safety management is made known to all members of the organization through the respective persons in charge of each organization. In addition, our suppliers need to recognize that it is important to engage in continuous dialogue with workers and unions and provide educational training to workers on an ongoing basis.

1) Work-related safety management

- a. Workplace safety risks to workers must be identified, assessed and managed.

The following are examples of workplaces that are dangerous for the workers:

- Workplaces that handle electricity, heat, fire, pressurized air, high-pressure gas, vehicles, heavy objects, etc.
- Workplaces where work is done at high-up places
- Workplaces that are slippery or where people can easily stumble
- Workplaces with a falling objects risk
- Workplaces that are inside a building which has weak earthquake resistance

Also, the following, for example, can be cited for identification, assessment, and management:

- Identification and assessment of dangerous points (setting of prohibited entry and restricted entry areas, etc.)
- Monitoring of dangerous points (installation of sensors, etc.)
- Formulation of safety procedures for operations (energy isolation [lockout] by locking power sources during inspections and maintenance of machinery, attaching of a tag [tag-out] that clearly states that operation of the energy-isolating device is prohibited during isolation of the power source, etc.)
- Continued implementation of safety education and safety patrols

If workplace safety risks cannot be managed appropriately with these measures, workers must be provided with appropriate and properly fitted protective gear as well as effective safety procedure manuals.

- b. Pregnant women must not be made to work in workplaces considered dangerous for mothers or children.
- c. Female workers after childbirth must be accommodated appropriately (offering appropriate break times, places for breastfeeding, etc.)

2) Emergency preparedness

- a. Emergency situations that may impact workers' health and safety must be identified and the impact on life, the environment, and assets during the emergency must be assessed.

The following are examples of emergency situations:

- Fire, explosions
- Natural disasters (earthquakes, heavy rainfall, heavy snowfall, floods, tsunami, storm tides, volcanic eruptions, storms, heat waves, intense cold, etc.)
- Runoff, leakage, dispersion of chemical substances (hazardous materials, poisonous materials, etc.)

- b. Our suppliers shall be required to prepare emergency situation procedures in advance to minimize the impact of emergency situations.

It is imperative that the said procedures place emphasis on minimizing damage to life, the environment and assets.

The following are examples of emergency situation procedures:

- Familiarizing workers about the emergency contact network
- Formulation of evacuation procedures and emergency measures (in particular, for emergency measures for chemical substances, refer to the emergency measures described in the Safety Data Sheet (SDS) for the relevant material)
- Familiarizing workers with evacuation procedures and emergency measures (displaying the procedures in easily seen locations, etc.)
- Storage of emergency medical supplies and products to maintain health (water, salt, etc.)
- Securing means for external communication
- Method for formulating recovery plan

- c. Fire safety devices (fire detectors, alarm systems, fire extinguishers, etc.) must be installed and inspected regularly.

- d. Emergency exits must be sited at appropriate places and easy to use in case of emergencies.

The following are examples of emergency exits that are easy to use:

- Location of emergency exit is easy to find (emergency exit signs installed, etc.)
- Emergency exit door can be opened easily
- People can easily go out through the emergency exit (door is not securely locked, there are no obstructions near the emergency exit, etc.)

- e. Emergency drills on emergency situation scenarios must be carried out with the involvement of all workers.

- f. As needed, our suppliers shall be required to carry out drills on emergency measures in emergency situation scenarios with the involvement of workers (first-response firefighting, measures to prevent flooding, measures to prevent runoff of hazardous materials, etc.) Our suppliers shall be required to appropriately provide equipment and protective gear necessary during emergency situations.

3) Handling occupational accidents and illnesses

- a. Our suppliers shall be required to ensure a framework is in place to manage occupational accidents and illnesses (prevention, response, follow-up, etc.)

Such frameworks include securing systems and processes to handling matters such as the following:

- Encouragement of reporting from workers when an accident or illness occurs
- Categorization and recording of accidents or illnesses
- Provision of emergency medical care to sick or wounded workers (first aid, transfer to an appropriate medical institution, etc.)
- Investigation of contributing factors and implementation of corrective measures to eliminate these factors (including company-wide implementation)
- Implementation of procedures required by governmental bodies in accordance with applicable laws and regulations
- Facilitation of return to workplace (joining workers' accident compensation insurance schemes, etc.)

- b. Our suppliers shall be required to carry out appropriate management of the health of all their workers. Appropriate health management, at the very least, denotes prevention of illness of workers and early

detection through implementing health checks in accordance with applicable laws and regulations. At the same time, it is also necessary to consider mental health issues (grasping and addressing worker stress, etc.) and prevention of impairment to workers' health from overwork.

4) Occupational safety management

- a. Workplace safety risks (chemical, physical, and biological) that are physically hazardous to workers must be identified, assessed and managed.

The following are examples of workplace safety risk factors:

- Handling of chemical substances that could cause health impairment such as hazardous materials, poisonous materials, organic solvents and radioactive materials (including sooty smoke, steam, mist, dust, and offensive odors)
- Workplace environments with extremely high levels noise or vibrations, abnormal temperatures or humidity
- Viral, bacterial, parasitic or pathogenic microbial infections

If there is a major occupational safety risk, appropriate occupational safety measures must be established.

The following, are examples of workplace safety measures:

- Formulation and implementation of management criteria for chemical substances that could cause health impairment (labelling, storage, and handling in accordance with applicable health and safety-related laws and regulations)
- Installation of exposure control devices (wetting and cordoning off of exposure sources, localized and general ventilation of the workplace, etc.)
- Isolating workers from exposure sources
- Limiting the exposure time for workers and job rotation

If major workplace safety risks cannot be managed appropriately with such measures, our suppliers shall be required to provide the workers with appropriate and properly equipped protective gear to protect their health as well as effective operational procedure manuals.

- b. Our suppliers shall be required to provide information on major workplace safety risks to workers.

5) Reducing work that is physically demanding

- a. Risks relating to work that is physically demanding must be identified, assessed, and eliminated.

The following are examples of work that is physically demanding:

- Work involving manual lifting, repetitive lifting, or carrying of heavy objects
- Work involving standing for long periods
- Repetitive motions or continuous work over a long time (assembling, data entry work, etc.)

The following are examples of measures against relevant risks:

- Elimination of work that is physically demanding (including labor-saving through the use of equipment)
- Regular short breaks
- Provision of tools to assist in the work
- Sharing of work between multiple workers and cooperation between worker

6) Machinery and equipment (including non-production facilities)

- a. Our suppliers shall be required to identify machinery-related safety hazards.

- b. If there is a risk of workers getting injured by using machinery or equipment, our suppliers shall be required to put in place appropriate safety measures. The following are examples of appropriate safety measures:

- Installation of protective covers, fencing, etc.
- Displaying warnings regarding hazards
- Adoption of safety mechanisms (safety control for when malfunction occurs due to erroneous operation or malfunction (fail-safe), control functions that prevent erroneous operation (foolproof), control that prevents operation unless certain conditions are met (interlocking), etc.)
- Regular inspection and maintenance of machinery

If improvements cannot be made immediately, it is necessary to implement temporary safety measures corresponding to the danger (installing simple covers, warning displays, etc.).

7) Sanitary facilities, food, housing

- a. Our suppliers shall be required to ensure the safety and sanitation of facilities offered to support the lives of workers.

The following are examples of facilities offered to support the lifestyles of workers:

- Facilities offered to the workers at the workplace (restrooms, water fountains, cafeterias, locker rooms, showers, break rooms, etc.)
- Facilities offered to workers outside the workplace (dormitories, leased facilities, etc.)

The following are examples of things that help ensure health and safety:

- Offering clean and sanitary facilities and environments
- Offering safe drinking water and food
- Installation of firefighting equipment (detectors, warning systems, fire extinguishers, etc.)
- Fire prevention (Sorting: Appropriately dispose of unnecessary objects; Tidying up: Tidying areas where fire is handled; Cleaning: Eliminate dust and oil spots; Habit-forming: Making sorting, tidying up, and cleaning up a habit; Firefighting: Preparation for extinguishing fires before handling fire)
- Establishing emergency evacuation routes (easy to identify emergency exits, easy to use emergency exits, etc.)
- Offering lighting suitable for daily life
- Appropriate ventilation and temperature management (installation of ventilation and air-conditioning equipment, etc.)
- Offering sufficiently spacious living spaces
- Safe storage of personal belongings (storage facilities that prevent illegal trespassing but that allow owners to enter at any time, etc.)

8) Health and safety-related communications

- a. Workplace health and safety information and training must be provided in a language that is understood by workers.

The health and safety information must be displayed in points within the workplace that can be easily read or places where workers can easily browse it.

Health and safety training needs to be provided to all workers at the time of hiring and when there is a change in job content, and should subsequently be carried out periodically. Further, for work that requires health and safety certification (driving forklifts, crane operation, handling of organic solvents, etc.), training and classes for acquiring the relevant certification must be provided for workers carrying out such work.

- b. Our suppliers shall be required to strive to enable workers to actively raise their concerns about health and safety.

C. Environment

It is necessary to minimize adverse effects on the local region, environment, and natural resources when engaging in production operations.

1) Environmental permits, environmental reports

- a. Licenses, registration, and reporting necessary to start, alter, or discontinue businesses or the use of facilities, must be carried out without delay in accordance with the applicable environmental laws and regulations.

Moreover, the relevant information must be kept updated.

- b. Necessary reports must be filed to the relevant environmental authority without delay in accordance with the applicable environmental laws and regulations (status reports on atmospheric emissions, drainage, waste discharge, energy use, greenhouse gas emissions, etc.).

2) Pollution control and utilization of natural resources

- a. Our suppliers shall be required to strive to minimize discharge of environmental pollutants and generation

of waste.

The following are examples of measures to minimize pollutants and waste.

- Reduction of waste and loss by streamlining operations such as production process enhancement (reducing defects, improving yields, etc.)
- Reduction of volume of production materials used
- Establishment of a pollution control facility

- b. Our suppliers shall be required to strive to prevent wastage of natural resources (fossil fuels, water, minerals, virgin forest products, etc.).

The following are examples of measures to prevent wastage:

- Reduction of waste and loss by streamlining operations such as production process enhancement (reducing defects, improving yields, etc.)
- Use of alternatives to natural resources, reusing, recycling, and conservation

3) Harmful materials

- a. When delivering, storing, handling, transporting, and disposing of materials that are harmful or dangerous to the human body or environment (harmful, dangerous, toxic materials, etc.), our suppliers shall be required to implement operations management aimed at preventing the dispersion, leakage, runoff, underground seepage, etc. of the said materials in accordance with the applicable environmental laws and regulations.

4) Waste

- a. Waste generated through business activities must be identified and treated appropriately (stored, transported, disposed) in accordance with the applicable environmental laws and regulations.

5) Atmospheric emissions

- a. Discharge of atmospheric pollutants must be in accordance with the applicable atmospheric pollution prevention-related laws. Atmospheric pollutants refer to substances such as sulfur oxide (SO_x), nitrogen oxide (NO_x), soot and dust, harmful materials, volatile organic compounds (VOC), etc.

The following are examples of relevant laws and regulations:

- Compliance with emission standards
- Notifying governmental agencies regarding facilities that cause atmospheric pollution

- b. Atmospheric emission management systems must be operated if compliance with atmospheric pollution prevention-related laws is required.

Operating atmospheric emission management systems includes, for example, the securing of frameworks and processes to handle the following matters:

- Monitoring, measurement, and recording of atmospheric emission conditions
- Inspection, maintenance, and management of waste gas treatment equipment
- Emergency response when emissions exceed the relevant emissions standards or when there is trouble with equipment

6) Controls on materials used

- a. Our suppliers shall be required to comply with laws and regulations related to chemical substances contained in products as well as requests from customers.

Related laws and regulations (REACH regulations, RoHS Directive, etc.) and customer requests (Guidelines for the management of chemicals in products, etc.) include the following:

- Prohibition or controls on including specific chemical substances in products
- Obligations to conform with labelling regulations

- b. It is necessary to comply with laws and regulations related to chemical substances used in production processes.

The following are examples of related laws and regulations.

- Prohibitions or controls on the manufacturing/use of specific chemical substances in production/importation.

7) Water

- a. Our suppliers shall be required to strive to grasp water intake conditions (water sources, volume, etc.) and, if there are any water intake-related risks, strive to conserve water.

The following are examples of water intake risks:

- Limitations on operations due to water shortages
 - Excessive costs due to water price rises
 - Tension or conflict with local residents over water shortages in surrounding areas
- b. Wastewater drainage must be carried out in accordance with applicable water pollution control-related laws and regulations.

The following are examples of related laws and regulations:

- Compliance with wastewater standards
 - Notifying governmental agencies about facilities that cause water pollution
- c. Wastewater management systems must be operated if compliance with water pollution control-related laws is required.

Operating wastewater management systems includes, for example, securing frameworks and processes to handle the following matters:

- Monitoring, measurement, and recording of water quality of wastewater
- Inspection, maintenance, and management of wastewater treatment plants
- Emergency measures when wastewater emissions exceed the relevant standards or when there is equipment trouble
- Measures to avoid contaminating waterways within the site (prevention of runoff of oil and other hazardous materials to rainwater drainage, etc.)

8) Energy consumption and greenhouse gas emissions

- a. Our suppliers shall be required to strive to monitor, measure, and record energy sources and energy consumption as well as greenhouse gas emission sources and emission volumes so that past conditions can be tracked.
- b. Our suppliers shall be required to strive to improve energy efficiency (through energy-saving activities, etc.). In addition, our suppliers shall be required to strive to pursue methods that are highly cost-effective in minimizing energy consumption and greenhouse gas emission volumes.

D. Corporate Ethics

To fulfill their social responsibilities and succeed in their respective markets, our suppliers must uphold the highest standards of corporate ethics.

1) Integrity in business activities and elimination of inappropriate profits

- a. Our suppliers shall be required to strive to formulate policies and procedures that would entirely prohibit all forms of bribery, corruption, extortion, and embezzlement.
- b. Our suppliers must not request or accept bribes nor attempt to gain undue profits.

The following are examples of bribery or attempts to gain undue profits:

- Offering money or gifts to, or entertaining public servants (and those in equivalent positions) or offering of other benefits or conveniences (including those through a third-party) to public servants (and those in equivalent positions) with the aim of receiving business advantages.
- Entertainment of public servants etc. or gifts to public servants etc. through payments of excessive fees or excessively frequent payments
- Political contributions provided with the aim of receiving business advantages or political contributions not made in accordance with proper procedures

Note that business advantages include obtaining and maintaining permits or transactions, obtaining undisclosed information, etc.

- c. Our suppliers must not grant or receive improper benefits in the course of their relationships with stakeholders.

The following are examples of granting or receiving improper benefits:

- Acts involving bribery involving customers or suppliers

Providing, receiving, offering, or requesting gifts or entertainment in the form of expense payments that are excessively large or frequent

- Insider trading
 - Share transactions based on important undisclosed information concerning a company gained in the course of business activities, etc.
 - Providing financial benefits in response to unreasonable demands from antisocial forces
 - Antisocial forces are those individuals or groups who threaten social order and safety and gain economic benefits by making unreasonable demands employing violence, threats, or fraudulent methods. Our suppliers must not have any relations with antisocial forces.
- d. Our suppliers shall be required to operate processes (monitoring, handling procedures, etc.) in compliance with applicable laws and regulations related to prevention of corruption.

2) Information disclosure

- a. All commercial transactions must be implemented in a transparent manner and must be reflected accurately in accounting ledgers and records.
- b. Information, regarding businesses, organizational structure, financial conditions, business performance, occupational health and safety, and environmental preservation must be disclosed without any falsehoods, in accordance with applicable information disclosure-related laws, regulations, and industry practices, etc.

3) Intellectual property

- a. Our suppliers shall be required to respect the intellectual property of third parties.

The following are examples of intellectual property:

- Patents (exclusive rights to new inventions and creations)
- Utility model rights (exclusive rights to product shapes, structures, or combinations)
- Design rights (exclusive rights to new designs)
- Trademark rights (exclusive rights to a mark [distinguishing mark] used to differentiate a product or service from the products or services of others)
- Copyrights (exclusive rights to cultural creations [literature, scholarship, art, music, etc.]

It is necessary to study third-party intellectual properties prior to developing, producing, or offering a product or service. Unless there is a justifiable reason, use of the intellectual property of a third party without permission constitutes an intellectual property infringement.

Note that acts such as the following are considered to be infringements of intellectual property rights.

- Illegal copying of computer software and other copyrighted material
- Illegally obtaining and using the trade secrets of a third party (useful technological and sales information that has not been made public such as production or selling methods)

4) Fair business, competition, labeling

- a. Our suppliers shall be required to comply with laws and regulations related to fair business transactions, free competition and transactions, and appropriate labeling.

Related laws and regulations include the following for example.

- Prohibition of cartels (agreements on price, volume, and distribution areas of products and services through meetings with other companies in the same industry or industry group activities)
- Prohibition of collusion (agreements on successful bidders, successful tender prices, etc. with other bidders)
- Prohibition of acts that cause disadvantages to own business partners by abusing a dominant position (one-sided decisions on or changes to transaction conditions, unreasonable demands, etc.)
- Prohibition of false labeling of products and services and labeling that leads to misunderstandings among consumers and customers

5) Whistleblower system

- a. Our suppliers shall be required to establish a system through which their workers and suppliers can report contraventions of laws or operations-related concerns (whistleblower systems, opinion boxes, management hotlines, etc.).
- b. Our suppliers shall be required to ensure whistleblower confidentiality and anonymity and protect them

from retaliation.

6) Responsible mineral procurement

- a. When a product contains certain minerals (tantalum, tin, tungsten or gold), our suppliers shall be required to strive to formulate policies and procedures to reasonably guarantee that the procurement of the concerned mineral is not becoming a source of funding for armed groups engaged in serious human rights violations in the Democratic Republic of the Congo or its neighboring countries.
- b. If a product contains the said minerals, our suppliers shall be required to investigate the distribution process and the place of origin of the said minerals. In addition, our suppliers shall be required to respond to any customer requests for disclosure of the investigation methods and results.

7) Information security

- a. Our suppliers shall be required to refrain from wrongfully collecting, utilizing, disclosing, or leaking personal information of any parties involved in businesses (suppliers, customers, consumers, workers, etc.). Our suppliers shall be required to comply with laws and regulations relating to privacy when collecting, storing, processing, transferring, or sharing personal information. Personal information refers to name, date of birth, and other information that makes it possible to identify living individuals. It also includes information that makes it possible to identify specific individuals through crosschecking with other information.
- b. Our suppliers shall be required to avoid wrongfully acquiring, using, disclosing, or leaking confidential information concerning customers or third parties. Confidential information generally refers to information disclosed in documents, etc. (including electromagnetically or optically recorded data/information) concerning which an agreement on the content's confidentiality has been made, or information verbally disclosed after having indicated that the information is confidential.

8) Appropriate export control

- a. Our suppliers shall be required to adhere to the export control laws and ordinances of each country, in order to maintain international peace and safety, and should avoid export transactions that result in the proliferation of weapons of mass destruction or excessive accumulation of conventional weapons. Many countries set forth strict export control laws and ordinances prohibiting the export of things that can be used for military purposes (products, parts, production technologies, etc.) to terrorist organizations, etc. It is the seller's responsibility to confirm that they are not violating such laws and ordinances by ascertaining the final destinations and uses of the products they sell.

E. Product Safety

Our suppliers shall be required to strive, over the course of their business activities, from the research and development stages to design, procurement, production, sales, and after-sales service, to provide safe products and services and maintain and improve product and service quality to a degree that satisfies customers.

1) Ensuring product safety

- a. Our suppliers shall be required to design products to sufficiently ensure product safety, and to take into consideration their responsibilities as a manufacturer when selling products. When working to ensure product safety, our suppliers should not only comply with laws and ordinances related to product safety but also consider generally required levels of safety. Ensuring product safety includes management of traceability (history of materials, parts, processes, etc.) and swift responses to provide solutions in the event that problems arise.

2) Offering safety information regarding products and services

- a. Our suppliers shall be required to offer safety information regarding products and services taking into account the perspectives of consumers and customers. The following are examples of methods to offer safety information:
 - Labeling on products
 - Manuals attached to products, catalogs, and the posting of information on the company website

Reference

- 1) The following publications were used as reference in the formulation of the standards in these Guidelines.
 - RBA Code of Conduct 6.0 (Responsible Business Alliance)
http://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_English.pdf
 - Supply-Chain CSR Deployment Guidebook (Japan Electronics and Information Technology Industries Association; August 2006)
<https://home.jeita.or.jp/ecb/csr/>
- 2) Please refer to the following webpage for the full text of the CSR Policy and Code of Conduct of the GS Yuasa Group.
<https://www.gs-yuasa.com/en/csr/policy.php>
- 3) Please refer to the following website for the full text of the Policy on Conflict Minerals of the GS Yuasa Group.
https://www.gs-yuasa.com/en/csr/supply_chain.php

Revision History

Ver.	Date	Content	Prepared by/Revised by
1	February 19, 2019	Establishment of these Guidelines	CSR Promotion Office