

Introduction

As we work toward the sustainable development of society, in recent years there has been growing demand for companies to take the lead in fulfilling their corporate social responsibility (CSR). Moreover, rather than doing so alone, there is increasing demand from society for companies to work with their business partners to act in line with their collective social responsibility and promote CSR procurement.

At the Fuji Electric E&C Group, we believe that our foremost social responsibility is to provide customers and society with safe, secure, and high-quality products and services. However, in today's society, we are also required to address a range of other issues such as climate change and human rights. We will therefore promote procurement activities in accordance with the Fuji Electric E&C Group Code of Conduct, which outlines how we can contribute to the achievement of a sustainable society.

For companies to fulfill their social responsibility through their business activities, it is of course paramount that they engage in the relevant activities throughout their supply chains. Needless to say, the understanding and support of our business partners is paramount. We have therefore put together these Fuji Electric E&C Group CSR Procurement Guidelines to address society's common requirements.

We ask that our business partners understand the intent of these guidelines, support and implement the nine requirements below, and engage in proactive CSR activities alongside us.

About These Guidelines

Based on the Fuji Electric E&C Group Code of Conduct and the Fuji Electric E&C Group CSR Procurement Policy, these guidelines have been formulated in line with international CSR standards including the Code of Conduct of the Responsible Business Alliance (RBA), an alliance of companies promoting CSR across global supply chains, and the Japan Electronics and Information Technology Industries Association (JEITA)'s Responsible Business Conduct Guidelines. These guidelines bring together the approaches to CSR that we ask our business partners to adopt and implement, as well as specific examples.

These guidelines will be amended as necessary in line with future changes in international CSR requirements.

Request to Business Partners

CSR initiatives are important across the supply chain, and so in addition to understanding and supporting these guidelines, we ask that our business partners spread awareness of these guidelines throughout their own supply chains and engage in proactive CSR activities. We also ask for cooperation of our business partners in completing regular CSR self-assessments based on these guidelines.

1. Human Rights/Labor

In addition to complying with the relevant laws and regulations, we ensure thorough respect for workers' human rights based on international human rights standards.

1-1 Prohibition of Forced Labor

We do not use forced labor, bonded labor, inhumane penal labor, or labor obtained through slavery or human trafficking. Moreover, we do not force employment, and guarantee workers' rights to leave their role or end their employment voluntarily.

1-2 Prohibition of Child Labor

We do not employ children who are under the minimum working age.

1-3 Consideration of Young Workers

We do not allow young workers under the age of 18 to work night shifts, overtime, or engage in tasks that could compromise their health and safety, and guarantee their rights.

1-4 Consideration of Working Hours

We do not allow workers to work beyond the limits set out in the laws and regulations of the region in which they are employed. We also appropriately manage workers' working hours and days off in line with international standards.

1-5 Appropriate Wages and Benefits

We comply with all laws and regulations that apply to workers' remuneration (minimum wage, overtime pay, legally required benefits and deductions, etc.). We also consider the wage (living wage) levels required for workers to be able to cover the costs of lifestyle necessities.

1-6 Prohibition of Inhumane Treatment

We respect the human rights of workers, and do not treat them in an inhumane manner be it mental or physical abuse, coercion, or harassment. We also avoid any behavior that could lead to such treatment.

1-7 Prohibition of Discrimination

We do not engage in discrimination or harassment. Moreover, we respond to workers' requests regarding their religious practices to an appropriate extent.

1-8 Workers' Rights to Organize

In compliance with local laws and regulations, we respect workers' rights to organize as a means for labor-management discussions on the working environment, wage levels, etc.

2. Safety and Health

In addition to compliance with the relevant laws and regulations, we pay close attention to the International Labour Organization (ILO) Guidelines on Occupational Safety and Health and the like, for example, to minimize the risk of work-related injuries or physical/mental illnesses and create safe and healthy workplace environments.

2-1 Occupational Safety

We identify and assess any work safety risks and make every effort to ensure worker safety through appropriate design and technical/managerial methods. We also make reasonable considerations for pregnant women and breastfeeding mothers.

2-2 Preparing for Emergencies

In preparation for emergencies such as disasters or accidents that could endanger lives or compromise physical safety, we identify potential occurrences, and create procedures for emergency response to minimize impact on our workers and assets, install the required equipment, and conduct thorough education and training to ensure workers can act accordingly.

2-3 Occupational Accidents and Illnesses

We identify, assess, record, and report on the status of occupational accidents and illnesses, responding appropriately and implementing corrective measures.

2-4 Industrial Health

We identify, assess, and appropriately manage the risk of workers being exposed to harmful biological, chemical, or physical effects in the workplace.

2-5 Consideration of Physically Demanding Tasks

We identify and assess physically demanding tasks and appropriately manage these tasks to ensure they do not lead to occupational accidents or illnesses.

2-6 Safety Measures for Machinery and Equipment

We assess whether there are any safety risks related to the machinery and equipment used by workers, and implement appropriate safety measures as necessary.

2-7 Safety and Health in Facilities

We implement thorough safety and health measures in facilities used by workers (dormitories, dining halls, toilets, etc.). Moreover, our dormitories have appropriate emergency exits, equipment for workers to store their personal items and valuables, and enough individual space for them to comfortably come and go.

2-8 Communication of Safety and Health Information

We provide workers with appropriate safety and health education and training in an easy to understand manner to make them aware of the various hazards that they could be exposed to in the course of their work. We also create systems to take on board workers' opinions relating to work safety.

2-9 Worker Health Management

We ensure appropriate health management for all workers.

2-10 Assurance of Safety and Health

We ensure thorough safety and health for all people concerned with our businesses.

3. The Environment

In addition to proactively addressing global environmental issues such as resource depletion, climate change, and environmental pollution, we also take into consideration regional environmental problems while ensuring the health and safety of locals. Moreover, to minimize our impact on the environment, we promote the operation of environmental management systems based on the ISO 14001 standard, etc.

3-1 Environmental Permits and Reports

In line with local laws and regulations, we acquire the permits and approvals required for our businesses, registering and submitting reports as necessary.

3-2 Reduction of Energy Consumption and Greenhouse Gas Emissions

Aiming to improve our energy efficiency and reduce our energy consumption and greenhouse gas emissions, we set targets and engage in continuous reduction activities.

3-3 Atmospheric Emissions

In compliance with the relevant laws and regulations, we implement the appropriate measures required to reduce harmful atmospheric emissions.

3-4 Water Management

In compliance with laws and regulations, we monitor water resources, water use, and water discharge, and promote water-saving activities. Prior to the discharge or disposal of wastewater, we indicate the water's properties and monitor, control, and treat the water as necessary. Moreover, we identify any potential causes of water pollution and manage them appropriately.

3-5 Effective Use of Resources and Waste Management

In compliance with laws and regulations, we ensure thorough management to promote the 3Rs (reduce, reuse, recycle), aiming for effective use of resources to minimize any waste.

3-6 Management of Chemical Substances

In compliance with laws and regulations, we identify, label, and manage chemical and other substances that are hazardous for people and the environment. We ensure safe handling, transport, storage, use, recycling, and disposal of these substances.

3-7 Management of Chemical Substances in Products

We abide by any prohibitions or restrictions concerning specific substances used in our products. We comply with all laws and regulations and customer requirements.

3-8 Consideration for the Environment

We promote business activities that consider the reduction of greenhouse gas emissions, resource recycling, and coexistence with nature.

4. Fair Transactions/Ethics

In addition to compliance with laws and ordinances, we engage in business activities based on high ethical standards.

4-1 Corruption Prevention

We do not engage in any form of bribery, corruption, extortion, or embezzlement.

4-2 Prohibition of Improper Sharing or Receipt of Profits

We do not provide or tolerate promises, offers, or permissions to receive bribes or any other unjust or improper profits.

4-3 Appropriate Information Disclosure

In line with applicable laws and regulations and industry practices, we disclose information related to labor, safety and health, environmental activities, business activities, organizational systems, financial status, and business results. We do not alter records or disclose any false information.

4-4 Respect for Intellectual Property

We respect intellectual property rights and only transfer technologies or expertise in a way that protects intellectual property. We protect third-party intellectual property, such as that of our customers and suppliers.

4-5 Fair Execution of Business

We engage in fair business, competition, and advertising.

4-6 Appropriate Import/Export Management

For the import and export of technologies and products that are regulated by laws and ordinances, we ensure appropriate import/export procedures based on a clear management system.

4-7 Creation of a Complaint Processing System

To prevent any fraudulent behavior by the company or in the supply chain, we create complaint processing systems for use by workers, suppliers, and various other stakeholders.

4-8 Whistleblower Protection

We ensure the confidentiality of any reported information, protect the anonymity of whistleblowers, and ensure that whistleblowers do not suffer any retribution.

4-9 Responsible Mineral Procurement

We conduct due diligence to clarify whether the minerals contained in the products we manufacture—such as tantalum, tin, tungsten, and gold—have not caused or been complicit in serious human rights violations, environmental destruction, corruption, or conflict in conflict zones and high-risk areas.

5. Quality/Safety

We ensure the safety and quality of the products and services we provide and only provide accurate information.

5-1 Assurance of Product Safety

We design,

manufacture, and sell highly safe products that meet the safety standards described in laws and ordinances in each relevant country to fulfill our responsibility as a supplier.

5-2 Quality Management

In addition to compliance with all laws and regulations applicable to product and service quality, we also ensure compliance with in-house quality standards and customer requirements.

5-3 Provision of Accurate Product and Service Information

We provide accurate information on our products and services that is not misleading.

5-4 Quality Assurance

We ensure that our products and services meet quality requirements.

6. Information Security

We aim to reinforce measures to prevent the leak of confidential or personal information and boost our information security.

6-1 Defense Against Cyber Attacks

We take defensive measures against threats from cyber attacks, etc., and manage risks to ensure minimal damage to the company or third parties.

6-2 Protection of Personal Information

In compliance with the relevant laws and regulations, we ensure appropriate management and protection of all personal information related to our suppliers, customers, and workers, etc.

6-3 Prevention of Leakage of Confidential Information

We ensure appropriate management and protection of both the company's confidential information and that entrusted to us by customers and third parties.

7. Business Continuity Planning

We ensure thorough preparations so that the company can quickly resume production activities to fulfill our responsibility for supplying products in the event that the company or our suppliers are affected by a large-scale natural disaster.

7-1 Formulation and Preparation of a Business Continuity Plan

We identify and assess risks that could hinder our business continuity, and formulate a business continuity plan that looks at their potential impact on our business, the required preliminary measures for the medium to long term, and the relevant initiatives.

8. Creation of Management Systems

8-1 Company Commitment

We create management systems that ensure compliance with the requirements of these guidelines.

8-2 Supplier Management

We communicate the requirements of these guidelines to our suppliers, and create systems to monitor their level of compliance.

9. Social Contribution

9-1 Social and Regional Contribution

As a good corporate citizen, we play an active role in society and contribute to its development.

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