

# Sinfonia Technology Sustainable Procurement Guidelines

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Sinfonia Technology Co., Ltd.

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## 1. Introduction

Since its founding in 1917, the Sinfonia Technology Group has continued its corporate activities with a view to continuing sustainable growth in society and regions through business activities in each country and region.

In recent years, with the rapid globalization of corporate activities and social demands, there has been a growing interest in CSR (Corporate Social Responsibility) initiatives, environmental issues, human rights issues, and other issues, and the responsibilities that companies must fulfill have become even greater.

In order to realize our corporate philosophy under these circumstances, we believe it is important to promote this philosophy not only in our own corporate group but also throughout the global supply chain through our procurement activities. We have therefore created the Sustainable Procurement Guidelines to serve as a reference for our business partners' activities.

We ask for the understanding and cooperation of our business partners in carrying out activities in accordance with these guidelines so that we can respond appropriately to the demands and expectations of society.

In addition, we ask our suppliers to understand the purpose of these guidelines, and to promote the actions and activities necessary to comply with the requirements.

## 2. Corporate philosophy

**"Technologies one step ahead of the rest"**

**"Commitment to protect the environment"**

**"Thoughtful and considerate actions"**

Under these three statements, we will make further contributions to more affluent lifestyles and a more prosperous society, from people to space.

### 3. Corporate ethics codes

We, officers (directors, audit & supervisory board members, executive officers) and employees, have established the "corporate ethics code" as a code of conduct that must be observed in the conduct of our corporate activities based on our corporate philosophy, and will comply with it.

#### **1. We will comply with laws, regulations, and other social norms, and engage in fair and sound corporate activities.**

(1) We will conduct our corporate activities in accordance with laws and regulations, social norms, social common sense, and the rules of the international community.

(2) We will not be associated with any individual or group that adversely affects or threatens the social order or the sound activities of the company.

#### **2. We will contribute to society by providing superior products and services with "technology that is one step ahead."**

(1) We provide safe and useful products and services that meet the diversifying needs of the market.

(2) In providing our products and services, we will ensure the quality and safety required by laws, regulations, and contracts.

#### **3. We will respect the personality and individuality of our employees and realize a rich work environment through "compassionate behavior."**

(1) We will protect the safety of the workplace and the health of our employees, respect human rights, and create a healthy work environment without discrimination.

(2) We will foster a corporate culture that values the initiative and creativity of each and every employee.

#### **4. We will respect the standpoints of our stakeholders.**

(1) We will maintain sound and good relationships with a wide range of society, including employees, customers, business partners, and shareholders.

(2) We will strive for close solidarity and cooperation with local communities, balance corporate and social interests, and contribute to the development of local communities.

#### **5. We will contribute to the realization of a sustainable society with a spirit of caring for the earth.**

(1) We will comply with environment-related laws and regulations, and work to create a carbon-free society, a recycling-oriented society, and the conservation of biodiversity.

(2) In accordance with Ecoing policy, we will provide technologies/products/services that contribute to global environmental conservation.

#### **6. We will respect the cultures and customs of other countries and contribute to the development of local communities.**

(1) We will conduct our business activities with an understanding of local social conditions and full consideration of local culture and customs.

## 4. Basic Procurement Policy

### (1) Fair and equitable transactions

We will provide open, fair, and impartial opportunities for all domestic and overseas business partners who wish to do business with us, regardless of nationality, company size, or whether they have done business with us or not.

In selecting suppliers, we comprehensively take into account not only quality, price, delivery time, technological development capabilities, and sound business operations, but also items such as compliance with laws and social norms, as well as efforts to address social responsibilities such as environmental issues.

### (2) Partnership

In order to achieve optimal quality, cost, delivery time, and stable procurement, we will build good relationships of trust with all our business partners from a long-term perspective, and aim for mutual competitiveness and prosperity.

### (3) Environmental preservation

We will actively adopt parts and materials that do not contain hazardous chemical substances and promote green procurement activities that contribute to reducing the burden on the global environment.

### (4) Compliance

We will comply with laws, regulations and social norms related to our procurement activities. In addition, we will appropriately manage information obtained through transactions and ensure that confidential information is maintained and prevented from being leaked.

## 5. Sustainable procurement guidelines

### A. Labor

#### (1) Prohibition of Forced Labor

Legally employ employees in accordance with the laws and regulations of the country or region in which they operate.

We will not use labor force through coercion, detention, indebted labor, prison labor, slavery, or human trafficking.

Ensure that all work is voluntary and that employees are free to leave or terminate employment at any time.

Employees shall not be required to deliver publicly issued identification cards, passports, work permits, etc. as conditions of employment.

#### (2) Prohibition of child labor

Eliminate child labor in all occupations.

The age at which an employee can work shall be the highest of 15 years of age or the minimum age at which he or she can work under the laws of the country or region in which he or she operates or the age at which he or she completes compulsory education. Provided, however, that vocational training and apprenticeship shall be permitted to work only to the extent permitted by law.

18 Do not allow younger employees to engage in jobs where health or safety is at risk.

#### (3) Work hours management

Employees' working hours (including overtime) and holidays shall not exceed the limits stipulated by the laws and regulations of the country or region in which they operate.

#### (4) Wages and benefits

The Company will pay employees wages in compliance with laws and regulations relating to minimum wages, overtime work, wage deductions, piece rate wages, and other benefits in the countries and regions in which the Company operates.

Notify employees of timely and clear payroll statements in compliance with the laws and regulations of the country or region in which they operate.

#### (5) Eliminating discrimination

No discrimination in any employment or treatment (application, hiring, promotion, remuneration, right to receive education, assignment, wages, welfare, disciplinary punishment, dismissal, retirement, etc.) is based on the individuality (human rights, physical characteristics, beliefs, gender, social status, religion, ethnicity, nationality, age, marriage, disability, etc.) protected by the laws of the country or region in which the enterprise is concerned.

(6) Respect for human rights

Employees shall not engage in harassment or inhumane treatment in the workplace, including sexual harassment, sexual abuse, corporal punishment, physical or mental suppression, and verbal abuse.

(7) Freedom of association

In accordance with the laws and regulations of the countries and regions in which we operate, we will respect the freedom of association, the right of employees to join or not join labor unions, and the right to protest and participate in labor councils.

Employees shall be entitled to exchange views with management on working conditions and management practices without fear of retaliation, intimidation, or harassment.

## B. Health and safety

(1) Workplace safety

Eliminate potential hazards (electricity and other energy, fire, vehicles, falling objects, etc.) to which employees are exposed by appropriate design, administrative controls, safe work procedures such as preventive maintenance, lockout, tagout, etc., and continuous training and appropriate and properly maintained protective equipment for the equipment and machinery in question.

(2) Emergency preparedness

Identify and evaluate disasters and accidents that may occur in an emergency in advance.

In order to minimize the impact of such a situation, emergency notification methods, evacuation procedures, evacuation drills, fire alarms, fire extinguishers, exit routes, and recovery plans shall be developed.

(3) Industrial accidents and diseases

Establish and manage systems and measures that enable employees to understand the status of occupational accidents and diseases, promote reporting, classify and record accidents and diseases, provide necessary treatment, investigate accidents and diseases, implement corrective measures to eliminate causes, and encourage employees to return to work.

(4) Industrial hygiene

Identify and verify the chemical, biological, and physical risks to which employees are exposed in the workplace, manage them to prevent problems from occurring, and prepare and provide educational programs and appropriate protective equipment to help employees acquire knowledge to protect their own health.



(5) Physically demanding tasks

Identify, evaluate and control tasks that are exposed to risk factors associated with physically demanding tasks such as manual hauling, heavy lifting or repetitive lifting, standing for long periods of time, and assembly tasks that require a lot of repetition or force.

(6) Machine safeguarding

Confirm that machinery and equipment used for production and other purposes have no problems from the perspective of worker maintenance, and implement safety measures such as safety devices, interlocks, and protective walls, as well as appropriate maintenance.

(7) Sanitation, food, housing

Employees can use clean toilets, safe drinking water, sanitary food, storage and eating facilities.

(8) Employee Health Management

Provide workplace education and training to all employees in their native language or in a language they can understand, and clarify health and safety information.

## C. Environment

(1) Implementation of environmental management

In order to promote a wide range of environmental activities, we will comply with the laws and regulations of each country and region, establish a company-wide management system, and continuously operate and improve it.

(2) Appropriate control of chemical substances

Identify chemical substances that may have a serious impact on human health and the environment, and take conservation measures such as moving and storing them in safe places, or take appropriate measures such as recycling.

In addition to ensuring that products do not contain chemical substances prohibited by the laws and regulations of each country and region, we will comply with the required labeling obligations and conduct evaluation tests.

In addition to managing chemical substances that must not be contained in products in the manufacturing process, we will also strive to reduce the amount of chemical substances released into the outside environment by monitoring their release and reporting to the government.

(3) Minimization of environmental impact (wastewater, sludge, exhaust, etc.)

Wastewater and waste generated by operations, industrial processes, and waste treatment facilities shall be characterized, monitored, controlled, and treated in accordance with the environmental laws and regulations of the country or region in which the company operates before being discharged or treated.

Volatile organic compounds, aerosols, corrosives, particulate matter, ozone depleting substances, by-products generated by combustion, etc. generated in business are characterized, monitored, controlled, and treated as specified by environmental laws and regulations before they are discharged.

(4) Environmental permits and reporting

Obtain all required environmental permits (e.g. emission monitoring), approvals, and registrations, keep them up to date, and comply with the requirements for their operation and reporting in accordance with applicable environmental laws and regulations.

(5) Pollution prevention measures and resource conservation

Work to reduce the amount of final waste disposal by improving the manufacturing, maintenance, and equipment operation processes, and replacing, preserving, recycling, and reusing raw materials.

(6) Conservation of biodiversity

Strive to implement activities to conserve biodiversity.

## D. Fair Trading

(1) Prohibit corruption and bribery

When making political contributions or donations, we will do so in accordance with the laws and regulations of the relevant country or region, and strive to build transparent and fair relationships with politics, government, and public institutions.

(2) Complying with Competition Laws

Comply with the competition law (Antimonopoly Act) of the country or region in which the business is related, and refrain from private monopolization, unreasonable restraint of trade (cartel, bid rigging, etc.), unfair trade practices (abuse of dominant bargaining position, etc.).

(3) Prohibition of inappropriate offers and receipt of benefits

We will not give or receive entertainment, gifts, money, etc. with customers, business partners, or other business partners for the purpose of obtaining or maintaining inappropriate profits or inappropriate preferential treatment. In addition, we will not provide inappropriate benefits to forces or organizations that have a negative impact on social order or sound corporate activities.

#### (4) Protection of Intellectual Property

Take sufficient care to protect and ensure that the intellectual property rights owned by or attributable to the Company are not infringed by third parties. Furthermore, the Company shall not illegally acquire intellectual property such as patents, utility models, designs, and trademarks of third parties, use them illegally, or infringe on the rights of software or illegal copying of books.

#### (5) Appropriate export control

With regard to parts, products, technologies, equipment, software, and other items related to export transactions, thorough management shall be implemented by, for example, preparing and providing export procedures and a written judgment of applicability, after confirming whether the items are regulated under these international laws and the laws of the relevant countries and regions.

#### (6) Appropriate disclosure of information

We will disclose information on our financial condition, business performance, and business activities to our stakeholders in a timely and appropriate manner, and strive to maintain and develop mutual understanding and trust with stakeholders through open and fair communication.

#### (7) Detect injustice promptly

In the event of a suspected violation of laws, regulations, or corporate ethics with respect to business operations, the Company shall promptly seek the early detection of such violation by consulting or contacting the superior, the department in charge, or the whistleblower hotline within the Company.

Thoroughly protect the privacy of whistleblowers and not treat them unfavorably by reason of reporting to the whistleblowers.

#### (8) Responsible mineral procurement

Consideration shall be given to avoiding direct or indirect involvement in the procurement of mineral resources, natural resources, raw materials, etc. represented by conflict minerals that have a serious impact on local communities, such as regional conflicts, human rights violations, and environmental destruction. If there is a concern or the fact of involvement is found, take measures to avoid it.

### E. Quality and safety

#### (1) Ensuring the safety of products and services

When designing products and services, we shall design them to ensure sufficient safety, and produce and provide them in consideration of our responsibilities as a manufacturer. In terms of safety, we will not only comply with laws and regulations, but also strive to exceed the legal standards in terms of safety that should normally be maintained.

(2) To provide adequate information

In addition to complying with laws and regulations, we will appropriately display necessary information on the content and handling of products and services from the customer's perspective.

(3) Quality control

We will establish and operate a quality control system to ensure the quality of all products and services, as well as to maintain and improve them on an ongoing basis.

## F. Information Security

(1) Secure computer networks against threats

Take protective measures against computer viruses and other threats on computer networks and manage them so that they do not cause damage to the company or others.

(2) Prevent the leakage of personal information

We will reasonably protect the personal information of all parties involved in our business, including business partners, customers, consumers, and employees. Collection, storage, processing, transfer, and sharing of personal information shall be subject to laws and regulations concerning privacy and information security.

To ensure that personal information is not illegally or improperly acquired, used, disclosed, or leaked, the Company shall formulate rules and policies that employees must observe and implement thorough management.

(3) Prevent the leakage of customer and third-party confidential information

All confidential information of customers, third parties, etc. shall be obtained from authorized persons in a legitimate manner, and the scope of use and other conditions shall be confirmed, used within the scope thereof, and confidentiality shall be maintained, and the rights of customers and third parties shall be protected.

## G. Social Contribution

(1) To contribute to society and the local community

For the development of local communities, we will pay attention to the social issues facing each region and work with local communities to implement business activities and social contribution activities that lead to the resolution of these issues.

## 6. Expansion to suppliers

We will develop the Sustainable Procurement Guidelines for our suppliers based on the above objectives, and will strive to disseminate and disseminate our initiatives at suppliers through awareness-raising activities. In spreading and disseminating the policy, we will do so with an awareness of the entire supply chain, and follow up and correct the situation as necessary.

## 7. History

Edition	Date	Description
1	2023 June 19	Preparation of first edition