

# TAIYO YUDEN Group CSR Procurement Guidelines

Established July 1, 2024

## 1. Introduction

In recent years, corporations are strongly demanded to conduct their business activities with a high sense of morality and ethics based on social decency from various stakeholders worldwide. At the same time, efforts to address the social issues set forth in the SDGs adopted by the United Nations are also regarded as corporate social responsibilities and valued.

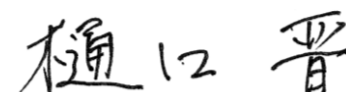
TAIYO YUDEN Group promotes CSR activities on a company-wide basis in order to contribute to society with both economic and social values. “TAIYO YUDEN Group’s Charter on Social Responsibility” sets forth this philosophy of action, and the “TAIYO YUDEN Group CSR Code of Conduct” defines the actions that all our group executives and employees must take to fulfill social responsibilities.

We also promote activities in compliance with the Charter and the Code of Conduct in the procurement of products like materials, parts, machinery, technologies, and services. This procurement activity is required by various stakeholders to be carried out by the entire supply chain, including suppliers.

This time, this document has been designated as the Code of Conduct for our procurement activities. We intend to fulfill our social responsibility by encouraging suppliers to understand this initiatives and practice CSR procurement together. In addition, in recent years, influence of international initiatives related to climate change countermeasures of global companies (CDP\*, SBT\*, etc.) is growing and we are implementing corporate activities conscientiously. We will continue to work to reduce greenhouse gas emissions and waste throughout our supply chain, including our suppliers, and contribute to building a sustainable society.

We ask for your understanding and cooperation of these objectives and practicing them throughout the supply chain.

TAIYO YUDEN Co., Ltd  
Head of Global SCM Center



\*CDP: A non-governmental organization (NGO) is controlled by a British charity. Founded in 2000, it operates global information disclosure system that enables investors, companies, nations, regions, and cities to manage their own environmental impacts, including reducing greenhouse gas emissions, protecting water resources, and protecting forests.

\*SBT: An organization is co-managed by four legal entities: CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Efforts to promote the sustainable energy transition by setting participating companies' their own GHG reduction targets, including supply chain emissions, and working to achieve those targets.

## 2. TAIYO YUDEN Group Initiatives

TAIYO YUDEN Group will comply with all applicable laws and regulations in all countries and regions in which it operates, as well as with social norms such as the RBA Code of Conduct (Responsible Business Alliance Code of Conduct (<http://www.responsiblebusiness.org/standards/code-of-conduct/>)). In order to promote CSR activities as a common awareness of TAIYO YUDEN Group, we have established the CSR Charter and established its conduct in the CSR Code of Conduct. TAIYO YUDEN Group provides education to all executives and employees throughout the year in order to comply with these standards and act accordingly. TAIYO YUDEN Group has established “TAIYO YUDEN Group Basic Procurement Policy” to promote CSR activities in procurement as well. In addition, TAIYO YUDEN Group has established “Responsible Minerals Procurement Policy” to ensure that corporate activities of TAIYO YUDEN Group do not contribute to conflicts and human rights infringement by armed groups. We carefully examine our own supply chain and work to avoid and mitigate risks.

### 2.1 TAIYO YUDEN Group's Charter on Social Responsibility (CSR Charter)

To win the trust and goodwill of society, the TAIYO YUDEN Group will respect human rights, keep abreast of and comply with laws and international rules and regulations, and take a socially conscious course of action based on high ethical standards.

#### **Business**

- ◆ The TAIYO YUDEN Group will win our clients' confidence by developing and providing high value-added products and services for which safety is thoroughly considered.
- ◆ The TAIYO YUDEN Group will pursue global environmental preservation by reducing environmental impacts caused by our business activities.
- ◆ The TAIYO YUDEN Group will engage in fair, open, and free competition while
- ◆ maintaining sound relationships with governmental/administrative bodies, citizens, and organizations.

#### **People**

- ◆ The TAIYO YUDEN Group will respect the dignity and individuality of each person based on recognition of people's diverse backgrounds and characteristics.
- ◆ The TAIYO YUDEN Group will strive to create safe work environments that ensure our employees are able to perform their duties with a sense of reassurance.

## **Society**

- ◆ The TAIYO YUDEN Group will actively participate in social contribution efforts while valuing co-existence with local and international communities.
- ◆ The TAIYO YUDEN Group will promote widespread communication with society and disclose corporate information on a timely basis in an appropriate manner.

(Taiyo Yuden Group CSR Charter)

<https://www.yuden.co.jp/ut/company/sustainability/management/charter/>

## 2.2 Code of conduct regarding social responsibilities of TAIYO YUDEN Group (CSR Code of Conduct)

### Chapter 1 GENERAL

#### Article 1 (Purpose and Scope)

This Code of Conduct shall apply to all executives and employees who belong to TAIYO YUDEN Group.

This Code of Conduct is intended for the ethical behavior of all executives and employees in TAIYO YUDEN Group in accordance with the spirit of CSR Charter of TAIYO YUDEN Group based on the compliance with laws and regulations, company rules and contracts concluded with stakeholders. TAIYO YUDEN executives and employees are also expected to behave ethically, assess and avoid risks associated with their conducts and improve their behaviors continuously.

#### Article 2 (Response to Whistle-Blowing)

If a fact or a suspect of violation of laws and regulations or company rules including this Code of Conduct is found, it shall be reported to the specified addressee.

Any raised concern shall be promptly investigated, fact confirmed and misconduct solved with the best measure.

In case the informer has no dishonest purpose, the person shall not suffer unreasonable loss nor unfair treatment such as dismissal.

### Chapter 2 BUSINESS ACTIVITIES

#### Article 3 (Product Development and Supply)

By identifying society, market and customer needs we will design and develop products and/or service which is socially useful and with safety considerations.

#### Article 4 (Protection of Intellectual Property)

Intellectual properties which are necessary for business operations shall be ensured, properly managed and utilized.

Third party's intellectual properties shall be respected and not be infringed.

#### Article 5 (Product Quality and Safety)

Product safety and continuous supply of high quality products shall be ensured for high customer satisfaction and reliability

#### Article 6 (Business Continuity Management)

Risks on emergency such as natural disaster, vicious infection, conflict, internal accident, problems in infrastructure/labor power shall be understood for preparation to prevent any problems for the supply of the product.

In case of emergency, damage shall be minimized, prompt recovery measures shall be taken, and the appropriate information shall be provided to our stakeholders.

#### Article 7 (Responsible Procurement)

Reliable and stable supply shall be maintained, understanding the relationships with social responsibilities in our supply chain.

Dominant bargaining position to suppliers shall not be abused, unfair trade limit shall not be imposed, nor shall unfair trade practice be entered.

#### Article 8 (Fair Trade)

Any unfair business practice or suspected act of cartel behavior, abuse of dominant bargaining position, tie-in sales or other acts for improper restriction of trade or unfair transaction shall be never committed.

#### Article 9 (International Trade)

The strict export control shall be made so that weapon and relevant technologies to threaten international peace and safety will not be exported nor the conversion into such weapon will be made.

The import-export transaction of cargo or technology shall be performed in accordance with the applicable laws and regulations.

#### Article 10 (Environmental Conservation)

Environmental burden in every business activity in research, design and development of the product, procurement of parts and materials, manufacture, sales and associated services shall be reduced for global environmental conservation.

### Chapter 3 RELATIONSHIP WITH PEOPLE

#### Article 11 (Labor)

No child labor, forced labor or its support, enhancement or promotion shall be made.

Work conditions shall be controlled appropriately. (Wages, work hours, holidays and etc.)

#### Article 12 (Respect of Human Rights, Anti-Discrimination and Anti-Harassment)

The diversity, personality and individuality shall be respected and the work environment without any discrimination shall be ensured.

No power harassment or sexual harassment by authority shall be conducted.

#### Article 13 (Safety and Health)

Workplace safety shall be always ensured so that employees could work without anxiety and health of employees are maintained.

### Chapter 4 RELATIONSHIP WITH SOCIETY

#### Article 14 (Proper Accounting)

The corporate asset and resource shall be properly controlled and used.

The payment of expense, capitalization of sales and profit, remittance, etc. shall be properly processed.

The laws and regulations on tax and foreign currency shall be correctly understood and proper processing on tax payment shall be performed.

#### Article 15 (Business Entertainment, Gift, etc. and Prohibition of Conflict of Interest)

The entertainment and gift to the customers, and from the business partners shall be limited to the minimum within the scope of social common sense and moderate relationship shall be maintained.

The business entertainment, gift giving shall be prohibited and fair relationship shall be maintained within TAIYO YUDEN Group.

Any act which leads to personal interest or interests of third parties against TAIYO YUDEN Group interest shall be prohibited.

#### Article 16 (Politics, Government and Antisocial Power)

In order to maintain healthy and proper relationship with politics and government, bribe-giving and misleading acts shall be never made.

The involvement with antisocial power and entity such as gangsters, terrorist groups, and religious cults shall be consistently refused.

#### Article 17 (Contribution to Society)

In any business activities, the local culture and custom shall be respected while harmonization with local community and mutual confidence are established and the contribution to the development of local community is enhanced.

Effort shall be made so that our technology and product contribute to the social and cultural development.

#### Article 18 (Prohibition of Insider Trading)

In case of awareness of any insider information of TAIYO YUDEN Group, customers/business partners, etc. the transaction of such stock and bond shall be never made until public announcement of such information.

Insider information shall never be communicated or insider trading shall never be made for the purpose of yielding a profit to someone from pre-publication information or avoiding occurrence of loss.

#### Article 19 (Disclosure of Corporate Information and Communication with Society)

It shall be fully recognized that corporate information such as management information contributes to the profit of investors and the information shall be externally disclosed. Increased importance of communication with society shall be fully understood and active communication shall be made.

#### Article 20 (Information Management)

Confidential information of customers, suppliers, etc. shall be properly handled.

Confidential information of corporate management, sales and personal information of employees, etc. shall be treated properly.

In order to prevent loss, leak, or falsification of information, the security of computer network shall be maintained with necessary countermeasures.

(TAIYO YUDEN Group CSR Code of Conduct)

<https://www.yuden.co.jp/ut/company/sustainability/management/rule/>

## 2.3 TAIYO YUDEN Group Basic Procurement Policy

### ■Global Procurement

Taiyo Yuden Group shall procure the parts, material, technology, machinery, and services most suitable for our products needs from the suppliers in the world.

### ■Fair Trade

Opportunity to have business with Taiyo Yuden Group is open to suppliers in the world based on equal and fair standard. Compliance with the laws and the ethics shall be applied to the procurement activities of Taiyo Yuden Group.

### ■Mutual Trust / CSR

Taiyo Yuden Group shall actively practice the CSR management in procurement activities and further establish sound partnership to build mutual trust and development.

### ■Procurement Policy

- ◆ Provide Fair and Equal Opportunity / Fair Procurement

Fair procurement will be practiced based on ethics. Taiyo Yuden Group will sincerely respond to a company who wishes to establish business partnership with us. Fair evaluation standard will be applied to the rating of the supplier evaluation. If the company fails to have business as a result of the evaluation, its reasons shall be disclosed upon request to the possible extent.

- ◆ Specification of the Procurement Information

“Basic procurement policy”, “procurement principle”, “registration process of the new supplier” and “various processes from purchase order to payment” and “corresponding contact persons” are clearly indicated.

- ◆ Execution of Transaction Master Agreement in Procurement / Control of Confidential Information

Taiyo Yuden Group shall conduct procurement based on written contract and strictly controls and manage the information acquired during the business transactions in accordance with the written contract.

- ◆ Compliance with the Law

Taiyo Yuden Group shall comply with laws and regulations related to procurement.

Unlawful acts such as intentional setting of an unfavorable negotiation with specific suppliers to their disadvantage, abuse of dominant bargaining position and other unreasonable restraint of trade or any suspicious acts shall not be conducted.

- ◆ Environmental Conservation/Preservation

Taiyo Yuden Group shall promote “Green Procurement” in the procurement of the parts, materials and services to respect environmental conservation viewpoint.



(TAIYO YUDEN Group Basic Procurement Policy)

<https://www.yuden.co.jp/ut/company/sustainability/society/procurement/>

## 2.4 TAIYO YUDEN Group Responsible Minerals Procurement Policy

TAIYO YUDEN Group established “CSR Charter” and “CSR Code of Conduct” and promotes CSR activities in order to fulfill corporate social responsibility. As “Mutual Trust / CSR” in our Basic Procurement Policy, TAIYO YUDEN Group shall actively practice the CSR management in procurement activities and further establish sound partnership to build mutual trust and development.

There are concerns that the minerals such as tin, tantalum, tungsten, gold (3TG), cobalt and mica in the Democratic Republic of the Congo and adjoining countries or Conflict Affected and High-Risk Areas (CAHRAs) can finance armed groups in those conflict regions through illegal mining and trading of minerals and raise human rights abuses or labor issues such as child labor, forced labor. As one way of fulfilling its social responsibility in its supply chain, TAIYO YUDEN Group implements appropriate measures to procure minerals, ensuring that we do not become involved in such issues through the trade of minerals used in our products.

TAIYO YUDEN Group requests suppliers to understand the TAIYO YUDEN's procurement policy and cooperate with the survey in the procurement process. Furthermore, TAIYO YUDEN Group requests suppliers to procure minerals from the refiners/smelters approved by globally recognized frameworks such as RMI\*1.

\*1 RMI: Responsible Minerals Initiative

With more than 400 member companies, the Responsible Minerals Initiative is one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains.

(TAIYO YUDEN Group Responsible Minerals Procurement Policy)

<https://www.yuden.co.jp/ut/company/sustainability/society/procurement/conflict/>

### 3. Supplier Code of Conduct

As mentioned above, TAIYO YUDEN Group makes efforts to achieve CSR-oriented procurement activities. Suppliers are encouraged to understand and agree with this objective and to implement the matters described in this Code of Conduct in your transactions and spread to the supply chain.

#### 3.1 Compliance with Laws, Regulations and Social Norms

Participants shall comply with the laws and regulations and social norms (hereinafter referred to as “regulations”) of their home country as well as countries and regions where they conduct business.

(Reference Regulations)

- ☐ Labor related laws
- ☐ Regulations to prohibit the child labor and the forced labor and to protect the freely chosen employment
- ☐ Regulations related to maintaining the workplace free from maltreatment, harassment and inhumane treatment
- ☐ Regulations related to prohibit racial and sexual discrimination, and honor dignity of individual employees
- ☐ Regulations to respect the freedom of the employee association
- ☐ Regulations related to health and safety
- ☐ Regulations related to the prevention and control of occupational injuries and illnesses and emergency preparedness and response
- ☐ Regulations related to create safe and clean working environment
- ☐ Regulations related to environment
- ☐ Regulations to prohibit the bribery and corruption
- ☐ Regulations related to intellectual property
- ☐ Regulations related to protection and disclosure of the personal information
- ☐ Regulations related to exporting and importing security
- ☐ Regulations related to product safety
- ☐ Regulations related to Antimonopoly Act and subcontracting transactions
- ☐ Regulations to eliminate the relation with the anti-social force (individual/group)

#### 3.2 Labor

Participants commit to respect the human rights of workers, and to treat them with dignity. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The labor standards are as follows:

## **1) Prohibition of Forced Labor**

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Participants shall maintain documentation on all leaving workers. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

## **2) Young Workers**

Child labor shall not be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Participants shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Participants shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning

programs, which comply with all laws and regulations, is supported. Participants shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation shall be provided.

### **3) Working Hours**

Working hours shall not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

### **4) Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualification. Workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

### **5) Non-Discrimination/Non-Harassment/Humane Treatment**

Participants shall commit to a workplace free of harassment and unlawful discrimination. There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This

was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

**6) Freedom of Association and Collective Bargaining**

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. In alignment with these principles, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.

**3.3 Health and Safety**

Participants recognize that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working environment enhances the quality of products and services, consistency of production and worker retention and morale. Participants also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

The health and safety standards are as follows:

**1) Occupational Health and Safety**

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide reasonable accommodations for nursing mothers.

**2) Emergency Preparedness**

Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures

including emergency reporting, employee notification and evacuation procedures, worker training, and drills.

Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

### **3) Occupational Injury and Illness**

Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work. Participants shall allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

### **4) Industrial Hygiene**

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Participants shall provide workers with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. Participants shall provide occupational health monitoring to routinely evaluate if workers' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards.

### **5) Physically Demanding Work**

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks shall be identified, evaluated, and controlled.

### **6) Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers shall be provided and properly maintained where

machinery presents an injury hazard to workers.

**7) Sanitation, Food, and Housing**

Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Participant or a labor agent shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

**8) Health and Safety Communication**

Participants shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

**9) Worker Health Management**

Participants must conduct appropriate health management for all employees.

**3.4 Environment**

Across all business functions, Participants recognize that environmental responsibility is integral to producing world-class products. Participants shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public.

The environmental standards are as follows:

**1) Environmental Permits and Reporting**

All required environmental permits (e.g. discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current and their operational and reporting requirements shall be followed.

**2) Pollution Prevention and Resource Conservation**

Emissions and discharges of pollutants and generation of waste shall be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

**3) Hazardous Substances**

Chemicals, waste, and other materials posing a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data shall be tracked and documented.

**4) Solid Waste**

Participants shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Waste data shall be tracked and documented.

**5) Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone- depleting substances shall be effectively managed in accordance with the Montreal Protocol and applicable regulations. Participants shall conduct routine monitoring of the performance of its air emission control systems.

**6) Materials Restrictions**

Participants shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

**7) Water Management**

Participants shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater shall be characterized, monitored, controlled, and treated as required



prior to discharge or disposal. Participants shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

**8) Energy Consumption and Greenhouse Gas Emissions**

Participants shall establish and report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported. Participants shall look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

**9) Biological Diversity**

Participants shall consider the biological diversity in business activities, such as conservation of resources, energy and re-forestation activities.

**3.5 Ethics**

To meet social responsibilities and to achieve success in the marketplace, Participants and their agents shall uphold the highest standards of ethics including the following:

**1) Business Integrity**

The highest standards of integrity shall be upheld in all business interactions. Participants shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

**2) No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

**3) Disclosure of Information**

All business dealings shall be transparently performed and accurately reflected on the Participant's business books and records. Information regarding participant's labor, health and safety, environmental practices, business activities,

structure, financial situation, and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

**4) Intellectual Property**

Intellectual property rights shall be respected. Transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information shall be safeguarded.

**5) Fair Business, Advertising and Competition**

Standards of fair business, advertising, and competition shall be upheld.

**6) Protection of Identity and Non-Retaliation**

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers\*<sup>1</sup> shall be maintained, unless prohibited by law. Participants shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

\*<sup>1</sup> Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

**7) Responsible Sourcing of Minerals**

Participants shall establish management system of minerals sourcing in accordance with OECD Due Diligence Guidance.

**【Specific Actions and Initiatives】**

- ① Define the policy of responsible sourcing of minerals and make public the policy in the website, etc.
- ② Confirmation and evaluation of risks in supply chain using internationally standardized research program (latest version of CMRT, etc.)
- ③ Stop using and prompt corrective action when problematic mineral use is found
- ④ Disclosure of research result upon customer request

**8) Privacy**

Participants shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Participants shall comply with privacy and information security laws and regulatory requirements when personal information

is collected, stored, processed, transmitted, and shared.

### 3.6 Information Security

#### 1) **Defense from Cyber Attacks**

Participants must implement protective measures against threats such as cyber attacks and conduct management to prevent damage to the company and others.

#### 2) **Preventing Leak of Confidential Information**

Participants must appropriately manage and protect the confidential information not only of their own but also received including from customers and third parties.

### 3.7 Establishment of Stable Supply System

In case the supplier is affected by the calamity or accident, such a situation will not only affect the supplier but TAIYO YUDEN Group, its client and its stakeholders.

Participants shall identify and evaluate risks that hinder business continuity, and make efforts to carefully examine the impact on the business and promote the necessary preliminary measures (formulation of business continuity response plans and system of systems) over the medium to long term. In particular, participants shall prepare and manage damage estimates and recovery plans for disasters such as earthquakes and floods, as well as to minimize the risks that may affect them.

### 3.8 Management Systems

Participants shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It shall also facilitate continual improvement.

The management system shall contain the following elements:

#### 1) **Company Commitment**

Participants shall establish human rights, health and safety, environmental and ethics policy statements affirming Participant's commitment to due diligence and continual improvement, endorsed by executive management. Policy statements shall be made public and communicated to workers in a language they understand via accessible channels.

#### 2) **Management Accountability and Responsibility**

Participants shall clearly identify senior executive and company

representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

**3) Legal and Customer Requirements**

Participants shall adopt or establish a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

**4) Risk Assessment and Risk Management**

Participants shall adopt or establish a process to identify the legal compliance, environmental, health and safety<sup>\*2</sup>, labor practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with Participant's operations. Participants shall determine the relative significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

<sup>\*2</sup> Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

**5) Improvement Objectives**

Participants shall establish written performance objectives, targets and implementation plans to improve the Participant's social, environmental, and health and safety performance, including a periodic assessment of Participant's performance in achieving those objectives.

**6) Training**

Participants shall establish programs for training managers and workers to implement Participant's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

**7) Communication**

Participants shall establish process for communicating clear and accurate information about Participant's policies, practices, expectations, and performance to workers, suppliers, and customers.

**8) Worker/Stakeholder Engagement and Access To Remedy**

Participants shall establish processes for ongoing two-way communication with

workers, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement. Workers shall be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

**9) Audits and Assessments**

Participants shall conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

**10) Corrective Action Process**

Participants shall establish a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

**11) Documentation and Records**

Participants shall create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

**12) Supplier Responsibility**

Participants shall establish a process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.

Revised Date	Revised Contents
July 1, 2024	<p>Establishment of the first edition for the change of document name from “TAIYO YUDEN Group CSR Procurement Requirements” to “TAIYO YUDEN Group CSR Procurement Guidelines.”</p> <p>Revision for revision of RBA Code of Conduct (Version 8.0 (2024))</p>