

# **Supplier Code of Conduct**

## **based on the ITO EN Group Fundamental Supplier Policy**

Established: May, 2022

### **Objective**

Supplier Code of Conduct (the “Code”) is based on the ITO EN Group Fundamental Supplier Policy and aims to clarify requirements that need to be observed by those who supply raw materials, etc. (raw materials, packaging materials, products, etc.; hereinafter “raw materials, etc.”) to the ITO EN Group (the “Group”). The Group appreciates all its suppliers’ understanding and cooperation and requests them to proactively abide by the Code.

### **Scope of Application**

The Code shall apply to all suppliers of raw materials, etc. handled by the Group. This includes suppliers of raw materials, etc. used in products (including half-finished, professional-use, OEM, and PB products, etc.) that are designed by the Group’s development divisions.

Raw materials, etc. shall include those that contribute to production and whose names, material numbers, etc. are specified by the Group, in addition to those directly purchased by the Group.

### **Evaluation and Verification**

Those suppliers who fall under the above scope of application shall be subject to periodic evaluation and reevaluation. When a case in violation of the Code has been identified, the status of improvements shall be verified as necessary, and the Group shall work with the subject supplier to make improvements.

### **Supplier Code of Conduct**

#### **1. Pursuit of quality, safety and reliability**

Guaranteeing pursuit of quality, safety and reliability based on the quality requirements pursued by the Group as well as the Code, and solidifying such pursuit through “Evaluation and Verification” as well as communication and education.

#### **2. Ensure compliance**

Complying with relevant laws, regulations and societal norms, and establishing appropriate and effective corporate governance frameworks.

##### **(1) Compliance with laws and regulations**

Complying with laws, regulations, ordinances, rules, etc. of the countries and regions in which each supplier conducts its business activities. Applying compliance with the above laws and regulations and the Code to subcontractors and contractors of each supplier.

## **(2) Elimination of abuse, discrimination and harassment**

Maintaining workplace free of corporal punishment, physical or verbal abuse and harassment.

Not tolerating any discrimination in recruitment, wage, promotion, etc. on the grounds of gender, sexual orientation (and gender identity), age, ethnicity, nationality, race, religion, thoughts, belief, social status, family origin, disability, etc. and any involvement in such discrimination.

## **3. Fair and equitable transactions**

Complying with all laws, regulations, and ordinances regarding business transactions of the countries and regions in which each supplier conducts its business activities, and conducting fair and equitable transactions. Correctly disclosing information about business activities in accordance with applicable laws, regulations, ordinances, etc. and general business practices.

## **4. Respect for human rights and consideration for labor affairs and safety**

Guaranteeing respect for human rights and consideration for labor affairs and safety based on compliance with applicable laws and regulations of the countries and regions in which each supplier operates, the International Bill of Human Rights, the International Labor Standards and other internationally recognized human rights codes.

### **(1) Prohibition of child labor**

Preventing child labor in accordance with laws and regulations related to child labor and the minimum labor age and other requirements prescribed by the International Labor Organization, etc., and confirming compliance with Japanese laws and regulations related to child labor that are applicable in Japan and at overseas locations and laws and regulations associated with international human rights standards.

### **(2) Prohibition of forced or compulsory labor**

Prohibiting all forms of forced labor, including slave labor and labor trafficking.

### **(3) Freedom of association and right to collective bargaining**

Respecting the right to form and participate in labor unions, etc. and the right to collective bargaining in accordance with applicable laws and regulations.

#### **(4) Working hours and wages**

Reducing excessive working hours and ensuring minimum wages for employees by complying with laws, regulations, etc. regarding working hours, rest periods, days off, and minimum wages applicable to the countries and regions in which each supplier operates.

Paying prescribed overtime rates to employees whose working time exceeds legal requirements.

#### **(5) Providing a safe and sound work environment**

Identifying and controlling all hazards in workplace and providing a work environment that is safe and secure and supports both the physical and mental health of employees. Appropriately ensuring safety and health in residential and dining facilities provided to employees.

#### **5. Considerations for environment**

Taking steps for the effective use of resources, reduction of waste, and limits on greenhouse gas emissions based on consideration of the global environment. Endeavoring to appropriately conserve and manage water resources, forests, etc., mitigate negative impacts on biodiversity, comply with environmental laws, regulations, and ordinances, and prevent environmental pollution.

#### **6. Full enforcement of information management**

Appropriately managing confidential information and personal information acquired during the course of business, in compliance with relevant laws and regulations.

#### **7. Social contribution**

Endeavoring to contribute to the sustained development of international and local societies.

#### **8. Grievance mechanisms**

In accordance with the UN Guiding Principles on Business and Human Rights, providing individuals with the right to access effective remedies when their rights have been adversely impacted by business activities and working to enhance fair and equal grievance mechanisms. Taking appropriate remedies and corrective measures, if it is identified that adverse impacts on human rights have been produced or facilitated. In addition, encouraging each supplier's business partners and other relevant parties who are directly involved in corporate activities, products or services to take corrective measures, if the supplier's business or services are connected with adverse impacts on human rights through the supplier's business relationships.