

CSR Guidelines of Teraoka Seisakusho Co., Ltd.

1. Safety and Quality

(1) Provision of products and services that meet the needs of consumers and business partners

We shall develop and provide socially useful products by understanding the needs of consumers and business partners.

(2) Safety of products and services

We shall provide products and services that meet the safety laws and regulations of each country and region.

(3) Quality of products and services

We shall establish and operate a company-wide system to ensure quality.

(4) Provision of appropriate informations on products and services

We shall provide appropriate informations on products and services to consumers and business partners.

2. Environment

(1) Environmental Management

To promote a wide range of environmental activities, we shall comply with the laws and regulations of each country and region, and have established a company-wide management system that we continuously operate and improve.

(2) Response to climate change

In our products, services, and business processes (procurement, processing, etc.), we shall promote the reduction of greenhouse gas (GHG) emissions and energy consumption through the introduction of equipment, etc., and strive to utilize natural energy sources.

(3) Resource conservation and waste reduction

Through promotion of the 5Rs (Reduce, Reuse, Recycle, Refuse, Repair), we shall strive to conserve resources, recycle resources, consequently improve resource saving productivity.

(4) Prevention of environmental pollution of air, water, soil, etc.

We shall prevent environmental pollution by complying with the laws and regulations of each country and region regarding the prevention of pollution of air, water, soil, etc., while also implementing initiatives and introducing

equipment that contributes to the reduction of pollutants.

(5) Management of chemical substances

We shall safely manage chemical substances that may cause environmental pollution. Products shall not contain chemical substances that are prohibited by the laws and regulations of each country or region.

We shall not use prohibited chemical substances in the manufacturing processes, and for any chemical substances designated by the laws and regulations of each country or region, the amount of emissions shall be monitored and reported to the government in accordance with the laws and regulations.

(6) Consideration for biodiversity

We shall promote the conservation of nature through sustainable procurement, and strive for urban development and greenery that is in harmony with the surrounding environment.

3. Human rights and labor

(1) Respect for human rights

We shall respect the diversity of human values and basic human rights, and never engage in any act of human rights violation including harassment.

(2) Prohibition of discrimination

We shall not engage in any irrational discrimination based on birth, nationality, race, ethnicity, creed, religion, gender, age, body, hobbies, educational background, sexual orientation or gender identity, etc.

(3) Prohibition of child labor

We shall not permit labor by children who do not meet the legal minimum working age according to the laws and regulations of each country or region.

(4) Prohibition of forced labor

Workers shall not be forced to work against their will by means of unjustified psychological or physical restraint.

(5) Wages

We shall comply with the laws and regulations of each country and region concerning minimum wages, overtime, wage deductions, piece-rate wages, and other benefits.

(6) Working hours

We shall comply with the laws and regulations of each country and region regarding the determination of employee working hours (including overtime) and the granting of vacations, annual paid leave, and other benefits.

(7) Dialogue and consultation with employees

We shall set up a forum for discussions and dialogues in good faith with employee representatives and employees.

We shall acknowledge the right of employees to associate or not associate freely in accordance with the laws and regulations of each country and region.

4. Health and safety

(1) Occupational safety

We shall identify and evaluate any risks concerning occupational safety, and ensure safety through appropriate design, technology, and management measures.

(2) Occupational accidents and illnesses

We shall identify, evaluate, record, and report occupational accidents and illnesses, and implement appropriate countermeasures and corrective actions.

(3) Industrial hygiene

We shall identify, evaluate, and appropriately manage any risks of employees exposed to harmful biological, chemical, and physical influences in the workplace.

(4) Consideration for physically demanding work

We shall identify, evaluate, and appropriately manage physically demanding work to prevent occupational accidents and illnesses.

(5) Safety measures for machinery and equipment

We shall evaluate the machinery and equipment used by employees in the course of their work for safety risks and take appropriate safety measures.

(6) Facility safety and hygiene

We shall take appropriate safety and hygiene measures for everyday facilities provided to employees (dormitories, cafeterias, restrooms, etc.), and secure appropriate evacuation routes in case of emergency.

(7) Employee health care management

We shall provide appropriate health care management for all employees.

(8) Countermeasures against infectious disease outbreaks and pandemics

In addition to through out measures to ensure hygiene in the workplace, we shall strive to ensure the safety of all employees by providing diversity in work styles, including the promotion of telework and changes in commuting patterns.

5. Ethics and compliance

(1) Compliance with laws and regulations

We shall comply with the laws and regulations of each country and region. To ensure through out compliance, we shall establish and implement policies and structures, action guidelines, reporting systems, education, and other systems.

(2) Prevention of relationships with antisocial forces

We shall take a firm stand against antisocial forces that threaten the order and safety of civil society, and shall have no relationship with such forces.

(3) Management and protection of confidential information

We shall regard personal information of business partners, third parties, and our own employees, as confidential information of business partners and third parties, in a legitimate manner, and shall strictly manage, use, and protect such information to the appropriate extent.

(4) Protection of intellectual property rights

We shall protect intellectual property rights owned by or belonging to the company, and shall not illegally obtain or use intellectual property rights of third parties or infringe on their rights.

(5) Compliance with competition laws

We shall comply with the competition laws of each country and region, and shall not engage in acts such as private monopolization, unfair restraint of trade (cartels, bid rigging, etc.), unfair trade practices, or abuse of a superior bargaining position.

(6) Export transaction control

We shall follow appropriate procedures in accordance with applicable laws and regulations when exporting and importing products and providing technology overseas.

(7) Anti-Corruption

We shall make political contributions, donations, etc. in accordance with the laws and regulations of each country and region, and strive to build transparent and fair relationships with political and administrative bodies. We shall not give or receive entertainment, gifts, or money to or from business partners for the purpose of obtaining or maintaining unfair advantage or preferential treatment.

(8) Responsible procurement of resources and raw materials

We shall strive to avoid the use of raw materials related to social issues such as conflict minerals and human rights violations, and strive to understand the situation and take appropriate measures.

6. Risk management

(1) Establishment and operation of a risk management system

We analyze risks related to corporate business actions and plan to establish and operate a Business Continuity Plan (BCP) for production sites to ensure early recovery and business continuity.

(2) Actions to be taken in the event of a disaster

In the event of a disaster, we shall strive to restore production as soon as possible, placing the utmost priority on securing the lives of our employees.

(3) Information security

We shall take protective measures against network threats (cyber security, etc.), manage information to prevent damage to the company and other companies due to information leaks, etc., and educate employees.

7. Disclosure of information

We shall disclose information on the environment, our financial condition and performance, and the details of our business activities to all of our stakeholders in a timely and appropriate manner, while also strive to maintain and develop mutual understanding and trust with them through open and fair communication.

8. Social contribution

We shall work closely and cooperate with local communities to contribute to the sustainable development of society, and actively engage in a variety of social contribution activities (academic, cultural and sports support, support for participation in volunteer activities, provision of relief supplies in the event of disasters, etc.) to build ties with local communities.

9. Development of CSR activities for the company and our business partners

(1) Establishment and operation within the company

We shall accurately understand the importance of CSR, establish an organizational structure to promote CSR activities, and operate it in a timely and appropriate manner.

(2) Development from the company to its business partners

We shall inform our business partners of our policies based on the purpose of these Guidelines, strive to understand their actual conditions, and contribute to CSR activities in cooperation and collaboration as necessary.