

Nitto Group  
CSR Procurement Guidelines  
Rev. 5.7

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NITTO DENKO CORPORATION

## Table of contents

### Content

<b>1. Introduction</b> .....	3
<b>2. Corporate Philosophy</b> .....	3
<b>3. Basic Procurement Policy</b> .....	5
<b>4. Action Guideline</b> .....	6
<b>5. Supplier Code of Conduct</b> .....	7
<b>1) Labor and Human Rights</b> .....	7
<b>2) Safety and Health</b> .....	9
<b>3) Environment</b> .....	11
<b>4) Fair trade and ethics</b> .....	13
<b>5) Quality and safety</b> .....	16
<b>6) Information Security Training</b> .....	16
<b>7) Social contribution</b> .....	18
<b>8) Spreading CSR throughout the supply chain</b> .....	19
<b>6. Partner Hotline</b> .....	19
<b>7. APPENDIX</b> .....	20

## 1. Introduction

In recent years, the environment surrounding businesses has become more diverse, in keeping with the globalization of business. In addition, society has been increasingly critical of the scandals and dishonest business activities in well-known companies, and stakeholders are becoming more interested in CSR (Corporate Social Responsibility).

Basic values and awareness of purpose when carrying out business has been established as the “[Corporate Philosophy](#)” at the Nitto Group. The current “[Corporate Philosophy](#)” was established in January 2014.

In 2006, “Business Conduct Guidelines” were established so that Nitto Group employees from around the world can share what their values are and act in accordance with laws and ethics when carrying out business activities. It is currently issued in 16 languages and has been distributed to all executives and employees. The guidelines were revised in September 2022.

Furthermore, in February 2019, the “Basic Policy on Human Rights” was revised to be suitable on a global level.

At the same time, for procurement-related matters, the “[Basic Procurement Policy](#)”, the basic approach for conducting procurement activities, and the “[Procurement Action Guideline](#),” which states what must be observed from the perspective of laws and ethics, etc., were established for members engaged in procurement activities.

In 2016, the “Nitto Group CSR Procurement Guidelines” were established. However, it can be said that these guidelines were a simplified version and the content was not at a level to be implemented collaboratively across the entire supply chain.

Therefore, the “Nitto Group CSR Procurement Guidelines” have now been revised and reformulated so that the Nitto Group and suppliers can share the same values and work in collaboration across the entire supply chain.

We ask that our suppliers understand the intended meaning of these guidelines, and for your cooperation in promoting CSR activities across the entire supply chain, including the deployment of the guidelines to your company’s suppliers.

The Nitto Group conducts CSR procurement activities in accordance with the “OECD Due Diligence Guidance for Responsible Corporate Behavior” to help realize a sustainable society.

We will continue to work together with our suppliers, and we appreciate your understanding and cooperation.

## 2. Corporate Philosophy

The Nitto Group’s Corporate Philosophy is comprised of three elements: our corporate Mission, the Vision which aligns our way of thinking in attaining our Mission, and the Nitto Way, is our Values.



### **Mission: Contribute to customers' value creation with innovative ideas**

We at Nitto Group hope to retain an attitude of relentlessly pursuing products, systems, and ideas that customers would find valuable.

Our Mission is to deliver safety, prosperity, comfort, and affluence not only to customers whom we contact directly but also to every stakeholder.

### **Vision: Creating Wonders**

In order to achieve our Mission, 'Contribute to customers' value creation with innovative ideas' as one team, all Nitto employees around the world must hold the same vision, or outlook. We have set this vision as 'Creating Wonders.' Each and every employee will challenge themselves to wonder and inspire the world; in other words, we will endeavor to create wonders in our everyday work. Together, they will generate the power to change the world in many different domains.

### **The Nitto Way**

The Nitto Way is a set of values that indicate what every Nitto employee should practice to achieve Nitto's vision for the future.

All Nitto Group employees should understand "The Nitto Way" and work vigorously, with attention to physical safety and mental wellbeing, to realize our "Mission" and "Vision".

#### **Safety**

Place safety before everything else.

#### **Sustainability**

Prioritize being in harmony with society and nature to realize a sustainable future.

#### **Diversity & human rights**

Value integrity and modesty, as well as respect the diversity and rights of all people.

### **Customer**

Amaze and inspire our customers by serving the global environment, humankind, and society as our customers as well.

### **Anticipation of change**

Go where the action is to refine our ability to anticipate and leverage change.

### **Challenge**

Continue to take on challenges without fearing failure..

### **Sanshin Activities**

Create innovation through Sanshin Activities.

### **Niche Top**

Create Niche Top products all over the world as One-Nitto.

### **Speed and perfection**

Act promptly and get things done through teamwork.

### **Corporate culture**

Act according to an “open, fair, and best” approach.

### **Personal development**

Transform ourselves through personal-development. Individual development leads to growth of the team.

### **Sense of ownership**

Act with a sense of ownership.

## **3. Basic Procurement Policy**

The Nitto Group fulfills its corporate social responsibility in procurement activities so as to be a company trusted and chosen by our stakeholders, including our customers and partners.

### **1)Transactions**

- We open the door to all our partners throughout the world and create an environment that promotes fair proposals.
- The selection of business partners is based on an impartial, fair, and comprehensive judgment that takes into account price, delivery dates, stable supply, and technology, etc. on the assumption that consideration has been given to thorough safety measures and to the environment, and that quality is assured.
- Transactions with partners are conducted on an equal and fair basis.
- We seek to establish true partnerships for prosperous coexistence based on trust and cooperation.

### **2)Compliance with the Law and Ethics**

- We proactively procure materials produced and distributed in an environment that respects workers' human rights and takes the safety of the working environment into consideration. We do not approve of violations of human rights, including forced labor, child labor, or any type of

discrimination.

- We promote the procurement of materials that do not contain conflict minerals.
- When engaging in procurement activities, we comply with the laws and regulations and social norms of the countries concerned.
- Persons engaged in procurement activities shall act pursuant to the [Action Guidelines](#) and the [Nitto Group Business Conduct Guidelines](#).

### **3)Protection of the Global Environment (Green Procurement)**

- We promote the procurement of materials with less environmental loads that take resource conservation and energy saving into consideration in order to effectively use limited resources and energy, and minimize the impact on the natural environment.
- We endeavor to identify substances contained in materials in order to prohibit and reduce the use of hazardous chemical substances and to suppress emissions.

### **4)Information Management**

- We appropriately manage information obtained through procurement activities and maintain the confidentiality thereof.

## **4. Action Guideline**

Every member engaged in procurement activities for the Nitto Group must ensure that their actions are consistent with corporate ethics and social common sense, and must observe the following action guideline to promote procurement activities that are fair and free of corruption.

1. A person who is engaged in procurement activities shall follow any and all laws and regulations related to procurement processes. If any person becomes aware of any fact indicating noncompliance with the law, such person must immediately report this to his/her supervisor and take appropriate action.
2. A person who is engaged in procurement activities shall not accept any kind of gifts from business partners, including summer and year-end gifts and presents from visitors. Similarly, he/she shall refuse any gifts offered as a gesture of courtesy, including gifts offered at times of celebration/condolence or gifts offered as a token of sympathy.
3. A person who is engaged in procurement activities shall not acquire unlisted shares of business partners or acquire shares based on insider information.
4. A person who is engaged in procurement activities shall not purchase products offered by business partners at a special discount, for his/her private use.
5. A person who is engaged in procurement activities shall not have any business partners pay for his/her transportation/hotel/meals on his/her visit to meet with such partners.
6. A person who is engaged in procurement activities shall not have any vested interest with partners in any form, including privately demanding payoffs from them.
7. A person who is engaged in procurement activities shall not accept any inappropriate entertainment from business partners or provide such entertainment to business partners.

"A person who is engaged in procurement activities" means any individual who is involved in transactions with business partners, including procurement, material management, purchasing, quality assurance, production technology, and development processes.

## **5. Supplier Code of Conduct**

This Code is based on the Nitto Group's "Business Conduct Guidelines," Basic Procurement Policy, and Procurement Action Guideline, and it summarizes the specific standards of behavior and activities that we would like our suppliers to practice and observe.

### **1) Labor and Human Rights**

#### **1-1) Prohibition of forced labor**

- All employees must be employed of their own free will.

#### Explanation

"Forced labor" refers to labor that is performed not by one's own but is imposed by another.

The following are examples.

- Forced labor that is against the will of the person.
- Labor in which there is restrictions on being able to quit the job.
- Slave labor as a result of human trafficking.
- When the employer requires the deposit of the person's identification, passport, work permit, etc.
- When there are unreasonable restrictions on entering/exiting company facilities or movement within the workplace.

This type of forced labor is a violation of human rights.

When hiring an employee, please enter into an employment contract that describes the employment conditions. Please create the employment contract in language that the employee can understand.

#### **1-2) Prohibition of child labor**

- Children who are under the minimum working age in each country/region must not be employed.

#### Explanation

"Child labor" refers to work performed by children under the minimum working age specified by a country/region (or the International Labor Organization (ILO)). For example, in Japan, the Labor Standards Act prohibits the employment of children before they have completed compulsory education (until the first 31st of March that occurs on or after the day when they reach 15 years of age). Additionally, in principle, those under the age of 18 should not be employed for hazardous work or late night work.

In countries where there is no legally stipulated minimum working age, please comply with the ILO's regulations.

### **1-3) Working hours**

- Working hours per week, including overtime hours, must not exceed the limits set by the laws of each country/region.
- The designated working hours (in days) per year must not exceed the limits set by the laws of each country/region.
- Employees must be provided at least one day off per week.
- The right to annual paid leave must be provided as defined by the laws of each country/region.

#### **Explanation**

“Working hours” must be appropriately managed, because remarkably long working hours may harm the mental and physical health of the employee and could lead to mental illness such as depression, death from overwork, or suicide, etc. If the maximum working hours are not stipulated by the laws of each country/region, please comply with the ILO's regulations.

### **1-4) Appropriate wage**

- Employees must be paid at least the minimum wage as stipulated by the laws of each country/region.
- Overtime allowances must be paid at a premium on regular hourly rate in accordance with the laws of each country/region.

#### **Explanation**

“Minimum wage” refers to the minimum wage stipulated by the wage-related laws of each country/region. When paying wages, please provide employees with a payslip that clearly shows the payment amount so that the employee can verify that it is appropriate for the work that was performed. Please create the payslip in language that the employee can understand.

### **1-5) Prohibition of inhumane treatment and discrimination**

- Abuse and various acts of harassment must be prohibited, and disciplinary policies and procedures for dealing with these incidents must be clearly defined and disclosed to employees.
- We must work to ensure that there is no discrimination in recruitment and employment, and that the treatment in the workplace is fair.

#### **Explanation**

Please respect the human rights of employees and ensure there is no inhumane abuse



such as mental or physical abuse, sexual harassment, power harassment, or other types of harassment, corporal punishment, mental or physical oppression, verbal abuse, etc. In addition, please determine in advance the disciplinary policy and procedures, etc. in the event of any of these incidents, and disclose them to employees.

“Discrimination” refers to giving differences in opportunities and treatment, such as recruitment, promotion, compensation, and training, due to factors other than rational factors such as ability, aptitude and performance of the person. This refers to giving differences in promotion or wages based on race, ethnicity, nationality, place of birth, skin color, age, gender, sexual orientation, disability, religion, political opinion, pregnancy, marriage, membership in a union, genetic information, etc. In addition, please provide appropriate accommodations for employees who must perform religious practices.

### **1-6) Employees’ right to organize**

- The right of employees to organize as a means of improving working conditions and treatment must be respected.

#### Explanation

“Respecting the employees’ right to organize” means respecting employees’ freedom to join a labor union in order to conduct collective bargaining, etc., without retaliation, intimidation, or harassment, or to conduct collective bargaining, etc. based on the laws of each country/region.

## **2) Safety and Health**

### **2-1) Safety and health in the workplace**

- Appropriate safety measures must be taken for the type of mechanical equipment that is used.
- The risks of dangerous chemicals used in the workplace, various energy sources, falling from high places, etc. must be evaluated, and the appropriate techniques and management measures must be used to ensure the safety of workers.
- Appropriate measures must be taken, such as establishment of management standards, workers’ education, and providing personal protective equipment to protect the body, in order to prevent chemical and physical exposure that is harmful to the human body.
- An appropriate working environment (lighting, temperature control, ventilation, etc.) must be provided.

#### Explanation

“Safety and health in the workplace” is necessary to protect the safety and health of workers, and at the same time, it stabilizes the quality of products and services. In addition, increased motivation for work also leads to improved work efficiency.

Safety devices must be adopted for mechanical equipment used in work, unfavorable

environments with chemical substances, dust, bad odor, noise, etc. which are harmful to the human body must be improved. In addition, it is necessary to provide protective equipment to workers in such an environment, establish and apply management standards, and educate workers.

## **2-2) Emergency response**

- To protect the lives and physical safety of employees, potential disasters and accidents, etc. must be evaluated and identified, and emergency response measures must be disseminated to the workplace through drills and education.
- Emergency evacuation routes (emergency exits, etc.) must be secured based on the laws of each country/region.

### **Explanation**

“Emergency response measures” refer to reporting when an emergency occurs due to a disaster or accident, etc., contact/ notification to employees, installation of evacuation facilities, clarification of the evacuation method, stockpiling medicines and emergency food, installation of fire alarms and fire extinguishers, securing emergency communication measures, development of a recovery plan, etc.

The means of “drills and education” include providing emergency response education such as evacuation drills for employees, posting evacuation routes and emergency response procedures, etc.

## **2-3) Labor accidents and occupational illnesses**

- When a labor accident or occupational illness occurs, it is necessary to understand the situation and take necessary corrective measures.
- Work that places a burden on the body, such as handling heavy objects or prolonged standing work, must be identified, and appropriate management is required, such as providing regular breaks, providing work aids, and sharing work among multiple workers so as not to lead to labor accidents or occupational illness.

### **Explanation**

To create an environment where employees can work safely, it is necessary to reduce and prevent labor accidents and occupational illnesses. To do so, it is necessary to build a system and measures to encourage employees to report when a labor accident or occupational illness occurs, to classify, record, and investigate cases, to provide necessary treatment, to identify the causes and take corrective action to eliminate them, to support the return of the employee to the workplace, and to enroll employees in workers' compensation insurance, etc. In addition, it is necessary to carry out required procedures in accordance with the laws of each country/region.

#### **2-4) Safety and health in facilities**

- Safety and health must be ensured in facilities (dormitories, cafeteria, break rooms, restrooms, etc.) provided for employees.

##### Explanation

“Ensuring safety and health” refers to, for example, in addition to being clean and sanitary, providing safe drinking water, fire measures, earthquake resistance of the building, prevention of equipment falling, ventilation, temperature and humidity control, emergency evacuation routes (emergency exits, etc.), safe storage of personal belongings, etc.

#### **2-5) Employee health management**

- Health examinations, etc. must be conducted for all employees to the level required by law at minimum and health management must be conducted for disease prevention and early detection.

##### Explanation

At a minimum, health examinations, etc. must be conducted to the level specified by the laws of each country/region to prevent and detect employees' illnesses in its early stage such as physical and mental illnesses caused by overwork, and this can be expected to improve work efficiency and stabilize the work process. In addition, regarding the employment of female workers, efforts should be made to ensure health and safety during pregnancy and after childbirth.

#### **2-6) Authorizations, etc. based on safety and health laws**

- The required authorizations and licenses must be obtained, inspections must be conducted, and reports must be submitted to administrative authorities according to the laws of each country/region.

### **3) Environment**

#### **3-1) Management of chemicals contained in products, etc.**

- Products and secondary materials, etc. must not contain chemicals that are prohibited by the laws, etc. of a country/region.
- If a product contains chemicals that are required to be displayed by the laws, etc. of a country/region, it must be clearly labeled.

##### Explanation

Please comply with the laws, etc. of each country/region that specify banned substances or substances that require labeling, etc. In addition, please consider a test evaluation to confirm the presence/absence, quantity, etc. of the substance, if necessary.

### **3-2) Management of hazardous substances**

- Chemicals, etc. that are harmful to the human body and the environment must be identified, and these must be used, handled, and stored appropriately, according to the laws of each country/region.
- When transporting or disposing of hazardous substances, this must be outsourced to an appropriate disposal company that has received government approval, etc.

#### Explanation

Of the chemicals used in the manufacturing process and the chemicals contained in products and waste, etc., those that are harmful to the human body and the environment must be identified and managed so as not to cause any harmful effects.

### **3-3) Waste Management**

- Waste must be disposed of, recycled, etc. according to the laws of each country/region.

#### Explanation

In addition to complying with the laws regarding waste of each country/region, please set voluntary standards and practice the 3 Rs (Reduce, Reuse, Recycle) to reduce the burden on the environmental and aim to build a sustainable business environment.

### **3-4) Prevention of air pollution**

- Efforts must be made to analyze and monitor air pollutants, and only allow the emission of these after performing necessary management and treatment in accordance with the laws of each country/region.
- The air pollutant treatment system must be routinely monitored for abnormalities, etc.

#### Explanation

“Air pollutants” include volatile organic compounds, aerosols, corrosive substances, particulate substances, ozone depleting substances, and by-products generated by combustion, and other similar substances.

### **3-5) Prevention of water pollution**

- Efforts must be made to analyze and monitor wastewater, and only allow discharge after performing necessary management and treatment in accordance with the laws of each country/region.
- The wastewater treatment system must be routinely monitored for abnormalities, etc.

### **3-6) Reduce the volume of resources used**

- Voluntary standards must be set for the use of raw materials, water, etc., and efforts must be made to reduce the amount of resources used through continuous efforts such as modifying

equipment and promoting recycling, etc.

### **3-7) Reduction of energy consumption and greenhouse gas emissions**

- Targets must be set to reduce energy consumption and greenhouse gas emissions, and continuous efforts must be made to reduce consumption and emissions .

#### Explanation

Please rationalize the use of energy such as fossil fuel, thermal, and electricity, and work to promote continual energy conservation.

There are various types of “greenhouse gases” but for the seven types that are specified in the Kyoto Protocol, carbon dioxide, methane, nitrous oxide, HFC, PFC, SF6, and NF3, voluntary reduction targets should be set and efforts should be made for continuously reduce these gases.

### **3-8) Construction of environmental management system**

- Establish a representative environmental management system such as ISO 14001 and operate the system to ensure continuous improvement.

#### Explanation

“Environmental management system” is an overall management system that promotes environmental activities for continuous improvement through the creation, implementation, review, and support of an environmental policy in the PDCA cycle. It includes organizational structure, planned activities, division of responsibilities, practices, procedures, processes, management resources, etc. It is expected that the implementation of management systems will enable continuous improvement of environmental activities.

### **3-9) Authorizations based on environmental laws**

- The required authorizations must be obtained and reports must be submitted to administrative authorities according to the laws of each country/region.

#### Explanation

Authorizations and reports based on laws include the establishment of qualified managers as specified by law, notification regarding specified facilities, and reports to the government by managers, to name a few examples.

## **4) Fair trade and ethics**

### **4-1) Fair corporate activities**

- A sincere code of ethics and business conduct guidelines should be created and published, and these should be practiced in transactions.
- One’s superior position should not be abused nor should there be any behavior that causes

disadvantage to suppliers, etc.

- Do not engage in acts that hinder fair, transparent, and free competition.
- Establish healthy relationships with clients and do not engage in collusion with any particular business partner, give or receive money or gifts, or conduct excessive entertainment that may be of concern.
- Maintain healthy and normal relations with policymakers and administrative bodies; do not engage in bribery, illegal political contributions, etc.
- A clear policy that prohibits improper advantage by giving or accepting any forms of bribery, extortion, embezzlement, etc. must be declared and implemented.
- Do not use or give advantages to anti-social forces such as criminal or terrorist organizations.

#### Explanation

All business transactions should be conducted honestly and ethically. Please do not engage in unfair transactions with suppliers, using the superior position of buyer or consignor to unilaterally determine or change the terms and conditions of the transaction. Transactions with suppliers should always be based on fair contracts.

Maintain fair and free competitive relationships with competitors, do not engage in illegal activities such as cartels and rigging. In addition, illegal obtaining trade secrets of other companies or misleading customers about other companies' products are acts of unfair competition and these acts should never be carried out.

Provision of money, entertainment, gifts and other benefits to public servants or any other person equivalent (hereinafter referred to as "public servants, etc.") for the purpose of receiving any business advantage such as obtaining authorizations, being awarded and maintaining transactions, and obtaining non-public information, and additionally, entertaining or giving gifts to public servants, etc. beyond social norms, are also considered to be bribery.

#### **4-2) Provision and disclosure of accurate information**

- Please conduct all transactions with transparency and appropriately disclose accurate information for products, services, etc. according to the laws of each country/region.
- To stakeholders, please provide and disclose information regarding products, services, business activities, financial status, business performance, risk, etc. in a timely and appropriate manner.

#### Explanation

Please provide accurate information to consumers and customers regarding the specifications, quality, handling instructions for products and services, and parts, substances, etc. used in products.

Regardless of the disclosure obligations as required by law, please proactively provide and disclose information to stakeholders regarding business activities, financial status, business performance, risk, etc.

#### **4-3) Respect for intellectual property**

- Do not infringe on the intellectual property rights of others.

##### Explanation

“Intellectual property” refers to patents, utility model rights, design rights, trademark rights, copyrights, trade secrets, etc.

When developing, producing, selling, or offering products and services, be sure to thoroughly investigate in advance that there is no infringement on the intellectual property of a third party.

#### **4-4) Appropriate export controls**

- Regarding the export of technologies and goods which are regulated by laws, etc., a management system must first be established and necessary export procedures must be performed before export.

##### Explanation

“Technology and goods which are regulated by laws, etc.” refers to parts, products, technologies, equipment, software, etc., whose exports are regulated by the laws of each country/region based on international agreements (the Wassenaar Arrangement, etc.).

#### **4-5) Responsible procurement of minerals**

- Do not use conflict minerals as raw materials of products that would provide a source of funding to armed groups.

##### Explanation

“Conflict minerals” refers to minerals mined in conflict areas, such as tin, tantalum, tungsten, and gold (called 3TG), which are mineral resources found in the Democratic Republic of the Congo and surrounding countries. Some of these may be sources of funding for armed groups, etc. and may contribute to serious abuses of human rights. When using metals refined from these minerals, confirm their origin and the distribution process to ensure that conflict minerals that may be a source of funding for armed groups are not being used.

#### **4-6) Construction of a system to detect and prevent misconduct**

- To prevent misconduct, education and awareness activities must be conducted for employees.
- Internal/external communication channels to receive problems and consultations from clients and employees, etc. must be established. In addition, a system must be built to maintain confidentiality and protect against unfavorable treatment of those who have made contact, and this system must be documented and made public.

##### Explanation

In order to conduct fair corporate activities, employees must be educated. For early detection of misconduct, external/internal communication channels must be established. To protect the confidentiality of the person who has made contact and provide appropriate protection, a mechanism should be established and publicized. In addition, there should be a prompt response to any reports of misconduct and feedback on the results of the response should be provided to the relevant parties.

## **5) Quality and safety**

### **5-1) Ensuring product safety and quality**

- Regarding product safety and quality, ensure that there is sufficient safety and quality from the time of product design, and in addition to meeting the regulatory requirement and standards of each country/region in which it is used, the product must be manufactured and sold with consideration of responsibility as a manufacturer.
- Please immediately report any quality incidents that may affect transactions with our company.

#### Explanation

In order to ensure product safety, ensure traceability of materials, parts, process histories, etc., and establish a system to promptly identify the core of the problem, should any problem occur.

### **5-2) Construction of a quality management system**

- To ensure product safety and quality and improve further upon these, a representative quality management system such as ISO 9000 should be established, and efforts should be made toward continuous improvement through appropriate operation.

#### Explanation

“Quality management system” is an overall management system for promoting quality assurance activities, and includes organizational structure, planned activities, division of responsibilities, procedures, processes, management resources, etc. Quality assurance activities include creating a quality policy and implementing measures in accordance with that policy, and to perform continuous improvement activities by achieving, reviewing, and maintaining this through the PDCA cycle.

## **6) Information Security Training**

Information security management of confidential information such as personal information, privacy, and trade secrets is essential. An appropriate management of non-electronic data, such as printed materials, is required as countermeasures against threats to computer networks.

### **6-1) Protection of confidential information**



- Confidential information such as trade secrets, customer secrets/company secrets, etc. must be properly managed and protected.
- Protective measures against threats to computer networks must be implemented and must be thoroughly managed to prevent damage to the company or to other companies.

#### Explanation

“Appropriate management and protection of confidential information” means that the confidentiality level, storage period, etc. are set appropriately for each type of confidential information to protect confidential information from leaks and unauthorized disclosure and use by managing confidential information such as storage methods, access restrictions, access records, etc.

“Threats to computer networks” refer to threats that leak information stored on a computer, due to a computer virus, spyware, or the like. As countermeasures, there are technical measures such as installing anti-virus software, applying security patches to computer OS (Windows, etc.) and applications, and isolating computers that store highly sensitive information from other computers. However, attackers are launching new attacks every day and continuous improvement activities are essential.

### **6-2) Protection of personal information**

- Personal information of customers, employees of the company, third parties, etc. must be properly stored and managed. Information that no longer needs to be stored must be disposed of promptly using appropriate measures.

#### Explanation

“Personal information” refers to information about a living individual that can be used to identify the individual. (This includes cases in which the individual can be identified not only by this information but also by matching it with other easily accessible information.)

Strict management of personal information is required, for example, in Japan under the Personal Information Protection Law, and in the EU under the EU General Data Protection Regulation (for example, setting the storage period of personal information). Information that no longer needs to be stored must be disposed of promptly using the necessary measures (for example, shredding paper documents, etc.).

### **6-3) Education structure**

- Regarding information security, employees must be continuously provided with the necessary education at the appropriate timing and level.

#### Explanation

Based on the education plan formulated in the information security management system, for employees, establish a structure in which necessary education can be provided on a

continuous basis, including 1) education required for each position and 2) education needed to respond to situations in which new threats occur daily. One example of employee education is to thoroughly spread awareness of the information security policy and information security threats and countermeasures (software vulnerabilities, computer viruses, handling of suspicious emails, sending emails to the incorrect address, browsing inappropriate websites, installing inappropriate software, etc.). In addition, we recommend conducting training on targeted emails, etc. as part of the employee education.

#### **6-4) Response in the case of an incident**

- Establish a response system, response procedures, etc. in the event of an information security incident, and work to respond promptly in the event of an accident.
- Please immediately report any incidents that may affect transactions with our company.

##### Explanation

A response system and procedures should be established in advance so there can be a swift response in the event of an incident related to information security, such as infection by a computer virus or information leakage, so that the relevant departments and companies can gather quickly to take measures to respond to the incident (understand the details of the accident, determine the scope of the impact, take primary measures, investigate the cause, take fundamental measures, etc.).

#### **6-5) Construction of information security management system**

- Please protect personal information and confidential information, and work to build a management system that conforms to a framework such as ISO 27000 so that continuous improvement can be made.

##### Explanation

Construct a system that can continuously improve information management, education, technical measures, etc. along the PDCA cycle.

### **7) Social contribution**

#### **7-1) Contribution to society and the community**

- As a member of society, please engage in efforts to develop international and local communities through corporate activities and to address global environmental issues.

##### Explanation

“Contribution activities for the international society and local society” refers to activities to support the community by utilizing corporate management resources. For example:

- Social contribution using the businesses, technologies, etc. of the company
- Non-financial social contribution utilizing facilities, human resources, etc.
- Social contribution by donating money

Please define the scope of activities that can be carried out, such as communication and partnerships with NPOs/NGOs and local communities, sharing various information, donation activities, employee volunteers, etc. and be proactive in working on social contribution activities.

## **8) Spreading CSR throughout the supply chain**

### **8-1) Chain of corporate social responsibility**

- Ensure compliance with this supplier code of conduct through the entire supply chain, including your company's suppliers, etc.

#### Explanation

In order to fulfill our corporate social responsibilities and provide products that our customers can trust, it is necessary for not only you, our primary supplier, but also your suppliers (who are secondary suppliers from our perspective), and the next level of supplier after that (tertiary suppliers from our perspective) to cooperate throughout the entire supply chain. We ask for your cooperation to in the thorough implementation of CSR throughout the entire supply chain.

## **6. Partner Hotline**

We have established the "Nitto Group Business Conduct Guidelines" and we are working to ensure compliance (legal and ethical compliance) throughout the Group. In addition, we have established a Basic Procurement Policy which are also described in these guidelines and are working to fulfill our social responsibilities in procurement activities.

If you have any concerns regarding material procurement or regarding compliance in our company, please contact the Partner Hotline. The reporting destination is not the procurement department but the department in charge of CSR and compliance, and the Company has a system in place to ensure that reporting will not be treated unfavorably.

Please refer to the following website for details.

[https://www.nitto.com/jp/en/sustainability/social/procurement/partner\\_hotline/](https://www.nitto.com/jp/en/sustainability/social/procurement/partner_hotline/)

## 7. APPENDIX

Link to the Nitto Group website

- Nitto website

<https://www.nitto.com/jp/en/>

- Corporate Philosophy

[https://www.nitto.com/jp/en/about\\_us/concepts/vision1/](https://www.nitto.com/jp/en/about_us/concepts/vision1/)

- Business Conduct Guidelines

<https://www.nitto.com/jp/en/sustainability/governance/guideline/>

- Basic Policy on Human Rights

<https://www.nitto.com/jp/en/sustainability/social/human/>

- Basic Procurement Policy

<https://www.nitto.com/jp/en/sustainability/social/procurement/policy/>

- Procurement Action Guideline

<https://www.nitto.com/jp/en/sustainability/social/procurement/guideline/>

- Green Procurement Standards

[https://www.nitto.com/others/about\\_us/procurement/green/file/standards.pdf](https://www.nitto.com/others/about_us/procurement/green/file/standards.pdf)

- Partner Hotline

[https://www.nitto.com/jp/en/sustainability/social/procurement/partner\\_hotline/](https://www.nitto.com/jp/en/sustainability/social/procurement/partner_hotline/)