

Toyota Tsusho Group

"Supply Chain Sustainability Behavioral Guidelines"

February 28, 2023

Tomen Devices Corporation

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1. Introduction

Since its establishment in 1948, The Toyota Tsusho Group, our company belongs to, has positioned its corporate philosophy of living and prospering together with people, society, and the planet, and to be a value-generating corporation that contributes to the creation of prosperous societies, as its highest unchanging concept, which should be handed down through the generations. The Toyota Tsusho Group has enhanced its corporate value by engaging in environment-friendly businesses and developing human resources who are valuable to and contribute to society.

Ensuring a sustainable supply chain is one of the most important issues for the Toyota Tsusho Group, which handles a variety of goods and services globally.

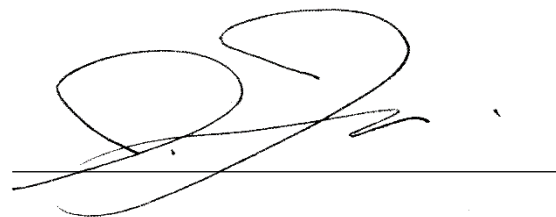
We have been working with our suppliers as a response to heightening expectations on prevention of human rights, labor issues and corrective actions in the supply chain in particular. In order to demonstrate our stance to society, we partially revised the content of the existing Supply Chain CSR Behavioral Guidelines and changed the name to Supply Chain Sustainability Behavioral Guidelines.

As we would like to enhance Toyota Tsusho Group's Supply Chain Sustainability Behavioral Guidelines, we are sending these guidelines to our suppliers. We hope that our suppliers will take appropriate actions based on the purpose of these guidelines. We also kindly ask that you communicate the purpose of the guidelines to your suppliers to take similar actions.

February 28, 2023

Tomen Devices Corporation

President Ichiro Tsumaki

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

2. Toyota Tsusho Group's Stance on Sustainability

The Toyota Tsusho Group has positioned its corporate philosophy of living and prospering together with people, society, and the planet, and to be a value-generating corporation that contributes to the creation of prosperous societies, as its highest unchanging concept, which should be handed down through the generations. The Toyota Tsusho Group has enhanced its corporate value by engaging in environment-friendly businesses and developing human resources who are valuable to and contribute to society. The world today is facing such problems as abnormal weather related to climate change, forest destruction, resource exhaustion, and human rights issues. When conducting business activities, the environment and society do not simply need to be “considered,” rather, they are “prerequisites” for engaging in business, making them essentially targets for our business today. In this context, Toyota Tsusho Group is developing its conventional corporate social responsibility (CSR) activities and enhancing its initiatives aimed at realizing a sustainable society with a long-term perspective based on environmental, social, and governance (ESG) viewpoints. To Toyota Tsusho Group, sustainability is essentially the meaning of managing. Thus, when working to realize its corporate philosophy, which clarifies Toyota Tsusho Group’s determination to engage in management while displaying the Toyota Tsusho Group’s reason for existence and ideal image, sustainability can be defined as creating economic value while establishing the environment and society as prerequisites, thereby enabling the group to continue to grow sustainably with society.

While engaging in sustainable management, Toyota Tsusho Group identified Key Sustainability Issues (Materiality) that it will address with priority. Focusing on these six Materialities, we are tackling various social issues to achieve our corporate philosophy by pursuing our Global Vision to “Be the Right ONE” and become an irreplaceable and one-and-only presence.



3. Supply Chain Sustainability Behavioral Guidelines

[1] Supply Chain Sustainability Behavioral Guidelines

1. Respect for human rights

- We understand and support the “Toyota Tsusho Group Human Rights Policy,” and will strive to put it into practice. (Link: [Toyota Tsusho Group Human-Rights](#))
- We will respect the human rights of employees and will never subject employees to inhumane treatment, such as abuse, physical punishment, or harassment.

2. Prevention of forced labor, child labor, and unreasonably low wage labor

- We do not tolerate any form of modern slavery, we prohibit forced labor and we recognize that all work is voluntary. Additionally, we guarantee the right of employees to freely terminate their employment.
- We do not tolerate child labor and do not allow children to work from a young age as it deprives them of educational opportunities and impedes their development.
- The working age for employees shall be from 15 years old, or the minimum working age according to the relevant laws and regulations of each country, or the age at the end of compulsory education, whichever is the greatest, will apply.
- For hazardous work, we do not utilize employees under the age of 18.
- We will appropriately manage employees’ working hours (including overtime), holidays and leave, and strive to reduce excessively long working hours. In addition, we will pay wages that exceed the living wage in compliance with the labor laws of each country and will not reduce wages unreasonably.
- We allow labor in the form of vocational training and apprenticeships only within the scope permitted by the applicable laws and regulations of each country.

3. Elimination of Discrimination

- We do not discriminate on the grounds of gender, age, nationality, race, skin color, ethnicity, religion, sexual orientation, disability, political views, etc. in any employment situation.

4. Respect for freedom of association

- We recognize the right of employees to freely associate or not to associate based on applicable laws and regulations of the countries in which we are engaged in business activities.
- We guarantee the right of employees to communicate openly and directly with management without fear of retaliation, intimidation, or harassment.

5. Improvement of working environment

- We will strive to provide a safe, hygienic and healthy work environment, especially by prioritizing employee health and safety.

6. Fair Trade and Anti-Corruption

- We will comply with all relevant laws and international rules and will ensure that our trading activities are fair and thoroughly prevent corruption.

7. Ensuring quality and safety

- We will ensure the quality and safety of our goods and services.

8. Consideration of the global environment

- We understand and support the “Toyota Tsusho Group Environmental Policy” and will strive to put it into practice.(Link: [Toyota Tsusho Group environment management](#))
- We will carry out environmental conservation activities, review them through establishment of an environmental management system, and aim for continuous improvement by demonstrating our creativity.
- We will give maximum consideration to climate change by promoting reductions in greenhouse gas emissions and achieving carbon neutrality.
- We will save resources and energy and improve our utilization efficiency.
- We will use water efficiently and reduce our water usage in water-stressed areas.
- We will work to prevent and reduce environmental pollution and strive to reduce the burden on the environment.
- We will actively promote proper disposal and effective use of waste and resource protection in compliance with the laws and regulations of each country and region and work to reduce waste while contributing to the realization of a circular economy based society.
- We will work to realize a sustainable society in which people and nature coexist based on the recognition that biodiversity is a prerequisite for our continued corporate activities.
- We will consider forest conservation and aim to use forest resources in a sustainable manner.

9. Contribution to local communities

- We will protect the rights and lifestyles of local communities and contribute to those communities as a member thereof.

10. Information disclosure

- We will disclose information related to the matters listed above in a timely and appropriate manner.

[2] Monitoring

We will deepen communication with our suppliers and conduct regular surveys of our suppliers in order to understand the status of compliance with these guidelines. Further, we will visit suppliers to confirm activities on site as we deem necessary based on the activity area and business content.

[3] Response to compliance violations

If you have become aware of any violation of these Guidelines, please report to us promptly and work to make improvements. We may reconsider our transactions with your company if we do not observe appropriate efforts to make improvements.