

# Maxell Group

## Supply-Chain CSR Procurement Guidelines

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Maxell Holdings, Ltd.  
Procurement & SCM Dept.

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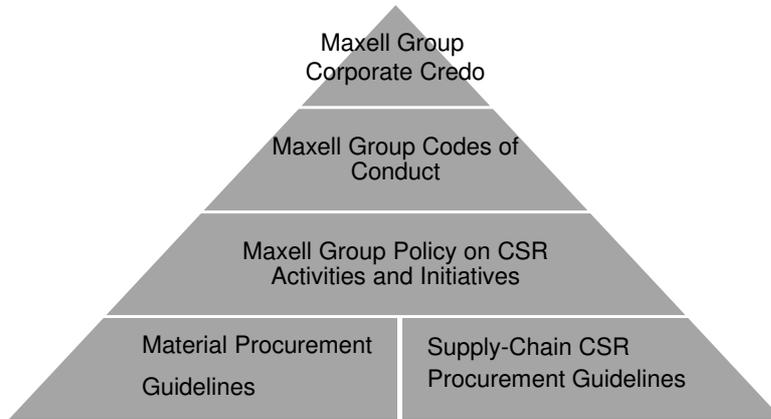
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# 1. Introduction

The Maxell Group's Management Vision is "Supporting Smart Life, Peace of Mind & Cheer around People."

To help realize this management vision, we have established the Maxell Group Corporate Credo and Maxell Group Codes of Conduct and have positioned these Supply-Chain CSR Procurement Guidelines as part of the Maxell Group Policy on CSR Activities and Initiatives in line with this credo and these codes.

## Maxell Group Procurement System



When revising our new procurement guidelines, we aim to work with business partners to drive business activities and increase corporate value for the Maxell Group, with contributions to the Sustainable Development Goals (SDGs, see note below) serving as the lingua franca. We view this as the ultimate goal of supply-chain CSR. We have summarized below what we based our revision on, how the revision has changed from the previous guidelines, and what exactly is being asked of our business partners.

- (1) We based this revision on both the latest RBA Code of Conduct, established by the Responsible Business Alliance (RBA), an international organization that promotes supply-chain CSR, and the Supply Chain CSR Deployment Guidebook created by the JEITA Material Committee of the Japan Electronics and Information Technology Industries Association (JEITA). We also considered the Ten Principles of the United Nations Global Compact in this review.
- (2) The main revisions were the additions of the Environment, Quality and Information Security, and Management System sections.
- (3) We ask our business partners to regularly assess their own progress in relation to each part of the Labor, Health and Safety, Environment, Ethics, Quality and Information Security, Management System and other sections in the new procurement guidelines, accept the support we can provide where necessary, and respond to regular questionnaires from the Procurement & SCM Dept. of Maxell Holdings. We will report the results of these assessments annually in the Integrated Report of the Maxell Group. We also request that business partners who receive low self-assessment ranks in the regular assessments submit a plan for improvement. Partnership status may be reviewed if requests for improvement are not responded to, or if issues are left unresolved for a certain length of time, so we ask that internal efforts be enhanced.

We have already signed master agreements and quality-related memorandums with business partners and conduct chemical substance checks for environmental reasons. However, these new procurement guidelines may address a wider scope of items and fields than those agreed to in these existing contracts, but they are included for the purpose of making improvements together with our business partners as contributions toward the SDGs. The international community is demanding initiatives for the SDGs, so in the new procurement guidelines, we have made contributions to the SDGs a cornerstone of the revision and thereby declare our intention to work with our business partners to improve corporate value across the whole supply chain.

Note. Contributions to the SDGs

The Sustainable Development Goals (SDGs) are a set of 17 goals and 169 targets to be resolved on a global level by 2030. They were unanimously adopted at the United Nations Sustainable Development Summit in September 2015 by the 193 Member States of the United Nations. Governments from around the world, including Japan, agreed to these goals. They position companies in every industry as important partners in achieving the SDGs, and call for proactive efforts toward achieving these sustainable development goals.

The following chart explains the relationship between these guidelines and the 17 SDGs.

Full list of SDGs

## SUSTAINABLE DEVELOPMENT GOALS



Relevant SDGs (and section numbers in these guidelines)

	<p>2.2 (8) Management of Employee Health 2.3 (1) Management of Chemical Substances in Products 2.3 (2) Management of Chemical Substances Used in Manufacturing Processes</p>		<p>2.3 (6) Effective Utilization of Resources and Energy 2.3 (8) Reduction of Waste</p>
	<p>2.2 (7) Safety and Hygiene of Facilities</p>		<p>2.3 (7) Reduction of Greenhouse Gas Emissions</p>
	<p>2.1 (1) Prohibition of Forced Labor</p>		<p>2.4 (1) Prohibition of Corruption and Bribery, etc.</p>
	<p>2.1 (4) Prohibition of Discrimination</p>		

## 2. CSR Procurement Guidelines

### Self-assessment based trade policy

- We ask for the cooperation of business partners to confirm the status of CSR initiatives performed by them. This will be done via a CSR self-assessment questionnaire or via onsite assessments performed by Maxell. New business partners in particular will be required to submit their responses to the questionnaire at the start of trading.
- We request that business partners who receive self-assessment ranks of C Grade or lower in the questionnaires submit a plan for improvement. If a business partner receives an assessment of D Grade, the Maxell Group will implement measures to correct the situation through communication with the business partner. Future trade may be reconsidered if requests for improvement are not responded to, or if issues are left unresolved for a certain length of time.

#### Self-assessment ranks

A Grade	B Grade	C Grade	D Grade
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### 2.1 Labor

#### (1) Prohibition of Forced Labor

Employ all employees on a voluntary basis and do not subject any employee to forced labor.

Forced labor refers to all work that is performed against one's free will. The following are examples of 'being forced' or 'being forced to work.' Forced labor where a worker labors against their free will; bonded labor where a worker's ability to leave a job is restricted due to repayment of a debt, etc.; slave labor as a result of human trafficking; inhumane convict labor where a prisoner works in harsh environments; forced labor where a worker does not have the right to leave a job freely; any practice that obliges a worker to deposit their personal identification, passport, or work permit with an employer.

#### (2) Prohibition of Inhumane Treatment

Respect the human rights of employees and forbid all cruel and inhumane treatment, including abuse and harassment of any kind.

Inhumane treatment refers to such things as abuse, physical punishment, sexual harassment, and power harassment (verbal abuse and coercion).

#### (3) Prohibition of Child Labor

Do not employ children under the minimum working age or engage children in work that compromises their development.

In general, child labor refers to the employment of children under the minimum working age, as defined in conventions or recommendations of the International Labor Organization (ILO), or neglect of young worker protections. For example, prohibited child labor in Japan includes employment of anyone under the age of 15 and violation of laws and regulations designed to protect young workers. Examples of laws and regulations designed to protect young workers from employment that may compromise their health, safety, or morals are restrictions on night-time work and dangerous work. Overseas as well, child labor includes employment of children under the minimum working age, as defined by each country's laws and regulations, and violations of child protection obligations. In countries without relevant laws and regulations, child labor is regarded as employment in violation of minimum age conventions and recommendations of ILO.

(According to ILO Convention No. 138, the minimum age for employment is 15 years old.)

#### (4) Prohibition of Discrimination

Do not discriminate during recruitment or employment and endeavor to achieve equal opportunity and fair treatment for employees.

Discrimination refers to the creation of differences in opportunities or treatment for employment, promotion,

compensation, and training participation, etc. using factors other than reasonable factors such as the capabilities, competence, or achievements of an individual. Examples of this are discrimination on the basis of race, ethnicity, nationality, birthplace, skin color, age, gender, sexual orientation, disability, religion, political affiliation, union membership, and marital status. Other examples of discriminatory acts are when the results of health examinations or pregnancy tests compromise the equal opportunity or fair treatment of the individual.

#### (5) Payment of Proper Wages

Pay employees at least the legal minimum wage and do not make improper wage deductions.

Minimum wage refers to the lowest allowable wage as defined in the wage-related laws and regulations of each country. This item includes overtime allowances, statutory benefits and other payments. Improper wage deductions refer to wage deductions in violation of labor-related laws and regulations.

#### (6) Working Hours

Manage employee working hours, rest days, and vacations appropriately to ensure statutory limits on working hours are not exceeded.

Appropriate management includes the following.

- Not exceeding statutory limits for normal annual working days
- Not exceeding statutory limits for weekly working hours including overtime (excluding emergency situations)
- Providing at least one rest day per week
- Providing the right to annual paid vacation as defined by laws and regulations

#### (7) Right of Employees to Organize

Respect the right of employees to organize as a means of discussing with employers such things as working environments and wage levels.

Respecting the right of employees to organize refers to giving consideration to such things as freedom of association, freedom to join labor unions in accordance with laws and regulations, freedom to protest, and freedom to participate in workers' councils, without retribution, intimidation, or harassment.

## 2.2 Health and Safety

#### (1) Safety Measures for Machines and Equipment

Take appropriate safety measures for machines and equipment used at your company.

Appropriate safety measures refer to management to prevent accidents and ill health occurring during work. These measures include adoption of failsafe, foolproof, interlocking and other forms of safety mechanisms, installation of safety devices and protective barriers, and regular inspections and maintenance of mechanical equipment.

#### (2) Workplace Safety

Conduct assessments of risks to workplace safety and ensure safety through appropriate design, and technical and administrative controls.

Risks to workplace safety refer to potential risks of accidents or ill health occurring during work due to electricity and other forms of energy, fire, vehicles, slippery or trip-prone floors, or falling objects, etc. Examples of appropriate design, and technical and administrative controls, are monitoring of dangerous locations with sensors, using locks to block (lock-out) power source supplies to machines and equipment, attaching tags (tag-out) prohibiting operation of energy blocking devices while the power source is blocked, and providing protective equipment such as protective goggles, hard hats, and gloves. This also includes providing additional safety considerations for women who are pregnant or raising children, such as moving them away from highly dangerous working environments and eliminating or reducing occupational health and safety risks.

#### (3) Workplace Health

Understand all contact in the workplace with organisms, chemical substances, noises and odors that are harmful to physical health and take appropriate measures.

Examples of chemical substances that are harmful to physical health include smoke, vapor, mist, dust, toxic substances, radiation, and substances that cause chronic diseases (lead, asbestos, etc.). Noises and odors are also included in this item because they can also be harmful to physical health if particularly loud or strong. Examples of appropriate measures include identifying and assessing opportunities for direct contact with any of these, establishing and implementing management standards, and providing appropriate education and protective equipment to employees.

#### (4) Occupational Accidents and Illnesses

Understand the status of occupational accidents and illnesses and take appropriate measures.

Appropriate measures include systems and measures for facilitating reporting by employees, classifying and recording accidents and illnesses, providing medical treatment when necessary, investigating any accidents or illnesses, taking corrective action to eliminate causes, and facilitating the return of employees back to work (including joining worker's compensation insurance). These measures also include any necessary government procedures in line with laws and regulations.

#### (5) Emergency Responses

Anticipate possible disasters and accidents, prepare emergency responses, and communicate throughout the workplace to maintain the safety of life and limb.

Emergency responses include reporting during emergencies, notifying employees, clarifying evacuation procedures, establishing evacuation facilities, storing emergency medical supplies, installing fire detection systems, installing fire suppression equipment, securing means of external communication, and developing recovery plans. Methods of communicating throughout the workplace include providing emergency response training (including evacuation drills) to employees and storing or displaying emergency response procedures and other documents within easy reach in workplaces.

#### (6) Consideration of Physically Demanding Work

Identify physically demanding work and manage appropriately to avoid accidents or illness.

Physically demanding work includes not only heavy work such as manually carrying heavy objects, but also assembly, data entry and other repetitive tasks and continuous labor performed for long periods of time. Appropriate management includes ensuring regular small breaks are taken, providing assistive devices, and burden sharing and cooperating between several workers.

#### (7) Safety and Hygiene of Facilities

Ensure appropriate safety and hygiene of facilities provided for the use of employees (dormitories, canteens, restrooms, etc.).

Facilities provided for the use of employees refer to facilities provided for employees in the workplace (restrooms, water fountains, locker rooms, canteens, etc.), and facilities provided for employees outside of the workplace (dormitories, etc.). Examples of ensuring safety and hygiene, in addition to maintaining cleanliness and hygiene, include measures for safe drinking water, fire, air ventilation, temperature control, emergency escape routes (exits), and secure storage of personal belongings.

#### (8) Management of Employee Health

Appropriately manage the health of all employees.

Appropriate health management refers to efforts to prevent, and achieve early detection of, employee illnesses by providing health examinations to at least the levels specified by laws and regulations. This also requires that sufficient consideration be given to preventing ill health due to overwork and providing mental health care. As part of occupational health and safety, it is necessary to define policies of senior management and work to manage health and productivity. This also includes HR training and initiatives to obtain certification as a Health and Productivity Management Outstanding Organization from the Ministry of Economy, Trade and Industry.

#### (9) Communication of Health and Safety

Provide appropriate health and safety information and training in respect to workplace dangers.

Provide appropriate workplace health and safety information and training, in the mother tongue of employees or in languages that they can understand, in respect to all workplace dangers (including but not limited to machine, electrical, chemical, fire, and physical dangers) that employees may encounter. Display

information related to health and safety within facilities or where accessible by employees. Provide training to all employees at the time of taking up their post and at other regular intervals thereafter.

## 2.3. Environment

### (1) Management of Chemical Substances in Products

Manage chemical substances, as specified in laws and regulations, contained in all products.

Management of chemical substances in products includes, in addition to the products not containing any chemical substances that are prohibited by laws and regulations, complying with mandatory labeling obligations, and carrying out required testing and evaluations. Refer to the following URL for details.  
[https://www2.maxell.co.jp/csr/chemical\\_control/eng\\_version.html](https://www2.maxell.co.jp/csr/chemical_control/eng_version.html)

### (2) Management of Chemical Substances Used in Manufacturing Processes

Manage chemical substances, as specified in laws and regulations of each country, used in manufacturing processes.

Management of chemical substances used in manufacturing processes refers to, in addition to managing chemical substances that must not be included in products, efforts to understand amounts of emissions of chemical substances into the external environment, report to governments, and reduce emissions of the substances.

### (3) Environmental Management System

Develop and operate an environmental management system.

An environmental management system refers to a general management system for promoting environmental activities, with the system including an organizational structure, scheduled activities, a division of responsibilities, practices, procedures, processes, and management resources. Environmental activities refer to establishment of environmental policies, implementation of measures in line with those policies, and achievement, review, and maintenance of those measures. They also include continuous improvement of environmental conservation activities through implementation of PDCA (plan–do–check–act) cycles. A typical example of an environmental management system is the international standard ISO 14001.

### (4) Minimization of Environmental Impacts (Wastewater, Sludge, Emissions, etc.)

Comply with laws and regulations of each country in relation to wastewater, sludge and emissions, etc., and apply voluntary standards to achieve further improvements where necessary.

Voluntary standards refer to targets, for reducing environmental burden, that exceed levels specified by laws and regulations. In addition to preventing pollution, activities to achieve further improvements include improving monitoring methods, control methods, and treatment methods for such pollutants as wastewater, sludge and emissions, and reducing discharge amounts of each.

### (5) Environmental Permits and Government Approvals

Where required by laws and regulations of each country, obtain licenses and approvals from governments and always submit the required management reports to the governments.

In Japan, laws and regulations specify an obligation to install managers with certain qualifications. These include special controlled industrial waste managers in the Waste Management and Public Cleansing Act, qualified energy managers in plants using more than a certain level of energy in the Act on the Rational Use of Energy, and pollution prevention managers in plants emitting chemical substances, dust, or soot in the Air Pollution Control Act, etc. Depending on the chemical substances used in a business, there is also an obligation to install managers for toxic and hazardous material management, specified chemical substance management, and dangerous goods management, etc. Depending on the business description and plant location, government licenses and approvals may be required for environmental impact assessments and dangerous goods handling facilities, etc.

### (6) Effective Utilization of Resources and Energy (3R: Reduce, Reuse, Recycle)

Establish voluntary targets for saving resources and energy and endeavor to effectively utilize resources and energy on an ongoing basis with consideration given to biodiversity.

Resource saving refers to efforts to make effective utilization of resources. Ways to achieve this goal include reducing material usage and waste materials when making products and facilitating the use of recycled resources and parts (including water resources). Energy saving refers to efforts to rationalize use of thermal and electrical energy. By conserving the use of energy, it is possible to make more effective use of fuel resources such as oil, natural gas, coal, and coke.

#### (7) Reduction of Greenhouse Gas Emissions

Establish voluntary targets for reducing greenhouse gas emissions and endeavor to make continuous reductions.

Greenhouse gases refers to carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride, etc. Continuous reduction activities include establishing voluntary reduction targets, formulating plans, and actively implementing them in relation to these greenhouse gases.

#### (8) Reduction of Waste

Establish voluntary targets for reducing final waste materials and endeavor to make continuous reductions.

Final waste materials refer to waste materials that must be buried in landfills or incinerated. Continuous reduction activities include establishing voluntary reduction targets, formulating plans, and actively implementing them in relation to these final waste materials.

#### (9) Disclosure of the Status of Environmental Conservation Initiatives

Disclose the outcomes of environmental activities where required.

Outcomes of environmental activities include measures implemented for environmental conservation, discharges to the atmosphere, wastewater systems, and earth, resource usage, and waste material volumes, and include harmful impacts on the environment caused by a business site. To ensure regular collection of outcomes, establish a body and manager for conducting environmental conservation activities, and continuously record management indicators for the environmental conservation activities, achievement of objectives, and other important matters related to the environment. Methods of disclosure include publishing environmental reports and reporting where required to stakeholders.

## 2.4 Ethics

#### (1) Prohibition of Corruption and Bribery, etc.

Maintain healthy and normal relationships with political and government organizations and make no bribes or illegal political donations, etc.

Bribery refers to offering money, entertainment, or gifts, or providing some other form of benefit or advantage to public servants or their equivalents with the expectation of receiving some business favor in return, such as licenses or approvals, obtaining or maintaining business, or access to non-public information. Bribery also includes offering entertainment or exchanging gifts to public servants or their equivalents that exceed social norms even without the expectation of receiving some business favor in return. Illegal political donations include contributions to political organizations with the expectation of receiving some business favor in return, such as licenses or approvals, obtaining or maintaining business, or access to non-public information, and contributions to political organizations that do not follow the regular procedures.

#### (2) Prohibition of Abuse of Dominant Bargaining Position

Do not act in such a way as to cause disadvantage to suppliers by abusing a dominant bargaining position.

Abuse of a dominant bargaining position refers to using a position as a purchaser or outsourcer to unilaterally determine or change trading conditions with suppliers, etc., or to impose unreasonable demands or obligations. Conduct procurement activities in a sincere, fair and just manner and in accordance with contracts, etc., and do not act in such a way as to abuse a dominant bargaining position. In countries with legal restrictions on abuse of a dominant bargaining position, comply with relevant laws and regulations. (Such laws and regulations in Japan include the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.)

#### (3) Prohibition of Inappropriate Provision or Receipt of Benefits

Do not provide or receive inappropriate benefits in dealings with stakeholders.

Inappropriate provision or receipt of benefits include the following. Acts in the nature of a bribe, including providing customers with, or receiving from customers, any free gift, award, or prize money, etc. that exceeds legally defined limits, and providing or receiving any money, goods, or entertainment that exceed social norms; acts to provide inappropriate benefits to anti-social forces (criminal organizations, terrorist organizations, etc.) that negatively impact public order and healthy activities; insider trading in shares, etc. of a company based on important non-public information related to the operations of customers, etc.

#### (4) Prohibition of Acts that Restrict Competition

Do not act in a manner that obstructs fair, transparent, and free competition.

Acting in a manner that obstructs competition includes cartel behavior where companies in the same business mutually agree on prices, volumes, and sales territories, etc. for products and services, and collusive bidding where bidders determine successful bidders and bidding prices between themselves. This also includes acts of unfair competition such as obtaining and using another company's trade secrets in an illegal manner and making fraudulent claims or claims to mislead customers about another company's products.

#### (5) Provision of Accurate Product and Service Information

Provide consumers and customers with accurate information about products and services.

Provision of accurate information includes the following.

- Providing accurate information on product and service specifications, quality, and handling procedures
- Providing accurate information on substances used in materials and components of products
- Excluding non-factual expressions and expressions that mislead consumers or customers, and anything that might slander, defame, or infringe on the rights of another company or individual, from catalogues and other media, or in advertising and publicity, for products and services.

#### (6) Respect of Intellectual Property

Do not infringe upon another person's intellectual property rights.

Intellectual property includes patent rights, utility model rights, design rights, trademark rights, copyrights, and trade secrets. Before engaging in the development, production, sale, or supply, etc. of products or services, conduct sufficient research of third-party intellectual property. Excluding where good reasons exist, any unauthorized use of a third party's intellectual property constitutes an infringement on their intellectual property rights. Illegal duplication, etc. of computer software and other copyrighted material also constitutes an infringement of intellectual property rights. Equally, obtaining and using trade secrets of a third party by an illegal means also constitutes an infringement of intellectual property rights.

#### (7) Information Disclosure

Actively provide and disclose information to stakeholders, regardless of whether or not disclosure is required by laws and regulations.

Information to be provided or disclosed to stakeholders includes information on business activities, financial status, business performance, and risk-related information (such as disclosure of damage from major disasters, adverse impacts on environments and communities, and serious violation of laws, etc.). An example of active provision of information is disclosing information about major risks as they occur while also communicating that information to customers.

#### (8) Prevention and Early Detection of Misconduct

Carry out activities for preventing misconduct and develop systems for early detection and response.

Activities for preventing misconduct refer to educating and raising the awareness of employees and creating workplaces with an open atmosphere. Systems for early detection and response to misconduct include the following. Establishing internal and external contact points for reporting misconduct and management working to detect misconduct at an early stage; maintaining the confidentiality of whistleblowers and providing appropriate protection; and handling misconduct promptly and providing feedback on outcomes to whistleblowers as required.

#### (9) Responsible Procurement of Minerals

Do not purchase minerals that may cause human rights abuses and other social issues.

When purchasing tantalum, tin, tungsten, gold, and cobalt for use in your own company's products, make

reasonable and ongoing checks to ensure that they do not directly or indirectly serve as a source of funds for armed groups committing serious human rights abuses in the Democratic Republic of the Congo and bordering countries. Conduct due diligence on place of origin of minerals and disclose the outcomes to customers upon request.

#### (10) Privacy

When handling personal information, comply with regulatory requirements for privacy and information security.

Work to meet the reasonable expectations for privacy of personal information of all parties to transactions, including suppliers, customers, consumers, and employees. When collecting, storing, handling, transferring, or sharing personal information, comply with regulatory requirements for privacy and information security.

### 2.5 Quality and Information Security, etc.

#### (1) Ensuring Product Safety

When designing products as the responsible company, ensure the products meet all safety standards as defined by the laws and regulations of each country.

When designing products, develop designs that ensure sufficient product safety, and consider manufacturer's liability before selling them. In addition to complying with laws and regulations on product safety, always consider normally required levels of safety. Examples of laws and regulations on product safety in Japan include the Electrical Appliance and Material Safety Act, the Consumer Product Safety Act, and the Household Goods Quality Labeling Act. Safety standards are defined in the bylaws of laws and regulations, and in JIS and other standards. Examples of international safety standards include UL (U.S.), BSI (U.K.), and CSA (Canada). Ensuring product safety includes traceability (history of materials, components, and processes, etc.) and other management and prompt responses for problem solving.

#### (2) Quality Management System

Develop and operate a quality management system.

A quality management system refers to a general management system for promoting quality assurance activities, with the system including an organizational structure, scheduled activities, a division of responsibilities, practices, procedures, processes, and management resources. Quality assurance activities refer to establishment of quality policies, implementation of measures in line with those policies, and achievement, review, and maintenance of those measures. They also include continuous improvement of quality assurance activities through implementation of PDCA (plan-do-check-act) cycles. Typical examples of quality management systems are the international standards ISO 9000 family, ISO/TS 16949, and ISO 13485.

#### (3) Defense Against Threats to Computer Networks

Take measures to defend against threats to computer networks and manage the networks to prevent damage to your company and others.

Threats to computer networks include computer viruses, computer worms, and spyware. If an internet-connected personal computer becomes infected with a computer virus or other threat, there is a risk that customer information and confidential information stored on that computer could be leaked, or that the computer could be used to stage an attack on computers in other companies, which could lead to severe losses through suspension of business or loss of credibility. Therefore, it is important to take measures against threats to computer networks to prevent negative impacts internally and externally.

#### (4) Prevention of Leaks of Personal Information

Appropriately manage and protect the personal information of customers, third parties, and your own employees.

Personal information refers to information about living people, including names, birth dates, and other personal descriptions, that can be used to identify specific individuals (including information that can be easily compared with other information to identify specific individuals). Appropriate management refers to building and operating a general management system for personal information and it includes creating codes and policies to be observed by employees, etc., and formulating plans, implementing measures, auditing and reviewing in accordance with them. Appropriate protection refers to preventing improper or inappropriate acquisition, use, disclosure, or leaking of personal information.

#### (5) Prevention of Leaks of Customer or Third-Party Confidential Information

Appropriately manage and protect confidential information received from customers and third parties.

Confidential information generally refers to information disclosed from documents, etc. (including electromagnetically and optically recorded data) that are agreed to be confidential in nature, and information disclosed verbally after notification that it is confidential in nature. Appropriate management refers to building and operating a general management system for confidential information and it includes creating codes and policies to be observed by employees, etc., and formulating plans, implementing measures, auditing and reviewing in accordance with them. Appropriate protection refers to preventing improper or inappropriate acquisition, use, disclosure, or leaking of confidential information.

#### (6) Contributions to Society and Communities

Carry out voluntary activities that contribute to the development of global society or local communities.

Activities that contribute to global society or local communities refer to using management resources of a company in support activities for the community, and generally include the following.

- Social contribution using normal business operations and technologies, etc.
- Non-financial social contribution using facilities and human resources, etc.
- Social contribution through financial donations

Specifically, this may include cooperating with communities during times of disaster, employees performing volunteer activities, supporting the activities of NPOs and NGOs, donation activities, and disseminating and providing information. Companies should determine the scope of activities they are capable of and then actively work to make contributions to society.

#### (7) Appropriate Import/Export Control

Develop clear management systems for security export control, and import clearance procedures according to the Customs Act, etc., and carry out appropriate import/export procedures.

Security export control refers to management of exports, etc. according to the Foreign Exchange and Foreign Trade Act, within an international framework, for the purpose of preventing the spread of weapons of mass destruction and the excess accumulation of conventional weapons within the context of maintaining peace and safety globally. Import clearance procedures according to the Customs Act refer to follow-up investigations conducted by customs offices after the fact to determine whether or not import cargo-related tax returns have been implemented appropriately. In the case of adverse findings from follow-up investigations, which require payment of additional taxes or heavy penalties for serious offenses of inappropriately paid taxes, company names may also be published, so it is preferable that checks are regularly made to confirm that import clearances have been conducted appropriately.

#### (8) Management of Borrowed Assets

When using borrowed assets from the Maxell Group for production, always comply with the terms of contracts and relevant laws and regulations. Manage the borrowed assets appropriately to ensure they are always able to operate normally. Promptly respond to any requests from the Maxell Group to submit deposit receipts, conduct physical inventories, or accept onsite inspections to confirm usage, etc.

Note. The Maxell Group may provide loans of equipment required for producing deliverables. However, master agreements or individual lease agreements must be entered into at these times, and inclusion of clauses clarifying the management obligations of suppliers is mandatory.

#### (9) Business Continuity Management (BCM)

Formulate a Business Continuity Plan (BCP) with a range of measures to address how your business could continue, or how it could be restarted within a target period of time, in the event of disaster, accident, spread of new infectious diseases or other abnormal situation across the supply chain. Also, build a Business Continuity Management (BCM) system for minimizing damage or loss to your business. Prevent or minimize any interruption to supply to fulfill your responsibility to ensure supply.

## 2.6 Management System

### (1) Company Commitments

Inform workers about the company's management-approved CSR policy, including compliance with these guidelines and efforts toward continuous improvements, through methods such as posting notices within

facilities in the local language.

#### (2) Statutory and Customer Requirements

Identify, understand, and monitor applicable laws, regulations, and customer requirements.

#### (3) Risk Assessment and Management

Identify risks to labor, health and safety, ethics, quality, and information security, assess the level of impact and frequency of each risk, and take applicable measures.

#### (4) Improvement Targets

Establish and implement improvement targets and action plans (including regular assessments to ensure target achievement).

#### (5) Training

Educate managers and workers to ensure implementation of policies and improvement targets.

#### (6) Worker Feedback, Participation, and Complaints

Develop processes for assessing the level of understanding of workers in relation to initiatives in each area detailed in these guidelines, obtaining feedback, and carrying out continuous improvement.

#### (7) Corrective Measures and Processes

Take corrective measures against nonconformities identified through internal and external assessments, investigations, and audits.

#### (8) Documentation and Records

As much as possible, record implementation of initiatives detailed in these guidelines. Appropriately manage, according to applicable laws and your company's requirements, internal and external documents and records containing personal information or business information of a confidential nature.

#### (9) Supplier Responsibilities

Where your company has its own policies and guidelines, clearly and accurately convey that information to suppliers in relation to practical application, expectations, and achievement.

### 2.7 Self-assessment

To confirm the status of CSR initiatives carried out, conduct self-assessments, and work to continuously improve, CSR activities via a CSR self-assessment questionnaire.

Refer to the separate CSR self-assessment questionnaire.

### 3. Maxell Group Corporate Credo

The Maxell Group hereby adopts this Corporate Credo in full awareness of its mission and duties and with a view to continued growth and development as a truly international group. The Credo applies to all members of the board, officers and employees of the Maxell Group (hereafter referred to as "We"). The "Maxell Group" means: (1) Maxell Holdings, Ltd.; (2) any company with more than 50% of its issued stock or interests with voting rights owned directly or indirectly by Maxell Holdings, Ltd.; and (3) such other companies as will from time to time be included by the Board of Directors of Maxell Holdings, Ltd.

#### 3.1 Fundamental Philosophy

The fundamental philosophy of the Maxell Group is, inheriting the founding spirit of "harmony and cooperation", "working with heart and soul", and "being of service to society", to maintain the pride as members of Maxell Group and to contribute to society through the development of outstanding and unique technologies and products, under the new corporate creed of "harmony and cooperation, working with heart and soul, and contributing to society".

At the same time, we acknowledge our responsibility as a member of society and will ensure that our conduct is fair and transparent. As a good corporate citizen, we also intend to contribute to the creation of a truly rich society by working in harmony with the environment and by engaging in corporate citizenship activities.

#### 3.2 Guidelines and Commitments

1. We will build strong relationships of trust with various stakeholders by fostering cooperation to strengthen cohesion throughout Maxell and the rest of the Maxell groups. These efforts shall be based on respect for individual human rights and dignity, and a healthy rivalry among one another that is balanced with a spirit of harmony at all times.
2. We are strongly committed to serving customers with the utmost sincerity by developing ever more reliable technologies and products, and promoting thorough product safety as we seek to accurately identify the various needs of the international community and promptly satisfy them.
3. We aim to grow in harmony with society at the leading edge of technology and business on the global stage. This will be accomplished by conducting proprietary surveys and R&D activities that harness our pioneer spirit.
4. We will act in accordance with correct corporate ethics and comply with various laws and regulations at home and abroad in the course of business and in our private lives. These laws and regulations cover such fields as fair trade and competition, import and export transactions, intellectual property, the environment, the protection of personal information and accounting and tax rules.
5. We will strive to coexist with the Earth's natural environment as we take the initiative to serve communities, based on a strong recognition of our social responsibilities and roles as a corporate citizen.
6. We will act as a global corporation closely tied to local communities as we work to foster mutual understanding and build cordial relationships with each community. These efforts will be guided by a respect for the cultures, customs and history of various regions throughout the world.
7. We will further raise the value of the 「Maxell」 brand, so as to prove worthy of the public's trust in our brand.
8. Maxell Group managers will take the initiative to implement this Corporate Credo as befits their position. They will also properly manage and guide the employees in their charge to ensure the smooth execution of business operations. At the same time, they will strive to ensure the proper observance of workplace rules as they strive to build positive, safe and fulfilling workplaces that motivate and inspire their employees.

### 3.3 Implementation

1. The Maxell Group will require all officers and employees to observe and implement this Corporate Credo wherever in the world they work.
2. The Maxell Group will establish the “Maxell Group Codes of Conduct” which shall be a guide for the implementation of this Corporate Credo by Maxell officers and employees. We will educate and encourage implementation of this Corporate Credo from an international perspective, with due respect for differences in social and political conditions, culture, language, customs, legal systems or any other relevant concerns
3. We will periodically review this Corporate Credo, with the objective of continuous improvement. In practicing this Corporate Credo, we will identify sections within the organization with the required accountability, and/or introduce management systems that meet international norms, as deemed appropriate.
4. Should there be any conflict between content of this document and local laws, rules or regulations of the country or region where Maxell Group members work, the Group members involved shall consult with the legal counsel of their company or the department in charge of compliance with this Corporate Credo at the headquarters of Maxell Holdings, Ltd.

## 4. Maxell Group Codes of Conduct

The Maxell Group Codes of Conduct have been established as specific codes of conduct that apply to all companies of the Maxell Group. Under the leadership of top management, we will thoroughly implement the Codes of Conduct to ensure that all our business activities are conducted on the basis of corporate ethics and compliance, in accordance with "Basics and Ethics."

### Chapter 1 Sincere and Fair Business Activities

- 1.1 Provision of Safe High-Quality Products and Services
- 1.2 Sales Activities
- 1.3 Procurement Activities
- 1.4 Respect of the 「Maxell」Brand
- 1.5 Observance of Engineering Ethics

### Chapter 2 Environmental Protection

- 2.1 Promoting Environmental Management
- 2.2 Environmentally Conscious Business Activities and Environmental Management
- 2.3 Communication with Stakeholders

### Chapter 3 Relations with Society

- 3.1 Disclosure of Company Information
- 3.2 Contribution to Local Communities
- 3.3 Relations with Politics and Government Administration
- 3.4 Prevention of Anti-social Transactions
- 3.5 Regarding Gifts, Business Entertainment, Etc.
- 3.6 Observance of Laws and Regulations and Respect of the Culture and Customs of Each Nation and Region

### Chapter 4 Respect of Human Rights

- 4.1 Promoting Respect of Human Rights
- 4.2 Eliminating Discrimination
- 4.3 Respect of Human Rights in Information Management
- 4.4 Respect of Basic Rights at Work

### Chapter 5 Management Foundations

- 5.1 Management and Use of Information
- 5.2 Use of Inside Information and Related Considerations
- 5.3 Management and Preservation of Company Assets
- 5.4 Arranging a Work Environment That Draws Out Employee Strengths
- 5.5 Observance of Laws and Regulations Governing Imports and Exports

### Chapter 6 Complete Observance of Codes of Conduct

- 6.1 Complete Observance of Rules
- 6.2 Implementation of Self-Audits
- 6.3 Internal Reporting System

### Chapter 7 Responsibilities of Top Management

The above table of contents has been included here for your reference. For more details, refer to the Maxell Group Codes of Conduct on the following page.

<https://www2.maxell.co.jp/corporate/rule/>

## 5. Maxell Group Policy on CSR Activities and Initiatives

### 5.1 Commitment to corporate social responsibility

The Maxell Group, including all its executives and employees, recognizes CSR as a vital part of corporate activity and is therefore committed to a course of social responsibility in accordance with this CSR policy for the sustainable development of society and business.

### 5.2 Contribution to society through our business activities

The Maxell Group will contribute to the building of a prosperous and vibrant society by providing customers with safe, high-quality products and services through business activities based on its excellent research and technology development.

### 5.3 Information disclosure and communication

The Maxell Group will disclose information fairly and transparently in order to maintain and develop a relationship of trust with its various stakeholders and will act responsibly towards them through various means of communication.

### 5.4 Corporate ethics and respect for human rights

The Maxell Group will undertake its business based on the principles of fairness and sincerity, act with the utmost respect for human rights and pursue a high sense of corporate ethics in the global business market which encompasses diverse culture, morals, ethics and legal systems.

### 5.5 Environmental conservation activities

The Maxell Group will strive to minimize environmental impacts and utilize limited resources towards the development of a sustainable society that is in harmony with the environment.

### 5.6 Corporate citizenship activities

The Maxell Group will actively promote social contribution activities as a good corporate citizen in order to realize a better society.

### 5.7 Good working environment

The Maxell Group will make every effort to create a pleasant and motivating working environment for all its employees and to actively support those employees who desire self-fulfillment and self-development through their work.

### 5.8 Sharing awareness on social responsibilities with business partners

The Maxell Group will make every effort to promote fair and sound business practices among its business partners by fostering a common awareness of social responsibility.

## 6. Material Procurement Guidelines

6.1 These guidelines contain standards of behavior that procurement departments and other relevant departments should follow when procuring external materials, products, services, and information required for business operations.

6.2 To develop good partnerships with business partners, we strive to maintain and improve mutual understanding and relationships of trust from the long-term perspective.

- (1) We treat all business partners impartially and ensure advantageous treatment is not given to specific business partners while disadvantaging others.
- (2) We respect fair business relationships with business partners and do not impose a disadvantage on our business partners due to unfair acts in the light of normal business practices.
- (3) We strive to strictly manage and maintain confidentiality of trade secrets of business partners learned through procurement transactions.

6.3 We strive to develop optimal business partners and maintain competitive procurement from a global perspective, keeping the following points in mind.

- (1) When approached by new companies, etc. offering to trade, we respond and proceed sincerely to provide information related to trade items, etc.
- (2) In respect to ongoing procurement transactions, we regularly review the eligibility of business partners and consider the possibility of more advantageous transactions with other business partners.

6.4 When selecting business partners, in addition to assessing the quality, reliability, delivery, and price of materials, and the business stability and technical capabilities, etc. of business partners, we assess suitability in line with the Policy on CSR Activities and Initiatives, comply with matters specified below, and properly carry out the prescribed procedures.

- (1) We do not request quotations without a clear intention of purchasing.
- (2) In accordance with internal procedures, rights and responsibilities for determining procurement specifications, contract conditions, and acceptance (inspections) lie with the respective requesting departments, procurement departments, and inspection departments.
- (3) Procurement departments represent the Maxell Group in contracts with business partners.

6.5 We receive no personal benefits from business partners in procurement transactions.

6.6 Persons in charge of procurement lead by their own example to ensure implementation of these guidelines and strive to fully inform workers in their own department and managers and workers in related departments. All relevant workers also look to their seniors for advice and guidance if they have any questions regarding these guidelines.

6.7 Co-creation with Business Partners

We collaborate with business partners to carry out activities on a win-win basis through joint value engineering and “Less Engineering” initiatives.