



# CSR Procurement Guidelines

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Purchasing Department

Our Group, the Sumitomo Heavy Industries (SHI) Group, aims to provide products and services that help advance economic and technological development toward realizing a sustainable society. We have established these CSR Procurement Guidelines to achieve this aim. The cooperation of all SHI Group suppliers will be essential to our success. Therefore, we request your understanding and cooperation in joining us to promote progress in each item established herein.

## **1. Fair and equitable competition and transactions and thorough attention to compliance**

- Compliance with all business laws and regulations\*  
Ensure thorough compliance by acting in strict accordance with the laws and regulations, legal requirements, treaties, other legal requirements, and social norms of all countries and regions in which you do business.
- Realization of fair and equitable competition and transactions\*  
Strictly observe the laws and regulations of the countries and regions in which you do business and do not engage in any conduct that restricts or inhibits fair and equitable competition and transactions.
- Protection of and respect for intellectual property\*  
Respect and do not infringe upon the intellectual property rights (i.e., rights pertaining to patents, utility models, designs, programs, copyrighted works, trade names, trademarks, and other legally protected interests) owned by third parties.
- Prohibition of the offering of improper advantages\*  
Strictly observe the laws, regulations, and business customs of the countries and regions in which you do business, and do not offer improper advantages or demand improper services.  
Additionally, engage in activities to prevent improper acts and establish a system for the early detection of improper acts.
- Compliance with laws and regulations related to import and export\*  
Strictly observe with laws and regulations concerning trade and conduct proper import/export procedures by establishing a clearly defined trading system.
- Preservation of confidentiality\*  
Do not improperly and illegally acquire, use, disclose, or leak confidential information, technical information, personal information, or other information of a sensitive nature.
- Responsible mineral procurement  
Ensure that delivered products do not contain minerals originating from the Democratic Republic of the Congo (DRC) and neighboring countries, high-risk areas (CAHRAs), or other conflict areas.
- Severing of relations with antisocial forces  
Take a firm stand against antisocial forces and sever all relationships with them.
- Establishment of an internal reporting system  
Establish and maintain an internal reporting system that allows workers to report and discuss violations of laws and regulations or internal rules or facts concerning potential violations.  
Additionally, protect the privacy of those who use the internal reporting system and ensure that they will not receive disadvantageous treatment due to their use of the system.

## 2. Human rights, labor, and health and safety

- Compliance with labor laws and regulations\*  
Comply with labor laws and regulations in the countries and regions in which you conduct corporate activities with respect to wages, working hours, hiring, and other matters concerning employees' labor conditions as well as occupational health and safety.
- Respect for human rights and prohibition of unfair discrimination, labor, and harassment  
Do not tolerate discrimination in any form, including discrimination based on age, nationality, race, ethnicity, origin, religious affiliation, creed, political beliefs, marital status, family structure, gender, sexual orientation, gender identity, disability, employment status, or other such characteristics or attributes. Additionally, do not allow acts of harassment of any kind that harm the dignity of an individual, such as sexual harassment and abuse of authority.
- Prohibition of child labor and forced labor\*
  - Prohibit the employment of persons under the minimum working age and the assignment of young workers to hazardous or harmful labor.
  - Prohibit force anyone to work in any way whatsoever such as slavery and apprenticeship.
- Occupational health and safety
  - Provide safe, hygienic, and healthy work environments that are free from accidents, and provide the facilities necessary for employees' health management and daily living.
  - Install firefighting equipment, secure evacuation routes, and conduct regular evacuation drills.
  - Provide adequate lighting, temperature control, and ventilation and prevent excessive noise. When necessary, provide equipment to ensure the health and safety of employees in workplace without charge.
- Appropriate management of working hours and consideration for living wages\*
  - Appropriately manage working hours and do not require work long hours in accordance with the labor standards law of each country. Additionally, pay no less than the minimum wage stipulated by the laws and regulations of each country, give consideration to living wages, and pay extra wages at the rates stipulated in said laws and regulations for work exceeding scheduled working hours.
  - Give employees 24 consecutive hours of leave every 7 days, and keep records of attendance and days off.
- Respect for freedom of association and collective bargaining  
Respect workers' rights to freedom of association and collective bargaining.

### **3. Consideration of the environment**

- Compliance with relevant laws\*  
Comply with the environmental laws and regulations of the countries and regions in which you conduct corporate activities.
- Establishment of an environmental management system  
Establish and continuously improve an environmental management system and strive to eliminate environmental accidents.
- Prevention of environmental pollution and control of hazardous chemical substances  
Identify pollutants and the like and implement appropriate controls to prevent environmental pollution in accordance with laws and regulations. Additionally, limit the emission of, or prohibit the use of, hazardous chemical substances in your business activities and manufacturing processes, and strive to prevent environmental pollution by appropriately controlling the chemical substances contained in your products.
- Effective use of resources/energy and reduction of negative environmental impact  
Make effective use of resources and energy and reduce negative environmental impact in your manufacturing processes through 3R+Renewable and Circular Economy initiatives, supply chain-wide reductions of GHG emissions based on green transportation and energy/power conservation, and activities associated with water resource conservation.
- Consideration for biodiversity  
Strive to preserve biodiversity by taking into consideration the impact of our business activities on the natural and ecosystems.

### **4. Promotion of communication with stakeholders through information disclosure**

Strive to disclose useful information (such as information related to management, financial affairs, the environment, conservation, and social contributions) to stakeholders in a proper and timely manner and promote communication with society.

### **5. Social contribution and coexistence/co-prosperity with local communities**

Value coexistence and co-prosperity with the international community as well as local communities that provide the foundation for your business activities, and engage in dialogue with the community and society, social contribution activities, volunteer activities, education, and regional employment.

### **6. Application throughout the supply chain**

Ensure that you disseminate the contents of these CSR Procurement Guidelines to your own suppliers and promote their adoption throughout the entire supply chain.

\*When there is a conflict between international norms and the laws and regulations of a country or region in which you do business, pursue ways of remedying the problem in accordance with even higher standards.