



# CSR Procurement Guidelines

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Purchasing Department

Based on “Sumitomo’s Business Philosophy” as well as our Group’s “Purpose” and “Business Principles,” the Sumitomo Heavy Industries Group aims to provide products and services that help advance economic and technological development toward realizing a sustainable society.

To achieve this aim, we have established these CSR Procurement Guidelines. The cooperation of all Group suppliers is essential to the success of these initiatives. Therefore, we request your understanding and cooperation in promoting the items set forth 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 Minerals Procurement  
Based on our Responsible Minerals Procurement Policy, 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 and grievance mechanism  
Establish and maintain an internal reporting and grievance mechanism that enables workers to report and consult on violations of laws and regulations or internal rules, as well as actual or potential adverse impacts on human rights and occupational health and safety. Such a mechanism

shall ensure the protection of the reporter's privacy and include appropriate remediation measures to prevent any disadvantageous treatment because of reporting or consultation.

## 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 modern slavery \*
  - Prohibit the employment of people under the minimum working age and the assignment of young workers to hazardous or harmful labor.
  - Prohibit all forms of modern slavery, including forced labor, debt bondage, human trafficking, and any other practices that unlawfully restrict individual freedom and involve exploitation.
- 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, as well as agreements with government authorities and local communities, in the countries and regions where corporate activities are conducted.
- 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 management of hazardous chemical substances  
In accordance with applicable laws and regulations, identify pollutants and other relevant substances and implement appropriate management measures to prevent environmental pollution. In addition, limit or prohibit the use and emission of hazardous substances in business activities and manufacturing processes, and endeavor to prevent environmental pollution through the appropriate management of chemical substances contained in products.
- Effective use of resources/energy and reduction of negative environmental impact  
Through initiatives such as 3R+Renewable and Circular Economy efforts, supply chain-wide reductions of GHG emissions (including green logistics) through energy and power conservation and the transition to non-fossil energy, as well as activities related to the identification of water risks and the conservation of water resources, make effective use of resources and energy and reduce environmental impact in manufacturing processes.
- Consideration for biodiversity  
Strive to conserve and restore 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.