

IBIDEN Group Supplier CSR Guideline

August 2017

 **IBIDEN Co.,Ltd.**

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1. Introduction

In recent years, stakeholders have become increasingly concerned over corporate social responsibility (CSR) and as a result CSR activities by companies and the supply chain in general have shifted into high gear.

IBIDEN Group (including IBIDEN Co.,Ltd. and group companies, hereinafter collectively referred to as "the Group") recognizes that further cooperation and collaboration with suppliers are indispensable to achieving customer satisfaction and to building even better relationships with stakeholders under our corporate philosophy scheme, IBIDEN WAY. We believe that jointly promoting CSR activities will lead to improvement of corporate value and sustainable growth for the entire supply chain.

With the publication of the IBIDEN "Basic Procurement Policy", "Guidelines for Procurement Activities" and "Requests to Suppliers" on our website, we have requested to suppliers to engage in CSR activities.

Now, as a more detailed version of Request for Suppliers and in order to promote CSR activities along with suppliers and to work toward sustainable growth, we have created the IBIDEN Group Supplier CSR Guideline.

We are requesting that suppliers approve these basic IBIDEN Group policies, and with a clear understanding of the contents of IBIDEN Group Supplier CSR Guideline, strive toward continuous improvement on the basis of this guideline.

We would like you to ask and assure that your own suppliers comply with a similar supplier guideline.

We ask your understanding of the fact that this Guideline will be reappraised or revised by the demands of the changing international society in step with the times, and that it does not cover everything we are requesting of suppliers.

2. Corporate Philosophy, Charter of Behavior, CSR Policy

Corporate Philosophy



The power that has enabled IBIDEN "to overcome many adversities with all our employees and to continue to exist", and "the wisdom and vitality that have achieved dramatic growth in recent years" - these have persisted throughout IBIDEN's long history. The systematization that carries this on, transcending borders, is the "IBIDEN WAY".

To mark its 100th anniversary, we have revamped its corporate philosophy, the "IBIDEN WAY," simplifying it to enhance its understanding by all IBIDEN Group employees worldwide.

IBIDEN Group Charter of Behavior

Article1: Compliance with laws, regulations, and ethics

We comply with laws, regulations and ethical requirements of the countries and regions where its business operations are based. We work against corruption in all its forms, and carry out open and fair corporate activities with the intention of becoming a company that enjoys the confidence of the international community. We also protect and properly manage personal and customer data and other types of information.

Article 2: Development together with stakeholders

We develop together with our stakeholders, so we enhance the transparency of management and build a trustworthy relationship through communication. We also actively engage in community-based activities that contribute to society as a good corporate citizen.

Article 3: Providing customer delight

We provide customer delight, so we have a good understanding of social trends, future needs and develop. We provide safe and secure products and services to maximize our customer's satisfaction by growing IBI-Techno.

Article 4: Management based on global standards

We manage our group based on global standards. We respect human rights and other international norms of behavior. Also, we respect culture and customs in each country or region concerned when carrying out our corporate activity.

Article 5: Harmony with nature

We harmonize with nature in all areas of our corporate activities. We manage to develop technologies to achieve good balance between the environment and business, and we provide environmentally friendly products and services by promoting energy and resource conservation activities.

Article 6: Attractive and vibrant company

We aim to become an attractive and vibrant company on the basis of fair, equitable and result oriented employee evaluation personnel system. We aim to have a safe and comfortable working environment. We create a rewarding corporate culture that the employee can respect for each diversity, and fully exercise their skills and abilities.

CSR Policy

We aim to enhance our corporate value

- By raising awareness of the need for IBIDEN to act responsibly and honestly in the interest of sustainable operations
- By fulfilling our responsibilities in a well-balanced manner from economic, environmental and social standpoint
- By working in partnership with all of our stakeholders

3. Basic Procurement Policy

Fundamental Policy

1. We will comply with laws, regulations and customs and build relationships based on mutual cooperation and trust with suppliers.
2. We will offer fair trading opportunities to suppliers.
3. We will fulfill our human rights, environmental and other social responsibilities through our procurement activities.

Guidelines for Procurement Activities

The IBIDEN Group will base its procurement activities on the following specific stances, in accordance with the Basic Procurement Policy:

(1) Fair procurement activities and procurement at optimal costs

We will seek optimal costs in accordance with the principle of market competition while placing top priority in material procurement on fairness and justice.

(2) Building of relationships based on mutual cooperation and trust

All our officers and employees will endeavor to build relationships based on mutual cooperation and trust with suppliers in active compliance with laws, regulations, and customs, and in accordance with IBIDEN Employees' Code of Conduct, instituted as a standard for activities to embody our corporate philosophy IBIDEN WAY.

(3) Environmental conservation

We practice product development and business operation in an environmentally conscious way. In addition, we improve the environmental protection activity in cooperation with suppliers and promote environmentally friendly procurement activity by purchasing parts and materials which is harmless to the environment.

(4) Securing optimal quality

We will endeavor to procure materials that meet our quality requirements so that we can offer products that our customers trust.

(5) Punctual deliveries and stable supply

We will endeavor to procure materials as required in a stable manner for the purpose of consistently offering products to our customers. We will also take steps to secure service parts for the future.

(6) Technical superiority

We will employ materials and parts with unique or leading-edge technologies, or that offer technical advantages, for the purpose of creating new technologies on the basis of innovative capabilities.

MEMO

4. Requests to Suppliers

In expanding the business activities of the Company Group globally, in order to gain the trust of international society, not only inside the Group, but also in the overall supply chain, including our suppliers, it is necessary to work toward social responsibility in accordance with global standards.

In order to respond to the requests of international society, the things toward which the Company Group and suppliers must strive are summarized as "Ibiden Group Suppliers CSR Guideline." We are requesting that suppliers strive toward continuous improvement on the basis of these guidelines. We ask your understanding that we reserve the right to conduct the questionnaire and the audit to verify and evaluate our suppliers' state of compliance against the requirements imposed by this guideline.

(1) Labor, Health & Safety and Fair Trading

Detailed social requirements, such as labor, safety and ethics are described in "IBIDEN Group Supplier CSR Guideline E.

(2) Environmental

Detailed environmental requirements are described in "IBIDEN Group Supplier CSR Guideline. Detailed Material Restrictions requirements for suppliers are found in the IBIDEN Group Green Procurement Guidelines.

(3) Optimal quality

Suppliers should comply with the necessary safety standards and other requirements in different countries and regions and to supply materials that meet our quality requirements so that we can provide our customers with the best possible products.

(4) Fair pricing

Suppliers should supply materials at fair prices based on the principle of market competition.

(5) Stability in supply of materials

Suppliers should unfailingly meet delivery dates and ensure a stable supply of materials so that we can consistently provide our customers with products.

(6) Technical superiority

Suppliers should propose unique or special technologies, and other technical advantages, with their materials.

5. Supplier CSR Guideline

For the purpose of grasping and reducing risks, IBIDEN Group Supplier CSR Guideline sets out standards from such viewpoints as "safe working conditions at suppliers," "treatment of employees with respect and dignity," and "environmentally responsible business operations."

As a premise for adopting this Guideline, it is vital to understand that suppliers must, in all of its business activities, operate in full compliance with the laws, rules and regulations of the countries in which it operates.

The guideline encourages suppliers to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility.

The code is made up of six sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D and E outline standards for Ethics and Fair Trading and Product Safety, respectively. Section F outlines the elements of an acceptable system to manage conformity to this Guideline.

These are developed with reference to Electronic Industry Code of Conduct (EICC), Japan Auto Parts Industries Association CSR Guide Book, etc.

Moreover, the standards, etc. as described in the annex are used as references in preparing this Guideline and may be helpful to refer to those if more detailed information is needed.

The standards were used in preparing this Guideline and may be a useful source of additional information.

A. Labor

Suppliers are committed to uphold the human rights of employees, and to treat them with dignity and respect as understood by the international community.

The labor standards are:

1) Freely Chosen Employment

All work will be voluntary and employees shall not be engaged in forced labor.

- Forced, bonded or indentured labor or involuntary prison labor shall not be used.
- All work will be voluntary, and employees shall be free to leave upon reasonable notice.
- Employees shall not be required to hand over money, government-issued identification, passports or work permits to the supplier or Labor Agent as condition of employment.
Money includes deposit and excessive fees, which employees pay to the supplier or Labor Agent.
- There shall be no unreasonable restrictions on employees' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities.
- Suppliers shall provide workers prior to employment with written conditions of employment

2) Child Labor Avoidance and Young Workers

Child labor is not to be used.

Employees under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young employees.

- Child labor is not to be used.
The term "child" refers to any person under the age of 15 as specified in a treaty and/or recommendations of the International Labor Organization or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.
- Reaching the minimum age for employment is to be confirmed at the time of employment or at some other time.
- The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported.
- Employees under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young employees, including night shifts and overtime.
- Suppliers shall ensure proper management of student workers through protection of students' rights in accordance with applicable law and regulations, etc.

3) Working Hours

Suppliers are to regulate employee's working hours/holidays/vacations so as not to exceed the legal ceiling.

Studies of business practices clearly link employee strain to reduced productivity, increased turnover and increased injury and illness.

- Scheduled working days per year and working hours including overtime (except for emergency cases) are not to exceed the legal ceiling.
- Employees shall be allowed rest days and breaks as specified in the law
- Employees are to be provided the rights of a vacation leave including annual paid leave as specified in the law.

4) Wages and Benefits

All applicable laws with respect to wages and benefits shall be complied. Unfair wage deduction as a means of disciplinary action shall not be practiced. .

- Compensation paid to employees shall comply with all applicable wage and benefit laws, including those relating to minimum wages, overtime hours, wage deductions, piece rate wage and legally mandated benefits, e.g. social insurance.
- In compliance with local laws, employees shall be compensated for overtime at pay rates greater than regular hourly rates.
- Suppliers shall not practice unfair wage deduction as a means of disciplinary action. Unfair wage deduction means a wage deduction violating labor-related laws, etc.
- For each pay period, employees shall be provided with a timely and understandable wage statement.

5) Humane Treatment

There is to be no harsh and inhumane treatment, such as any harassment (including sexual harassment), sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees.

- The supplier's disciplinary policies and procedures shall be clearly defined and communicated to employees.
- There must not be any harsh and inhumane treatment, such as any harassment (including sexual harassment), sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees, nor any threat of such treatment.

6) Non-Discrimination

Companies shall not engage in discrimination in hiring and employment practices.

- Suppliers should be committed to a workforce free of unlawful discrimination.
- Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity, ethnicity, nationality, disease, disability, pregnancy, religion, creed, social status or marital status in hiring and employment practices such as solicitation,

recruitment, assignments, promotions, rewards, access to training, punishment, and dismissal.

- Employees or potential employees should not be subjected to physical examinations and medical tests that could be used in a discriminatory way.

7) Freedom of Association

Communications and consultations with employees are to be made in good faith. Rights of employees to associate freely in accordance with the laws of individual countries are to be respected.

Open communication and direct engagement between employees and management are the most effective ways to resolve workplace issues.

- Employees shall be able to communicate openly with management regarding working environment without fear of reprisal, intimidation or harassment.
- Rights of employees to associate freely in accordance with the laws of individual countries are to be respected.

B. Health and Safety

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, employee retention and morale. Suppliers also recognize that ongoing employee input and education is essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as OHSAS 18001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Guideline and may be a useful source of additional information.

The health and safety standards are:

1) Occupational Safety

Employee exposure to potential safety hazards are to be controlled through proper design, engineering and administrative controls.

- Employee exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventive maintenance and safe work procedures (including lockout/tagout), and ongoing safety training.
- Where hazards cannot be adequately controlled by these means, employees are to be provided with appropriate, well-maintained, personal protective equipment such as glasses/hard hat/gloves, etc. and educational materials including procedures to wear personal protective equipment correctly.
- Employees shall be encouraged to raise safety concerns.

2) Emergency Preparedness

Emergency situations and events such as fire and earthquake are to be identified and assessed, and emergency plans and response procedures are to be prepared.

- Emergency situations and events such as fire, earthquake, and lightening are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency reporting, employee notification, storage and display of evacuation procedures and emergency response manual, employee training and drills, appropriate fire detection and suppression equipment, adequate exit facilities, storing of emergency medical products, securing external communication and recovery plans (See F. Management System).

3) Occupational Injury and illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness

- Safety and health of employees at work are to be ensured as the top priority.
- Systems and procedures are to be in place and implemented to prevent, manage, track and report occupational injury and illness. including provisions to: a) encourage employee reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment (employees' accident insurance is also included); d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of employees to work.

4) Industrial Hygiene

Situations that employees are exposed to biological or chemical substances hazardous to the human body, or noise or foul odors, etc. in the workplace are to be identified, assessed and controlled properly.

- Situations that employees are exposed to biological or chemical substances hazardous to the human body, or noise or foul odors, etc. in the workplace are to be identified, assessed and controlled properly.
- Chemical substances that are harmful to the human body include smoke, mist, dust, poison, nuclear radiation, and substances that cause chronic diseases (lead, asbestos, etc.). Excessive noise and odor are also elements of this section deemed to be harmful to the human body.
- When hazards cannot be adequately controlled through engineering and administrative controls, employee health is to be protected by appropriate personal protective equipment.
- Any health hazards caused by long-hour/excessive work are to be prevented and mental health of employees is to be adequately cared.

5) Physically Demanding Work

Employee exposure to the hazards of physically demanding tasks is to be identified, evaluated and controlled.

- Employee exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive assembly tasks is to be identified, evaluated and controlled.
- Control means periodical breaks, provision of assistive devices, burden sharing, and cooperation of several employees, etc.

6) Machine Safeguarding

Production and other machinery is to be evaluated for safety hazards, and safety measures as well as proper maintenance are to be provided.

- Production and other machinery is to be evaluated for safety hazards.

- Physical guards, fail-safe, foolproof, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to employees.

7) Sanitation, Food, and Housing

Employees are to be provided with clean toilet facilities, potable water and eating facilities.

- Employees are to be provided with clean toilet facilities, potable water and eating facilities.
- Suppliers are to maintain appropriate safety and hygiene in dormitories provided by the company.
- Along with keeping cleanliness/sanitation, typical proper examples are measures for safe drinking water, fire, adequate heat and ventilation , appropriate emergency egress, hot water for bathing and showering, (reasonable personal space along with reasonable entry and exit privileges, and secure storage of personal belongings.

8) Health and Safety Communication

Employees are to be provided with health and safety training and information in understandable language to them.

- Suppliers shall provide employees with appropriate workplace health and safety training in understandable language to them.
- Health and safety related information shall be clearly posted in the facility.

C. Environmental

Suppliers recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment including climate change and biodiversity and natural resources are to be minimized while safeguarding the health and safety of the public.

Recognized management systems such as ISO 14001, the Eco Management and Audit System (EMAS) were used as references in preparing the Guideline and may be a useful source of additional information.

The environmental standards are:

1) Environmental Permits and Reporting

All required applications, registrations and reporting under the environmental laws and regulations are to be carried out, and environmental permits are to be obtained.

- All required applications, registrations and reporting under the environmental laws and regulations are to be carried out, and environmental permits are to be obtained.
- In addition, these are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

2) Pollution Prevention and Resource Reduction

Waste of all types of resources, including water and energy, are to be reduced or eliminated at the source or by such practices as modifying production processes, recycling and re-using materials.

- Use of resources and energy as well as the volume of waste are to be reduced by practices such as modifying production, maintenance and facilities processes, materials substitution, recycling and re-using materials, and decreasing amounts of water and energy, etc. used.

3) Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed.

- Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

4) Waste Water and Solid Waste

Waste water and solid waste are to be characterized, monitored, controlled and treated as required.

- Laws and regulations of the individual countries and regions with respect to proper disposition and recycling of waste water and waste are to be observed.
- A systematic approach shall be implemented to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).
- Waste disposal is to be outsourced to the proper disposal company properly selected with understanding of responsibilities of such companies, and suppliers are to be responsible for any waste disposal until the disposal company completes its work.
- Waste water and solid waste generated from operations, industrial processes and waste water treatment are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.
- Measures should be implemented to reduce generation of waste water.
Routine monitoring of the performance of its waste water treatment systems shall be conducted.

5) Air Emissions

Emissions into the air of substances from operations are to be characterized, monitored, and controlled.

- Air emissions of greenhouse gases, volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and SO_x, NO_x and soot and dust emitted from chimneys, etc. generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge. Routine monitoring of the performance of its air emission control systems shall be conducted.

6) Materials Restrictions

Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances.

- Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.
Moreover, suppliers are to confirm to customer requests agreed upon by suppliers and customers.

Note: Detailed Materials Restrictions requirements for suppliers are found in the IBIDEN Group Green Procurement Guidelines.

7) Storm Water Management

Suppliers shall implement a systematic approach to prevent contamination of storm water.

- Suppliers shall implement a systematic approach to prevent contamination of storm water.
- Suppliers shall prevent illegal discharges and spills from entering storm drains.

8) Energy Consumption and Greenhouse Gas Emissions

Suppliers are requested to define voluntary goals for reduction of green-house gas and energy consumption. In addition, continuous activities for further reduction are to be implemented.

- Although there are various types of greenhouse gases, the following seven types of substance groups are specified particularly in the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, HFCs, PFCs, and SF₆, NF₃.
- Setting voluntary goals for reduction, making plans, and actively implementing the plans for these seven types of greenhouse gases are good practices of continuous reduction activities.
- Energy consumption and greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level.
- Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

9) Environmental Emergency Response

Emergency situations and events in the case of the occurrence of pollution or any possible circumstances are to be identified and assessed, and emergency plans and response procedures are to be prepared

- Emergency situations and events in the case of the occurrence of pollution or any possible circumstances are to be identified and assessed.
Examples of pollution include wastewater or air pollution.
- In addition, emergency plans and response procedures are to be prepared to minimize the impact in such instance.

D. Ethics and Fair Trading

To meet social responsibilities and to achieve success in the marketplace, Participants and their agents are to uphold the highest standards of ethics including:

1) Business Integrity

The highest standards of integrity are to be expected in all business interactions. Suppliers shall prohibit any and all forms of corruption, extortion, embezzlement and bribes.

- The highest standards of integrity are to be expected in all business interactions.
- Suppliers shall strictly prohibit any and all forms of corruption, extortion, embezzlement and bribes.
- Monitoring and enforcement procedures shall be implemented to ensure conformance.

2) Corruption Prevention

No entertaining, gift-giving, giving and receiving or offering of moneys to business partners are to be performed for the purpose of gaining or maintaining improper benefits or preferential measures.

- Political donations or contributions or the like are to be made in accordance with the laws of the individual countries or regions, striving to build sound and normal relationships with legislatures or governments.
- No entertaining, gift-giving, giving and receiving or offering of moneys to business partners directly or indirectly are to be performed for the purpose of gaining or maintaining improper benefits or preferential measures.
- No rewards are to be requested from business partners, and no entertaining or gift-giving are to be performed beyond social courtesies or generally-accepted notions.
- No conduct of offering improper benefits to anti-social forces that would have an adverse impact on the social orders or sound activities is to be performed, or no insider trading or the like to make stock transactions, etc. based on non-disclosed material information is to be performed, etc.

3) Disclosure of Information

Information on financial condition, business performance or activities is to be disclosed to stakeholders in a timely manner and properly, and efforts are to be made toward mutual understanding, maintenance and development of trust with stakeholders through open and fair communications.

- Information on financial condition, business performance or activities is to be disclosed to stakeholders in a timely manner and properly, and efforts are to be made toward mutual understanding, maintenance and development of trust with stakeholders through open and fair communications.
- Opinions and requests are to be collected by stakeholders broadly and reflected in

corporate activities working toward improvement.

- Information is to be disclosed in accordance with applicable regulations and prevailing industry practices.
- Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

4) Intellectual Property

Intellectual property rights possessed by your company or attributed to your company are to be protected, and intellectual properties of third parties are not to be improperly obtained or used, nor are their rights to be infringed.

- Intellectual property rights possessed by your company or attributed to your company are to be protected, and intellectual properties of third parties are not to be improperly obtained or used, nor are their rights to be infringed.
- Transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

5) Fair Business, Advertising and Competition

Competition laws of the individual countries or regions are to be observed, and acts such as private monopolization, unfair trading restriction, improper transaction methods, or abuse of advantageous position, etc. are not to be conducted.

- Standards of fair business, advertising and competition are to be upheld.
- Competition laws (in Japan, the Antimonopoly Law and the Subcontracting Law, etc.) of individual countries or regions are to be observed, and acts such as private monopolization, unfair trading restriction, improper transaction methods, or abuse of advantageous position, etc. are not to be conducted.

Supplement) Cartel means to make arrangements with other companies in the same industry as to price, volume of products or sales territory, etc. In addition, collusive bidding means to make arrangements on successful bidder or bidding price with other bidders.

Supplement) Abuse of advantageous position means a unilateral decision or change of transaction conditions with suppliers, etc., or to impose unreasonable requests or obligations, or to make use of status of purchaser or consigner.

6) Protection of Identity

Matters reported by suppliers or employees are to be kept secret and protected.

- Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.
- Systems to prevent, detect in an early stage and respond to any unlawful acts, etc. are to be in place, and identities of suppliers and employee whistleblowers are to be maintained as confidential and protected.

7) Appropriate Procedures of Import and Export

A well-defined management system is to be provided for the export of legally regulated technology and goods, and the proper export procedures are to be followed.

- A well-defined management system is to be provided for the import and export of legally regulated technology and goods, and the proper export procedures are to be followed.
- "Legally regulated technology and goods" includes things such as parts, finished products, technology, equipment, and software whose export is regulated by law or regulations on the basis of international agreements, e.g. the Wassenaar Arrangement. In some cases an export license or other form of approval from a regulatory authority must be acquired prior to export.

8) Information Security

Personal information of customers, third parties or employees, and confidential information of customers and third parties are to be obtained by proper methods, strictly controlled, and used and protected within the proper scope.

- Personal information of customers, third parties or employees, and confidential information of customers and third parties is to be obtained by proper methods, strictly controlled, and used and protected within the proper scope.
- Suppliers are requested to take protective action against threats on the computer network, and to prevent damage to their company and others.

E. Product Safety

It is important to build trust relationships through safe and secure products and services.

1) Provision of Proper Product Information

Proper and accurate information relevant to products is to be provided.

- Proper and accurate information relevant to products is to be provided.
- In addition to compliance with laws concerning the contents or handling of products, etc., necessary information is to be properly indicated.
- A system to collect and convey information on malfunctions is to be built and operated.

2) Ensure Product Safety

Products that satisfy safety standards provided by laws are to be produced and provided.

- Suppliers are to satisfy safety standards defined by laws and regulations of each country for products, when they develop/design them on their own responsibility.
- In the product design phase, product safety is to be sufficiently ensured with consideration of product liability and responsibility as a manufacturer
- Normally required safety features as well as compliance with laws are to be considered.
- Securing product safety includes management of traceability (history of materials, parts, processes, etc.) and prompt response for problem solving.

3) Social Responsibility for Products

Suppliers are expected to work to avoid procurement of the material that assists illegally mining and fueling human right atrocities in conflict area.

Illegal mining of resources in conflict areas (Democratic Republic of the Congo and surrounding conflict areas), which can lead to fueling human rights violations has become a major issue in international society.

- You are requested to avoid participation in such illegal acts or human rights violations in our businesses to the extent possible.
- It is requested that ore illegally mined in conflict areas will not be used as a matter of course, but also a due diligence program including reasonable investigations is requested to be made as to supply routes of target resources, and results are to be disclosed in good faith.
- Suppliers shall source from smelters validated by Conflict Free Smelter program or equivalent.

Supplement) The term “target resources” refers to tantalum, tin, tungsten and gold.

Supplement) “Not be used” means specifically that materials and products supplied to us are to not contain such ores.

F. Management System

Suppliers shall adopt or establish a management system whose scope is related to the content of this Guideline. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the supplier's operations and products; (b) conformance with this Guideline; and (c) identification and mitigation of operational risks related to this Guideline. It should also facilitate continual improvement.

The management system should contain the following elements:

1) Company Commitment

Policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management.

- Corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management.
- Suppliers shall make the policy statements available to employees at any time.

2) Management Responsibility

The Supplier clearly identifies company representative[s] responsible for ensuring implementation of the management systems and associated programs.

- The Supplier clearly identifies company representative[s] responsible for ensuring implementation of the management systems and associated programs.
- Company representative reviews the status of the management system on a regular basis.

3) Legal and Customer Requirements

Identification, monitoring and understanding of applicable laws, regulations and customer requirements.

- Identification, monitoring and understanding of applicable laws, regulations and customer requirements.

4) Risk Assessment and Risk Management

Process to identify the environmental, health and safety, labor practice, ethics and product safety risks associated with Supplier's operations.

- Process to identify the environmental, health and safety, labor practice, ethics, product safety and legal compliance risks associated with Supplier's operations.
- Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance. Activities to prevent occurrence of risks, and to minimize damage in case of occurrence are also included.

Supplement) Risks include infectious diseases.

5) Risk Handling Manuals Preparation

Response manuals to deal with emergency situations relevant to operational activities of own company are to be developed.

■Response manuals to deal with emergency situations relevant to operational activities of own company, including the environment, health and safety, labor practices, ethics, and product safety, are to be developed.

■BCPs (Business Continuity Plans) for early recovery in response to disaster or accident are to be developed.

Supplement) BCP means a plan to pursue business continuation by building necessary schemes such as formulation of plans, training or reexamination of plans, so that important operations or business will not be suspended, or restarted at an early stage even after suspension.

■Moreover, strategic management including operation and reexamination of BCP (Business Continuity Management) are to be performed.

6) Improvement Objectives

Written performance objectives, including a periodic assessment of Supplier's performance in achieving those objectives.

■Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.

7) Training

Programs for training managers and employees to implement Supplier's policies, procedures and improvement objectives.

■Programs for training managers and employees to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements in a language understood by them.

8) Communication

Process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to employees, suppliers and customers.

■Process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to employees, suppliers and customers.

9) Employee Feedback and Participation

Ongoing processes to assess employees' understanding of practices and conditions, obtain feedback on them and to foster continuous improvement.

■Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Guideline and to foster continuous improvement.

10) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

- Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

11) Corrective Action Process

Process for timely correction of deficiencies identified by internal or external assessments.

- Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

12) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements.

- Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

13) Supplier Responsibility

Guideline requirements are to be communicated to suppliers and supplier compliance to the Guideline is to be monitored.

- A system to communicate Guideline requirements to suppliers and to monitor supplier compliance to the Guideline is to be built and operated.

References :

The following standards were used in preparing this Guideline and may be a useful source of additional information.

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

OECD Guidelines for Multinational Enterprises

www.oecd.org

United Nations Convention Against Corruption

www.unodc.org

United Nations Global Compact

www.unglobalcompact.org

Universal Declaration of Human Rights

www.un.org/Overview/rights.html

ISO26000

www.iso.org

EICC Electronic Industry Citizenship Coalition

<http://www.eicc.info/EICC%20CODE.htm>

JAPIA Japan Auto Parts Industries Association

<http://www.japia.or.jp/work/csr.html>

JEITA Japan Electronics and Information Technology Industries Association

<http://home.jeita.or.jp/ecb/csr/>

ISO 14001

www.iso.org

SA 8000

<http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>

SAI

<http://www.sa-intl.org/>

Ethical Trading Initiative

www.ethicaltrade.org/

OHSAS 18001

www.bsi-global.com/index.xalter

Eco Management & Audit System

www.quality.co.uk/emas.htm

Document History

Revision History			
First edition issued in July 2011			
Revision	Revision Date	Page	Summary of Changes
1	April 2013	2	New logo and new IBIDEN Way design
2	July 2014	15 16	Added wording in Protection of Identity Added wording in Social Responsibility for Products
3	July 2015		Added wording in Freely Chosen Employment Added wording in Child Labor Avoidance and Young Workers Added wording in Non-Discrimination Added new standard for Health and Safety Communication Added wording in Wastewater and Solid Waste Added new standard for Storm Water Management Added wording in Energy Consumption and Greenhouse Gas Emissions Added new standard for Supplier Responsibility
4	August 2017		Move to inhumane treatment of harassment items Correction of items related to emergency disaster response Addition of items related to industrial hygiene Change of expression from wastewater to waste water Correction of target for energy consumption and emission of greenhouse gases Changing expression from Business Integrity to Faithful Business Activities Modification of fair business, advertisement, competition items Addition of items related to the whistleblowing system for personal protection Changing expression from appropriate export control to appropriate trade management Move items related to information security Other modifications such as unification of words and phrases

Direct your inquiries to the following divisions:

Inquiries on contents of this Guideline

CSR Promotion Division

TEL: 0584-81-3147

Inquiries on procurement terms or procured goods by us

Global Purchasing Division

Strategic Corporate Planning Operation TEL: 0584-81-7951