

Sustainability-Related Policies

E (Environment)

Second SUMINOE Environmental Declaration

①We shall provide healthy and environmentally friendly products.

We will provide safe and secure products to our customers by properly managing chemical substances used in our products based on the Green Procurement Guidelines regarding legal regulations and restrictions on materials used in products.

②We shall work to prevent global warming.

We will promote the effective use of resources by reducing losses of primary materials, auxiliary materials, water, and energy occurring in the production process. We will also update energy-saving facilities constantly, improve product quality, reduce the weight of products, simplify packaging and reduce its weight. At the same time, we will strive to increase the efficiency of transportation of materials and products, material utilization, and waste disposal during manufacturing, thereby promoting resource and energy conservation throughout the supply chain.

③We shall address the circulating society.

To contribute to the reduction of industrial waste and the recycling of resources in the life cycle of products, we will actively use recycled materials as part of our efforts to promote environmental conservation and the efficient use of resources.

④We shall promote the reduction of CO₂ emissions.

To play a part in realizing a decarbonized society, we will develop and provide low-carbon products based on the Life Cycle Assessment (LCA) method. LCA is intended to comprehensively and quantitatively evaluate the impact of manufacturing activities on the environment while taking into consideration the entire life cycle of products – materials, manufacturing, transportation, use, and disposal.

S (Social)

SUMINOE GROUP Human Rights Policy

1. Basic approach

We will respect human rights as expressed in international standards, including the International Bill of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and the OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises. We will also support the United Nations Guiding Principles on Business and Human Rights and promote efforts to respect human rights.

Furthermore, we will comply with the laws and regulations of each country and region where we operate. If there is a contradiction between the applicable laws and regulations and international standards, we will pursue a method to maximize respect for internationally recognized human rights.

2. Scope of application

This Policy applies to all officers and employees of the SUMINOE GROUP (SUMINOE Co., Ltd. and its consolidated subsidiaries). We also hope that all business partners involved in SUMINOE GROUP's products and services will support this Policy in order for us to work together to respect human rights.

3. Human rights due diligence

In order to fulfill our responsibility to respect human rights, we will establish a human rights due diligence system to identify and assess any negative impacts on human rights that may directly or indirectly occur in all processes of our business activities. We will continue to take action to prevent and mitigate negative human rights impacts. We will also assess the effectiveness of our initiatives and make necessary improvements.

4. Redress and remedy

If it becomes clear that we are causing or contributing to negative human rights impacts, we will take appropriate measures to correct and remedy the situation.

5. Governance system and in-house system

Regarding initiatives based on this Policy, the CSR Promotion Committee, chaired by a Director and the General Manager of the Administration Headquarters, discusses and decides on the content of initiatives and regularly reports to the CSR & Internal Control Council (Executive Committee) to obtain approval. In addition, the Board of Directors provides supervision.

The establishment of this Policy has been approved by the Board of Directors, which deliberates on and resolves future revisions.

6. Education

We will continue to provide appropriate education to officers and employees of the SUMINOE GROUP in order to effectively implement this Policy.

7. Dialogue with stakeholders

We will sincerely engage in dialogue and consultation with relevant stakeholders regarding how to deal with negative impacts or potential negative impacts on human rights that are directly or indirectly related to our business activities.

8. Information disclosure

We will appropriately disclose information on our website and by other means regarding the status of our efforts to respect human rights based on this Policy.

Promotion of Occupational Health and Safety in the SUMINOE GROUP

“Safety First”—the first and foremost priority is safety.

The SUMINOE GROUP regards “safety” as the most important theme. Giving the highest priority to securing people’s safety and health in all processes of all its business activities, the Group works to prevent occupational accidents and create a comfortable working environment.

Basic Policy on Human Resource Development

The SUMINOE GROUP considers human resources to be the source of sustainable corporate growth and the most important assets. The Group cultivates professional and creative human resources, paying respect to the personalities and characteristics of individual employees.

Human resource development programs

- Personnel education is provided basically through OJT (on-the-job training).
 - Our training curriculum comprises training programs for young employees (respectively designed for new recruits, for second-year employees, and for third-year employees) and level-based programs offered at every promotion (training for leaders, supervisors, and managers).
 - From among employees in their 30s and 40s, those selected will receive the next-generation leader training program, which uses business schools and in-house collective training sessions.
 - All employees are provided with opportunities for self-development (through corresponding courses, language training, skill improvement training, etc.).
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Basic Policy on Diversity and Inclusion

The SUMINOE GROUP fosters an organizational culture where capable and highly motivated employees can succeed, and creates new value and innovation, by accepting and respecting diversity in personal values and attributes, such as nationality, race, religion, gender, age, and physical features.

Health Management Declaration

The SUMINOE GROUP believes that mental and physical health of individual employees form a foundation for its business growth. If employees can enjoy working in good health, it will lead to the happiness of employees as well as to the Group's growth as a "good enterprise." The Group also upholds health in its fundamental development philosophy "KKR+A" (*Kenko* [Health], *Kankyo* [Environment], Recycling and Amenity). Along with various business activities related to health, we will practice health management through

proactive health promotion initiatives.

Initiatives

○Promotion of a work-life balance

• Support employees in striking a balance between career and family life by such means as establishing a system that accommodates diverse work styles.

○Measures against lifestyle-related diseases, etc.

• Prevent and early detect lifestyle-related diseases, etc., and help employees improve their health based on the results of their health checkups.

○Measures against mental health problems

• Implement activities to prevent and alleviate stress, by such means as conducting stress checkups to make them aware of their stress levels and providing consultation services and training programs.

○Raising health improvement awareness

• Implement activities to make employees aware of the importance of maintaining and improving their health in daily life, by disseminating health information and providing health counseling services.

Basic Policy on Work-Life Balance

The SUMINOE GROUP implements initiatives to allow employees to work in a flexible manner according to various life events, based on the idea that enhanced work-life balance is important for them to continue working with enthusiasm.

Basic Policy on Sustainable Procurement

In order to help realize a sustainable society, the SUMINOE GROUP will promote, in its procurement activities, sustainable procurement that not only considers quality, price, delivery time, service, and technological development capabilities, but also takes into consideration social responsibilities in ESG aspects (E: environment, S: social, and G: governance).

(1) We will strive for partnership.

We aim to establish relationships of trust with our suppliers through transactions based on the philosophy of mutual prosperity.

(2) We will conduct fair and impartial transactions.

We will provide broad, fair and equal opportunities in selecting suppliers. We will select suppliers in good faith after comprehensively and fairly evaluating them based on reasonable criteria such as price, quality, delivery time, service, and technological development capabilities.

(3) Human rights, labor, safety and health, and compliance

Together with our suppliers, we will comply with laws and regulations, social norms, and corporate ethics, and will promote procurement activities that fulfill our social responsibilities, including human rights, labor, safety and health, and compliance. In addition, we will properly manage any confidential or personal information that we learn through transactions and take thorough measures to prevent leaks.

(4) Environment

We will advance “green procurement” as an initiative that takes into consideration the global environment, and will promote the appropriate management of chemicals contained in delivered goods. We will also procure, from suppliers that are proactively engaged in environmental conservation activities, materials with consideration for energy and resource saving performance and ease of recycling, that have a lower environmental impact.

Basic Policy on Product Safety and Quality

The SUMINOE GROUP aims to produce and sell quality products and thereby contribute to the improvement of society. In order to provide safe and reliable quality products and services that meet market needs and help our customers live healthy and fulfilling lives, we will utilize the manufacturing strengths we have cultivated since our founding to manage safety and quality throughout the entire product lifecycle and thereby maintain and improve quality.

○Activity Guidelines

1. We will fulfill our responsibilities as a supplier by designing, manufacturing, and selling products that meet the safety standards set forth by laws and regulations and ensure sufficient product safety.
2. We will comply with laws and regulations applicable to the quality of our products and services, as well as our own quality standards and customer requirements.
3. We will provide customers and consumers with accurate and clear information about our products and services.

○About Initiatives

- Construction of quality management system

We have obtained and maintained ISO9001 series certification (for major domestic production sites) and IATF16949* certification (for overseas production sites). We have obtained and maintained ISO/IEC17025, an international certification for testing operations.

* IATF16949 is an international quality management system for the automotive industry.

- Management of chemicals and hazardous substances

We have established the "SUMINOE GROUP Green Procurement Guidelines" to identify chemicals and hazardous substances that may pollute the environment and manage them safely.