



Tamura Group Procurement Guidelines

(Ver. 4)



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TAMURA CORPORATION

1. To Our Trading Partners

The mission (Raison d'être) of the Tamura Group (a corporate group comprised of Tamura Corporation and its subsidiaries, hereinafter referred to as the "Tamura Group") is for "The Tamura Group supplies an original range of products and services, highly regarded in the global electronics market, to satisfy the evolving needs of customers, employees and shareholders supporting the Group's growth." The Tamura Group conducts its business operations based on the following five visions (fundamental management principles).

Tamura Group Vision

1. The management of the Tamura Group is based on businesses related to the requirements of the global electronics industry.
2. The business of the Tamura Group is based on technologies that support rapidly diversifying customer needs, with a special focus on high market value.
3. The Tamura Group evaluates its employees with fairness and highly rates excellent performance and exceptional productivity.
4. The Tamura Group is a responsible member of the global community and respects the laws and customs of the countries in which it conducts business activities.
5. The Tamura Group strives to protect the global environment, conserve natural resources and promote recycling.

However, for the Tamura Group to fulfill its social responsibilities and develop its business activities in good faith, it is also vital that not only the members of the Tamura Group, but also all our trading partners understand and share our vision, and that the Tamura Group's purchasing activities receive the support of our trading partners.

Here, we request that our trading partners abide by the Tamura Group Procurement Guidelines that we have put forth, and hope that our trading partners will then encourage their suppliers upstream to implement these guidelines.

2. Fundamental Purchasing Principles

The Tamura Group, as a global company that promotes materials procurement from a worldwide perspective, seeks to attain mutual profit creation with companies that demonstrate an understanding of the Tamura Group Vision and with which a continuing partnership can be established.

Tamura Group Fundamental Purchasing Principles

- (1) With regard to quality, the Tamura Group will trade with corporations that have a keen awareness of “putting quality first”, understand the Tamura Group’s quality control principles, and have established quality management procedures.
- (2) With regard to the environment, the Tamura Group will trade with corporations that are fully aware of worldwide trends in environment preservation, abide by the Tamura Group Green Procurement Standards and take the lead in initiatives that consider the environment.
- (3) The Tamura Group will trade with corporations that constantly make proactive improvements and reforms in accordance with market demand.
- (4) The Tamura Group will trade with specialized manufacturers that have a uniqueness not found in other corporations.
- (5) The Tamura Group will promote the simplification of trade routes.
- (6) The Tamura Group will trade with corporations that are proactive in providing opinions, proposals and information, and conduct their activities with enthusiasm.
- (7) The Tamura Group will trade with corporations that consider human resources as a company asset, are passionate about employee education and training, and strive to improve the corporation on the whole.

3. Specific Implementation Requests

(1) Ensuring Customer Trust and Satisfaction

Strive to gain customer trust and increase customer satisfaction by working together as the Tamura Group, by seeking quality, safety, reliability, environmental preservation, information security, etc., as desired by customers of the Tamura Group.

1) Promotion of Socially Responsible Procurement

Using these guidelines as a reference, seek to engage in socially responsible procurement to the extent of the upstream of the supply chain.

2) Promotion of Green Procurement

Appropriately manage prohibited or regulated chemical substances in products to the extent of the upstream of the supply chain, in line with the green procurement standards and appendix provided by the Tamura Group.

3) Promotion of the Disuse of Conflict Minerals

Endeavor not to purchase raw materials produced as a result of work that impairs basic human rights such as inhumane treatment, etc.

Specifically, refrain from purchasing and using “conflict minerals” (tin, tantalum, tungsten, and gold) extracted in the Democratic Republic of the Congo and neighboring countries, where mining profits finance armed groups engaging in inhumane activities.

4) Formulation of a Business Continuity Plan

Formulate and maintain a Business Continuity Plan (BCP) to recover production systems in the shortest amount of time, restart production, and fulfill product supply responsibilities to customers when a major disaster or emergency situation occurs.

(2) Respecting Basic Human Rights

Respect basic human rights and do not discriminate on the basis of nationality, race, ethnicity, gender, age, religion, beliefs, social standing, illness, or mental or physical disability in corporate activities.

1) Prohibition against all forms of discrimination

Our trading partners shall respect the basic human rights of individuals and not engage in any act that disregards these rights, such as any discriminatory language or behavior, violence, sexual harassment, or power harassment.

2) Protection of personal information

If contact with personal information on employees or external parties is made in the course of operations, utmost care shall be taken when handling such information to ensure that privacy is not infringed and that information is managed appropriately.

3) Freedom of association

The rights of freedom of association, of joining a union, etc., with no fear of retaliation, threats or harassment, in accordance with the laws and regulations of each country, shall be respected.

4) Voluntary employment

There shall not be forced labor, indentured labor, slave labor or non-voluntary convict labor. An employee shall have the right to freely leave their employment upon provision of reasonable notice, because all labor is voluntary.

5) Prohibition against child labor.*¹

No child labor shall be used in at any stage of operations.

6) Minimum wage

Salaries shall be paid in compliance with all wage-related laws, such as minimum wage, overtime pay, and legally stipulated allowances and benefits.

7) Working hours

Laws and regulations concerning the stipulated number of working days per year, and the number of working hours per week (including overtime hours except in the case of emergencies or other exceptional circumstances) shall be complied with.

(3) Safe and Healthy Workplace Environment

Ensure a safe and healthy workplace environment by making every effort at all times to prevent injury, illness, and accidents in the workplace.

1) Machinery and equipment safety measures

With regard to machinery and equipment used, safety measures such as safety guards, interlocks, and protective barriers shall be taken, and appropriate maintenance work shall be performed.

2) Thorough health management

The state of contact with biological or chemical substances shall be directly identified and assessed, and such situations shall be appropriately managed. Alternatively appropriate protective equipment shall be provided if hazardous substances have not been handled appropriately in technical or administrative procedures.

3) Security safeguards and measures in the workplace environment

Appropriate design, technical, and administrative means such as risk (electricity or other energy sources, fire, vehicles, slipping, tripping, or danger from falling objects) preventive measures and workplace safety measures (lockouts or tag outs) shall be taken to ensure a safe workplace environment. Alternatively, appropriate preventative measures shall be taken if risks have not been handled appropriately in such procedures.

4) Preparations for responding to emergencies

In emergencies, the situation, incident and event shall be identified, a system for conducting investigations shall be established, and to minimize the effects in such situation, emergency countermeasures shall be prepared and responded to.

5) Management of work that is physically stressful

Situations in which employees are placed under physical stress (heavy labor such as manual lifting, work that requires standing for extended periods, and forced repetitive work that is repeated such as assembly work) shall be identified and such situations investigated and managed.

6) Establishment and implementation of reporting procedures and systems for industrial accidents and occupational illnesses

Procedures and systems required for understanding the state of and reporting industrial accidents and occupational illnesses shall be established and implemented. These procedures and systems shall include the following:

- a. Encouragement of reporting by employees
- b. Classification and recording of accidents and illnesses
- c. Provision of treatment as required
- d. Investigation of accidents and illnesses, and implementation of corrective measures to eliminate causes
- e. Encouragement of employees to return to the workplace

(4) Free Competition and Fair Trade

Comply with the various related laws and regulations regarding prohibition against monopolies, free competition, and fair trade, which apply in each country and region and do not engage in acts that deviate from these basic principles.

(5) Prohibition Against Insider Trading

Do not engage in an act that adversely affects the sound or fair operation of the securities market, such as the use of any insider information*2 obtained in the course of operations for financial gain.

(6) Prohibition Against Inappropriate Entertainment and Gifts

Do not engage in acts of bribery relating to the acceptance of entertainment or gifts, or engage in activities that are outside the scope of socially acceptable standards.

(7) Prohibition of Inappropriate Transactions with and Inappropriate Political Contributions to Public Bodies

Comply with all related laws and regulations regarding transactions with public bodies and the provision of political contributions.

(8) Compliance with Laws and Regulations Regarding Import and Export Controls for Security

Comply with related laws and regulations regarding import and export including the Foreign Exchange and Foreign Trade Act and related laws and regulations of trading partner countries that are enacted for the purpose of maintaining international peace and security, and do not engage in any acts that violate such laws and regulations.

(9) Creation, Protection and Use of Intellectual Property Rights^{*3} and Know-How

Encourage creative endeavors involving intellectual property rights and appropriately protect and utilize such rights.

(10) Prohibition of Participation in Antisocial Behavior

Take a firm attitude toward antisocial activities and forces such as corporate racketeers and organized crime groups, and implement organizational activities that do not expose susceptibilities.

1) Shut off connection with antisocial activities and forces such as corporate racketeers and organized crime groups

There shall absolutely be no relations with antisocial activities and forces such as corporate racketeers and organized crime groups that threaten morale and the safety of local society and hinder economic activities.

2) Do not respond to unlawful requests from antisocial forces

If unlawful requests are made by antisocial forces, compromise shall not be made by resolving with money, etc.

3) Prohibition against transactions with antisocial forces

Transactions with antisocial forces shall not be engaged in.

(11) Appropriate and Timely Disclosure of Information

Record and disclose records and reports relating to business activities and proper finance and accounting appropriately, in accordance with related laws and regulations, with reliable, honest, accurate, timely and easy to understand details.

(12) Appropriate Protection and Handling of Information (Corporate Information, Private Information, etc.)

Establish rules regarding information (corporate information, personal information, etc.) created or obtained in the course of operations and information of a proprietary nature, and protect and manage such information appropriately, and do not disclose information obtained from the Tamura Group to a third party without consent.

(13) Management of Loaned Assets

When borrowing (fixed, semi-fixed and inventory) assets owned by the Tamura Group, conduct the necessary procedures and undertake management in accordance with agreements and legal regulations. In addition, do not engage in acts such as loaning assets to third parties.

(14) Respect for the Global Environment

Implement and promote the tackling of environmental issues independently and actively in full compliance with domestic and overseas laws and regulations, in order to minimize the impact on the natural environment caused by manufacturing processes, and recognize that these are vital for the existence and activities of a corporation.

1) Restrictions on products containing specified substances

All laws and regulations, applicable laws and regulations restricting or preventing specified substances including laws and regulations concerning the recycling and disposal, and labeling of the same, and the Tamura Group's Green Procurement Standards shall be complied with.

2) Chemical substances and environmental pollutants

Chemical substances that may cause environmental pollution shall be identified, and managed to ensure their safe handling, transport, storage, reuse and disposal.

3) Discharged water and waste materials

Discharged water and waste materials produced during product manufacture and in discharge water treatment processes shall be managed appropriately prior to their release or disposal.

4) Atmospheric pollution

Volatile organic compounds (VOC), aerosols, corrosive agents, particulate substances, and ozone depleting substances created in the course of operations, by-products resulting from incineration, etc., shall be identified and monitored and managed appropriately prior to release.

5) Pollution prevention and resource conservation

With regard to pollution prevention and resource saving, waste shall be reduced and eliminated.

(15) Cooperation with the International Community and Co-existence with Local Communities

Build trust, deepening mutual trust and understanding with countries and local communities, and actively engage in business activities that contribute to the region, to ensure harmony and co-existence with society.

(16) Management System

Strive to adopt or develop a management system and make continuous improvements to the same, all within the scope related to the contents provided in these guidelines.

The management system must include the following points.

1) Corporate commitment

Post the policies related to social responsibilities approved by the top management within the establishment in the regional language.

2) Accountability of managers

Clearly define and regularly review the operation status of the management system and the executives responsible for the same.

3) Legal as well as customer requirements

Establish processes that conform to the applicable laws and regulations, including the requirements of these guidelines, and meet the customer requirements.

4) Risk assessment and risk management

Establish processes for identifying business compliances, environmental health and safety, as well as labor practices and ethical risks related to the business.

5) Improvement targets

Formulate goals and implementation plans for fulfilling the social and environmental responsibilities.

6) Trainings

Provide training to the managers and workers for achieving the goals.

7) Communication

Provide clear and accurate information to the workers, suppliers, and customers on policies, practices, expectations, and performance.

8) Worker feedback, participation and grievances

Establish an internal reporting system (opinion box or hotline) through which the workers can seek advice or make complaints.

9) Audits and evaluations

Conduct regular audits and evaluations in order to comply with the laws and regulations and to meet customer requirements.

10) Process for corrective action

Take prompt corrective action regarding inadequacies identified through evaluations, inspections, surveys, and review.

11) Documentation and recording

Create documents related to adoption of the management system and maintain records.

12) Responsibility of the suppliers

Communicate the requirements of these guidelines to the suppliers and implement checks to ensure its adherence.

*1 “Child Labor” means employment of a person under the age of 15 (or of a person under the age of 14 if the legal working age is so stipulated by applicable laws and regulations of the region concerned) or the employment of a person who has yet to reach the age of completion of compulsory education, whichever age is higher. Any legally recognized work experience program in accordance with related laws and regulation is permitted.

Employees under the age of 18 should not perform dangerous duties. Furthermore, in consideration of the necessity of education, there may also be restrictions on nighttime work.

*2 “Insider Information” means important internal information not yet publicly released such as increases or decreases in capital, new products, business collaborations, sales results or ordinary profits.

*3 “Intellectual Property Right” means a patent (including independently developed inventions), utility model, design, trademarks, program copyrights, or right to use a circuit configuration.

<Reference>

The following material was referred to in the formulation of these guidelines.

- Universal Declaration of Human Rights :
<http://www.un.org/en/universal-declaration-human-rights/index.html>
- ILO International Labor Standards :
<http://www.ilo.org/global/standards/lang--en/index.htm>
- ILO Code of Practice in Safety and Health :
<http://www.ilo.org/safework/lang--en/index.htm>
- OECD Guidelines for Multinational Enterprises :
<http://mneguidelines.oecd.org>
- United Nations Global Compact :
<https://www.unglobalcompact.org/>
- RBA Code of Conduct :
http://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_Japanese.pdf
- Keidanren Charter of Corporate Behavior :
<http://www.keidanren.or.jp/policy/cgcb/charter2017.html>