

**SECOM Group
CSR Guidelines for Suppliers**

**SECOM CO., LTD
October 2022**

In recent years, the environment surrounding companies has become increasingly diverse, with the globalization of corporate activities and the advances in information technology (IT). As these changes proceed rapidly, companies are not only responsible for legal compliance, but they are also expected to contribute to the achievement of a sustainable society as a member of society. In other words, companies are required to actively fulfill their corporate social responsibility (CSR).

Furthermore, there has been growing emphasis and interest among stakeholders, including consumers, shareholders and investors, regarding how companies are responding to issues such as organizational governance, fair operating practices, human rights and labor practices, consumer issues, and the environment with their partners throughout their entire supply chain.

Accordingly, we established the CSR Guidelines for Suppliers with our policies and views on CSR at SECOM, based on the “Constitutions of the SECOM Group in Business and Management” and the “SECOM Group Code of Employee Conduct” both of which define our company’s basic philosophy of contributing to society through our business activities.

We would like to share understanding with our suppliers who are our important business partners, and continuously grow together as companies trusted by society. We ask that you read these guidelines and promote initiatives on CSR.

* The CSR Guidelines for Suppliers have been established as common guidelines for all business categories. It is not necessary to implement initiatives for areas which do not apply to your company.

* Please request promotion of CSR initiatives to your major suppliers (domestic and global).

Overview of the Guidelines

©CSR Guidelines for Suppliers

1. Organizational Governance and Fair Operating Practices
2. Human Rights and Labor Practices
3. Consumer Issues
4. The Environment

©SECOM Group Basic Sustainability Policy

SECOM Group Human Rights Policy

SECOM Group Environmental Policy

©Reference: Universal Declaration of Human Rights

©CSR Guidelines for Suppliers

From the perspective of CSR, these guidelines describe actions we expect our suppliers to take.

1. Organizational Governance and Fair Operating Practices

We request that you comply with related laws in each country and region, as well as the spirit thereof, and engage in corporate activities and risk management in accordance with social ethics and common sense.

(1) Comply with laws and the spirit thereof

- Engage in fair corporate activities by complying with the laws in each country and region, as well as the spirit thereof.
- In order to ensure thorough compliance, establish policies, systems, behavioral standards, education, and whistle-blowing systems.

(2) Manage import/export transactions

- Engage in appropriate procedures and management by complying with international rules such as treaties and agreements, as well as laws in each country and region.

(3) Prevent corruption

- Strive to create transparent and fair relationships with government and administration. Political contributions and donations must be given in accordance with related laws in the relevant country and region, and never engage in behaviors such as the provision of illegal political contributions or bribes.
- Never receive or provide business entertainment, gifts or money with the purpose of acquiring or maintaining unfair benefits or treatment.

(4) Comply with competition rules and fair trade

- Comply with the Antimonopoly Act and other laws concerning competition in each country and region. Never engage in private monopolization, unfair restraint of trade (cartels, bid-rigging, etc.), unfair transaction methods or abuse of dominant bargaining position.

(5) Protect intellectual property right

- Respect the intellectual property rights of others, including patent rights, utility model rights, design rights, trademark rights, copyrights, and trade secrets. Never engage in unfair acquisition or usage of intellectual property and infringement on such rights.
- Take appropriate measures to manage and protect the intellectual property rights of your own company to prevent their unfair use by others.

(6) Ban relations with anti-social forces

- Ban any relation with anti-social forces such as organized crime groups, and firmly refuse unreasonable demands at any time.

(7) Prohibit insider trading

- Never engage in “insider trading,” transaction of shares of your company, a business partnerships based on undisclosed important internal information, or “behaviors suspected to be insider trading.” Also, never disclose any such information to a third party, including family members.

(8) Information security and protection of personal information

- Take appropriate measures to protect information in an accurate and complete format. Engage in appropriate management of confidential information to prevent leakage, falsification or damage.
- Clarify the appropriate management, protection, scope of disclosure and handling methods for confidential information, and manage information to prevent damage to your own company or other parties.
- Ensure a clear understanding of the importance of privacy and personal information of customers, business partners, employees and other stakeholders. Engage in appropriate management to prevent the loss or leakage of personal information.

(9) Risk management

- In preparation for disasters, accidents and other unexpected events, implement risk management measures such as formulating a business continuity plan (BCP). Strive to ensure stable operation of business and stable provision of products and services.

(10) Disclosure of information

- In addition to information for which disclosure is required by law or regulation, risk information that may affect business partners (for example, damage caused by large-scale disasters, negative impact on the environment or society, and significant legal violations) and information on changes to your financial condition, business results and business guidelines should be disclosed in a timely and appropriate manner, so that mutual understanding and trusting relationships are maintained and enhanced.

(11) Prevention and early detection of malfeasance

- In order to prevent malfeasance, strive to implement effective education and enlightenment, as well as establish an organizational culture with frank communication.
- In addition to establishing a whistle-blowing system for early detection and response to malfeasance, thoroughly protect the privacy of whistle-blowers and never give them disadvantageous treatment for whistle-blowing.

2. Human Rights and Labor Practices

We request that you respect the dignity and rights of all people, and make efforts to maintain and improve upon a safe and healthy working environment.

(1) Respect human rights and prohibit discrimination

- Support the Universal Declaration of Human Rights and respect the rights of all people.
 - * Universal Declaration of Human Rights can be found in the reference section at the end of these guidelines.
- Never engage in human rights violations or discrimination for any reason, including race, ethnicity, nationality, social origin, religion, gender or others. Never comply or acquiesce with the violation of human rights.

(2) Labor conditions (wages, working hours, breaks and vacations)

- Comply with the laws in each country and region concerning labor conditions such as wages (minimum wage, overtime pay, wage deduction, piecework wages and other payments), working hours, holidays and annual paid vacation.

(3) Employees’ right to organize and right to collective bargaining

- Based on the laws in each country and region, recognize employees’ right to organize and right to collective bargaining as methods for discussion between employees and management regarding labor conditions. Always engage in sincere dialogue and discussion with employee representatives and employees.

(4) Prohibit harassment

- Prohibit all forms of harassment, including but not limited to sexual harassment, bullying (harassment by violent language or shouting and behaviors which exert mental pressure), abuse, or physical punishment.
- Establish measures which enable employees to report on and ask for consultation regarding harassment issues without the fear of retribution, intimidation or further bullying.

(5) Occupational health and safety and health management

- Ensure the safety and health of employees at work as the top priority. Strive to prevent accidents, disasters and health problems.

(6) Prohibit child labor

- Never permit labor by children who have not reached the minimum working age defined in the laws of each country and region or the minimum age for admission to employment and work* as defined in ILO conventions and recommendation on child labor (ILO: International Labor Organization).

* Minimum age for admission to employment and work:

	Developed countries	Developing countries
Normal work	15 (assuming the completion of compulsory schooling)	14
Light work ^{*1}	13	12
Hazardous work ^{*2}	18	18

*1: Limited to light work that is performed in a non-industrial environment and that is not harmful to a child's health and welfare, fulfilling certain conditions such as approval from the related government agencies.

*2: Any work which is likely to jeopardize children’s health, safety or morals.

(7) Prohibit forced labor

- All employees must be hired of their own free will. Never force laborers to engage in work against their will by using violence, intimidation, confinement or other methods for malicious restraint of emotional or physical freedom.

(8) Response to conflict minerals

- Make efforts to prevent the usage of conflict minerals*, by investigating the supply chain, for instance.

* Conflict minerals: A general term for minerals that are produced in conflict regions and that are closely related to funding of armed groups, as well as to human rights violations such as plundering and violence in conflict regions. In particular, they refer to four types of minerals—tantalum, tin, tungsten and gold—that are mined in Congo and adjacent countries.

3. Consumer issues

We request that you make efforts to ensure excellent quality and safety, as well as correct labeling and appropriate provision of information.

(1) Ensure outstanding quality

- In addition to establishing and operating mechanisms for ensuring high quality, make your best efforts for continual improvement of quality.

(2) Ensure safety

- Strive to ensure product safety. In case there are possibilities of any safety issues, immediately notify business partners and implement measures to resolve the issue and prevent its expansion.

(3) Correct labeling and appropriate provision of information

- For product labeling, avoid use of expressions and indications which may cause confusion regarding performance, quality or price, and correctly provide the appropriate information.

4. The Environment

We request that you protect the global environment in order to achieve a society capable of sustainable growth.

(1) Promote initiatives to protect the environment

- Engage in initiatives that contribute to protection of the global environment throughout all phases (the supply chain) of business activities, such as prevention of global warming, efficient usage of resources and protection of biodiversity.

(2) Environmental management

- Comply with the environmental laws, regulations and agreements in each country and region concerning prevention of pollution (of air, water, soil, etc.), management of chemicals and appropriate disposal or recycling of waste.
- Continually work to protect the environment through activities such as setting targets for environmental protection activities and establishing self-imposed restrictions regarding energy usage, greenhouse gas emissions, water usage, and so on, and constructing company-wide management mechanisms.

©SECOM Group Basic Sustainability Policy

SECOM's Philosophy emphasizes contributing to society through our business activities. By providing services that help ensure people's safety and peace of mind, we continue working to address global social imperatives and grow together with society.

1. Provide enduring peace of mind now and in the future

We continue to provide innovative services and systems that address potential risks, thereby ensuring seamless, enduring peace of mind now and in the future.

2. Together with business partners

We promote environmental conservation initiatives across the entire supply chain with the aim of helping realize decarbonization and a recycling-based society. We also respect human rights, recognizing the inherent dignity of all people.

3. Earn the trust of society

We strive to ensure legal compliance and manage our operations in line with a stringent code of conduct, and to maintain sound relationships with all stakeholders by conducting our business activities in a manner that is transparent, just, and fair.

4. Our key players are our employees

Responsibility for sustainability lies with each individual SECOM Group employee. In addition to recognizing the importance of job satisfaction and pride in one's work, we continue to provide training and encourage awareness to ensure the achievement of our goals.

SECOM Group Human Rights Policy

The SECOM Group (hereinafter, "the Company") prohibits all forms of discrimination, having stipulated in the Ten Fundamental Management Policies that "whether within the organization or not, we must always give human dignity the highest respect." The Company hereby establishes the SECOM Group Human Rights Policy (hereinafter, "the Policy") as a guideline to further promote initiatives for respecting human rights and fulfill its responsibilities.

1. Scope of application

The Policy applies to all officers and employees (including contract employees, dispatched employees, and temporary employees) of the Company. We also expect our business partners and related parties to understand and support the Policy, and continue to promote initiatives for respecting human rights across the supply chain.

2. Legal compliance and international guidelines

The Company is committed to complying with laws and regulations regarding respect for human rights that apply in each country and region where we conduct business. We also respect internationally recognized human rights in accordance with the UN Guiding Principles on Business and Human Rights. In the event of a conflict between laws and international guidelines, we will seek ways of respecting international principles of human rights.

3. Respect for human rights

We prohibit acts that discriminate, harass, or infringe on individual rights for any category based on race, ethnicity, nationality, place of birth, social status, gender, language, disability, religion, belief, creed, sexual orientation, gender identity, etc. In addition, we do not permit any form of forced labor or child labor.

4. Human rights due diligence

To fulfill our responsibility to respect human rights, we strive to develop and continuously implement our due diligence system in order to identify, avoid, and mitigate any adverse impacts on human rights.

5. Remediation and correction

If it becomes clear that we have caused or contributed to an adverse impact on human rights, we will work to remedy and correct the matter through appropriate procedures.

6. Education and awareness building

To embed the Policy in all our business activities, we reflect it in required procedures and provide appropriate education and training to ensure that all officers and employees understand and implement it effectively.

7. Information disclosure and communication

We report on our initiatives for respecting human rights on the Company's website and elsewhere. We strive to meet society's expectations through extensive disclosure of information and communication with our stakeholders.

SECOM Group Environmental Policy

The SECOM Group (hereinafter, "the Company") recognizes that protection of the global environment is essential for realizing a society in which people can live safely and comfortably. In line with the Company's philosophy of contributing to society through our business activities, we conduct environment-friendly business activities using our environmental management system. The Company hereby establishes the SECOM Group Environmental Policy (hereinafter, "the Policy") as a guideline to further promote initiatives toward decarbonization and a recycling-based society and fulfill its responsibilities.

1. Important environmental issues and provision of products and services

We promote environmental protection activities such as the prevention of global warming, efficient use of resources, and protection of biodiversity across the supply chain.

In the development and manufacturing processes for our products and services, we aim to contribute to reducing the environmental load on our customers and society by implementing environment-friendly design, eliminating hazardous substances, and conserving the resources/energy used by devices, in cooperation with our business partners and their related parties.

2. Compliance with laws and regulations

The Company is committed to complying with laws and regulations related to environmental protection as well as environmental agreements. We also maintain self-imposed regulations to protect the environment.

3. Prevention of global warming

We strive to reduce greenhouse gas emissions to respond to climate change and actively use renewable energy as a means to that end. When using energy in our business activities, we strive to balance ecology and economy by enhancing energy conservation and actively implementing highly efficient facilities, equipment, and systems with low environmental impact.

4. Efficient use of resources

To contribute to solving resource depletion issues, we promote sustainable use and procurement, waste reduction and recycling, in the use of any resources, and aim to transition toward a circular economy.

5. Protection of biodiversity

Recognizing the severity of ecosystem loss, we strive to minimize the impact on biodiversity to protect the great blessings brought about by ecosystem features such as forest resources and water resources. Furthermore, we will address marine plastic issues and promote activities that contribute to preventing marine environmental pollution.

6. Education and awareness building

We broadly announce the Policy within the Company, cultivate each employee's understanding about the importance of environmental issues, and hold education/awareness-raising activities to strongly motivate employees toward environmental protection activities and social contributions.

7. Information disclosure and communication

We report on our environmental protection initiatives on the Company's website and elsewhere. We strive to meet society's expectations through extensive disclosure of information and communication with our stakeholders.

©Reference

Universal Declaration of Human Rights

(Adopted at the 3rd meeting of the United Nations in December 1948. Declared as “a common standard of achievement for all peoples and all nations” for the respect and ensuring of human rights and freedom.)

(Excerpts)

- Article 1 All human beings are born free and equal in dignity and rights.
- Article 2 Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.
- Article 3 Everyone has the right to life, liberty and security of person.
- Article 5 No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.
- Article 7 All are equal before the law and are entitled without any discrimination to equal protection of the law.
- Article 16 Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.
- Article 17 Everyone has the right to own property alone as well as in association with others.
- Article 18 Everyone has the right to freedom of thought, conscience and religion.
- Article 19 Everyone has the right to freedom of opinion and expression.
- Article 20 Everyone has the right to freedom of peaceful assembly and association.
- Article 21 Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.
- Article 22 Everyone, as a member of society, has the right to social security.
- Article 23 Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
- Article 24 Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
- Article 26 Everyone has the right to education.
- Article 27 Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

Sustainability Promotion Office, SECOM CO., LTD

Phone: +81-3-5775-8518

e-mail: csr@secom.co.jp