



Ftech inc.

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I. Introduction

In order to meet the expectations of our stakeholders, F-TECH group has established a Sustainability Promotion Department and are promoting sustainable initiatives through our business activities.

Until now, we have asked our business partners to understand and comply with the "F-TECH Green Purchasing Guidelines," but in order to realize a sustainable society, we must also focus and work on not only the environment, but also human rights, labor, compliance, etc.

In order to help you understand our efforts, we have revised the "F-TECH Green Purchasing Guidelines" and established the "F-TECH Supplier Sustainability Guidelines." We ask that our suppliers understand the purpose of these guidelines and cooperate with us in promoting socially meaningful business activities.

In addition, when selecting a supplier, we check the initiatives on Q (quality) C (cost) D (delivery) D (development) E (environment), human rights, labor, and compliance to determine the most suitable business partner.

August 2024
Managing Officer
Division Manager of Production Planning
Shigeharu Tobita

II. F-TECH Sustainability Basic Policy and Our Action Guidelines

Based on our mission statement, corporate philosophy, and management policy, we have established the “Sustainability Basic Policy” and “Our Action Guidelines” as the starting point of our sustainability activities in order to gain further confidence of our business partners and society, and to ensure that our group continues to be needed by society.

[Sustainability Basic Policy]

Based on our mission statement, corporate philosophy, and action guidelines, we will sincerely strive to solve global issues and improve our corporate value through our business activities to realize a sustainable mobility society.

[Our Action Guidelines]

1. Compliance with laws and ordinances

We always give top priority to ethically appropriate conduct in all our activities. We always comply with laws and ordinances and act with a good social conscience as a good member of society in keeping with being a company with a high commitment to legal compliance. If we discover any violation or possible violation of any laws, ordinances or company rules, we will report the matter, make suggestions, and consult with our direct supervisor or the Corporate Ethics Kaizen Desk.

2. Respect for human rights

We respect all individual and human rights of our colleagues. We do not tolerate any child labor, forced labor, discrimination or any type of harassment that violates human rights.

3. Occupational health and safety

We will establish a safe and secure working environment for all our employees, and maintain a pleasant and safe working environment.

4. Quality

We strictly follow the highest standards and procedures giving top priority to provide products and services with safety to meet customers' expectations.

5. Compliance with company rules

We create internal corporate rules and regulations based on rational reasoning and relevant objectives to create a fair and equal working environment and we commit to communicating with our employees effectively

6. Traffic safety

As a manufacturer of automotive components, we always observe traffic safety laws, rules and regulations. We practice being a good citizen on the road by giving way to others

7. Environmental protection

We will endeavor to protect the environment, with the belief that the Earth belongs to all humankind. We always consider minimizing the impact on nature and optimize energy resource utilization in production.

8. Increasing corporate value

We believe the purpose of a company as a going concern is the creation of value.

We will always strive to maximize socially accepted corporate values by bringing profit long-term for our shareholders and society.

9. Disclosure and management of information

We strictly distinguish and manage personal and confidential corporate information, and disclose information appropriately. However, we strive to publicly make available any required information in accordance with respective laws and corporate regulations appropriately and in a timely.

10. Fair transactions

We always ensure that business is conducted in a free, fair, and sound manner.

We forswear unreasonable business practices, benefits or favors that exceed socially accepted norms, opaque relationships with political or administrative authorities, and all relationships with antisocial forces.

11. Community involvement

Being a member of the local community, we support the creation of an equal, wealthy and well-being of our society through participation in local community development, promotion of cultural, educational, and the improvement of the welfare of the local society.

III. F-Tech Basic Policy on Purchasing

The F-TECH Group continues to promote fair, just, and transparent transactions in accordance with Mission Statement, Our Action Guidelines, and various other policies.

We are committed to fostering a spirit of coexistence and mutual prosperity with our business partners.

<Open and fair transactions>

In its procurement of materials and parts, the F-TECH Group conducts purchasing activities that support appropriate corporate activities through fair, equitable, and open transactions both in Japan and overseas. In selecting suppliers, we make comprehensive evaluations and judgments from a variety of perspectives, including quality, technology, price, delivery time, stability, and commitment to continuous improvement and systems.

<Partnership with Business Partners>

We will strive for mutual understanding with our business partners as a good partner producing better products, and build a relationship of trust with the idea of coexistence and mutual prosperity by making full use of mutual wisdom and ingenuity from an equal standpoint.

<Promotion of Green Purchasing>

In order to improve environmental conservation efforts, the F-TECH Group considers environmental management activities in the supply chain to be essential. We distribute the F-TECH Environmental Policy and seek understanding and cooperation from our business partners to aim for the purchase of environmentally friendly materials and components with minimal environmental impact. Furthermore, we strive for logistics efficiency in order to reduce the environmental impact of transportation.

<Consideration for Human Rights and Labor>

The F-TECH Group conducts procurement activities that give consideration to human rights and labor, both in Japan and overseas. We avoid the procurement of raw materials and parts that have not given due consideration to conflict minerals and the like.

<Compliance with Laws and Regulations>

The F-TECH Group complies with all applicable laws, regulations, and social norms in each country and region in which it conducts its purchasing activities, and ensures that confidentiality is maintained.

IV.Scope of application

These guidelines apply to our company and business partners involved in all products, materials, raw materials, and services procured by us. The term "employees" in these guidelines refers to employees who are directly hired by us such as full-time employees, contract employees, short-time employees, and part-time employees, while the term "workers" includes not only directly hired employees but also indirectly hired temporary workers and contract workers.

V. Requests to our business partners

1. Safety/Quality

1-1. Providing products and services that meet customer (including consumer) needs

We request that you understand customer needs and develop and provide socially useful products (*).

*Socially useful products = For example, the products that are easy for anyone to use regardless of age, gender, disability, etc. Or earth-friendly products such as energy-saving, resource saving, and environmental protection.

1-2. Thorough enforcement of safety/quality governance of products and services

We request that you produce and provide products and services that meet the safety and quality regulations that are established by each country and region.

1-3. Safety/Quality assurance of products and services

We request that you establish and operate a company-wide system to ensure safety and quality.

2. Human rights/Labor

2-1. Elimination of discrimination

In any employment situations (*), we request that you do not discriminate on the basis of race, ethnicity, national origin, religion, gender, etc.

*Application, hiring, promotion, wage, termination, resignation, job assignment, disciplinary actions, etc.

2-2. Respecting human rights

We request that you do not tolerate any form of harassment in the workplace on the basis of race, ethnicity, national origin, religion, gender, etc.

2-3. Prohibition of child labor

We request that you do not allow work by children under the working age according to the laws and regulations of each country and region.

2-4. Prohibition of forced labor

We request that you ensure all work is voluntary and employee are free to leave the company, and that there is no forced labor.

2-5. Wages

We request that you comply with the laws and regulations of each country and region regarding minimum wages, overtime, payroll deduction, pay based on performance, and other payment.

2-6. Working hours

We request that you comply with the laws and regulations of each country and region regarding employees working hours (including overtime), holidays, annual paid time off, etc.

2-7. Conversation and discussion with employees

We request that you conduct truthful discussion and conversation with your employees' representative or your employees, and recognize their right to or not to form associations in accordance with the laws and regulations of each country or region.

2-8. Safe and healthy work environment

We request that you ensure the safety and health of workers on the job as a top priority, and strive to prevent incidents and disasters.

3. Environment

3-1. Environmental management

In order to promote a wide range of environmental activities, we request that you comply with the laws and regulations of each country and region, establish a company-wide environmental management system, and perform continuous operation and improvement.

3-2. Reduction of greenhouse gas emissions

In order to achieve carbon neutrality, we request that the entire supply chain cooperate in understanding and disclosing emissions, and taking initiatives such as energy conservation, equipment improvement, material replacement, and the introduction of renewable energy.

3-3. Prevention of environmental pollution of air, water, soil, etc.

We request that you comply with the laws and regulations of each country and region concerning the prevention of pollution of air, water, soil, etc., and strive to protect the environment by continuously monitoring and reducing pollutants, including reducing water consumption.

3-4. Efficient use of resources

We request that you comply with the laws and regulations of each country and region concerning appropriate disposal and recycling of waste, etc., and strive to reduce the final disposal amount of waste through effective use of resources.

3-5. Chemical substance management

We request that you manage chemical substances that may pollute the environment in a safe manner, and products must not contain any chemical substances prohibited by the laws and regulations of each country and region. We also request that prohibited chemical substances not be used in manufacturing process, and the emissions of chemical substances designated by the laws and regulations of each country and region be monitored and reported to government in accordance with the laws and regulations.

3-6. Conservation of biodiversity

We request that you understand the importance of biodiversity conservation and give it your utmost consideration.

4. Responsible sourcing of minerals

When procuring mineral resources (conflict minerals, and cobalt, etc.) contained in products, we request that you strive to use smelters and refiners who do not use minerals that may lead to human rights issues or environmental pollution. We also request you to investigate the supply chain.

5. Compliance

5-1. Compliance with laws, regulations, and international norms

We comply with the laws and regulations of each country and region, and respect international norms. We request that you establish and implement policies and structure, and systems such as guidelines, reporting systems, education, etc in order to ensure compliance.

5-2. Compliance with competition laws

We request that you comply with the competition laws of each country and region, and not engage in practices such as private monopolies, unreasonable trade restrictions (cartels, bid rigging, etc.), unfair trade practices, or abuse of a dominant position.

5-3. Corruption prevention

We request that you make political contributions or donations in accordance with the laws and regulations of each country and region, and strive to build healthy and normal relationships with politics and government, and do not give or receive entertainment, gifts, or money to or from business partners.

5-4. Management and protection of confidential information

We request that you obtain personal information of customers, third parties, and your own employees, as well as confidential information of customers and third parties in a legitimate manner.

5-5. Whistleblower protection

We request that you protect workers and people involved in the business from being subject to termination, threats, harassment, or other adverse actions because of making complaints.

5-6. Export transaction management

We request that you ensure appropriate export procedures and controls are in place regarding export of technology and goods regulated by the laws and regulations of each country or region.

5-7. Protection of intellectual property

We request that you protect intellectual property rights owned by or belonging to your company, and not illegally obtain or use the intellectual property of third parties, or violate their rights.

5-8. Prevention of conflicts of interest

We request that you do not engage in any activities that benefit yourself, your business partners, or third parties against profit of your company.

6. Formulation and preparation of business continuity plan (BCP)

We request that you have business continuity plan (BCP) in place to prepare for unforeseen emergencies such as disasters.

7. Disclosure of information to stakeholders

We request that you disclose information on financial conditions, business performance, and business activities to stakeholders in a timely and appropriate manner. We also request that you strive to develop mutual understanding and trust with stakeholders through open and fair communication.

8. Contributing to local communities

We request that you strive to gain the confidence from the local community where your company is located as a member of that community, conduct business activities with respect and consideration for local and regional cultures and customs, and carry out a role as a good corporate citizen internationally as well.

9. Expanding to your suppliers

We request that you disseminate that your suppliers and the entire supply chain are aware of these guidelines.

VI. Confirmation of Implementation Status

We may request you to submit related documents and data, conduct self-audit, or let us conduct on-site audit as necessary in order to confirm compliance status of these guidelines and for mutual communication.

1. Reduction of greenhouse gas emissions

- Understanding greenhouse gas (GHG) emissions
- Sharing activities
- Environmental impact investigation of organization and products based on LCA method

2. Efficient use of resources

- Sharing activities

3. Conservation of biodiversity

- Sharing activities

4. Chemical substance management

- Submission of declaration of conformity for regulations on chemical substances contained in products
- Input of information on materials and environmentally hazardous substances (IMDS data, etc.)

5. Compliance with laws and regulations

- Investigation of compliance status

6. Responsible sourcing of minerals

- Investigation of conflict minerals use

VII. Actions to be taken following guideline violation

In the unlikely event that a violation of the guidelines should occur in your business activities, we request that you immediately report to us, investigate the cause and report the results, and also submit countermeasure plans to prevent recurrences.

VIII. Confirmation of agreement on guidelines

You are requested to submit the attached “Supplier Agreement Confirmation Form” as confirmation that you have read, understood and agreed to these guidelines.

The above agreement will continue to be treated as the latest content after the revision of the guidelines. If you have any questions regarding the revision of the guidelines, please contact us.

IX. Contact information regarding these guidelines

If you have any questions regarding these guidelines, please contact the department below.

F-TECH INC.

Production Planning Division Purchasing Administrative Section

Phone:

FAX:

E-mail:

F-TECH INC.

Corporate Planning Office Sustainability Promotion Department

E-mail: environment@ftech.co.jp

Supplier Sustainability Guidelines Acknowledgement Form

By signing this confirmation, you are acknowledging all items and conditions, and to supply all parts, materials or services to F-TECH.

*Signer: Representative (or delegated director, etc.)

Company name:

Department and title of signer:

Name of signer:

Date of signature:

Signature:



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