

Asahi Kasei Group Supplier Code of Conduct

The Asahi Kasei Group aims to contribute to sustainability by realizing the Group Vision of contributing to “living in health and comfort” and “harmony with the natural environment.”

As globalization has progressed, in recent years, environmental issues such as global warming are becoming more apparent, with more serious human rights violations and labor accidents in corporate supply chains. Companies are now required to understand, respect, comply with, and practice international standards and principles for the environment and human rights, in addition to complying with each country’s laws and regulations in all their business activities. This is why we need all of our suppliers’ understanding and cooperation, which are essential if we are to work toward sustainable procurement throughout the entire supply chain.

In light of this background, we have compiled and established the following Asahi Kasei Group Supplier Code of Conduct regarding issues we seek to address in partnership with our suppliers. The content is based on the “Asahi Kasei Group Sustainability Policy,” “Asahi Kasei Group Human Rights Policy,” “Asahi Kasei Group Procurement Principles and Policy,” and the “Asahi Kasei Group Quality Policy.” The Asahi Kasei Group would like to contribute to sustainability together with our suppliers, and we would appreciate your understanding and cooperation as we ask you to observe this Code of Conduct as well as related laws, regulations, and social norms.

Human Rights and Labor

1. Prohibition of Compulsory Labor and Child Labor

Suppliers will not engage in any form of slave labor or compulsory labor, including human trafficking.

Suppliers will not allow children under the minimum age for employment to work, and will not allow young workers under the age of 18 to work late at night, work overtime, or engage in work that endangers their health or safety.

2. Working Hours and Holidays in accordance with Laws and Regulations

Suppliers will not make employees work in excess of the working hours stipulated by laws and regulations. In addition, employees will be granted holidays as required by law.

3. Wages and Benefits based on Laws and Regulations

Suppliers will pay wages and provide benefits to employees in accordance with laws and regulations. In addition, they will aim to pay wages above the living wage.*

* "Living wage" refers to a wage that enables living a humane life.

4. Ensuring Humane Treatment and Prohibition of Harassment

Suppliers will prohibit all forms of inhumane treatment or conduct toward employees, including violence, abuse, physical punishment, power harassment, and sexual harassment.

5. Eradication of Discrimination and Provision of Equality of Opportunity

Suppliers will prohibit all forms of discrimination based on race, ethnicity, ancestry, nationality, religion, gender, age, disability, ideology, marital status, or form of employment contract, etc., in the hiring, treatment and training of employees.

6. Freedom of Association

Suppliers will respect the freedom of association and the right to collective bargaining and will engage in dialogue and discussions with employees or the representatives of employees in good faith.

Safety, Hygiene, and Health

1. Process Safety, Occupational Health and Safety, and Industrial Hygiene

Suppliers will strive for operational safety and prevention of workplace accidents to ensure the safety of their employees and the local community.

To this end, suppliers should verify and understand risks and physical/mental burdens in the work environment, take necessary measures, prepare work manuals and other documents in a language the workers can understand, and provide appropriate education and training.

2. Health and Sanitary Facilities

Suppliers will work to create a clean and comfortable working environment and maintain and promote the health of employees.

Environment

1. Environmental Permits and Licenses

Suppliers will obtain the necessary permits and approvals for their business in accordance with laws and regulations.

2. Measures Against Global Warming

Suppliers will strive to be carbon neutral and set quantitative voluntary targets to reduce GHG emissions, while monitoring their volume.

3. Efficient Use of Resources, Energy, and Water

Suppliers will set voluntary quantitative targets for the use of resources, energy, and water, and strive to achieve reductions.

4. Waste Reduction

Suppliers will set voluntary quantitative targets for waste and strive to achieve reductions by promoting recycling, etc.

5. Prevention of Air, Water, and Soil Pollution

Suppliers will properly control and set quantitative voluntary targets that strive to reduce the emission of environmentally hazardous substances into the air, water, and soil.

6. Control of Chemical Substances

Suppliers will ensure that hazardous chemical substances are identified, labeled, and controlled. In addition, suppliers will comply with the relevant laws and regulations of each country and region, avoid using prohibited substances in their products and manufacturing processes, etc., while appropriately controlling restricted chemical substances below regulatory limits, and appropriately report to the government in accordance with laws and regulations.

7. Biodiversity

Suppliers will work to preserve biodiversity based on an understanding of the impact of their business activities on the ecosystem.

8. Promoting Green Procurement

Suppliers will reflect the initiatives 1 to 7 above in their procurement activities, expanding them to their suppliers and working to reduce their environmental impact throughout the entire product

lifecycle, from procurement to use and disposal of products, etc.

Ethics

1. Prohibition of Bribery and Maintenance of Sound and Appropriate Business Relationships

Suppliers are prohibited from giving any improper gifts, entertainment, benefits, or other economic advantages to public officials or people in equivalent positions, both in Japan and overseas.

In addition, suppliers will not provide or receive money, goods, or services to or from business partners that violate laws and regulations or deviate from socially accepted norms and common sense.

2. Appropriate Accounting and Tax Processes

Suppliers will carry out appropriate accounting and tax processes in accordance with laws and regulations related to accounting and tax.

3. Information Disclosure and Public Communication

Suppliers will maintain a sound relationship with society by proactively disclosing information and performing communication. Suppliers will disclose information in a fair, impartial, and accurate manner, and as promptly as possible.

4. Protection of Information

Suppliers will strictly manage and properly handle their own confidential information and the confidential information of their customers and third parties.

5. Respect for Intellectual Property Rights

Suppliers will respect intellectual property rights, including patent rights, utility model rights, design rights, trademark rights, and copyrights, and will not infringe on the intellectual property rights of third parties.

6. Fair Business Dealings

Suppliers will comply with laws and regulations for free and fair competition, including anti-trust laws and competition laws.

In addition, when advertising or promoting products, suppliers will confirm the accuracy of content, and ensure fair representation in accordance with laws and regulations when comparing other companies' products with their own.

7. Whistleblowing System

Suppliers will maintain a program that allows employees to report, without fear of reprisal, organizational or individual violations of laws, regulations, work rules, or other company policies occurring within the company, as well as any suspected violations. The confidentiality of whistleblowers will be strictly maintained and protected, without fear of reprisal.

8. Responsible Procurement of Minerals

Suppliers will practice responsible procurement of minerals and avoid the use of minerals used to finance armed groups in conflict zones or involved in promoting or contributing to human rights abuses or environmental destruction.

9. Privacy

Suppliers will handle the personal information of business partners, customers, and employees properly in accordance with laws and regulations throughout the cycle of collection, use, storage, and disposal.

10. External Contact for Complaints and Consultations

Suppliers will define a system for business partners or consumers who learn of important risk information in their dealings with their company to directly report or consult with a dedicated department, or an external contact.

In such cases, suppliers will ensure strict confidentiality is maintained and that said parties will not be treated in a disadvantageous manner.

11. Prohibition of Insider Trading

Suppliers will prohibit related persons, etc. of a listed company from using undisclosed corporate information to buy or sell shares, etc. of the said company.

12. Prohibition of Conflicts of Interest

Suppliers will prohibit employees from personally benefitting to the detriment of their company in situations where the interests of the employee conflict with the interests of their company.

13. Exclusion of Relations with Antisocial Forces

Suppliers will not have any relationship with antisocial forces or groups that are a menace to public order and safety. Suppliers will also not provide any benefits to antisocial forces.

Appropriate Management of Quality, Cost, and Delivery (Q, C, D)

1. Establishing a Quality, Cost and Delivery (Q, C, D)

Suppliers will establish a quality management system to realize and provide high quality products and services that meet the Asahi Kasei Group's requirements and assure safety and reliability.

In the event that a nonconformity is discovered in the products or services supplied, suppliers will promptly notify the Asahi Kasei Group, identify the scope of the nonconformity, and investigate the root cause while taking corrective and preventive measures.

2. Compliance with Quality-related Laws and Regulations

Suppliers will ensure adequate product safety by complying with quality-related laws and regulations.

3. Communication and Approval during Changes in Manufacturing Conditions

Whenever there is a change in purchased raw materials, parts, production processes, facilities, manufacturing sites, outsourcers, etc., that may affect the quality or function of products or services, suppliers will notify the Asahi Kasei Group in advance to obtain approval for the change.

4. Cost Improvements

Suppliers will engage in ongoing cost improvement activities, including increased productivity and improved efficiency.

5. Establishment of a Stable Supply Chain

Suppliers will establish a stable supply system by selecting appropriate vendors and securing appropriate inventories, while engaging in activities to eliminate and reduce potential supply risks.

Management Systems

1. Company's Internal Initiatives

Suppliers will define an internal system to promote activities in line with this Code of Conduct. The system will clearly define the responsible department and person, and will implement continuous improvement activities through a Plan-Do-Check-Act cycle, etc.

2. Approach to the Supply Chain

Suppliers will fulfill their corporate social responsibility throughout the supply chain by not only

complying with the matters set forth in this Code of Conduct but also requiring their business partners to do so.

3. Information Security Measures

Suppliers will engage in initiatives to prevent computer network threats, including cyber-attacks, from affecting both internal and external parties.

4. Contribution to Society

Suppliers will contribute to life and living for people through their products and services, and work toward the formation of a sustainable society.

Requests to Suppliers

The Asahi Kasei Group may request specific cooperation from our suppliers in order to promote sustainable procurement throughout the supply chain. We ask for your understanding in advance.

Examples of specific requests:*

- Disclosure of information on sustainable procurement
- Establishing a forum for dialogue to promote sustainable procurement
- Cooperation in surveys to analyze and prevent supply chain risks
- Signature acknowledging this Code of Conduct
- Responses to a CSR Procurement Questionnaire
- Establishing a liaison with the Asahi Kasei Group to promote this Code of Conduct

* We may request cooperation other than the specific examples above.

Supplementary Provisions

- Revision History of this Code of Conduct
 - 1st edition, September 2021
 - 2nd edition, September 2024
- This Code of Conduct was prepared with reference to the Responsible Business Alliance's (RBA) Code of Conduct (Version 8.0) and the Japan Electronics and Information Technology Industries Association's (JEITA) "Guidelines for Responsible Business Conduct: Promoting Responsible Business Conduct in the Supply Chain."