Mabuchi Motor
CSR Procurement Guidelines

February 2022

Mabuchi Motor Co., Ltd.

<Introduction>

Our Management Principle is to "Contributing to International Society and Continuously Increasing Our Contribution," and we promote CSR by contributing to the resolution of social issues through the implementation of our Management Principle. In practicing this Management Principle, we believe that it is a prerequisite not only to comply with the laws and regulations of each country, but also to conduct business activities in accordance with corporate ethics required by society. We have established the "Mabuchi Motor Ethical Standard" as a set of rules to be followed by all officers and employees, and we are working to make it understood deeply.

Our business partners and suppliers have always understood our fair, impartial, and sincere business activities, but recently, in response to various environmental changes on a global scale, the social responsibility required of companies has been increasing. Therefore, we have established “Mabuchi Motor CSR Procurement Guidelines” in light of the need to promote CSR not only in our group but also in the entire supply chain.

We would like to ask our business partners and suppliers to understand the purpose of these guidelines and to promote CSR initiatives together with their business partners and suppliers.

MABUCHI MOTOR CO., LTD.

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1. Fair, impartial, and sincere business activities

1) Product safety

Your company shall pay close attention to product safety in all aspects of your business, including product development, design, manufacturing, and marketing. Moreover, you shall also consider the safety that should normally be present in addition to complying with product safety standards based on laws and regulations.

2) Fair business practices

Your company shall comply with the laws and regulations of each country and region and shall not engage in any unreasonable restraint of trade, unfair trade practices, or abuse of a superior position. In addition, you shall not have any relationship with antisocial forces that threaten social order or safety.

Your company shall not use expressions that are untrue or that may cause customers to misunderstand the contents of your products in your labeling and advertising.

3) Prohibition of corruption

Your company shall not engage in corruption such as bribery, excessive gifts or entertainment, extortion, or embezzlement.

4) Prevention of conflicts of interest

Your company shall not tolerate any actions that are contrary to the legitimate interests of the company and that benefit yourselves or third parties.

5) Import and export

Your company shall carry out appropriate import/export procedures in complying with laws related to customs.

6) Information disclosure

In accordance with relevant laws, regulations, and industry practices, you shall disclose information in a timely and appropriate manner such as labor, safety and health, environmental activities, business activities, organizational structure, financial conditions, and business performance.

7) Information security

Your company shall appropriately manage the confidential information held by the company and prevent unauthorized acquisition, use, disclosure, or leakage of information assets by persons who do not have access authority. Your company shall also appropriately manage and protect personal information obtained from customers, business partners, third parties, employees, and others.

8) Protection of intellectual property rights

Your company shall respect intellectual property rights by complying with the Patent Law and other laws and regulations concerning intellectual property rights.
Your company shall protect your own intellectual property rights, and at the same time, implement appropriate management to ensure that you do not infringe on the intellectual property rights of third parties.

9) Responsible mineral procurement

Your company shall not use minerals that are produced in ways that cause or contribute to serious human rights abuses, environmental destruction, corruption, or conflict in conflict zones or high-risk areas. In particular, some of the minerals such as tin, tantalum, tungsten, and gold mined in the Democratic Republic of Congo and its neighboring countries are believed to be a source of funding for armed groups and rebel organizations that commit inhumane acts against local residents. Your company shall not procure minerals that benefit groups that commit human rights abuses. In addition, you shall cooperate with supply chain surveys that we conduct from time to time.

10) Whistleblower System

Your company shall have a whistleblower system that ensures anonymity and strengthens the system to prevent problems from occurring and expanding. In addition, you shall comply with the Whistleblower Protection Act and shall not cause any disadvantage to those who consult with us.

2. Human rights and labor

1) Prohibition of forced labor

Your company shall not use forced labor, debt labor, slavery, or human trafficking of labor.

2) Prohibition of child labor

Your company shall not use child labor. Your company shall also supervise young workers under the age of 18 to ensure that they do not engage in dangerous work, night work, or overtime.

3) Prohibit discrimination and inhumane treatment

Your company shall respect the basic human rights, diverse values, individuality, and privacy of individuals, and shall not engage in discriminatory words or actions related to race, religion, gender, nationality, physical disability, age, or other factors, nor shall you engage in acts of violence, sexual harassment, bullying, or other acts that ignore the personality of the individual.

Your company shall ensure an environment in which employees or their representatives can exchange views on working conditions and management with management without fear of discrimination, retaliation, intimidation, or harassment.

4) Working hours

Your company shall comply with the legal working hours of the countries in which you operate, and manage employee working hours and holidays appropriately, taking international standards into account.

5) Appropriate wages

Your company shall comply with all laws and regulations related to employee compensation, including minimum wage, overtime pay, and legally mandated benefits and wage deductions.

6) Freedom of association

Your company shall respect freedom of association and the right to collective bargaining.

3. Health and safety

1) Safety on the job

Your company shall identify and assess risks to workers' health and safety in the workplace, and ensure safety through appropriate design, technology, and control measures.

2) Preparation for emergency

Your company shall ensure that measures and response procedures are in place to minimize damage to workers and assets in preparation for disasters, accidents and other emergencies that may impair human life and physical safety. In addition, education and training shall be conducted usually to prepare for emergency situations.

3) Occupational accidents and diseases

Your company shall identify, evaluate, record, and report on occupational accidents and diseases, and take appropriate countermeasures and corrective actions.

4) Considerations related to physically demanding work

Your company shall identify and appropriately manage physically demanding tasks (heavy work such as manual transportation, standing for long periods of time, repetitive work such as assembly).

5) Health and safety

Your company shall identify, assess, and control these risks, and implement appropriate safety and protective measures in order to protect employees from exposure to chemical, biological, and physical hazards in the workplace. In addition, you shall ensure appropriate safety and hygiene in the facilities (cafeterias, restrooms, etc.) provided for the livelihood of your employees.

6) Communication on health and safety

Your company shall provide health and safety information to employees in their native language or a language they can understand and provide appropriate safety training.

7) Worker health management

Your company shall provide appropriate health management to prevent and detect illnesses of workers in their early stages.

4. Consideration for the environment and society

1) Environmental management system

Your company shall establish, maintain, and manage an appropriate environmental management system to reduce your environmental impact, and shall continuously improve it.

2) Environmental permitting and reporting

In accordance with the laws and regulations of each country and region, you shall obtain the necessary environmental permits, approvals, and registrations while complying with the requirements for their operation and reporting.

3) Reduction of environmental impact

Your company shall set reduction targets to implement resource and energy conservation, make continuous effective use of resources and energy, and conduct activities to reduce environmental impact, such as reducing greenhouse gases, pollutants, and waste.

4) Management of hazardous chemical substances

Your company shall identify, label, and manage chemical substances that have the potential to pollute the environment in compliance with laws and regulations, and ensure their safe handling, transfer, storage, use, recycling, and disposal.
Your company shall also implement appropriate measures to reduce the emission of harmful substances into the atmosphere.

5) Waste management

Your company shall dispose of and manage waste in an appropriate manner.

6) Water management

Your company shall monitor the source, use, and discharge of the water you use to save on water use and discharge.

7) Biodiversity conservation

Your company shall strive to maintain biodiversity, considering the negative impact of your business activities on ecosystems.

8) Relationship with the local community

Your company shall have opportunities for open communication with the local communities in which you operate, contribute to the development of local communities through your business, deepen the understanding of local communities regarding your business activities, and maintain and expand good relationships based on the concept of coexistence and co-prosperity.