



# **YUSHIN Group Procurement Guidelines**

Feb 2024 First edition

YUSHIN PRECISION EQUIPMENT CO., LTD.

The YUSHIN Group (“YUSHIN”) is committed to sustainable procurement activities together with all business partners involved in YUSHIN’s products and services, with the aim of contributing to the realization of a sustainable society.

## 1. Mutual trust and prosperity

We value mutual trust and prosperity by building partnerships with our suppliers.

## 2. Open and fair trade

Based on the principle of free competition, we provide open entry opportunities for new companies wishing to do business with us. We select suppliers based on fair evaluation and appropriate procedures in terms of their reliability as a company, technical capabilities, quality, price, delivery time, continuity and commitment to environmental protection.

## 3. Compliance

We shall comply with the social norms, relevant laws and regulations and the spirit of such norms, laws and regulations in each country, and shall also respect international codes of conduct to the maximum extent possible, and shall implement fair and clean procurement activities.

## 4. Human rights and labor

The human rights of all people involved in YUSHIN products shall be respected. In particular, we believe that occupational safety and working conditions at procurement and manufacturing sites for the components of YUSHIN products shall be properly ensured.

## 5. Environmental considerations

YUSHIN recognizes that the preservation of the global environment is one of the most important issues common to all humanity.

Aiming to create a society in harmony and co-existence with nature, YUSHIN cooperates with its suppliers and practices environmentally friendly procurement activities.

## 6. Information security

We appropriately manage and protect trade secrets related to our suppliers.

YUSHIN expects its suppliers in the supply chain to implement initiatives to comply with the following standards of conduct, based on the Basic Procurement Policy.

1. Compliance
2. Human rights and occupational health and safety
3. Environmental considerations
4. Information security
5. Quality and Delivery

## 1.1 Compliance with laws and regulations of each country and region

Suppliers are required to understand and comply with human rights, labor, environmental, ethical, and other relevant laws, regulations, and international codes of conduct in the countries and regions where they do business. In addition, they are required to comply with laws and regulations not only in their own company but also throughout their supply chain.

## 1.2 Compliance with Competition Laws

Suppliers shall not engage in any conduct that violates the competition laws of each country or region, such as abuse of a superior bargaining position, unfair trade practices, etc. (e.g., Antitrust Law)

## 1.3 Fair trade

Suppliers shall not bribe, extort, embezzle, or otherwise provide or accept unfair advantage from their business partners.

## 1.4 Respect for intellectual property rights

Suppliers shall properly manage intellectual property rights of others (other companies) so as not to infringe on their intellectual property rights, as well as properly manage and transfer their own know-how and intellectual property rights.

## 1.5 Response to antisocial forces

Suppliers shall exclude antisocial forces and shall not have any relationship with them.

If there is any unreasonable demand, etc., suppliers shall contact outside professional organizations (police, lawyers, etc.) and take appropriate measures.

## 1.6 Establishment of internal rules, internal training and internal education

In order to promote compliance management, suppliers shall at least establish internal rules and regulations regarding compliance matters set forth in these guidelines, as well as conduct internal training and internal education to ensure their effectiveness.

## 1.7 Establishment of a contact point

Suppliers shall establish a point of contact for their employees to raise concerns or complaints regarding human rights, compliance, etc.

Suppliers shall seek to establish a point of contact with non-employee stakeholders, such as their own suppliers.

Suppliers shall take steps to ensure that complainants are not disadvantaged in the handling of concerns or complaints raised.

## 2. Human Rights and Occupational Health and Safety(1)

### 2.1 Prohibition of discrimination

Suppliers shall ensure that there is no discrimination based on race, religion, gender, nationality, mental or physical disability, age, or sexual orientation in all situations.

### 2.2 Prohibition of harassment

Suppliers shall ensure that no harassment of any kind, including sexual harassment and power harassment, takes place.

### 2.3 Protection of freedom of association, right to organize and collective bargaining

Suppliers shall guarantee their employees the right to associate or not associate freely, and shall engage in good faith consultation and dialogue with labor unions, employee representatives, and employees.

### 2.4 Prohibition of forced labor

Any labor that is forced under threat of punishment and not of one's own free will shall not be tolerated.

### 2.5 Elimination of child labor and consideration for young workers

Work by children who have not reached the minimum age for employment under the laws and regulations of each country or region shall not be permitted. In particular, when employing young workers under the age of 18, they shall not be engaged in work that may endanger their health or safety, including night shifts or overtime work.

### 2.6 Creating a safe and healthy working environment

Suppliers shall ensure the safety and health of their employees by identifying sources of danger in the workplace and providing appropriate information and training to their employees. Suppliers shall also comply with the laws and regulations of each country and region and do their utmost to prevent accidents and disasters.

### 2.7 Establishment of appropriate working conditions

Working hours shall not exceed the limits set by local laws and regulations.

Suppliers shall comply with all applicable wage laws and regulations with respect to compensation paid to its employees.



# 3. Environmental Considerations

## 3.1 Compliance with environmental laws and regulations

Suppliers shall comply with laws and regulations, obtain permits and approvals from the government when necessary, and submit documents to the government as required. In addition, chemical substances used in business processes shall be properly controlled in accordance with laws and regulations.

## 3.2 Pollution prevention and resource conservation

Suppliers shall comply with laws and regulations regarding wastewater, sludge, exhaust air, etc. and, if necessary, set voluntary standards that exceed those of laws and regulations in an effort to reduce environmental impact. Suppliers shall strive to reduce the use of natural resources and chemical substances by reviewing production, maintenance, and facility processes, switching to less environmentally hazardous alternatives, recycling, and other means.

## 4.1 Prevention of information leakage and network management

Suppliers shall ensure that all personal information related to their business, privacy, and information about their business partners' business is properly managed to protect it, and that it is not disclosed to third parties.

Suppliers shall take measures to counter threats on computer networks and ensure that they do not affect their own and others' (other companies).

# 5. Quality and Delivery

## 5.1 Compliance with laws, regulations, standards, safety, and YUSHIN requirements

Suppliers shall not only comply with laws and regulations, but also consider the conformity to standards and safety (design, process, parts, etc.) of the goods and services they provide to YUSHIN (Occupational Safety and Health Regulations, CE, etc.).

## 5.2 Establishment of Quality Control System

Suppliers shall establish a management system to promote quality assurance activities (quality assurance manager, quality management system, etc.).

## 5.3 Providing Accurate Information on Procured Goods

Suppliers shall provide YUSHIN with accurate information (information on design and process changes, information on chemical substances, delivery dates, etc.) in order for YUSHIN to provide accurate information on products and services to YUSHIN's customers.

# Revision History

No.	Revision Date	History
1	February 2024	First edition of the YUSHIN Group Procurement Guidelines

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