

JFR Principles of Action

JFR conduct policy

(1) Fair business activities

We will comply with laws and regulations and social norms and conduct fair and transparent business activities. We will also comply with rules on antimonopoly, fair competition and fair transactions and not engage in acts that deviate from these rules.

(i) Legal compliance

We will comply with laws and regulations and relevant rules that apply in the countries and regions where we engage in business activities. And we will strive to make highly transparent and objective and sound corporate governance function in management.

(ii) Prohibition of transactions with antisocial forces

We will have no relationship with antisocial forces, organizations, groups or individuals that threaten social order and the safety of civilian life. And we will adopt a resolute stance against their pressure and eliminate them.

(iii) Prohibition of corruption, bribery and the like

We will maintain a healthy and normal relationship with government agencies and civil servants and not give bribes, illegal political contributions, etc.

(iv) Prohibition of giving and accepting of improper benefits

We will not give to or accept from business partners including those in the Group improper benefits that lack or could undermine fairness.

(v) Prohibition of anticompetitive acts

We will not engage in private monopoly, unfair restraint of trade such as a cartel, and other acts that interfere with free and fair competition.

(vi) Disclosure of information

In case we become aware of events that cause doubt about the quality, safety, effectiveness, etc. of the products and services we offer, we will actively disclose information regardless of whether or not such disclosure is required by laws and regulations.

(vii) Prevention of leakage of personal information

We will appropriately manage and protect personal information of customers, third parties and our employees.

(viii) Protection of intellectual properties

We will respect the rights of suppliers that have intellectual property rights in procurement transactions. And we will not engage in any transaction that violates third party's rights. We will actively disclose information on the quality, safety, effectiveness, etc. of products and services.

(ix) Promotion of responsible procurement

With respect to ESG issues in our supply chain, we will work to resolve them and make improvements with suppliers and address these issues in terms of realizing a sustainable society and enhancing corporate value.

(2) Consideration for human rights and the work environment

We will respect the human rights of everyone in the entire supply chain and not be involved in human rights violations. And we will give consideration to the work environment and realize a safe and pleasant work environment.

(i) Prohibition of discrimination

We will not discriminate on the basis of race, ethnicity, nationality, social status, gender, disability, health condition, thought and creed, sexual orientation and gender identity, job, employment status, etc.

(ii) Prohibition of harassment

We will respect employees' human rights and not be involved in any abuse, physical punishment, psychological/physical/sexual harassment and intimidation.

(iii) Provision of safe work environment

We will design and build facilities and ensure the safety of facilities in consideration of the health and safety of employees. And we will monitor the situations where employees contact with biological and chemical substances that are harmful to humans, noise, bad odor, etc. in workplaces and take appropriate measures.

(iv) Respect for freedom of association and collective bargaining

We will respect employees' rights to form a labor union, to join or not to join it, and to engage in collective bargaining

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with head offices, business places and associated companies in Japan and abroad.

(v) Prohibition of forced labor

We will not use any forced labor such as labor by means of physical or psychological restraint and not engage in human trafficking.

(vi) Prohibition of child labor

We will not hire children who do not reach the minimum labor age and not allow child labor that may impair children's development.

(vii) Responsibility for local communities

We will strive to contribute to the development of the local communities affected by our businesses.

(viii) Disaster prevention measures

We will prepare measures for possible emergencies including disasters and accidents, keep employees informed about them, and implement disaster prevention measures.

(3) Consideration for the environment

We will comply with all environmental laws and regulations that apply in the countries and regions where we engage in business activities, maintain a proactive stance on environmental conservation through business activities, and strive to contribute to the development of society by reducing greenhouse gas emissions, saving energy and other resources, reducing waste and wastewater, recycling, preventing pollution, conserving biodiversity, and other means.

(i) Actions against global warming

We will work to reduce greenhouse gasses to counter global warming.

(ii) Sustainable use of resources

We will work to save energy and other resources, recycle

and reduce waste.

We will also strive to reuse water resources and appropriately manage wastewater.

(iii) Prevention of pollution

We will work to prevent pollution and health damage.

(iv) Biodiversity

We will comply with international conventions and relevant laws and regulations and work to ensure biodiversity-conscious procurement to promote conservation of biodiversity and sustainable use.

(v) Elimination of chemicals

We will not handle products using chemicals and raw materials prohibited by international conventions and relevant laws and regulations.

(4) Consideration for the safety and security of products and services

We will provide products and services that comply with all laws and regulations that apply in the countries and regions where we engage in business activities.

And we will strive to prevent accidents related to products and services from happening.

(i) We will improve the quality of products and services and provide products and services that meet both the safety standards set in each country and by us.

(ii) In case there is a fear that an accident that could affect the safety of customers may happen, we will take appropriate measures to prevent the accident from happening or expanding.

(iii) We will respond to inquiries from customers in good faith and reflect them in improvement of products and services.

(5) Contribution to local communities

We, as a corporate citizen that coexists with society, will respect local culture and actively engage together with local stakeholders in creative activities that contribute to the development of local communities.

(i) We will strive to engage in activities to realize together economic and cultural development of local communities in order to contribute to the development of local communities.

(ii) We will pursue cooperation with a wide range of stakeholders including local communities, governments and educational institutions.

(6) Responsibility for shareholders, investors and other stakeholders

(i) Disclosure of management information

We will strive to ensure sound management, appropriately return profits to shareholders and maximize shareholder value.

We will emphasize dialogue with a diversity of stakeholders including shareholders and investors. And we will disclose information timely and appropriately through dialogue and respond to them fairly and honestly to meet their trust.

(ii) Prohibition of insider trading

We will not use inside information on the Company, associated companies or suppliers obtained in the course of business to seek personal interests.

(iii) Proper accounting procedures

We will follow proper accounting procedures in accordance with laws and regulations and internal rules to ensure the reliability and appropriateness of financial reporting.

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Procurement policy

While fulfilling social responsibilities, the Group will procure products and services, increase business competitiveness and enhance corporate value to realize the optimal procurement for business.

The Group will work to realize the optimization of the entire supply chain by providing suppliers with an understanding of this policy and listening to suppliers to communicate with each other.

The Group will strive to provide suppliers with an understanding of this policy.

We expect suppliers to understand and comply with the matters set forth in this policy.

(1) Quality first

Returning to our basic focus on providing safe and excellent products and services that satisfy customers, we will realize “optimal cost” and “high quality” always from “customer’s perspective.”

(2) Fair trade

We will provide all like-minded suppliers with opportunities for procurement transactions and actively consider procuring from new suppliers. We will judge in a comprehensive manner in terms of quality, cost, delivery time, services, ESG initiatives, etc. to select suppliers fairly.

(3) Thorough compliance

We will strive to trade fairly in compliance with laws and regulations and social norms and by giving full attention to corruption prevention and occupational health and safety.

(4) Prohibition of transactions with antisocial forces

We will have no relationship with antisocial forces, organizations, groups or individuals that threaten social order and the safety of civilian life. And we will adopt a resolute stance against their pressure and eliminate them.

(5) Compliance with the Antimonopoly Act, etc.

We will comply with laws and regulations including the Antimonopoly Act that ensure fair competition and relevant internal guidelines. And we will not engage in acts that restrict competition or will not be involved in bid rigging.

(6) Consideration for human rights

We will protect employees’ health, safety, human rights and other rights protected by law and contribute to improving their lives and working conditions.

(7) Consideration for the environment

We will recognize the importance of environmental conservation and maintain a proactive stance on environmental conservation in our procurement activities. We will comply with international conventions and environmental laws and regulations and work to manage the entire supply chain to create a circular and sustainable society.

In particular, in order to promote conservation of biodiversity and sustainable use, we will comply with international conventions and relevant laws and regulations and work to ensure biodiversity-conscious procurement. And we will not handle products using chemicals and raw materials prohibited by international conventions and relevant laws and regulations.

(8) Appropriate management of information

We will put in place appropriate information management system to prevent confidential information and personal information obtained in the course of procurement transactions from being leaked.

(9) Protection of intellectual properties

We will respect the rights of suppliers that have intellectual property rights in procurement transactions. And we will not engage in any transaction that violates third party’s rights. We will actively disclose necessary and sufficient information on the quality, safety, effectiveness, etc. of products and services.

(10) Mutual trust and prosperity with suppliers

We will build a relationship of trust with suppliers based on high transparency and a sense of ethics through procurement transactions and aim to mutually evolve and develop as business partners.

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Human rights policy

Since its inception, the Group has conducted business activities trusted by stakeholders based on the corporate credos "Service before profit" and "Abjure all evil and practice all good."

Respect for human rights underlies all our business activities. Companies are expected to have a better understanding of various human rights issues related to all activities in each country or business and take appropriate actions. We at the Group will act based on this human rights policy of the Group.

The Group's human rights policy applies to all officers and employees.

The Group will strive to provide suppliers with an understanding of this policy. We expect suppliers to understand and comply with the matters set forth in this policy.

(1) Basic ideas on human rights

We understand that our business affects human rights directly or indirectly in each process of value chain including the procurement and consumption and use of products.

And we support and work on the "International Bill of Human Rights" and the "Guiding Principles on Business and Human Rights."

We also support and respect the "Ten Principles of the United Nations Global Compact" as a signatory to the United Nations Global Compact.

(2) Stakeholders and human rights

We commit to prohibition of discrimination on the basis of race, ethnicity, nationality, social status, gender, disability, health condition, thought and creed, sexual orientation and

gender identity, job, employment status, etc., prohibition of harassment, provision of safe work environment, ensuring of minimum wage, responsible labor practices including appropriate management of working hours, and respect for freedom of association and collective bargaining.

(3) Implementation of responsibility for respect for human rights

We will identify negative impacts on human rights related to the Group's business and work to prevent and reduce these impacts in accordance with the "Guiding Principles on Business and Human Rights."

We will not violate human rights themselves as a matter of course, and furthermore, we will build a responsible supply chain by taking appropriate corrective actions when finding negative impacts on human rights in our business activities.

We will strive to build a human rights due diligence system, identify the Group's negative impacts on social human rights, and adopt appropriate and effective remedies.

(4) Development of corporate culture that respects human rights

We will provide education and awareness-raising activities for all officers and employees to have a corporate culture that respects human rights take root.

Anti-corruption policy

Recognizing corruption and bribery as a serious risk factor that severely damages the trust of companies, the Group will prevent the actions that may constitute corruption or bribery and perform fair and highly transparent corporate activities.

The Group will strive to provide suppliers with an understanding of this policy. We expect suppliers to understand and comply with the matters set forth in this policy.

- (1) We will not engage in or be involved in any form of corruption including embezzlement and bid rigging.
- (2) With a full understanding of laws and regulations, we will not offer to civil servants and the like entertainment or gifts that may cause society's doubt or distrust or money or other benefits to gain unfair advantage.
- (3) We will not offer to or accept from suppliers, etc. entertainment or gifts beyond business practices and social common sense.
- (4) We will not use our statuses or positions in the companies to seek personal interests from suppliers, etc.
- (5) We will provide education and awareness-raising activities for officers and employees to have an anti-corruption corporate culture take root.

Occupational health and safety policy

Based on the idea that occupational health and safety is the most important foundation of business activities, the Group will work to improve employees' occupational health and safety levels with top priority on ensuring health and safety.

The Group will strive to provide suppliers with an understanding of this policy. We expect suppliers to understand and comply with the matters set forth in this policy.

- (1) **Creation of workplaces with priority on health and safety**
We will give top priority to employees' occupational health and safety in business activities.
- (2) **Compliance with laws and regulation on health and safety**
We will comply with laws and regulations on health and safety and rules, etc. on health and safety set by the companies and business places in the Group.
- (3) **Creation of a safe and low-risk work environment**
We will create a safe and low-risk work environment to prevent occupational accidents.
- (4) **Maintenance and enhancement of employees' health**
We will strive to improve our health management system and implement all-hands health and

safety activities to prevent health problems from overwork and mental distress.

(5) Education and awareness-raising activities

We will provide education and awareness-raising activities for all officers and employees to have a health and safety corporate culture take root.