

# **Fujikura Group CSR Procurement Guidelines**

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**Fujikura Ltd.**  
Corporate Communication Division  
Procurement Division

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## Request to Our Suppliers

In recent years, companies are facing a drastically changing environment caused by the globalization of corporate activities and the maturation of information society, among other factors. There has been a spate of corporate scandals and strong criticism of dishonest corporate activities. As a result, there is growing awareness in society toward companies' efforts for the formation of a sustainable society.

In this environment, as a member of society, companies are expected to actively fulfill not only their duties toward legal compliance but also their responsibilities to society as a whole through corporate activities. In other words, companies are expected to fulfill their corporate social responsibilities (CSR).

Fujikura group strictly controls its own actions through the establishment of rules such as the Fujikura Group Procurement Basic Policy and the Fujikura Group Procurement Purchasing Division Code of Conduct, in order to establish a solid relationship of trust with its business partners through fair, equitable and honest procurement activities. Fujikura group is also committed to compliance and each affiliated company participates and regularly conducts training sessions on Japan's subcontractor act.

Fujikura group has established the Fujikura Group Policy on Human Rights, through which we promote respect for all forms of human rights acknowledged internationally and respect for all people affected by our business activities globally. The policies presented below cover all of Fujikura group's suppliers and require that suppliers engage in activities that respect human rights.

With corporate activities becoming more global, companies are now under the microscope when it comes to not only their own social responsibilities, but also those in their entire supply chain. Fujikura conducts a supply chain management questionnaire and makes information known through the Fujikura Group Partners Meeting, including asking suppliers to comply with the Responsible Business Alliance® (RBA®) Code of Conduct. Nevertheless, we would like to further reinforce our system of cooperation, and therefore, we have revised and published the Fujikura Group CSR Procurement Guidelines to be in conformity with RBA standards.

Conventionally, CSR is addressed independently by each company. Fujikura, however, asks that its suppliers to actively engage in CSR activities after referencing these guidelines.

These Guidelines conform to the RBA Code of Conduct 8.0.

## **I . Fujikura Group Basic Procurement Policies**

Est. December 2013

### **1. Fair and Level Trade**

Fujikura Group Companies open doors worldwide for suppliers. We will provide equal opportunity with potential suppliers and encourage free competition. We evaluate them through fair and sound assessment process for price, quality, delivery, stable supply, technological competence and reliability.

### **2. Collaborative Relationship with Suppliers Based on Mutual Trust**

Fujikura Group Companies keep faith and honesty to suppliers. We always endeavor to develop collaborative, mutually beneficial relationship with suppliers based on mutual trust. We do not disclose any information obtained through business with suppliers to third parties without prior consent.

### **3. Compliance with Laws, Regulations and Social Norms**

Fujikura Group Companies comply with not only relevant laws and regulations but also conduct transactions in accordance with business ethics and social norms in the countries and regions where we are doing business.

### **4. Environmental Preservation**

Fujikura Group companies strive for environmental management program designed to minimize the impact on the environment together with our suppliers in order to contribute to preservation of global environment and realization of sustainable society.

## II. Fujikura Group Policy on Human Rights

Est. January 2017

### 1. Respect for International Standards

The Fujikura Group shall support and respect international standards for human rights that constitute internationally adopted and agreed upon universal values, including the International Bill of Human Rights, which sets forth the basic human rights to be enjoyed by all people in the world, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which sets forth fundamental rights at work.

In addition, we shall frame this Policy based on the Guiding Principles on Business and Human Rights, established by the UN, to develop further initiatives toward respecting human rights.

### 2. Responsibility for Respecting Human Rights

The Fujikura Group shall meet our responsibility to respect human rights by taking appropriate measures (remedies, prevention, and mitigation) for rectification if it is evident that our business activities cause or promote adverse impacts concerning the human rights of people.

The Fujikura Group shall appoint a person in charge of implementing this Policy, and that person shall assume responsibility for supervising compliance with this Policy.

### 3. Scope of Application

This Policy applies to all officers and employees (i.e., all staff members including regular employees, contract workers, and temporary employees). In addition, if adverse impacts on human rights caused a business partner or other such related party are shown to be connected directly with our business activities, we shall request said party to take measures to respect rather than infringe upon human rights.

### 4. Compliance with Applicable Laws and Regulations

The Fujikura Group shall comply with laws, regulations, and restrictions applicable in respective countries and regions where the Group conducts its business activities. If there is a contradiction between internationally accepted principles on human rights and the laws and regulations of any country or region, we shall respect the internationally accepted principles on human rights, while being as considerate of the laws and regulations of each country and region as possible.

### 5. Human Rights Due Diligence

Based on the UN Guiding Principles on Business and Human Rights, The Fujikura Group shall continuously carry out human rights due diligence in order to identify, prevent, and reduce potential and actual adverse impacts on human rights that our business activities might have. The process of human rights due diligence shall include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how such impacts are being addressed.

The Fujikura Group shall carry out its human rights due diligence constantly, recognizing that human rights risks may change over time as business operations change.

### 6. Promotion

The Fujikura Group shall provide appropriate education for all officers and employees and raise their awareness on a continuous basis, so that this Policy and our human rights due diligence will be fully understood and effectively implemented in overall business activities.

### 7. Dialogue and Consultation

In the implementation of this Policy, the Fujikura Group shall utilize external expertise in human rights. At the same time, the Fujikura Group shall hold dialogues and consultations with stakeholders who may be directly affected by actual and potential adverse impacts on human rights caused by our business activities, and seek efforts toward improvement.

### 8. Disclosure of Information

In order to meet accountability for this Policy, the Fujikura Group shall report the status of all work on relevant measures in reports on Corporate Social Responsibility (CSR) and on our corporate websites.

### III. Fujikura Group CSR Procurement Guidelines

#### A. Labor

In 2017, the Fujikura Group established the Fujikura Group Policy on Human Rights, which requires that we all respect human rights across our entire supply chain, including by suppliers. The following CSR Procurement Guidelines on human rights and labor were established based on this policy.

Suppliers must be committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including dispatch, migrant, student, contract, direct employees, and any other type of worker.

##### 1) Prohibition of Forced Labor

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Participants shall maintain documentation on all leaving workers. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

##### 2) Young Workers

Child labor shall not be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Participants shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Participants shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Participants shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation shall be provided.

##### 3) Working Hours

Working hours shall not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All

overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

#### 4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualification. Workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

Suppliers must pay a living wage that supports the basic needs of employees and their dependents, which must be in an amount where employees have disposable income.

#### 5) Non-Discrimination/Non-Harassment/Humane Treatment

Participants shall commit to a workplace free of harassment and unlawful discrimination. There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

#### 6) Freedom of Association and Collective Bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. In alignment with these principles, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.



## **B. Health and Safety**

Fujikura recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Fujikura also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

The health and safety standards are as follows:

### **1) Occupational Health and Safety**

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide reasonable accommodations for nursing mothers.

### **2) Emergency Preparedness**

Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

### **3) Occupational Injury and Illness**

Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work. Participants shall allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

### **4) Industrial Hygiene**

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Participants shall provide workers with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. Participants shall provide occupational health monitoring to routinely evaluate if workers' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards

### **5) Physically Demanding Work**

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks shall be identified, evaluated, and controlled.

6) Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

7) Sanitation, Food, and Housing

Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Participant or a labor agent shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

8) Health and Safety Communication

Participants shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

## C. Environmental

Environmental responsibility is important and indispensable to manufacturing. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public. Suppliers are asked to review the website below to learn more about the Fujikura group's green procurement practices.

URL : <https://www.fujikura.co.jp/eng/esg/environmental/green.html>

Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing these Guidelines and may be a useful source of additional information.

### 1) Environmental Permits and Reporting

All required environmental permits, approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

### 2) Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste shall be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

### 3) Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data shall be tracked and documented.

### 4) Solid Waste

Participants shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Waste data shall be tracked and documented.

### 5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone- depleting substances shall be effectively managed in accordance with the Montreal Protocol and applicable regulations. Participants shall conduct routine monitoring of the performance of its air emission control systems.

### 6) Materials Restrictions

Participants shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

## 7) Water Management

Participants shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater shall be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Participants shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

## 8) Energy Consumption and Greenhouse Gas Emissions

Participants shall establish and report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported. Participants shall look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## 9) Biodiversity Conservation

Suppliers must be aware of the fauna and flora and habitats in the vicinity of their business activities, establish plans to give utmost consideration to survival of these lifeforms, and engage in activities to curtail any impacts on biodiversity.

Impacts on biodiversity include the following examples:

- Air pollution: Impacts on ecosystems in the vicinity caused by air pollution from exhaust gas or chemical substances.
- Water pollution: Impacts on ecosystems of downstream regions caused by the discharge of effluent.
- Climate change: Impacts on ecosystems associated with climate change and acceleration in loss of species.
- Loss of habitat: Use of land for plant construction.
- Loss and transfer of species: Impacts of climate change or transfer of species associated with transport of raw materials or products.

Suppliers are asked to review the following website on the Fujikura group's efforts to prevent impacts on biodiversity.

URL: <https://www.fujikura.co.jp/eng/esg/environmental/biodiversity.html>

## D. Ethics

To meet social responsibilities and to achieve success in the marketplace, suppliers are to uphold the highest standards of ethics including:

### 1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

### 2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anticorruption laws.

### 3) Abuse of Superior Bargaining Position

Abuse of a superior bargaining position refers to using a position as purchaser or outsourcer to unilaterally decide or change transactional conditions with suppliers or levy unreasonable demands or obligations on suppliers.

Procurement transactions must be carried out honestly and fairly based on contracts, and actions such as those that abuse a superior bargaining position are forbidden. In countries with laws or regulations on abuse of a superior bargaining position, suppliers must follow these laws and regulations (e.g. the subcontractor act in Japan, etc.)

### 4) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the suppliers' business books and records. Information regarding supplier labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

### 5) Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and, customer and supplier information is to be safeguarded.

An intellectual property refers to patent rights, utility model rights, design rights, trademarks, copyrights, and trade secrets, etc.

Suppliers must fully investigate in advance the intellectual properties of third parties in case of developing, producing, selling, or providing a product or service.

The following actions shall be considered an infringement of intellectual property rights.

- Unauthorized use of a third-party's intellectual property, except with reasonable grounds.
- Illegal reproduction of computer software or other copyrighted works, etc.
- Obtaining and using the trade secrets of a third-party obtained illegally.

## 6) Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld.

Actions that inhibit competition include agreeing to set the price, quantity, or sales region of products or services with other companies in the same industry (cartel) and when bidders determine the successful bidder or successful bid price (bid rigging), etc.

Obtaining and using the trade secrets of another company illegally, falsifying representations concerning other companies' products, and using representations that cause customer misunderstanding, etc., are examples of unfair competition.

In representations or advertisements for products or services such as catalogues, suppliers must not use expressions differing from the facts or expressions that cause customers to misunderstand the content. Such representations or advertisements must not contain slander of another company or person or infringe upon the rights of others.

## 7) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers<sup>2</sup> are to be maintained, unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

<sup>2</sup> Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

## 8) Prevention and Early Detection of Fraud

Activities for the prevention and early detection of fraud involve worker training, raising awareness, and creating an open workplace culture.

Suppliers will set up a whistleblower hotline either inside or outside the company for reporting fraud and suppliers' management will strive to detect fraud at an early stage. Suppliers shall safeguard the confidentiality of whistleblowers and protect them as appropriate. Fraud must be dealt with promptly and the results reported to the whistleblower as needed.

## 9) Responsible Sourcing of Minerals

Suppliers must source minerals responsibly across the entire supply chain, especially in conflict zones and high-risk areas, weighing the risks including human rights violations or labor issues locally and recognizing that these risks and issues are considered a major social issue. Suppliers shall have a policy on the responsible sourcing of minerals and take actions to increase the transparency of their supply chain.

Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

Fujikura group's initiatives for the responsible sourcing of minerals can be found on the following website.

URL : <https://www.fujikura.co.jp/eng/esg/governance/procurement.html>

## 10) Privacy

Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

Personal information refers to the information of a living person that can be used to identify a specific individual based on name, date of birth or other descriptions in said information.

Appropriate management refers to building and operating a mechanism for overall control of personal information, preparation of regulations or policies for employees, etc., including

planning, implementation, audits and reviews associated with such.

Appropriate protection refers to not collecting, using, disclosing or divulging personal information illicitly or unjustly.

## **E. Export Control**

Suppliers must have a clear management system in place for the export of technologies or goods regulated by law and export these items only after carrying out the appropriate procedures. Technologies or goods regulated by law refers to components, products, technologies, facilities and software, etc., for which exports are restricted under international agreements such as the Wassenaar Arrangement.

The export of these technologies and goods may require approval of supervisory agencies.

## **F. Product Safety**

When designing products under your own responsibility, we need to ensure that the products meet the safety standards stipulated by the laws and regulations of each country. When designing products, we must ensure sufficient safety in the design and manufacturing process, and we must be aware of your responsibilities as a manufacturer before selling the product. In addition to complying with laws and regulations regarding product safety, we also need to consider the safety that should normally be provided. In Japan, laws and regulations related to product safety include the Electrical Appliance and Material Safety Law, the Consumer Products Safety Law, and the Household Goods Quality Labeling Law. Safety standards are set out in the detailed regulations of laws and regulations, JIS, etc. In addition, there are other safety standards such as UL, BS, and CSA. In order to ensure product safety, it is useful to have traceability (history of materials, parts, processes, etc.) and to respond quickly to solve problems. When designing products under our own responsibility, it is necessary to ensure that the products meet the safety standards set out in the laws and regulations of each country.

## **G. Quality Management System**

A quality management system refers to a system for the total control of quality assurance activities. This system must encompass organizational structure, systematic activities, accountability, practices, procedures, processes and management resources. Quality assurance activities refers to preparing a policy on quality as well as implementing, achieving, reviewing and maintaining measures following this policy. The plan-do-check-action (PDCA) cycle must also be implemented to ensure continuous improvement in quality assurance.

Quality management systems including the ISO 9000 family, IATF 16949, and ISO 13485, etc.

## **H. Defense Against Computer Network Threats**

Suppliers must implement measures to safeguard against computer network threats and implement controls prevent damages from being incurred by the supplier or others. Computer network threats refer to computer viruses, computer worms, and spyware, etc.

If a computer connected to the Internet becomes infected with a computer virus, this could lead to the loss of customer information or confidential information stored therein or could result in an

attack on the computers of other companies, resulting in serious damages including lost business and loss of credibility. As such, it is important for suppliers to implement measures against computer network threats to prevent impacts both internally and externally.

## **I. Contributions to the International Community and Local Communities**

Activities that contribute to the international community and local communities refer to activities supporting the community that utilize a company's management resources and generally indicates the following initiatives.

- Social contributions utilizing conventional operations or technologies
- Non-monetary social contributions utilizing facilities or people
- Social contributions by means of monetary donations

Specifically, examples of these activities include collaboration with the community during a disaster, employee volunteering, support for NPOs/NGOs, donations, and various forms of information sharing or provision. Each individual supplier is to actively engage in social contributions after determining the feasible scope of their own activities.

## **J. Management Systems**

Suppliers shall adopt or establish a management system whose scope is related to the content of these Guidelines. The management system shall be designed to ensure:

- (a) Compliance with applicable laws, regulations and customer requirements related to the supplier's operations and products.
- (b) Conformance with these Guidelines; and
- (c) Identification and mitigation of operational risks related to these Guidelines.

It should also facilitate continual improvement of this management system.

### **1) Company Commitment**

A corporate social and environmental responsibility policy statements affirming the supplier's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.

### **2) Management Accountability and Responsibility**

The supplier clearly identifies senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

### **3) Legal and Customer Requirements**

A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of these Guidelines.



#### 4) Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety<sup>3</sup> and labor practice and ethics risks associated with the supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

<sup>3</sup> To be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

#### 5) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the supplier's social and environmental performance, including a periodic assessment of the supplier's performance in achieving those objectives.

#### 6) Training

Programs for training managers and workers to implement the supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

#### 7) Communication

Mechanisms must be in place for communicating clear and accurate information about the supplier's policies, practices, expectations and performance to workers, suppliers and customers.

#### 8) Worker Feedback, Participation and Grievance

Mechanisms must be in place to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by these Guidelines and to foster continuous improvement.

#### 9) Audits and Assessments

Periodic internal audits and self-evaluations to ensure conformity to legal and regulatory requirements, the content of these Guidelines and customer contractual requirements related to social and environmental responsibility.

#### 10) Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

#### 11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to customer requirements along with appropriate confidentiality to protect privacy.

#### 12) Supplier Responsibility

A process must be in place to communicate Guideline requirements to suppliers and to monitor supplier compliance with the Guidelines.

Corporate Communication Division  
Procurement Division  
Fujikura Ltd.

\*These Guidelines are subject to change without notice. Please see Fujikura's corporate website for the latest information.

## Document Revision History

Version	Date	Details of revisions
1.0	June 20, 2016	Establishment of CSR Procurement Guidelines and preparation of first version
2.0	June 1, 2017	Name of issuing department changed
3.0	May 14, 2018	Revision following the name change of EICC
4.0	May 28, 2019	Revisions for conformity with RBA
5.0	Aug 5, 2021	Revisions for conformity with RBA Code of Conduct 7.0.
6.0	March 14, 2025	Revisions for conformity with RBA Code of Conduct 8.0