



G-TEKT's Supplier CSR Guidelines

I. Introduction

Recent years have witnessed increasingly rapid social changes, such as changes in the business environment caused by escalation of environmental pollution and a borderless world, and transformation in the automobile industry due to advances in AI and IoT. Even under such circumstances, companies are still expected to fulfill their responsibilities to society in a variety of contexts.

G-TEKT's CSR policy states that "The Company will help solve social issues through business activities and seek to achieve sustained growth together with society." As such, we are conducting CSR activities on a daily basis to address various social issues (such as issues on environment, governance, human rights, and labor).

G-TEKT has been responding to demands of society through initiatives for quality and safety such as tackling environmental issues, with the help of its suppliers. Amid rapid changes in social conditions, it has become even more important to conduct CSR activities on the entire supply chain basis, in order to engage in sustainable business activities. Going forward, we will continue to seek better understanding of G-TEKT's CSR activities, and make efforts across our entire supply chain, in order to achieve a better society.

These guidelines are formulated based on the Japan Auto Parts Industries Association CSR Guide Book, whereby we reviewed items such as human rights, discrimination and forced labor that have become international issues. We hope that our suppliers will take advantage of these guidelines and engage in conducting and promoting CSR initiatives together with G-TEKT.

Furthermore, we hope that our suppliers will continue to understand the intent behind these guidelines as before and utilize them in their own CSR activities, and also request cooperation with us so that we can grow together through CSR.

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G-TEKT Corporation

II. Fundamental Policies on CSR

“The Company will help solve social issues through business activities and seek to achieve sustained growth together with society.”

G-TEKT seeks to fulfill its social responsibilities by actively making efforts to resolve various social issues through business activities. Through active engagement in CSR activities and sound business management, G-TEKT aims to improve its corporate value while achieving sustainable growth together with society.

III. Fundamental Policies on Procurement

“In pursuit of customer satisfaction with respect to manufacturing, G-TEKT shall engage in procurement activities in accordance with three fundamental policies.”

1. **Compliance and green procurement**

We will raise awareness on CSR procurement that becomes the standard of business activities with respect to the status of efforts by suppliers regarding compliance with laws and regulations and eco-friendliness as well as human rights and environmental awareness, and ask our suppliers to share our approach toward making products in an eco-friendly manner in compliance with laws and regulations.

2. **To maintain a fair and healthy relationship with suppliers** (from Our Code of Conduct)

We will fairly assess all terms from suppliers and use only impartial and reasonable methods of trade. We will not provide or accept any entertainment or gifts beyond those that are socially acceptable.

3. **Mutual prosperity based on mutual trust**

By maintaining close two-way communications with our suppliers, we build up relationships of mutual trust, seeking to establish business relations that will lead to mutual prosperity under a long-term vision.

Activity Guidelines

1. Formulate the CSR procurement policies and guidelines
2. Investigate the current status of the supplier
3. Propose to the supplier and implement corrective and/ or improvement measures
4. Conduct audits of the supplier

IV. G-TEKT's Fundamental Approach to Each Agenda

1. Safety and Quality

- ◆ Provide products / services meeting the needs of consumers and customers
We understand the needs of consumers and customers, and develop and provide products useful for society.¹⁾
- ◆ Provide appropriate information on products / services
We provide consumers and customers with appropriate information on our products / services.²⁾
- ◆ Ensure safety in products / services
We manufacture and provide products / services that meet safety laws and regulations as well as other requirements.
- ◆ Ensure quality of products / services
We build and operate systems to ensure quality, and manufacture and provide products / services that meet quality laws and regulations as well as other requirements.

Note 1) Products useful for society refers to products that any person can use easily, regardless of age or disabilities, or earth-friendly products, such as energy and resource saving products.

Note 2) Appropriate information refers to information on defects and delivery delay, or other information including causes of defects as well as the lot number of the product affected in the event of such defects.

2. Human Rights and Labor

- ◆ Elimination of discrimination
We do not discriminate based on race, ethnicity, nationality, religion, gender, or any other grounds, in all spheres of employment.
- ◆ Respect for human rights
We do not tolerate any form of harassment in the workplace, based on race, ethnicity, nationality, religion, gender, or any other grounds.
- ◆ Prohibition of child labor
Labor by children under the minimum age for employment is not condoned.
- ◆ Prohibition of forced labor
We absolutely guarantee that all workers are employed based on their own will and that employees can freely leave their jobs. We do not engage in forced labor, slave labor, or human trafficking.
- ◆ Non-use of raw materials that cause social problems
Aiming to avoid use of conflict minerals³⁾ or any other raw materials relating to social problems such as infringement of human rights, we strive to keep ourselves informed of the situations and take appropriate actions.
- ◆ Wages
We comply with laws and regulations concerning minimum wage, overtime, payroll deductions, piece wage, and other benefits.
- ◆ Working hours
We comply with laws and regulations in regard to decisions on employee working hours (including overtime), days off and annual paid leave to be granted and so forth.
- ◆ Dialogue and discussion with employees
We engage in sincere discussion and dialogue with representatives of employees or employees themselves.
Employees' rights to freely organize or not organize associations are recognized based on laws and regulations.
- ◆ Safe and healthy work environments
We put the highest priority on ensuring the safety and health of our employees in the workplace and strive to prevent accidents and disasters in advance.
- ◆ Human resources development
We develop human resources who can independently identify problems and take actions to resolve them.

Note 3) Conflict minerals refer to certain minerals that are mined as financial resources for armed groups in the Democratic Republic of the Congo and surrounding countries.

3. Environment

◆ Environmental management

In order to promote a wide range of environmental activities, we establish a company-wide management system while complying with laws and regulations, and continuously upgrade its operation.

◆ Reduction of greenhouse gas emissions

In order to contribute to the prevention of global warming, we manage emissions of greenhouse gases from our business operations and promote reduction activities. We also strive to make effective use of energy.

◆ Conservation of the environment including air, water, and soil

We comply with laws and regulations on conservation of the environment including air, water, and soil, while also engaging in ongoing monitoring and reduction of pollutants, in order to work for conservation of the environment.

◆ Resources saving and waste reduction

We comply with laws and regulations on proper treatment and recycling of waste, while making efforts to reduce the final disposal volume of waste by ensuring efficient use of resources.

◆ Chemical substances management

We safely manage chemical substances that can potentially pollute the environment. Our products shall not contain chemical substances prohibited by laws and regulations of each country or region.

We also do not use prohibited chemical substances in our manufacturing processes. For chemical substances designated by laws and regulations, we identify the amount of emissions and report to the government according to laws and regulations.

◆ Protection of ecosystems

We strive to protect ecosystems by committing ourselves to reducing the environmental impacts of our business operations.

4. Compliance

- ◆ Compliance with laws and regulations

We comply with laws and regulations.

We develop and implement policies as well as frameworks for structures, reporting systems, education, and so forth to ensure thorough compliance.
- ◆ Compliance with competition law

In compliance with competition law, we shall not engage in activities such as private monopolization, undue restriction of business activities (cartels, bid rigging, etc.), unfair business practices, abuse of dominant bargaining positions.
- ◆ Prevention of corruption

Political contributions or donations are provided in compliance with laws and regulations. We strive to build transparent and fair relationships with the government and administration.

We shall not give or receive from business partners any entertainments, gift, or money for the purpose of acquiring or maintaining undue profits or preferential treatment.
- ◆ Management and protection of confidential information

Personal information of customers, third parties, or employees of the Company as well as confidential information of customers and third parties must be obtained by legitimate means, and it shall be strictly managed, used within an appropriate scope, and protected.
- ◆ Export transaction management

For export of technologies, goods, and other items regulated by laws and regulations, we conduct appropriate export procedures and management.
- ◆ Protection of intellectual property

We protect intellectual properties owned by or belonging to the Company, and shall not unlawfully acquire, use, or infringe rights to the intellectual property of third parties.

We also investigate our suppliers, as necessary, to minimize the risk of counterfeit parts or materials being mixed into products delivered from our suppliers.
- ◆ Exclusion of anti-social forces in Japan

Each member of the Company, from the management to employees, shall exclude anti-social forces and resolutely refuse to have any relationship with them.
- ◆ Prohibition of conflicts of interest

We shall not engage in activities for the benefit of ourselves, trading partners, or third parties, in conflict with the interests of the Company.
- ◆ Protection of whistleblowers

Employees or business associates shall be protected from being subject to dismissal, threats, harassment, or other harmful conducts for redressing grievances.

5. Risk Management

- ◆ Preventing risks in advance

We analyze risks and establish and operate systems for risk management in order to prevent them in advance and minimize damage if they do occur. When risks occur, we take actions immediately and handle them in an appropriate manner.

6. Information Disclosure

- ◆ Information disclosure to stakeholders

By properly disclosing information on business activities to stakeholders, we strive to maintain and develop mutual understanding and relationships of trust with stakeholders.

7. Management

- ◆ Creating workplaces where human dignity is respected

It is essential that we create an environment where people can work with trust in their company and foster a corporate culture that promotes human resources development.

- ◆ Manufacturing committed to the actual site and actual item principle

In manufacturing, it is essential to be committed to the actual-site and actual-item principle, that is, to thoroughly observe actual sites and items to identify the root cause of issues. It is important to determine the essence, and come to an agreement and resolve to execute the decision with full force.

- ◆ Ongoing improvements

It is essential that we constantly pursue progress and innovation while ceaselessly working toward improvements.

- ◆ Two-way communication

G-TEKT and our suppliers aim to grow together by closely maintaining two-way communications. We believe that it is important to mutually engage in open and frank dialogues and proceed with communications based on full understanding.

V. To Our Suppliers

- ◆ Compliance with the Guidelines

We ask you to understand and cooperate with G-TEKT's CSR activities, and comply with these Guidelines.

- ◆ Safety

Manufacturing depends on people, and good products can only be created when a safe and healthy workplace is secured. We ask you to create work environments where your employees can work safely and securely.

- ◆ Quality

G-TEKT places a great emphasis on quality. Our customers also expect high quality products. We ask you to recognize that "quality is the basic premise of our business" and commit to the "quality first" development and production.

- ◆ Delivery and production

G-TEKT produces "what is needed, when it is needed, as needed, and where it is needed." We ask for your flexible and reliable support toward this system.

- ◆ Cost

Price competition is intensifying in the global market. We ask you to cooperate with us to become the world's No. 1 in cost competitiveness.

- ◆ Technology

Technology is essential in creating safe and environmentally-friendly products.

To meet the demands of society and the global environment, as well as the needs of customers, we hope to see the ability to materialize new technologies ahead of others, as well as the ability to realize them at a low cost to encourage the spread of such new technologies.

- ◆ Confirmation of the compliance status

In order to confirm that our suppliers are complying with these Guidelines, we may request submission of relevant documents and data, as necessary, and ask for inspections of workplaces (factories).

- ◆ Reporting compliance violations

If a compliance violation occurs in the course of business operations, please immediately report to G-TEKT.

VI. Self-inspection Check Sheet

- ◆ Conducting self-inspections

Please take improvement measures against risks and vulnerabilities identified by self-inspections, as necessary. We also provide the Self-inspection Check Sheet for our business partners so that they can access their CSR initiatives and take self-improvement measures.



G-TEKT Corporation
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