

# **Shimadzu Corporation CSR Procurement Guidelines**

**Version 1**

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## Enactment of the Shimadzu Corporation CSR Procurement Guidelines

In recent years, interest in corporate social responsibility (CSR) has been growing worldwide. As a result, non-financial initiatives such as human rights protection, compliance with laws and regulations, environmental conservation, and contributions to local communities are becoming increasingly important from the perspective of corporate management.

Shimadzu has been working to solve a variety of societal issues in an effort to contribute to achieving a sustainable society based on our corporate philosophy, “Contributing to Society through Science and Technology.” However, the increasingly diverse demands of stakeholders in recent years cannot be satisfied by Shimadzu alone and will require the cooperation of other participants throughout the supply chain. Therefore, we established the Shimadzu Corporation CSR Procurement Guidelines as guidelines for actions related to the Shimadzu Group Sustainability Charter and Procurement Policy.

Accordingly, we ask that all Shimadzu suppliers join Shimadzu in using the guidelines for implementing CSR activities. Thank you for your cooperation.

## Shimadzu Group Sustainability Charter

### Create a Bright Future

SHIMADZU CORPORATION will engage in company activities and fulfill social responsibilities based on two principles - “solve the challenges of society through business operations” and “engage in activities as a responsible member of society” - while working towards harmony between the earth, society, and people.

#### Contribution to the “Well-being of Mankind and the Earth”

- Development of science and technology
- Contribution to human health, measures against infectious diseases, and health management
- Realization of a society with healthy longevity
- Commitment to carbon neutrality
- Creation of circular economy
- Contribution to the conservation of biodiversity

#### Contribution to the industry and society

- Contribution to industrial development
- Realization of a safe and secure society
- Strengthening intellectual property strategy
- Responsibility as a member of society

#### With respect to corporate governance

- Strengthening corporate governance
- Building group governance
- Strengthening compliance and establishing a risk management system
- Crisis management against natural disasters, etc.

## **Shimadzu Corporation Procurement Policy**

Symbiosis and EQCD (Environment, Quality, Cost, and Delivery)

### **1. Conducting Transactions Fairly**

We shall observe all applicable laws and regulations and conduct transactions with fairness and transparency.

### **2. Establishing Partnerships with Suppliers**

We shall select and establish partnerships with suppliers that are able to supply products with appropriate quality, price, and delivery lead time.

### **3. Promoting CSR-Based Procurement**

We shall procure products from suppliers that respect social responsibility (such as respecting human rights and reducing environmental impact).

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## 1. Human Rights and Labor

- 1.1. Respecting Human Rights
  - Respect and never violate human rights established based on international norms.
- 1.2. Eliminating Child Labor and Forced Labor
  - All personnel must be employed voluntarily and their right to terminate their employment respected.
  - Eliminate the use of child labor and forced labor from all stages of business activities.
- 1.3. Respecting Diversity and Eliminating Discrimination
  - Respect diversity among people and ways of thinking as a potential source of ideas for solving challenges in society, for achieving sustained growth, and for creating new corporate value.
  - Do not treat individuals in a discriminatory manner during business or decision-making processes, due to their race, gender, language, nationality, religion, physical handicaps, beliefs, or other such differences.
  - Do not engage in any type of harassment or otherwise harm the character or dignity of others.
- 1.4. Permitting Freedom of Association and Collective Bargaining Rights
  - Permit workers the freedom of association and engage in constructive discussions with labor representatives regarding workplace problems, in accordance with applicable international norms and the laws and regulations of the corresponding countries.
- 1.5. Maintaining Appropriate Working Conditions
  - Specify and appropriately implement working conditions, such as working hours and wages, in accordance with applicable laws and regulations of the corresponding countries.
- 1.6. Hiring Foreign Workers
  - Before hiring foreign nationals, carefully explain the employment conditions in advance to make sure they are properly understood by the workers themselves.
  - Verify that Shimadzu, subcontractors, and staffing companies, or other human resource providers used by Shimadzu, are compliant with applicable laws and regulations governing the recruiting and hiring of foreign workers, foreign technical trainees, and other foreign nationals.

## 2. Occupational Health and Safety

- 2.1. Occupational Safety
  - Exercise adequate care regarding the content, conditions, environment, and other aspects of work, as specified in applicable laws and regulations for ensuring occupational health and safety.
  - Implement appropriate safety measures to prevent exposing employees to undue danger, especially employees involved in hazardous jobs, such as by providing protective gear or installing safety equipment.
  - For employees that are pregnant or nursing women, senior citizens, or have physical disabilities, establish appropriate measures intended to reduce risks in terms of occupational safety and health.
- 2.2. Preparing for Emergencies
  - To prepare for disasters, accidents, or other emergencies that could potentially result in loss of life or bodily harm, prepare an action plan for minimizing the disruption to business activities in the event such an emergency actually occurs.
  - Establish applicable equipment, implement employee training, and so on, as necessary for executing the prepared action plan.
- 2.3. Occupational Accidents and Diseases
  - Establish appropriate countermeasures and corrective actions for employee occupational accidents and diseases, including providing necessary treatment, as specified by international agreements or local laws and regulations.
  - Provide treatment, compensation, or other actions, as necessary, for employees who are disabled by an occupational accident or disaster.
- 2.4. Occupational Health
  - Identify and assess the risks of harm from exposure to chemical, physical, or biological hazards in the workplace and then control or manage the risks appropriately to ensure they do not exceed specified safety standards.
  - Minimize potential work-related risks by designing appropriate processes or strictly following procedures. If risks cannot be managed adequately by such measures, provide employees with appropriate protective gear and corresponding training.
- 2.5. Physically Demanding Tasks
  - Identify and assess physically demanding work tasks and then manage them appropriately to prevent occupational accidents or diseases.

2.6. Facility Safety and Health

- Provide clean toilets, hygienic water, sanitary spaces for taking breaks and eating, and so on for employees. Also, provide appropriate emergency escape routes.
- Keep work areas and equipment clean and manage them to ensure they are not harmful to employee health.

2.7. Safety and Health Communication

- Provide appropriate safety and health information about potential dangers and risks encountered by employees in the workplace in the form of education and training using words and methods that employees can understand.
- Ensure the safety of work practices and periodically offer training to provide the knowledge and skills required by employees for maintaining their mental and physical health.
- Establish and implement systems for employees to report and remedy workplace safety problems.

2.8. Employee Health Management

- Establish appropriate systems for maintaining employee mental and physical health and use them to ensure appropriate health management.

### 3. The Environment

- 3.1. Basic Policies
  - Endeavor to conserve the global environment and achieve a sustainable society.
  - Comply with the various laws, regulations, and international agreements intended to conserve and protect the environment.
  - Promote continuous improvement activities for environmental conservation, including using environmental management systems specified by ISO 14001, KES, or other standards.
- 3.2. Reducing Environmental Impact
  - Be conscious of reducing environmental impact over the entire product life cycle during procurement, R&D, and production activities.
  - Implement available measures for reducing environmental impact throughout all business processes.
- 3.3. Managing Hazardous Materials
  - If using, storing, or disposing of hazardous items that could potentially be harmful to humans or the surrounding environment, strive to ensure adequate safety by complying with all applicable laws and regulations.
- 3.4. Managing Waste Materials
  - Create and implement processes for ensuring appropriate management and disposal of waste materials. Then periodically check and assess the status of those processes, in accordance with applicable laws, regulations, and other requirements.
  - Implement measures for reducing the output of waste and recycling the waste.
- 3.5. Preventing Global Warming
  - Reduce greenhouse gas emissions by striving to use energy more efficiently, setting voluntary targets for reducing greenhouse gas emissions, and, to the extent possible, establishing systems necessary for achieving those targets.
- 3.6. Preventing Air Pollution
  - Implement measures to reduce the release of hazardous substances into the atmosphere, in accordance with standards specified in local laws and regulations.
- 3.7. Managing Water
  - Reduce water usage and protect water supplies by identifying and understanding water usage levels and applications for water resources used for business activities.
  - For pollution prevention, manage and treat waste water generated from business activities appropriately in accordance with applicable standards, such as specified in laws and regulations.



### 3.8. Managing Materials Used

- Do not manufacture products using any hazardous substance regulated or banned at the end user location by laws, regulations, or international standards.
- Identify substances that could potentially be harmful to business activity supplies, humans, or the environment, and then appropriately manage the use, storage, relocation, disposal, and other aspects of such substances, while also successively reducing the quantities used.
- For managing materials used, also comply with the Shimadzu Corporation Green Procurement Standards, specified separately.

## 4. Ethics

- 4.1. Establishing Corporate Compliance
  - Ensure that business activities respect and comply with all applicable laws, regulations, ethics, and social norms in the relevant country or region.
- 4.2. Complying with Antitrust Laws and Prohibiting Abuse of Rights
  - Do not engage in unfair competitive behavior or in unfair transaction methods that obstruct free competition, such as monopolization, joining cartels or bid-rigging, or other actions that restrain trade unfairly.
  - Do not use a stronger transaction position to interfere with the other party's ability to freely make a decision or persuade them to accept unbeneficial terms.
- 4.3. Preventing Insider Trading
  - Do not engage in insider trading, such as buying or selling stocks based on publicly undisclosed information about Shimadzu, suppliers, or other companies learned from business activities.
- 4.4. Ensuring Security Trade
  - Do not engage in transactions that involve selling products or offering services to any organization or end user that intends to, or is suspected of intending to, develop, manufacture, or otherwise contribute to weapons of mass destruction or conventional weapons that could potentially threaten international peace and security.
  - In addition to complying with the Foreign Exchange and Foreign Trade Act and other Japanese laws and regulations, United Nations Security Council resolutions, related international treaties, and international export control regimes, also make a sincere effort to comply with other import and export-related laws and regulations in countries and regions where transactions are conducted.
- 4.5. Preventing Corruption and Rejecting Anti-Social Elements
  - Do not engage in corruption, such as giving/receiving bribes, inappropriate benefits, coercion, or embezzlement to/from public officials, private companies, or other parties.
  - Do not associate with any anti-social elements or engage in any requests or actions related to such elements.

- 4.6. Handling Personal and Confidential Information and Ensuring Information Security
- Endeavor to prevent leaking personal information or other confidential information received from customers by using appropriate methods to collect, save, process, and transmit such information.
  - If personal information needs to be collected for business activities, only collect the minimum information necessary and clearly specify the purpose of collection and how the information will be used.
  - Establish effective countermeasures for information security concerns or threats and then manage and assess the status of those countermeasures on an ongoing basis.
  - Do not wrongfully obtain, use, or disclose third-party personal information or confidential information.
  - Do not use or convey information, technology, or other assets protected as intellectual property without permission.
- 4.7. Eliminating Conflict Minerals
- Do not acquire, refine, process, ship, transport, or otherwise handle minerals suspected of being used to fund armed groups in conflict or high-risk regions.
  - If the use of minerals indicated above is identified, promptly notify the customer and establish any necessary countermeasures.
- 4.8. Maintaining Harmony with Local Communities
- Establish necessary countermeasures to prevent business activities from causing safety or health-related harm to local communities or citizens.

## **5. Business Continuity Plan (BCP)**

- 5.1. Establishing and Implementing BCPs
- Propose a business continuity plan (BCP) in advance for restoring normal business activities after a disaster, accident, crisis, or other damage to business operations.
  - Conduct ongoing training and education to ensure BCPs are always ready to execute at any time.