

INFRONEER Group
Sustainability Procurement
Guidelines

July 2024

INFRONEER Holdings Inc.

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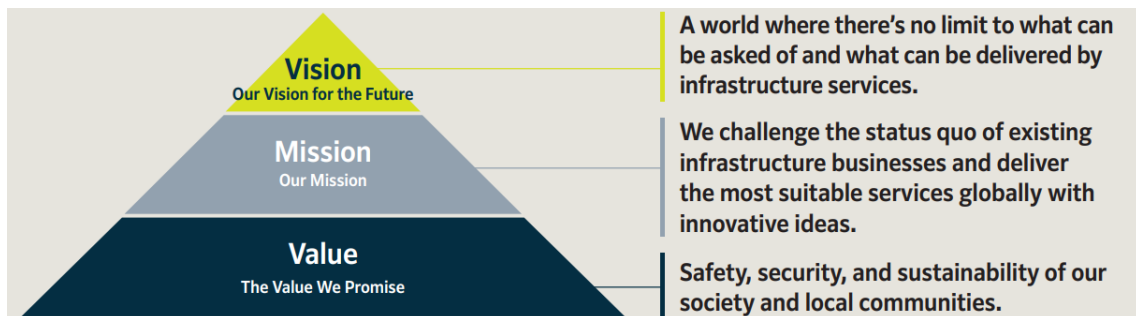
1. Introduction

This guideline outlines the requirements for suppliers to cooperate with the INFRONEER Group in procuring products, materials, raw materials, services, and other items. We request that suppliers cooperate with the INFRONEER Group to create added value together throughout the supply chain by complying with the conventional quality, performance, price, delivery time, and other sustainability factors such as the environment, labor environment, and human rights.

2. INFRONEER’s Management philosophy

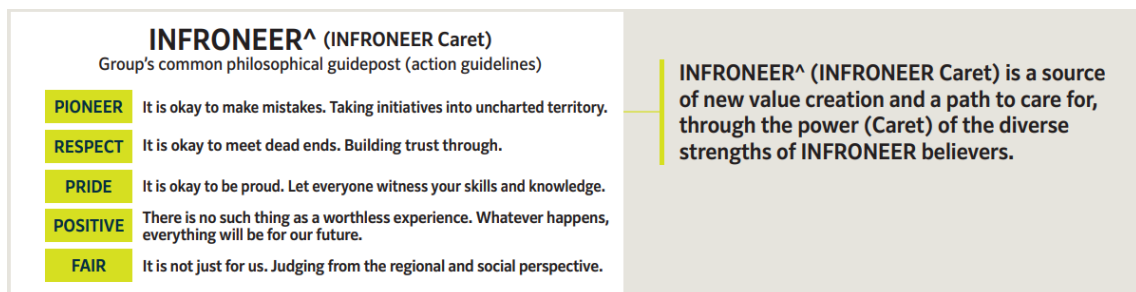
VMV and Slogan

The INFRONEER Group has set forth the following Vision for the future we strive towards, Mission we pursue, and Value we promise. The slogan "Challenge the status quo " has been established to express what the INFRONEER Group should be in the future.



INFRONEER^ (INFRONEER Caret)

It sets out the basis on which all officers and employees of the INFRONEER Group make their decisions and the standards of conduct they should follow.



3. INFRONEER Group Policy

INFRONEER Group Human Rights Policy

https://www.infroneer.com/jp/blog_assets/attachments/314/HumanRightsPolicy.pdf

Group Information Security Basic Policy

<https://www.infroneer.com/jp/security-policy/>

Anti-Corruption Policy

<https://www.infroneer.com/jp/sustainability/governance/compliance.html>

Diversity Equity & Inclusion Policy

https://www.infroneer.com/jp/blog_assets/attachments/583/20230622.pdf

INFRONEER Group Sustainability Procurement Policy

Based on the INFRONEER Group Sustainability Procurement Policy set forth below, INFRONEER Group is committed to respecting the position of our suppliers, both direct and indirect, building strong partnerships and collaboratively creating added value across the entire supply chain.

A. Labor and Human Rights

We respect the human rights of our employees and other stakeholders in accordance with the "INFRONEER Group Human Rights Policy".

B. Health and Safety

In addition to complying with relevant laws and regulations, we are committed to preventing work-related injuries and safeguarding against physical and mental illnesses, and to create a safe and hygienic work environment.

C. Environment

We will actively address global environmental challenges such as resource depletion, climate change, and environmental pollution, as well as local environmental concerns with a focus on the health and safety of the affected communities.

D. Fair Trade, Ethics and Anti-Corruption

We are committed to prevent corruptions such as bribery, giving and receiving excessive entertainment and gifts, collusion, embezzlement, and breach of trust, in addition to compliance with laws and regulations.

E. Quality and Safety

We are dedicated to guaranteeing the safety and quality of our products and services while providing accurate information.

F. Information Security

We will prevent leakage of confidential and personal information and strengthen information security.

G. Business continuity plan

In the event that we or our suppliers are affected by a major natural disaster, we will be prepared to resume production activities as quickly as practically possible in order to fulfill our supply responsibilities.

H. Contribution to Local Communities

We are committed to engaging in activities that benefit not only INFRONEER Group and our suppliers but also create value for the local communities.

4. INFRONEER Group Sustainability Procurement Guidelines

Suppliers of the INFRONEER Group shall, in addition to compliance with laws and regulations, work on the following items. In addition, they should strive to establish a system for their efforts and to obtain certifications and management standards.

A. Labor and Human Rights

• Forced Labor and Child Labor

Suppliers must not engage in forced or child labor and must not tolerate any form of modern slavery, including human trafficking.

• Working Hours and Wages

Suppliers must pay at least the minimum wage and strive to secure a living wage* to the extent possible. They should also ensure appropriate management of working hours, reduce excessive overtime, and guarantee adequate vacations and leave entitlement.

* "Living wage" refers to the wage necessary to maintain an adequate standard of living for workers and their families, as opposed to "minimum wage," which is clearly defined by law or other means by the government of each country.

• Harassment and Discrimination

Suppliers must eliminate all forms of harassment (sexual harassment, power harassment, maternity harassment, moral harassment, etc.).

Suppliers must respect the human rights and diversity of individuals and eliminate all discrimination based on gender, age, nationality, race, ethnicity, ideology, creed, religion, social status, family origin, disease, sexual orientation, gender identity, disability, etc.

• **Freedom of Association and Collective Bargaining**

Suppliers must respect the rights to freedom of association and collective bargaining in accordance with applicable laws and regulations in the countries and regions in which they do business. Where freedom of association and the right to collective bargaining are restricted by national or regional laws that do not meet international human rights standards, we will seek ways to respect these rights by establishing alternative means of dialogue with employees.

• **Local Global Society**

Suppliers understand the potential impact of their business activities on local communities, including indigenous peoples, and work in harmony with local communities.

B. Health and Safety

• **Work-related Accidents and Illnesses**

Suppliers voluntarily establish procedures and mechanisms to prevent work-related accidents and illnesses.

• **Industrial Hygiene**

Suppliers must identify and assess the risk of worker exposure to hazardous biological, chemical, and physical effects, such as chemical substances, in their operations and implement appropriate controls.

• **Implement Safety Measures for Machinery and Equipment**

Suppliers must evaluate machinery and equipment used in their operations for safety risks and implement appropriate safety measures.

• **Health and Safety Communications**

Suppliers must not conceal work-related accidents and must foster an environment that encourages the reporting of such accidents and incidents, while

also raising awareness of their importance.

•**Employee Health Care**

Suppliers must promote appropriate workplace safety considerations, physical and mental health management, and health promotion activities.

C. Environment

•**Chemical Substance Management**

Suppliers must comply with the relevant laws and regulations of each country and region, manage chemical substances appropriately (including abolishment and reduction), and refrain from using prohibited substances in products and manufacturing processes.

•**Emissions of Hazardous Substances into the Atmosphere**

Suppliers must comply with the relevant laws and regulations of each country and region and implement appropriate measures to reduce emissions of hazardous substances into the atmosphere.

•**Water Management**

Suppliers must comply with all relevant laws and regulations in each country and region, monitor water use, proper management of water sources, and discharges, and promote water conservation. Any wastewater must be characterized, monitored, controlled, and treated as necessary prior to discharge or disposal.

•**Energy Consumption and Greenhouse Gas Emissions**

Suppliers must strive to improve energy efficiency and engage in activities to continually reduce energy consumption and greenhouse gas emissions.
Suppliers must give preference to products and services with low greenhouse gas emissions when purchasing them. Also, suppliers must use renewable energy sources for energy consumption.

•**Conservation of Biodiversity and Ecosystems**

Suppliers must comply with the relevant laws and regulations of each country and region, understand the importance of nature conservation and biodiversity preservation, and strive to conserve, reduce impact on, and restore nature.

•Realization of a Circular Economy

Suppliers must comply with the relevant laws and regulations of each country and region, and when procuring products and services, they should prioritize those that are highly recyclable, and opt for highly recyclable methods when disposing of them. Additionally, suppliers should consider the longevity and repairability of products and services.

D. Fair Trade, Ethics and Anti-Corruption

•Integrity in Corporate Activities

Suppliers must maintain ethical relationships with public officials and political organizations avoiding any illegal or socially misleading conduct.

Suppliers must also avoid any action that could suggest collusion with subcontractors or suppliers and, as a principle, should not accept money, gifts, entertainment from business partners.

Furthermore suppliers must not engage in any conduct that constitutes an abuse of a dominant position or obstruction of trade with business partners or competitors.

•Elimination of Improper Benefits

Suppliers must not have any relationship with antisocial activities or forces, and must not give in to unreasonable demands from antisocial forces.

Suppliers must not use their position in business transactions to impose disadvantageous contract terms on related parties or place restrictions on transactions between related parties and third parties.

•Procurement of Raw Materials

Suppliers must strive to conduct procurement activities in conflict and high-risk areas that take into account the impact on local communities from the use of raw materials (e.g., tantalum, tin, tungsten, gold, cobalt) that may be a direct cause of human rights abuses, environmental destruction, corruption, conflict and other social problems.

E. Quality and Safety

•Ensuring the Safety of Products and Services

Suppliers must not only comply with product safety laws and regulations, but also develop and maintain a product safety management system to provide customers with safe and reliable products and services.

•Ensure Quality of Products and Services

Suppliers must voluntarily establish a system to ensure quality and strive to maintain and improve it.

Suppliers must cooperate in activities to ensure quality at each company of the INFRONEER Group.

•Provide Accurate Product and Service Information

Suppliers must provide accurate and non-misleading information about their products and services.

F. Information Security

•Ensuring Information Security

Suppliers must thoroughly manage and protect confidential information, personal information, customer information, etc., and prevent unauthorized use or leakage of information. Suppliers must also establish an incident response system to prevent and minimize damage in the event of an information security incident.

G. Business Continuity Plan

•Business Continuity Planning and Preparation

Suppliers must identify and assess risks that may impede business continuity and work to develop plans for implementing a business continuity plan (BCP). Suppliers must also actively cooperate in disaster recovery in the event of a disaster.

Suppliers must cooperate in the establishment and maintenance of systems based on the BCP of each company in the INFRONEER Group.

H. Contribution to Local Communities

•Contribution to Local Communities

Suppliers must pay attention to social issues faced by each region, develop a system that leads to solutions in cooperation with local communities, and proactively implement social contribution activities to add value to local communities, suppliers, and INFRONEER Group.

5. INFRONEER's Compliance Hotline

Dedicated contact point for reporting the discovery of insider trading, embezzlement, breach of trust, bribery (comprehensive anti-corruption violations in general), and other activities that may be considered a violation of compliance at any INFRONEER Holdings Group business location is as follows:

<https://www.infroneer.com/jp/contact/compliance/>

6. Revision History

No.	Date	Content
1	July 2024	First Edition