

Tsubaki Group
Supplier Sustainability Guidelines

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Tsubakimoto Chain Co.

Table of Contents

Introduction	3
Tsubaki Group Basic Sustainability Policy	4
I. Purpose	4
II. Requests for Suppliers	4
(1) Compliance with Guidelines and Continual Improvement	
(2) Thorough Implementation throughout the Supply Chain	
(3) Agreement with Guidelines and Confirmation of Compliance	
(4) Measures to Be Taken in the Event of an Emergency	
III. The Tsubaki Group's Basic Stance on Sustainability.....	5
1. Sound, Fair, and Transparent Business Operations.....	5
(1) Compliance	
(2) Risk Management Execution	
(3) Appropriate Information Disclosure	
(4) Strengthening Information Security and Confidential Information Management	
2. Provide Safe and Secure Products.....	6
(1) Quality Assurance	
(2) Product Safety	
3. Human Rights and Occupational Health and Safety.....	6
(1) Respect for Human Rights and Appropriate Labor Practices	
(2) Safe and Comfortable Workplace	
(3) Implementation of sustainability education	
4. Promote global environmental conservation	7
5. Sustainable Procurement.....	7
(1) Fair Trade With Suppliers	
(2) Conflict Minerals	
(3) Promoting "Green Purchasing"	
(4) Sustainability Throughout the Supply Chain	
6. Collaboration with Communities.....	7
7. Proactive Efforts to Create Economic Value and Social Value through Innovation	7

Introduction

In recent years, global environmental and energy issues as well as many social issues have become more severe. At the same time, we are turning into a sophisticated information society, and the demands of companies are becoming increasingly diverse and complex. Against this backdrop, the Tsubaki Group aims to become a company that continues to be needed by society by providing value that surpasses expectations as a manufacturing company based on our "TSUBAKI SPIRIT" corporate philosophy.

While fulfilling our social responsibilities as a company, we have strengthened our response to various business continuity risks and worked together as a group to resolve social issues through technological innovation.

Going forward, we aim to be a company that responds to the expectations of all stakeholders by actively working toward the higher goal of contributing to the creation of a sustainable society and resolving social issues through our business activities. Consequently, it is essential that our suppliers work together with us to resolve any issues that may lay ahead.

We have established the Tsubaki Group Supplier Sustainability Guidelines in order to further promote collaboration with our suppliers. We ask our suppliers to take proactive measures based on these Guidelines, including their deployment to their own suppliers.

Tsubakimoto Chain Co., Ltd.
President and Representative Director

Tsubaki Group Basic Sustainability Policy

The Tsubaki Group is committed to contributing to the realization of a sustainable society through business activities based on the "TSUBAKI SPIRIT" corporate philosophy. At the same time, the Tsubaki Group is committed to enhancing corporate value through technological innovations and becoming a company that continues to be needed by society. We will also improve management transparency and trust through communication with stakeholders.

I. Purpose

These Guidelines are to help suppliers understand the Tsubaki Group's approach to sustainability, clarify the basic requirements that suppliers are expected to meet, and enable us to resolve social issues through business operations, and achieve sustainable growth.

We have established these guidelines with the aim of ensuring that our suppliers comply with these standards and that these standards permeate the entire supply chain.

II. Requests for Suppliers

Please observe the following (1) to (4) after gaining understanding of "The Tsubaki Group's Basic Stance on Sustainability" in Section III.

(1) Compliance with Guidelines and Continual Improvement

We ask you to comply with these Guidelines, build a system for sustainability, and implement continuous improvement.

(2) Thorough Implementation throughout the Supply Chain

We request that suppliers' supply chains be familiar with these guidelines as well.

(3) Agreement with Guidelines and Confirmation of Compliance

Suppliers may be asked to submit questionnaires or be questioned, etc. to confirm that they agree to this Guideline and that they are in compliance with it.

(4) Measures to Be Taken in the Event of an Emergency

In the event of a serious compliance violation, an emergency or accident, etc. in the business activities of suppliers, please promptly report to the relevant procurement department in charge (delivery site).

III. The Tsubaki Group's Basic Stance on Sustainability

1. Sound, Fair, and Transparent Business Operations

(1) Compliance

① Compliance with Laws and Regulations

- We will strive to comply with all laws and regulations in the countries and regions where we operate, and to comply with industry standards related to fair business activities.
- Acts that would be looked badly upon by society shall not be carried out even if they do not violate laws or regulations.
- We will establish and implement policies, systems, actionable guidelines, reporting systems, and educational systems to ensure thorough compliance.

② Compliance with Competition Law

We will not engage in private monopolization, unreasonable restraint of trade (cartels, bid rigging, etc.), unfair trade practices, or abuse of a dominant bargaining position to comply with the competition laws of each country or region.

③ Prevention of Corruption

- Political contributions and donations will be done in accordance with the laws and regulations of each country and region, and efforts will be made to build transparent and fair relations with governments and administrations.
- Employees shall not entertain, give or receive gifts or money to business partners for the purpose of obtaining or maintaining unjust advantages and preferential treatment.

④ Reinforce Export Control

Appropriate export procedures and controls shall be implemented for the export of technologies and goods regulated by the laws and regulations of each country and region.

⑤ Protection of Intellectual Property and Prevention of Infringement

- We will protect the intellectual property rights owned by the company.
- We will not improperly obtain, use, or infringe upon the intellectual property of any third party

(2) Risk Management Execution

① Building a Risk Management System

We will identify, analyze, assess and prevent various risks that may have a significant impact on our business. We will also establish a management system to minimize the losses due to risk events.

② Response to Emergencies

In the event of an emergency such as a disaster, the safety of human life shall be given the highest priority. In cooperation with local communities we will strive for timely recovery and contact related departments in charge of procurement at affiliated business sites (delivery sites).

(3) Appropriate Information Disclosure

In order to further build trust and understanding, we will disclose information in a timely, accurate, fair, and proactive manner, and strive to maintain and develop mutual understanding and trust with our stakeholders through open and fair communication.

(4) Strengthening Information Security and Confidential Information Management

The personal information and confidential information of all stakeholders shall be obtained in a proper manner and strictly controlled, protected and used to the extent appropriate.

2. Provide Safe and Secure Products

(1) Quality Assurance

Under the Tsubaki Group's Basic Quality Policy, we will establish a quality assurance system and continuously improve our product quality and operations whether direct or indirect.

(2) Product Safety

We will comply with laws, regulations, and safety standards related to product safety, and make every effort to provide safe products.

3. Human Rights and Occupational Health and Safety

(1) Respect for Human Rights and Appropriate Labor Practices

① Promoting Diversity

Acknowledging human resources as the most important part of our operation's foundation, we will promote the development of a work environment where diverse human resources play an active part. We also believe that our employees are also important stakeholders and strive to create fair and equitable relationships.

② Prohibition of Discrimination

We will respect the diversity of employees, prohibit discrimination on the basis of race, ethnicity, nationality, religion, gender, disability, age, etc., and implement equal opportunities in all employment situations.

③ Respect for Human Rights

Inhumane acts such as physical and mental harassment are not allowed.

④ Prohibition of Child Labor

We will not allow the employment of children under the working age as is specified under the laws and regulations of each country and region.

⑤ Prohibition of Forced Labor

We will not engage in forced or compulsory labor and ensure that employees can leave their jobs freely.

⑥ Appropriate wages

We will observe the laws and regulations of each country and region concerning working conditions, wages and working hours, and strive to maintain appropriate working conditions.

⑦ Communication with Employees

In accordance with the laws and regulations of each country and region we allow employees the right of association as well as promote discussions and dialogues with employee representatives.

(2) Safe and Comfortable Workplace

By implementing the Tsubaki Group's Basic Safety and Health Policy we ensure the safety and health of employees in their duties, prevent occupational accidents, and promote both mental and physical health.

(3) Implementation of Sustainability Education

We will not only provide education on products and technologies, but also provide education on sustainability as deemed necessary.

4. Promote Global Environmental Conservation

We will actively engage in environmental conservation activities in accordance with the Tsubaki Group's Basic Environmental Policy and Green Procurement Guidelines.

5. Sustainable Procurement

(1) Fair Trade with Suppliers

We will provide open and fair entry opportunities for suppliers wishing to trade and carry out selection by fair evaluations based on various indicators.

(2) Conflict Minerals

We will implement measures to ensure the transparency of the supply chain of mineral resources used in materials and components to avoid the use of disputed minerals which might fund armed groups. We also disclose information in accordance with any request from our customers.

(3) Promoting "Green Purchasing"

In transactions with your suppliers we promote the procurement of materials that contribute to the conservation of the global environment with reference to the Tsubaki Group Green Procurement Guidelines.

(4) Sustainability throughout the Supply Chain

To promote sustainability initiatives throughout the entire supply chain, we will also update your business partners of the content of these Guidelines.

6. Collaboration with Communities

Recognizing that a company is a member of the local community, we will strive to contribute to the development of a prosperous local community.

7. Proactive Efforts to Create Economic Value and Social Value through Innovation

- ① We will propose new products or product improvements that take into account global environmental and social issues.
- ② We will make efforts to reduce the environmental impact throughout the life cycle of products.
- ③ We will improve productivity in business activities to increase value added per employee (or hour).
- ④ We will reduce energy consumption per value added by improving energy efficiency in business activities.

