



# **RIKEN KEIKI Co., Ltd. CSR Procurement Guidelines**

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RIKEN KEIKI Co., Ltd.

## RIKEN KEIKI's CSR Procurement

Since our founding in 1939, through business operations centered on industrial gas detection and alarm equipment, we've played an important societal role in safeguarding industrial workers from the various hazards as well as disasters associated with gases. We would like to express our sincere gratitude to our stakeholders, including our suppliers and business partners, for their ongoing cooperation and support. In our business policy, we state that RIKEN KEIKI is "a pioneer in creating safe working environments for workers" and "endeavors for its operations to be in full Legal Compliance, to strive for Preservation of the Environment, and to maintain our role of high Social Responsibility as a good corporate citizen." To fulfill our social responsibilities, to comply with laws and regulations, and to protect the environment as a responsible corporate citizen, we also have established our Code of Conduct and Guidelines for Action. Given the importance of fulfilling corporate social responsibility (CSR), we are actively promoting our CSR initiatives.

Along this line, we conducted a risk analysis of social issues related to CSR procurement for our company and our stakeholders, based on which we have formulated a basic policy and standards for CSR procurement, namely the CSR Procurement Guidelines. These guidelines have been developed based on the social issues defined by the United Nations Global Compact while considering our own business environment.

At our company, the Production Management Department is leading the way in promoting activities following these guidelines, and we ask our suppliers to become familiar with these guidelines. In particular, the contents of the following basic policy are items that we require our suppliers to comply with because these items are social issues of particularly high importance to our company.

President  
Tetsuya Matsumoto

### Basic Policy (Requirements)

Human rights and labor	Environment	Prevention of corruption
<ul style="list-style-type: none"><li>• Elimination of forced labor</li><li>• Development of workplace safety and hygienic environment</li></ul>	<ul style="list-style-type: none"><li>• Management of hazardous substances</li><li>• Management of substances in products</li></ul>	<ul style="list-style-type: none"><li>• Prohibition of anti-competitive practices</li><li>• Commitment to product safety and quality</li><li>• Maintenance of robust information security</li></ul>

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## **1 Human Rights and Labor**

### **1.1 Elimination of forced labor**

We employ all workers based on their free will, with zero tolerance for forced labor. We also respect workers' rights to leave or terminate their employment on their own initiative.

- Do not tolerate forced labor, debt bondage, exploitative prison labor, human trafficking, and slavery.
- Prepare employment contracts in a language that workers fully understand, and commence employment only after the contract has been thoroughly explained understandably.
- Do not retain or confiscate original workers' documents, such as ID cards or passports.
- Upon employment, do not collect employment agency fees or similar fees from workers.
- Ensure the workers' right to resign freely after giving reasonable prior notice.

### **1.2 Elimination of child labor**

We do not employ children who have not reached the minimum age for employment. We properly safeguard young workers under 18 by ensuring they are not assigned to night work or hazardous tasks.

- Do not employ children. "Children" are defined as those who have not yet reached one of the following ages: 15 years old, the age at which compulsory education ends, or the minimum age for employment in the relevant country, whichever is the highest.
- Properly safeguard young workers under 18 by ensuring they are not assigned to night work or hazardous tasks.
- Verify the age of applicants for employment with reliable documents such as identification cards.

### **1.3 Compliance with working hour regulations**

We comply with relevant local laws and regulations governing the working conditions of employees. We appropriately manage working hours, holidays, and days off.

- Appropriately administer working hours, including overtime, in compliance with the local laws and regulations.
- Appropriately manage holidays per local laws and regulations, giving workers at least one day off every seven days.
- Inform workers of their statutory working hours, and holidays and days off.

#### **1.4 Elimination of illegal wages**

We comply with all applicable laws and regulations regarding worker payments, including minimum wages, overtime pay, and other allowances and deductions. Additionally, we provide pay slips on time and pay wages without delay.

- Pay workers at least the statutory minimum wage, and correctly calculate and pay overtime and other allowances per local laws and regulations.
- Correctly calculate deductions from salaries and withholding taxes, etc., and pay them to the appropriate authorities within the time limits specified by local laws and regulations.
- Provide workers with wage statements at appropriate times and pay wages without delay.

#### **1.5 Elimination of inhumane treatment**

We respect workers' human rights and tolerate no harassment or inhumane treatment.

- Do not tolerate inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, physical or mental oppression, and verbal abuse, and respect the human rights of workers.
- Promote education and awareness-raising activities for employers and workers regarding the prohibition of violence and various forms of harassment.

#### **1.6 Prohibition of discrimination**

We are committed to creating a workplace free of discrimination by prohibiting discrimination and harassment in employment and treatment.

- Do not discriminate in recruitment, employment, or treatment based on unreasonable factors such as gender, age, place of origin, nationality, race, ethnicity, ideology, beliefs, religion, illness, or disability.
- Promote education and awareness-raising activities to prevent discrimination among employers and workers.
- Do not subject workers and prospective employees to medical examinations or other procedures related to discriminatory factors.

#### **1.7 Protection of employees' right to organize (freedom of association)**

We respect the workers' right to organize (freedom of association) to achieve consultation between labor and management on matters such as the working environment and wage levels per local laws and regulations.

- Ensure the workers' right to organize (freedom of association) in compliance with the labor laws of each country, and do not retaliate, threaten, or discriminate against union members or their representatives.

- Ensure that workers are informed of the procedures for selecting trade union representatives or worker representatives and that they can participate in the selection process.
- Promote voluntary negotiations between employers and workers. In addition, do not refuse to engage in collective bargaining without justifiable reason on the employer's part.

## **1.8 Development of workplace safety and hygienic environment**

We identify risks to occupational safety and implement measures to address them, as well as provide reasonable care so that workers can keep working healthily.

- Identify risks and incidents that could lead to disasters or accidents compromising the safety of individuals and implement appropriate health and safety activities. Provide reasonable care, especially for the safety of pregnant and nursing female workers, elderly workers, and others.
- Evaluate machinery and equipment used by workers to check for safety risks and take appropriate safety measures.
- Identify, evaluate, and report on the circumstances surrounding occupational accidents and illnesses and implement proper management and countermeasures.
- Implement emergency response training, including evacuation drills for workers, and ensure these procedures are known throughout the workplace.
- Ensure that the environments provided for workers outside work hours, such as company dormitories and cafeterias, meet safety and hygiene standards.

## **1.9 Responsible sourcing of minerals**

We appropriately manage the minerals we procure or use in our products to prevent any contribution to serious human rights violations, environmental destruction, corruption, or conflict in conflict zones or high-risk areas.

- Appropriately manage the 3TG minerals (tin, tungsten, tantalum, and gold) contained in our products, which are sourced from the Democratic Republic of the Congo and neighboring countries, to ensure that they do not lead to serious human rights violations, environmental destruction, corruption, or conflict, nor provide direct or indirect funding or benefits to armed groups involved in these issues.
- Promote due diligence to assess whether the mineral supply chain is causing or contributing to serious human rights violations, environmental destruction, corruption, or conflict.

# **2 Environment**

## **2.1 Prevention of pollution**

We obtain all licenses and approvals required for business operations, ensuring appropriate management of registrations and reporting.

- Obtain and maintain all necessary environmental permits and registrations and always comply with reporting guidelines.
- Establish a system and framework for promoting environmental conservation, utilizing environmental management systems such as ISO 14001 and third-party certification systems, and take preventive and corrective measures as necessary.

## **2.2 Management of hazardous substances**

We comply with all relevant laws and regulations, ensuring that harmful chemical substances and waste affecting human health and the environment are identified and managed appropriately.

- Diligently manage chemical substances specified by applicable laws and regulations across our manufacturing operations and in our products and services.
- Identify chemical substances that pose risks when released and implement measures to ensure their safe handling, storage, and disposal.
- Ensure that hazardous chemical substances are properly sorted, identified, handled, stored, transported, and disposed of by contractors licensed by the government in accordance with local laws and regulations.
- Promote waste reduction by implementing the 3Rs (Reduce, Reuse, Recycle).
- Strive to use sustainable packaging incorporating recycled materials and biomass.

## **2.3 Management of wastewater and other waste products**

We comply with all relevant laws and regulations, ensuring that wastewater is appropriately managed while minimizing water consumption.

- Engage in appropriate wastewater management, including monitoring and assessing the volume of wastewater discharged.
- Implement initiatives to reduce water consumption continuously.

## **2.4 Management of air pollutants**

We comply with all relevant laws and regulations, with appropriate measures implemented to minimize the discharge of harmful substances into the atmosphere and ongoing improvements pursued as necessary.

- Evaluate, monitor, control, and treat air pollutants in established procedures before discharging them into the atmosphere.
- Set voluntary targets for reducing greenhouse gas emissions from the company and strive to reduce them continuously. Assess greenhouse gas emissions in the supply chain, requiring supply chain partners to implement ongoing reduction activities.
- Regularly monitor the atmospheric discharge of pollutants and the operation of emission control systems.

## **2.5 Management of substances in products**

We comply with all applicable laws and regulations regarding the prohibition and restriction of using specific substances in products and appropriately manage these substances.

- Ensure compliance with relevant laws, regulations, and customer requirements regarding the prohibition and restriction of specific substances while accurately ascertaining the chemical substance information contained in our products' parts and raw materials using database systems and other methods.
- Provide our suppliers a list of prohibited chemical substances based on all applicable laws and regulations, including those of the countries of manufacture and destination, ensuring management of these substances within the supply chain.

## **2.6 Consideration for biodiversity**

We strive to preserve the global environment responsibly, considering the impact on the natural environment, including ecosystems.

- Promote initiatives that consider the impact on the natural environment, including ecosystems, such as procuring materials with low environmental impact, using renewable energy, and other supportive measures.

## **3 Prevention of Corruption**

### **3.1 Elimination of unethical business practices**

We conduct fair business practices under appropriate authority with a high sense of ethics and responsibility.

- Uphold a high sense of ethics to prohibit or refrain from engaging in corrupt practices, including but not limited to bribery, extortion, and embezzlement.
- Establish a comprehensive system for corporate ethics and legal compliance, promoting dissemination and awareness efforts while encouraging the responsible execution of duties based on appropriate authority.

### **3.2 Prohibition of corruption and bribery**

We do not offer bribes and gifts or entertainment that exceed moderation.

- Do not engage in bribery, including offering gifts or entertainment that exceeds moderation in stakeholder relationships. Do not offer public officials or similar entities prohibited gifts or entertainment.
- Take a firm stance against antisocial forces and groups that threaten the order and safety of civil society and sever all relationships with such entities.
- Document and investigate a confirmed violation, with appropriate corrective measures implemented.

### **3.3 Prohibition of abuse of superior bargaining position**

We do not exploit our superior bargaining position to the detriment of our business partners. We protect our intellectual property rights while respecting the intellectual property rights of third parties and refraining from any unjust infringement.

- In jurisdictions where laws and regulations address the abuse of a superior bargaining position—such as the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors in Japan—comply with such laws and regulations and avoid any actions that may detriment our business partners through the misuse of a superior bargaining position.
- Strive to protect our intellectual property rights and take utmost care to ensure that the transfer of technology and know-how does not infringe upon the rights of third parties, with appropriate measures implemented to safeguard those rights.

### **3.4 Prohibition of the provision and acceptance of inappropriate benefits**

We do not exchange entertainment, gifts, or money in business transactions to obtain unfair profits.

- Do not provide or accept entertainment, gifts, or money in shareholder relationships to



- obtain unfair profits in business transactions.
- Establish a system to prevent the imposition of unfair or unreasonable burdening of expenses or donations and clearly define the procedures for addressing inappropriate profit-giving or similar occurrences.

### **3.5 Prohibition of anti-competitive practices**

We engage in fair, just, transparent, and free competition, strictly adhering to all applicable laws prohibiting anti-competitive practices. We also establish a system to listen to the voices of employees and stakeholders, utilizing feedback for continuous improvement.

- Clearly define and comply with policies and procedures prohibiting illegal activities, such as cartels and bid-rigging, that hinder competition, committed to fair, just, transparent, and accessible competition.
- When selecting suppliers, provide fair opportunities to those wishing to do business, ensuring that suppliers are chosen equitably.
- Inform workers of laws and regulations related to fair trade, including competition laws, and provide regular education and training.
- Establish a system to gather opinions from workers and stakeholders regarding ethical and legal violations, such as customer consultation services and dialogue with shareholders, and actively utilize the feedback to drive improvements.

### **3.6 Provision of accurate information on products and services**

We provide accurate and non-misleading information regarding products and services. In addition, we implement appropriate import and export procedures for technologies and goods regulated by applicable laws and regulations.

- Actively and accurately disclose all information required by law, as well as sustainability information, including ESG (Environmental, Social, Governance) details and financial information.
- Disclose material risk information, such as potential damage from large-scale disasters and adverse environmental and societal effects, as necessary.
- Implement appropriate import and export procedures, including obtaining permits from relevant government agencies for regulated technologies and goods. Strictly control the export of weapons, arms, and related technologies that threaten international peace and security, ensuring that exported products are not diverted to weapons or arms.

### **3.7 Commitment to product safety and quality**

We develop designs, products, sales, and maintenance processes that ensure compliance with safety standards mandated by each country's laws and regulations, fully safeguarding the safety and quality of the products and services.

- Establish procedures in the product design phase that ensure adherence to safety standards mandated in each country's relevant laws and regulations and implement a stable production system capable of securing and supplying products and services.
- Establish and operate a quality management system that is compliant with international standards, such as ISO 9001.
- Manage traceability, including tracking materials, parts, and processes to ensure product safety.
- Promote monitoring of the load on manufacturing facilities and workers within the organization and among business partners.

- Appropriately manage suppliers and subcontractors by investigating them before contract execution and re-investigating post-contract. Provide necessary information to suppliers and subcontractors during the ordering process to ensure the reliable provision of products and services.

### **3.8 Maintenance of robust information security**

We implement measures to protect against threats to computer networks, particularly regarding the leakage of confidential and personal information, and prevent any damage to our organization or external entities.

- Take appropriate technical security measures, including introducing security-related software, to prevent cyber-attacks and safeguard against the leakage of confidential and personal information.
- Appropriately store and manage log information from servers, PCs, emails, and other systems to ensure traceability in the event of an incident.
- Diligently manage and protect the personal information of suppliers, customers, third parties, employees, and any confidential information received.
- Regularly educate and train all workers regarding information security.

### **3.9 Development of business continuity plans**

We formulate a business continuity plan (BCP) to ensure the rapid restoration of critical business operations in the event of unforeseen situations and establish a system to guarantee a stable supply of products.

- Identify and assess risks that could disrupt business continuity, including large-scale natural disasters, accidents, and terrorism, and formulate a BCP that includes a detailed examination of potential impacts on business operations and outlines necessary advance measures for the medium to long term.
- Promote the development of a system to procure parts and other materials from multiple suppliers to prepare for any eventuality.