

GOLDWIN Group Supplier Code of Conduct

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GOLDWIN Group Supplier Code of Conduct

To our business partners

Upon procurement of products by the GOLDWIN Group (hereinafter referred to as "The Group"), we have established the following basic principles in the Code of Conduct (hereinafter referred to as "CoC"). Therefore, we would like to ask for your cooperation in understanding and compliance with the CoC, that continuous improvement shall be made in accordance with the CoC, and that business partners of your companies are to be requested to comply with the CoC.

General Provisions

This CoC shall apply to all business partners and their facilities (hereinafter collectively referred to as "sites") including facilities owned and operated by The Group, that are involved in the production, manufacturing, storage, and delivery of The Group's products. This CoC sets forth the basic items necessary for transactions with The Group. Each company shall continuously improve its own sites beyond the scope of this CoC.

(1) Corporate Governance

① Corporate social responsibility (CSR)

A management system must be established and maintained to ensure compliance with the CoC and exercise social responsibility. Specifically, assigning management personnel, establishing the promotion system, developing policies and internal rules, making employees aware of them, providing training to employees, ensuring periodic confirmation of compliance, and rectifying in the event of breach or nonconformity must be conducted. The content of policies and internal rules shall be documented and shared in a language that can be understood by the entire management and all employees.

② Business continuity plan (BCP)

Risks that could hinder the supply of products to The Group or impact the continuation of related businesses due to sudden changes such as disasters, conflicts, epidemics, system failures, violations of laws and regulations, and bankruptcies shall be identified, and measures shall be established in advance. In the unlikely event that any of the above events occurs, promptly report to The Group, and implement agreed emergency response measures.

③ Internal/external whistleblower systems

A system that enables employees and stakeholders, including suppliers, to consult and report any frauds or violations of human rights shall be established and operated. In addition, personal information of the reporter shall be protected so that they will not be disadvantaged by reporting. It is recommended to establish a neutral whistleblower system by a third party.

④ Subcontracting

Without prior written approval of The Group, production and manufacturing of The Group's products and parts shall neither be consigned nor outsourced to any subcontractor. Subcontractors approved by The Group shall comply with this CoC.

(2) Legal Compliance

All laws and regulations applicable to relevant industries shall be complied and ethical business activities with regard to labor, human rights, occupational health and safety, environmental conservation and ethics shall be conducted. In particular, all laws and regulations of countries and regions in which the business is carried out, and all international laws and regulations (including, but not limited to, wages, working hours, employment, labor, occupational health and safety, environmental conservation, immigration, and country of origin marking) shall be complied to.

(3) Labor and Human Rights

① Human rights

Strive to support and comply with the “GOLDWIN Group Policy on Human Rights”.

② Child labor

Young workers under the age of 15 or workers under the age of completion of compulsory education shall not be employed. In addition, when employing workers under the age of 18, laws and regulations of the country and region in which the business is operated, in particular, those concerning hours and conditions of work, shall be complied to.

③ Forced labor

All employees shall be employed on their own free will and shall not engage in non-voluntary or forced labor (including, but not limited to, apprenticeship, collateral work, human trafficking or any other form of forced or compulsory labor).

④ Wages and benefits

Wages and compensation that meet the employees' basic needs shall be provided. Wages and compensation should meet minimum wage and benefit standards (including, but not limited to, enrolling in compulsory insurance such as health and social insurance, endowing paid time off and breaks) prescribed by the laws and regulations of countries and regions in which the business is operated. Work overtime shall be paid with premium standards set forth by local laws and regulations; a detailed statement shall be issued upon payment of compensations. If local laws and regulations do not specify minimum wages, active measures shall be taken to set appropriate wage that meets the prevailing industry standards of the country or location of the sites. Also, employees who have returned from maternity leave as stipulated by local laws shall not be subject to dismissal, demotion, or reduction of wages.

⑤ Hours of work

Observe the maximum number of regular and overtime hours stipulated by the laws and regulations of the country or region where the business is operated. Except in special circumstances, the total hours worked, including normal and overtime hours, shall not exceed the number of hours stipulated by the law. Overtime work shall be consensual and not be requested regularly. Except in special circumstances, appropriate working hours should be based on either local legal working hours or international standards (up to 48 hours of scheduled work or 60 hours including overtime work, per week), and whichever stricter standards shall be complied with. Employees shall be granted one (1) day off within every seven (7) days, regardless of local laws or regulations. In addition, paid time off stipulated by local laws and regulations shall be endowed.

⑥ Freedom of association and collective bargaining

Employees' right to join labor unions and collective bargaining at their own choice shall be recognized and respected. They must not be subject to any harassment, intimidation, or reprisal for exercising their rights.

⑦ Discrimination

Employment conditions (including employment, compensation, benefits, promotion, dismissal, and retirement) shall be based on individual competence. In particular, no discrimination shall be made on the basis of race, color, gender, age, origin, religion, sexual orientation, marital status, nationality, disability, military service experience, pregnancy, or other legally protected factors.

⑧ Harassment

All employees are to be treated with respect and dignity; corporal punishment or physical, sexual, mental, or verbal harassment and abuse are prohibited. Employees shall not be forced or pressured to use contraception. No monetary fines as a disciplinary practice shall be imposed.

⑨ Recruitment and employment

Policies for recruitment, hiring and employment shall be clear, transparent, and abide by relevant national and regional laws and regulations.

In addition, the following items must be taken into account when hiring:

- employment contracts shall be concluded in a language which employees understand
- excessive information (gender, pregnancy, etc.) shall not be retrieved
- discrimination of any kind shall not be tolerated
- recruitment shall not be conducted under conditions that violate human rights (holding on deposits and identification, restricting the use of mobile phones, etc.)
- a working environment shall be provided that ensures privacy, safety and freedom of movement (including dormitories, if applicable)
- expenses related to employment shall not be charged to employees
- employees shall be free to terminate their employment upon reasonable notice
- employment shall not be restricted due to pregnancy, childbirth, etc.

If third-party recruitment intermediaries are used to recruiting workforces, the above shall be complied with.

(4) Safety and Hygiene

① Health and safety

Employees are to be provided with clean, safe and hygienic working environment in compliance with laws and regulations concerning workplace safety and health established by the national and local governments in which they operate; risks against accidents, injuries and illness which may arise in the course of their work shall be identified and mitigated. Necessary medical care shall be provided to employees in the event of an occupational accident or illness. In addition, a person in charge of disaster prevention must be appointed to prepare for disasters such as fires and natural disasters on a daily basis. It is strongly recommended that the 5S training suggested by The Group (Sort, Set in order, Shine, Standardize, Self-discipline) be promoted, and that information related to safety and health be provided in a language that employees can understand, so that each employee can make autonomous efforts to maintain a safe and healthy working environment.

② Management system

Physical and mental health of employees shall be maintained. If there are workplaces with risks of illness (exposure to chemicals, adverse effects on reproductive function, etc.), along with appropriate management of the working environment, employees under the age of 18 or pregnant employees shall not be engaged in such work. Appropriate equipment and services to pregnant employees shall be provided. It is also recommended that medical examinations be carried out at the frequency prescribed by law or at least once a year, whichever more frequent.

③ Workers' residence

If employee dormitories are arranged, a clean, safe, morally sound, and hygienic living environment shall be provided. The design of the dormitory shall comply with local laws and regulations concerning residence and shall ensure adequate privacy, safety, and freedom of movement for all residents.

(5) Environment

① Environmental management

All laws and regulations related to environmental conservation in countries and regions in which the business is operated shall be complied. Each company shall recognize the harmful effects of its business activities on the environment regarding energy, emission, water, waste, hazardous materials, and other environmental risks. Moreover, each company shall establish and maintain an environmental management system to consider action guidelines to minimize impact on the environment and resolve any issues regarding environment within business processes. Acquiring ISO 14001 certification and conducting environmental impact assessments are recommended. The same requests to subcontractors approved by The Group shall be made.

② Restricted substances

A management system for restricted substances within the company and its supply chain shall be established to comply with “Memorandum of Understanding (RSL Compliance)” and the laws and regulations of the countries and regions where products of The Group are sold. Restricted substances that do not meet the requirements or exceed limits shall not be contained. The most stringent standards between national and regional laws and regulation, or “Memorandum of Understanding (RSL Compliance)” shall be applied. In addition, efforts should be made to identify and manage chemical substances that are prohibited or harmful in the manufacturing process.

③ Wastewater management

Relevant laws and regulations of atmosphere, water and soil shall be complied with. Monitoring, control and appropriate treatment prior to drainage and emission, etc. shall be conducted, as necessary.

④ Utilization of sustainable resources

Reduction targets for resources (energy, water, raw materials, etc.) shall be set with the recognition of their usage; furthermore, the use of resources shall be optimized. Effective use of sustainable resources shall be engaged actively.

⑤ Greenhouse gas (GHG)

Reduction targets for GHG emissions shall be set with the recognition of their usage; furthermore, the reduction efforts should be made.

⑥ Waste disposal and recycling

Waste should be handled appropriately in compliance with local laws and regulations. Amount of waste disposal shall be recognized, and reduction efforts shall be made. Effective use of waste shall be attempted to achieve zero waste. Resources that do not meet the quality standards (defective products, fabrics, etc.) should not be treated as waste, and appropriate measures should be taken to ensure effective use.

⑦ Biodiversity initiatives

Direct and indirect impacts of business on ecosystems shall be recognized. Efforts should be made to conserve biodiversity and realize a sustainable society in which humans and nature coexist.

(6) Fair Corporate Activities

① Anti-bribery and corruption

Maintain a sound relationship between companies and politics and administration, and refrain from bribery and other illegal acts. In addition, an appropriate management system shall be established to prevent improper acts such as bribery.

② Competition law

Prevent unfair trade practices, such as abuse of monopolistic position, bid rigging, and cartels. Engagement in activities that violate Competition Laws of each country is prohibited.

③ Intellectual property

Infringement of intellectual property rights (patent, utility model, design, trademark, etc.) of third parties through unauthorized acquisition or use, unauthorized copying of software, books, etc. is prohibited. Intellectual property rights, etc. belonging to the company shall be protected from being infringed by third parties. Intellectual property rights (including, but not limited to, trademarks) applied to The Group's products shall be respected and any rights against them shall not be claimed. In addition, the acquisition of intellectual property rights, regardless of them being direct or indirect shall not be conducted.

④ Conflicts of interest

Ensure that employees are not involved in activities that conflict with their personal interests and the interests of the company.

⑤ Information security

Personal and confidential information shall be obtained in a proper manner in accordance with the laws and regulations of each country or region. Acquired information should be strictly managed, protected and used to the extent appropriate. Protective measures against threats on networks shall be taken and managed so as not to cause damage to the company and other companies.

⑥ Confidentiality

Information disclosed by The Group and vendors designated by The Group (including, but not limited to, personal information, information regarding transactions, sales, R&D, planning, manufacturing, intellectual property) shall be maintained as confidential information and shall not be disclosed or leaked to any third party without prior written approval of The Group. In addition, necessary measures shall be taken to ensure that all employees comply with the confidentiality obligations during and after their employment.

⑦ Facility security

Security of facilities should be ensured to prevent illegal cargo (including, but not limited to, drugs, biological agents, explosives, weapons, radioactive substances, illegal immigrants/stowaways and other smuggled goods) from being mixed in shipped goods. In addition, ordered goods of The Group shall be strictly controlled (regardless of being finished, goods in progress, or a defective product) along with the raw materials and equipment used therefor; a maintenance system to prevent them from being sold or disposed of without permission shall be ensured.

⑧ Fraud

Comply with all laws and regulations that prohibit illicit transactions, such as insider trading, money laundering, bribery, and blackmailing, and do not engage in any act that constitutes a violation of such laws and regulations.

⑨ Anti-social forces and groups

Ensure that employees and companies are not a part of an anti-social force. Employees shall not have been a member of any anti-social forces in the last five years and have no socially reprehensible relationship with any anti-social forces, such as funding, support, or transactions of any sort.

(7) Responsible Procurement

① Traceability

Transparency and traceability of materials and processes during product procurement shall be ensured.

Traceability is an accurate and non-misleading information about a product; therefore, false reports or falsified information shall not be provided (country of origin, place of origin, producer, place of production, composition, performance, restricted substances, manufacturing process, etc.).

② Use of raw materials not involved in conflict or crime

Conduct procurement activities avoiding negative impact on local communities. It shall be avoided to use materials that may be sourced directly or indirectly from sources neglecting human rights or environmental issues (examples: conflict minerals, cobalt, natural rubber, cotton, etc.). Do not utilize such raw materials if there is such a concern.

③ Animal welfare

When animal-derived materials are used, the use should be in accordance with international treaties and regulations. Ensure usage of materials that are treated ethically and that respect The Five Freedoms of animal welfare (freedom from hunger and thirst, discomfort, pain, injury or disease, fear and distress, freedom to express normal behavior).

(8) Communities

① Reduction of negative impacts on local communities

Respect the livelihood, culture and rights of local communities and indigenous peoples. Take steps to reduce the negative impact of the business.

② Local community development

As a part of the community, conduct business activities in harmony with the community. Furthermore, in cooperation with the local community, efforts shall be made in contribution to the society to resolve issues faced by the local community.

(9) Monitoring Compliance

① Retention of records

All records necessary to demonstrate compliance with this CoC shall be maintained (including accessible electronic records) at the sites.

② Social audit

To monitor compliance with this CoC, with reasonable prior notice, The Group or its designated auditors shall be allowed full access to production facilities, workers records, and workers for interviews in connection with monitoring visits during normal business hours. Reasonable inquiries from the audit shall be responded promptly. Gifts, cash, or other benefits shall not be offered to influence a business decision or to retain its business with The Group. In conducting such audits, The Group or its designated auditors

may request to provide or disclose personal information against employees, without specifying the subject person in advance. Necessary consent from all employees who may be requested to provide or disclose such personal information shall be obtained in advance.

③ Remediation

If, as a result of an audit, non-compliance with this CoC is found, The Group shall request for rectification and disclosure of such non-compliance at its own responsibility, within a period specified by The Group. Requests for re-audits from The Group shall be accepted.

(10) Product Quality and Safety

① Safe and secure products

Standards and regulations such as the "GOLDWIN Products Quality Standard", as presented in a timely manner by The Group, or equivalent standards agreed with the relevant industry or The Group, shall be complied to. Manufacturing and quality control of products shall be conducted in accordance therewith. In addition, hazardous materials (including needles, etc.) should be thoroughly controlled to prevent contamination of products with hazardous materials.

② Responsibility to nonconforming products, service accidents, and defects

In the event that products do not meet the "GOLDWIN Products Quality Standard" or its equivalent, or that there is or may be issues with the quality or safety of the product, information shall be shared promptly to The Group, and cooperation is requested for examination, investigation of the cause, and restoration of compliance.