

CSR Procurement Guidelines

Introduction

Sekisui House is making efforts to expand CSR procurement throughout the supply chain with the aim of contributing to the sustainable development of society. Through these efforts, we also aim to maximize the corporate value of Sekisui House and its trading partners.

In fiscal 2015, Sekisui House established CSR Procurement Standards, in line with which it has been working on CSR procurement. However, in response to the demands of the international community for decarbonization and emphasis on human rights, including the United Nations Sustainable Development Goals (SDGs), we have revised our CSR Procurement Standards and established them as guidelines for our trading partners.

We therefore ask that you consent to Sekisui House's separately established Human Rights Policy* and that you kindly submit a confirmation of consent to these guidelines, indicating your understanding of their purpose and content. We also ask that you inform your trading partners of these guidelines. In addition, please note that we may conduct periodic reviews or audits of the status of your efforts, and ask for your cooperation at such times.

*Established on April 1, 2020

<https://www.sekisuihouse.co.jp/library/company/info/jinken.pdf>

CSR Procurement Standards

1. Corporate governance related to CSR

1-1 Compliance with laws and regulations

In addition to complying with domestic and international laws and regulations, we will respect social norms.

1-2 Establishment of a CSR promotion system

We will establish a system for risk management, and for implementing the PDCA cycle, concerning ESG (environmental, social, and corporate governance) related to CSR.

1-3 Establishment of internal controls

We will analyze risks related to business activities (laws and regulations, environment, quality, etc.) and establish a company-wide management system.

1-4 Establishment of a business continuity planning (BCP) system

We will establish a system for essential operations in the event of a disaster (natural disaster, major fire, terrorist attack, etc.) and for the continuation and early recovery of business.

1-5 Establishment of a whistle-blower system

We will establish a dedicated contact point where employees can report and consult directly when they become aware of legal violations, wrongful acts, etc. We will ensure that when employees use the system that confidentiality is strictly maintained and they are not treated unfavorably in any way.

1-6 Dissemination of CSR-related information within and outside of the company

Responding to the demand for transparency and accountability in corporate activities, we will appropriately disseminate CSR-related information to society and our stakeholders.

2. Human rights

2-1 Basic stance on human rights

We will support and respect the protection of human rights that have been declared internationally, and will not be complicit in (nor contribute to) human rights abuses.

2-2 Respect for human rights and prohibition of discrimination

We will respect human rights, and will not make decisions or conduct business activities on the basis of birth, nationality, race, ethnicity, creed, religion, gender, sexual orientation, gender identity, age, disabilities, hobbies, educational background, family, etc.

2-3 Avoidance of complicity in (or contribution to) human rights abuses

We will give due consideration to ensure that decision-making, business activities, and products and services do not lead to complicity in (or contribution to) human rights abuses of consumers and people in local communities.

2-4 Respect for indigenous peoples and local communities

When operating in areas inhabited by indigenous peoples and ethnic minorities, we will respect their unique culture and history and give due consideration to their rights.

3. Labor

3-1 Basic stance on labor

Recognizing the labor principles expressed in international norms, etc., we will apply them to the basic rules of the workplace as universal values.

3-2 Prohibition of discrimination in employment

At the time of hiring, discrimination other than for reasonable factors such as ability and aptitude is not permitted, such as on the basis of birth, nationality, race, ethnicity, creed, religion, gender, sexual orientation, gender identity, age, disabilities, hobbies, educational background, family, etc.

3-3 Provision of equal opportunities to employees regarding human resources development

We will provide equal opportunities for promotion and training without deficiency of fairness due to birth, nationality, race, ethnicity, creed, religion, gender, sexual orientation, gender identity, age, disabilities, hobbies, educational background, family, health status, etc.

3-4 Prohibition of inhumane treatment

We will respect the human rights of employees and will not engage in inhumane acts such as abuse, corporal punishment, or harassment.

3-5 Payment of fair wages

We will comply with the statutory minimum wage of each country and region, conclude appropriate collective labor agreements on overtime, etc., publicly commit to fair overtime pay and payment methods, etc., and honor those commitments.

3-6 Fair application of working hours

We will comply with the laws and regulations of each country and region concerning overtime, strive to maintain a healthy and comfortable working environment, and appropriately manage employees' working hours.

3-7 Prohibition of forced labor

We will not force employees to work against their will or to perform labor that restricts their freedom to leave the company. We will not compel labor or force overtime work using unreasonable means of constraint.

3-8 Prohibition of child labor

We will not employ children under the legal working age in each country or region. In addition, we will not allow children to perform work that could impair their health, safety, or morality.

3-9 Respect for the religious traditions and customs of the country and region of operation

We will respect the traditions and customs of each country and region, as well as the religious traditions and customs of employees, giving due consideration so as not to preclude them through uniform work rules, etc.

3-10 Recognition of and respect for freedom of association and the right to collective bargaining

We will engage in sincere dialogue and consultation with employees and/or their representatives. In addition, we will acknowledge employees' rights to freely associate and not to associate, in accordance with the laws and regulations of each country and region.

3-11 Proper management of employee safety and health

We will assess the risk of accidents occurring during work as well as those of chemical substances, noise, odors, etc. that are harmful to human health, and take appropriate safety measures. We will additionally take measures that consider the mental health of employees.

4. Environment

4-1 Basic stance on the environment

We will create a system for resolving international environmental issues, in addition to identifying and managing factors that affect the environment.

4-2 Management of chemical substances

In addition to preventing the inclusion of chemical substances prohibited by laws and regulations in each country or region in our products, we will promote the handling of substances subject to our Chemical Substances Guidelines according to their management level.

4-3 Control and reduction of wastewater, sludge, and air emissions

We will comply with the laws and regulations of each country and region concerning the prevention of pollution of water, soil, air, etc., set voluntary environmental impact reduction targets, and work on continuous monitoring and reduction of pollutants.

4-4 Sustainable and efficient utilization of resources (energy, water, raw materials, etc.)

We will set voluntary targets for carrying out resource and energy conservation, and strive to make sustainable and effective use of resources and energy.

4-5 Reduction of GHG (greenhouse gases) emissions

In response to global warming, we will establish and disclose voluntary reduction targets for greenhouse gases such as carbon dioxide, and work to reduce their emissions.

4-6 Identification, management, and reduction of waste

We will comply with the laws and regulations of each country and region concerning the proper disposal and recycling of waste, set voluntary reduction targets, and work to reduce waste.

4-7 Initiatives related to biodiversity

We will examine the direct and indirect impact of our business activities on ecosystems, and work to conserve biodiversity and use it sustainably. With regard to wood procurement in particular, we will promote sustainable use of wood based on our Timber Procurement Guidelines.

5. Fair business practices

5-1 Basic stance on fair business practices

We will conduct fair business practices such as anti-corruption, responsible political involvement, fair competition, and rejection of relationships with antisocial forces and/or organizations.

5-2 Maintenance of appropriate relationships with politics and governments

We will comply with the laws and regulations of each country and region concerning political contributions and donations, etc., and maintain sound and transparent relationships with politics and governments.

5-3 Maintenance of appropriate relationships with customers, trade partners, etc.

We will not give or receive inappropriate profits with customers, trading partners, etc. in sales and procurement activities.

5-4 Prevention of competition law violations

We will comply with the competition laws of each country and region, and will not conduct unfair trade such as private monopolization, unreasonable trade restrictions, or abuse of superior bargaining position.

5-5 Rejection of relationships with antisocial forces and/or organizations

We will reject relationships with crime syndicates, corporate extortionists, etc.

5-6 Protection of intellectual property

In addition to complying with the laws and regulations of each country and region concerning intellectual property, we will appropriately use intellectual property rights owned by or belonging to our company, strive to preserve those rights, and will not illegally obtain, abuse, or infringe on the rights of third parties' intellectual property.

5-7 Services for responding to complaints from outside the company and for consultations

We will establish a dedicated contact point where trade partners and customers who have knowledge of important risk information regarding transactions with the company can report and consult directly. We will ensure that their confidentiality is strictly maintained, and that they are not treated unfavorably in any way.

5-8 Prohibition of insider trading

We will not use insider information, obtained in the course of business operations, concerning our company, affiliated companies, trading partners, etc., to buy or sell shares, etc. of those companies.

5-9 Prohibition of acts with conflicting interests

In situations where employee interests conflict with corporate interests, we will prohibit employees from enjoying personal benefits at the expense of corporate interests.

5-10 Import and export control

We will comply with the laws and regulations of each country and region concerning the import and export of goods and raw materials, conduct appropriate import and export customs procedures, and not import or export prohibited goods.

6. Quality and safety

6-1 Basic stance on quality and safety

We will ensure the quality and safety of products and services provided through our business activities, and respond appropriately to customers, consumers, etc. in the event of an accident.

6-2 Ensuring product and service quality and safety

We will ensure quality and safety when providing products and services to the market.

6-3 Appropriate response to product and service accidents and the circulation of defective goods

In the event of such a situation involving our products or services, we will arrange a system for information disclosure, contacting the competent authorities, product collection, safety measures for supplied parties, etc.

7. Information security

7-1 Basic stance on information security

We will appropriately manage and protect information obtained through business activities and create defenses against threats to computer networks.

7-2 Defense against threats to computer networks

We will defend against threats to computer networks and manage them so as to protect our company and other companies from damage.

7-3 Management and protection of personal data and confidential information

In addition to complying with the laws and regulations of each country and region concerning personal data and confidential information, we will obtain such information in legitimate ways and manage it appropriately. In addition, we will not disclose or leak it externally without permission, and will not use it for any purpose other than those intended.

8. Supply chain

8-1 Basic stance on the supply chain

In order to put CSR procurement into practice not only within our company but also throughout the supply chain, we will establish CSR procurement guidelines and strive to make them widely known and instilled in and outside the company.

8-2 Purchase and use of raw materials not involved in conflict or crime

We will only purchase and use raw materials that are not involved in conflict or crime. At the same time, we will conduct surveys and reviews of trading partners.

9. Harmonious coexistence with local communities

9-1 Initiatives to reduce negative effects on local communities

We will work to eliminate damage to health and safety, etc. of local communities and residents through our own products and production processes.

9-2 Initiatives with local communities toward sustainable development

We will engage in social contribution activities such as cooperation with local communities and contribute to the development of a sustainable society.

—Reference materials—

- In preparing these CSR procurement standards, we referred to the CSR Procurement Self-Assessment Questionnaire compiled by GCNJ* based on international guidelines such as the Ten Principles of the UN Global Compact and ISO 26000.

*Global Compact Network Japan

CSR Procurement Standards revision history

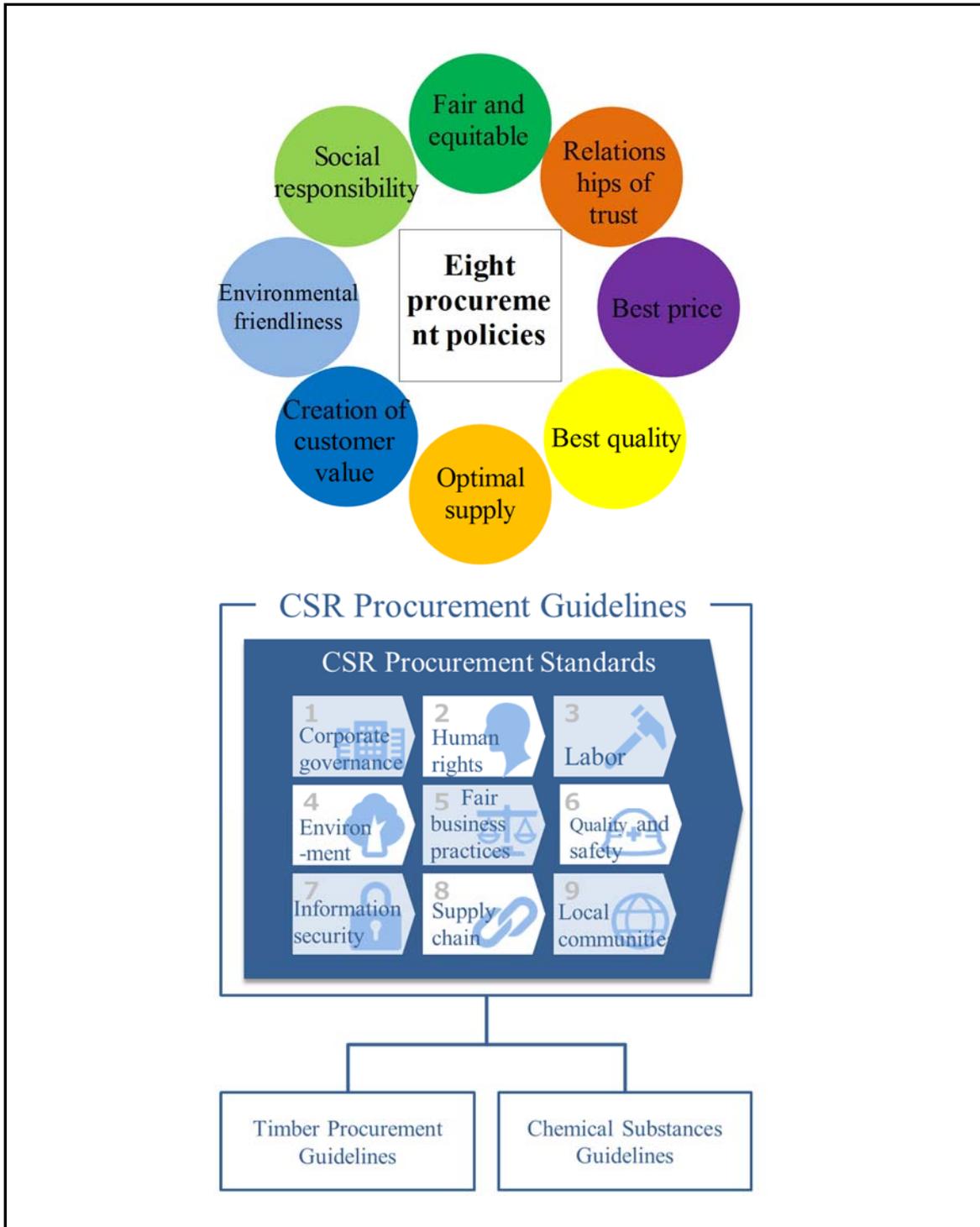
Established October 1, 2015

Revised October 10, 2018

Revised April 1, 2021

[Attachment]

*CSR procurement system



CSR Procurement Guidelines revision history

Established October 10, 2018

Revised April 1, 2021

CSR Procurement Guidelines Consent Confirmation

To: Sekisui House Ltd.

We understand the purpose and content of Sekisui House's CSR Procurement Guidelines, and by submitting this confirmation we hereby agree to comply with these guidelines in regard to all materials and services delivered to the Sekisui House Group, and to proactively cooperate with Sekisui House Ltd. for periodic verification or auditing regarding the status of our initiatives.

Date (yyyy/mm/dd): _____

Address:

Company name:

Responsible person:

Name and title:

Seal

(Signature or name printed + seal)
