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## 1. Purpose and Scope

JCSCZ ( JTEKT Column Systems Czech Republic) acknowledge their social responsibility in the global marketplace. That responsibility demands adherence to principles within JCSCZ and throughout its supply chain that protect the well being of people and our planet. These principles span the areas of human rights, labor, the environment, responsible sourcing, and ethical behavior. They are consistent with and in some cases derived from such foundational treatises as

- The United Nations Global Compact
- The Universal Declaration of Human Rights
- The Global Sullivan Principles of Social Responsibility
- The United Nations Convention Against Corruption

Social responsibility and a plan for sustainability are enablers to the long-term success of our company, and the success of our stakeholders, employees, business partners, suppliers, and customers. Accordingly, the following principles are followed by JCSCZ worldwide, and it is JCSCZ's expectation that all of its suppliers adhere to these practices, train their employees on these principles, and ensure their sub-suppliers are compliant with these standards as well. This Corporate Social Responsibility Statement and Supplier Principles of Conduct form part of JCSCZ's contractual relationship with its suppliers

## 2.0 Instruction and Responsibility

### Human Rights

Suppliers must respect and support compliance with internationally accepted human rights.


### Forced and compulsory Labor

Suppliers must condemn all forms of forced and compulsory labor. Suppliers will not use forced or involuntary labor, whether bonded, prison or indentured, including debt servitude.

Suppliers shall ensure that they do not engage in any form of forced, bonded, compulsory, trafficked, modern slavery or non-voluntary labour within the meaning of ILO 29 Forced Labour Convention and ILO 105 Abolition of Forced Labour Convention. This includes all work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered voluntarily, with exceptions laid down in ILO 29 and the International Covenant on Civil and Political Rights. Suppliers are expected to work proactively against and sought to eliminate forced labour and act with special carefulness when recruiting migrant and informal workers, both directly and indirectly.

Suppliers shall at no time withhold employees' original identification, travel documents or in any other way restrict the employees' freedom of movement or require employees to use company provided accommodation.

Suppliers shall provide all employees with a written contract in a language understood by them. The content should also be explained verbally in clear and understandable terms. The contract shall clearly state the voluntary nature of employment and procedures of leaving the job. Suppliers shall only employ workers who are legally allowed to work in the receiving country

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### **Child Labor**

Suppliers must support the effective abolition of exploitative child labor. Suppliers will not employ individuals in violation of local mandatory school age or under the legal employment age in each country where they operate. In no case a should a supplier employ workers under the age of fifteen.

### **Young workers**

Suppliers shall ensure that legally young workers under 18 years of age do not work overtime or at night and are protected against conditions of work which are harmful for their health, safety, morals or development.

### **Harassment and Discrimination**

Suppliers will uphold equal opportunities with respect to employment and will refrain from discrimination in any form unless national law expressly provides for selection according to specific criteria. Discrimination against employees based on gender, race, disability, origin, religion, age or sexual orientation is not acceptable. In addition, suppliers will not withhold employee identity or immigration documents, will not engage in forced sex acts.

### **Diversity, Equity and Inclusion**

Suppliers will uphold equal opportunities with respect to employment and will refrain from discrimination in any form unless national law expressly provides for selection according to specific criteria. Discrimination against employees based on gender, race, disability, origin, religion, age or sexual orientation is not acceptable. In addition, suppliers will not withhold employee identity or immigration documents, will not engage in forced sex acts

Suppliers should foster work with diverse business partners managed or owned by minority groups or women.

### **Use of security forces**


Suppliers shall prioritise the protection of people when conducting security operations, and are expected to ensure that the commissioning or deployment of security forces does not lead to violations of human rights. Security forces should adhere to protection of health, life and limb as well as the right to organise and freedom of association, and refrain from any torture, inhumane or degrading treatment. Suppliers shall not directly or indirectly support private or public security forces that unlawfully exercise control over mining sites, transportation routes and upstream stakeholders in the supply chain. Suppliers should apply the Voluntary Principles for Security and Human Rights as established by the Voluntary Principles Initiative, if applicable.

### **Freedom of Association**

Suppliers must endorse the concept that while employees have the right to freedom of peaceful assembly and association, no one may be compelled to belong to an association. JCSCZ expects its suppliers to comply with all applicable labor laws.

### **No forced eviction**

Suppliers shall comply with the prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters in the acquisition phase, development or other use of land, forests and waters.

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### **Human rights defenders**

Suppliers shall not tolerate or engage in any threats, intimidation, physical or legal attacks against human rights defenders, including, but not limited to, trade unionists and environmental defenders.

### **Responsible sourcing of raw materials**

Suppliers shall exercise due diligence consistent with the relevant parts of the OECD Due Diligence Guidance or equivalent processes along their mineral supply chains. This includes the implementation of policies and measures in order to identify risks and take appropriate action to ensure that the minerals used do not directly or indirectly through the extraction, transport, trade, handling or export of those minerals finance or benefit non-state armed groups, and serious violations of human rights, including but not limited to, child labour, forced labour and slavery.

This also includes continuous efforts by suppliers to enhance transparency along the upstream supply chain extending back to raw material extraction. Information regarding smelters or refiners for minerals used by suppliers or subcontractors must be disclosed to JCSCZ upon request. Suppliers shall only use raw materials from smelters or refineries that meet the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as assessed by the Responsible Mineral Initiative (RMI) or similar organisations. Suppliers shall take appropriate and adequate measures to exclude raw materials extracted from deep sea mining from their supply chains.

### **Protection of Health and Safety**

Suppliers must comply with all workplace health and safety laws and actively seek to minimize the risk of injury or illness in the workplace. Suppliers must support the continuous improvement of working conditions as well as provide their employees with the necessary personal protective equipment.

Suppliers must have a process for managing injuries or illnesses that require medical treatment and ensure health and safety within their workplaces to a level no less than what is required by applicable national and local laws and regulations.

### **Management of health and safety risks**

Suppliers shall ensure that there is a systematic process in place to identify, evaluate, monitor, control and prioritise the elimination of work-related health and hazard risks, as well as the improvement of occupational health, safety and fire protection. It is important that this process also include consultation and participation from employees in order to ensure a number of perspectives and take advantage of employees knowledge and experience. Suppliers shall provide appropriate and safe facilities that are adapted to the purpose of the work performed. Employees shall always have the right to refuse unsafe work and report such situations without any reprisals.

Suppliers shall ensure that employees have appropriate personal protective equipment, machine and safety equipment as well as accessible instructions on proper use. These instructions shall be communicated to, and understood by, concerned employees.

In the event of work-related health hazards, such as pandemics, suppliers shall take all appropriate measures to protect their employees and the company. Thereby, any measures issued by the local authorities have to be fully observed and complied with.

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### **Emergency preparedness**

Suppliers shall identify the risk of accidents in order to mitigate, prevent and/or limit the damage. Emergency plans shall be developed and implemented for each situation. All employees shall be informed about risks in their own operations, how to avoid them, and how to act in different types of crisis situations that may occur.

Suppliers shall have fully operational firefighting equipment, emergency exits, escape routes, first aid material, emergency plans, emergency assembly points, alarm procedures and signs easily accessible in sufficient number throughout the facility.

Suppliers shall make sure that there are always employees trained in prevention of workrelated health disorders, first aid, fire safety and crisis support present at the workplace and clearly visualised. Response to various kinds of crisis situations shall be trained regularly.

### **Accidents and near-accidents**

Suppliers shall have systems to report and procedures to investigate and take action with regard to all accidents, near-accidents and unsafe situations. Managers and employees shall have knowledge about accidents and near-accidents, understand the importance of preventive work and corrective actions and practice it in their daily work. Suppliers shall also work and improve the targets against KPIs. In case of an accident, first aid and medical assistance must be provided.

### **Facilities**

Suppliers shall provide sufficient space, clean and safe facilities, including dining areas, food storage, locker rooms and resting areas. Employees shall always have access to clean drinking water and toilets. Female workers should have access to separate toilets, where possible.

If the nature of the work requires the provision of dormitories for employees, sufficient space, cleanliness and safety shall be ensured. The employees' access shall not be restricted inappropriately.

### **Workplace ergonomics**


Supplier shall identify load ergonomic risks and evaluate employee exposure. Load ergonomic includes conditions that can affect muscles and joints in the human body such as working position, repetitive movements, physical load and lifting positions. Concerned employees should be involved when designing or redesigning workplaces.

### **Health and safety committee**

Suppliers shall have a functional cooperation between employees and managers to continuously improve health and safety in the workplace. Suppliers should have health and safety committees with employee representation to manage health and safety issues, even when not required by law.

### **Compensation**

Suppliers will honor the right to reasonable compensation of a level no less than the legally established minimum-wage and the local job market, based on local laws and regulations. Within the scope of national legislation, suppliers will respect the principle of "equal pay for work of equal value."

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### **Working hours**

Suppliers will comply with national provisions and agreements regarding working hours and regular, paid holidays, and will pay all legally required overtime.

### **Recruitment Fees**

Suppliers will not charge employees recruitment fees, nor any other financial obligations, nor engage in activities charged as a condition to accessing a job opportunity or to obtaining permanent or temporary employment.

### **Individual Privacy**

Suppliers must use personal data only to support their operations and to provide employee benefits. Individuals should be informed about the collection and processing of their data, as well as their rights towards their personal data. Suppliers must safeguard personal data and limit data access to employees who need it for business purposes and expect its suppliers to do the same. Local data protection and privacy laws must be followed.

### **Anti-Social Regulations**

Certain countries, including but not limited to Japan, have laws that prohibit support of organized crime or anti-social forces. JCSCZ associates are prohibited from facilitating anti-social activities or allowing organized crime groups to influence JCSCZ strategy, financial decisions, or recruiting, customer or vendor.

### **Environment**


Suppliers must actively manage environmental challenges and encourage initiatives to promote greater environmental responsibility, support sustainability and provide stewardship of our natural resources.

Suppliers must regularly evaluate and monitor the impact of their business activities on the environment.

Suppliers must endorse the development and diffusion of:

- Environmentally friendly technologies, designs, and materials,
- Strategies to reduce the environmental impact of logistics,
- Strategies to reduce the environmental impact of manufacturing processes, and
- Strategies regarding sustainability, waste reduction, reuse and recycling,
- Strategies to reduce the use of energy, improve air quality, and minimize greenhouse gas emissions,
- Strategies to improve water quality and consumption,
- Strategies to responsibly and legally manage and store chemicals,
- Strategies to conserve natural resources.

Suppliers will comply with all applicable environmental laws and regulations and will promptly develop and implement plans or programs to correct any non-compliant practices. Supplier's management must engage in and provide their employees training in sound environmental practices and compliance with applicable laws and regulations.

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JCSCZ requires its Suppliers to certify to the ISO 14001 environmental management system standard (or any successor standard) or implement a formal environmental management system (EMS).

### **Decarbonisation**

In line with the Paris Agreement, suppliers shall identify, measure and set targets for Scope 1, 2, and 3 (preferably in line with Science Based Targets methodology if applicable) to reduce their greenhouse gas emissions along their value chain. Further, suppliers should choose renewable energy sources and renewable and recycled and/or low-carbon materials whenever possible

### **No harm to land, water, air and resource efficiency**

Suppliers shall not cause harmful soil modification, water pollution, air pollution, harmful noise emission or excessive water consumption, which may lead to significant impairment of the natural foundations for food and drinking water or the health of a person. Suppliers shall control and implement actions taken to reduce the use of energy, water, raw materials and packaging materials.

### **Circular economy and waste management**

Suppliers shall take appropriate and adequate measures aimed at avoiding waste, re-using resources, recycling as well as the safe, environmentally friendly disposal of residual waste, chemicals and wastewater. Such measures can be applied in particular in development activities, production, product service life and subsequent end-of-life recycling as well as in other activities. Thereby, the suppliers comply with international agreements on the crossborder transport of hazardous waste, in particular the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 as well as with the corresponding, applicable implementation rules at national and supranational level.

Whenever technically possible and economically reasonable, suppliers should use secondary materials within their processes. Suppliers should know the percentage of recycled content in their products and make this information available to JCSCZ on request.


Suppliers should strive to pursue and promote circular systems in addition to following these principles. This can generally be achieved by closing the material loop, optimising the lifetime of products and improving their utilisation.

### **Registration, evaluation and restriction of substances**

Suppliers shall implement appropriate measures to avoid or refrain from using substances and materials with adverse effects on the environment or health (for example, carcinogenic, mutagenic, reprotoxic substances) within the framework of the respective applicable law and with due regard for applicable regulations of relevant OEM. Suppliers shall always comply with OEM's standards that are restricting chemical substances, which are provided by JCSCZ by relevant projects.

Suppliers shall act in conformity with the requirements of the international conventions and other legal instruments pertaining to the production, use, handling and disposal of certain substances (in particular including the requirements of the Minamata Convention of 10 October 2013 on mercury, the Stockholm Convention of 23 May 2001 on persistent organic pollutants (POPs)) as well as the related applicable legislation at the national and supranational level. Suppliers shall label chemicals used according to the Globally Harmonized System of Classification and Labelling of



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Chemicals (GHS) or, in European countries, the Classification, Labelling and Packaging (CLP) regulation.

Suppliers shall have implemented methods, procedures and equipment to introduce, handle, label and store chemicals in a safe way to minimise negative impact on people and the environment. Suppliers shall work actively to limit and restrict their number of chemical products and select chemicals with lowest possible health and environmental risk. Suppliers shall always perform risk assessments and take action to minimise any negative impact on people and the environment before introducing new chemicals. Employees working with risk chemicals shall always have updated and accessible instructions and special training regarding risk handling and emergency preparedness.

### **Water**

Suppliers shall take appropriate and adequate measures to minimise water consumption at their sites and/or along their own supply chains with prioritisation for water stressed regions. The right to water is respected at all times. Suppliers that supply products to JCSCZ should provide, upon request, information on total fresh water consumption on product level.

Suitable measures may, in particular, include those aimed at effectively reducing, re-using and recycling water with responsible and effective treatment of wastewater discharges to protect the environment and improve overall water quality. Suppliers shall, where necessary, seek to ensure that people affected by their operations have access to safe, acceptable and affordable water in sufficient quantities for personal use.

### **Biodiversity**

The protection of the natural ecosystem, especially the protection of endangered habitats of wild animals, and the sustainable usage of natural resources are required to be ensured. Suppliers shall strive to ensure that supply chains are free of deforestation and conversion in accordance with applicable law and international biodiversity regulations. These international regulations include, for example, the resolutions and recommendations on biodiversity from the Centre for Biological Diversity (CBD) and the World Conservation Union (IUCN). Suppliers should support and promote ethical and humane treatment of animals.

### **Ethics**


JCSCZ demands the highest ethics and integrity in all its business dealings and requires its suppliers to act ethically at all times with all parties in the supply chain.

### **Privacy and personal data protection**

Suppliers shall ensure that personal data is processed (created, collected, used, shared, stored, deleted etc.) in accordance with applicable data protection legislation (e.g. the EU GDPR) and JCSCZ's instructions. Appropriate technical and organisational measures shall be implemented to ensure the security of the personal data.

### **Gifts**

Suppliers will not offer or take receipt of any gift, loan, fee, reward, item of value or other advantage to or from any person as an inducement to do something which is dishonest, illegal, or a breach of trust, even in areas where it may be tolerated. Suppliers should only give to or receive from business partners gifts or entertainment that are modest, reasonable and occasional, and that are not likely to influence employees who make decisions potentially benefitting the donor, as specified in

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JCSCZ Gifts and Entertainment Policy. If a JCSCZ employee solicits a gift or entertainment from a JCSCZ supplier. JCSCZ encourages reporting of the incident through its reporting mechanisms outlined below.

### **Anti-Corruption**

Suppliers will not engage in corruption in any form, including extortion or bribery. Suppliers must adhere to local and applicable anti-bribery and anti-corruption laws in all cases. Suppliers must not give anything of value to any person or entity to gain an improper business advantage, must exercise caution regarding potential bribery or corruption when dealing with government officials, and must keep accurate books and records.

Regardless of the specific laws or established business practices of any particular jurisdiction in which we or our suppliers operate, JCSCZ prohibits the making of facilitation payments to government officials to obtain routine or ministerial services to which JCSCZ or its suppliers would be otherwise legally entitled.

### **Antitrust**

Suppliers will comply with all applicable antitrust laws and will not engage in conduct that improperly limits free and fair competition. Examples of such inappropriate conduct with competitors includes fixing prices, allocating markets, limiting production, coordinating bidding or boycotting certain suppliers or customers.

### **Conflicts of Interest**

JCSCZ expects business decisions to be made in the best interest of the company. Any situation that creates or appears to create a conflict between personal interests and the interests of JCSCZ must be avoided. Suppliers should report to JCSCZ any family or close personal relationship with a JCSCZ employee who makes or influences a business decision potentially benefitting the supplier.

### **Responsible Sourcing**

Suppliers will not procure goods or services that violate EU laws related to economic sanctions, export controls, areas of conflict, or are counterfeit parts.

### **Economic Sanctions and Export Control Laws**


Suppliers must comply with all applicable laws that prohibit or restrict business relationships with sanctioned countries, entities or persons.

Suppliers shall ensure that all taxes, duties and royalties levied in connection with the mining, trade and export of minerals in conflict and high-risk areas are remitted in accordance with respective applicable law.

### **Money laundering**

Suppliers shall only conduct business relationships with business partners of whose integrity they are convinced. They shall ensure that the applicable anti-money laundering and terrorism financing laws and regulations are not breached. The use of payments in cash is prohibited above certain threshold in accordance to the applicable law. Suppliers shall not demand payments in cash from JCSCZ.



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### **Intellectual property rights**

Suppliers shall respect intellectual property rights and protect associated information.

### **Protection of confidential information**

Suppliers shall ensure that sensitive data (e.g. trade secrets) is properly and lawfully collected, processed, saved and deleted. Suppliers shall enforce a corresponding obligation on their employees. Sensitive data must not be transmitted to a third party or made available in any other form without the necessary authorisation and must be protected in this respect.

### **Usage of artificial intelligence**


Data privacy and security are crucial requirements for the use of Artificial Intelligence (AI). Suppliers shall ensure that all developments using AI are subject to applicable laws and regulations. AI systems are to be created reliable and without any discrimination. The control of AI applications shall always remain with human beings

### **Conflict Minerals**

JCSCZ supports ending the violence and human rights violations in the mining of certain minerals from a location described as the “Conflict Region,” which includes the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries, and will not knowingly procure specified metals that originate from facilities in the “Conflict Region” unless they are certified as “conflict free.” JCSCZ expects its suppliers to conduct due diligence to understand the source of the raw materials used in their products and not knowingly provide products containing raw materials that contribute to human rights abuses, bribery and ethics violations, or negatively impact the environment. Suppliers must use validated conflict free smelters and refiners for procurement of tin, tungsten, tantalum and gold contained in the products they produce, and must report such information to JCSCZ when requested

### **Counterfeit Parts**

As a manufacturer and provider of engineering design and test services, JCSCZ strongly supports the production, sale and procurement of high quality, original components that satisfy customer requirements and provide the highest probability of safety and reliability. Accordingly, Suppliers will not knowingly sell or source any counterfeit parts. Suppliers must take steps to evaluate their own specification and purchasing processes to avoid procurement of counterfeit parts and prevent inadequate parts and components from entering the production stream.

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## Management

A considerate, structured, knowledgeable and engaged management which provides the organisation with effective management systems is the base of sustainable business. The values of the JCSCZ Supplier Code of Conduct must be integrated in the daily business. Management shall identify, assess, communicate and train the organisation in legal and other requirements to ensure compliance.

## Company statement

All suppliers shall have a company statement, such as a Code of Conduct, that is in line with the JCSCZ Supplier Code of Conduct. This company statement should be clearly displayed in languages locally understood by their employees in all company facilities.

## Responsibility

Suppliers should have a sustainability representative, or similar, reporting to top management. The sustainability representative should develop and implement sustainability targets and actions within the company and ensure compliance with the JCSCZ Supplier Code of Conduct.

## Trainings

Suppliers shall develop, implement and uphold a training plan for employees. The training should be tailored to each individual, ensuring that each employee is equipped with the proper skills and knowledge related to their working tasks.

## Supplier management

Suppliers are responsible for ensuring compliance with the requirements stated in the JCSCZ Supplier Code of Conduct in their supply chain. Suppliers shall conduct audits of their supply chain when requested by JCSCZ. Any non-compliance identified in the supplier's supply chain shall be assessed and acted upon within a reasonable time frame and without any additional cost to JCSCZ.

## Transparency


Suppliers shall record information regarding their business activities, working methods, health and safety and environmental practices. Such information shall be disclosed when requested by JCSCZ, insofar as the disclosure does not violate legal requirements. To identify and mitigate sustainability risks in the supply chain, suppliers shall, on request, disclose information on their supply chains to JCSCZ that is required by JCSCZ to fulfil its legal obligations. Suppliers shall impose a corresponding disclosure obligation on their suppliers, which they in turn are required to pass on to their suppliers.

This may require in particular that suppliers disclose their supply chain to JCSCZ up to the material origin (including choke points like smelters and refiners) and provide evidence of management systems or third-party verifications demonstrating processes that prevent or mitigate sustainability risks in the supply chain.

## Verification of Compliance with the Sustainability Requirements

JCSCZ reserves the right to verify compliance with sustainability requirements regularly, randomly or for specific events and using appropriate and adequate means before awarding a new contract and throughout the business relationship.

This can be done, for example, by means of a risk assessment of the relevant suppliers' area of responsibility, a self-assessment by the supplier and/or by deploying experts locally (onsite

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assessment). An on-site assessment of this nature is only carried out in the presence of representatives of the supplier during regular working hours and in accordance with applicable laws, in particular with regard to data protection. The supplier shall take appropriate and adequate measures that give JCSCZ the right to carry out similar assessments of their suppliers if this is necessary for the fulfilment of legal or contractual obligations.

#### **Assessment prior to entering a contract**

If sustainability risks are identified during pre-contractual assessments, the resulting measures from the assessment, if any, shall be binding in the concluded contract. In this case, the supplier is obliged upon entering into the contract to assess any determined or imminent violation of the sustainability requirements in its own business area or in its supply chain within a reasonable period and to remedy any such non-compliance at no additional cost to JCSCZ.

The findings of the pre-contractual assessments for compliance with the sustainability requirements constitute a criterion relevant to the award of contracts.

#### **Violation of sustainability requirements by suppliers**

If a violation of these sustainability requirements by the supplier has occurred or is imminent, JCSCZ is entitled to take prompt and appropriate measures to prevent, stop or minimise the extent of such violation.

The supplier shall in this case take all appropriate measures to prevent, stop or minimise the extent of such violation.

If the nature of the violation is such that it cannot be terminated in the foreseeable future, the supplier shall prepare and implement a plan (including a specific schedule) to stop or minimise the violation without undue delay. If required by law, JCSCZ shall be appropriately involved in the preparation of the plan.

#### **Violation of sustainability requirements in the suppliers supply chain**

If there are material grounds (substantiated information) for believing that a human rights or environmental obligation may have been violated in the upstream supply chain (with direct suppliers of JCSCZ), the supplier shall, without undue delay:

- 1) Participate in a risk analysis by JCSCZ,
- 2) Embed appropriate prevention measures with respect to respective supplier, and
- 3) Appropriately support JCSCZ with the preparation and implementation of a plan to prevent, stop or minimise the violation.

#### Other consequences:

If a supplier violates or does not comply with the sustainability requirements, JCSCZ reserves the right to take appropriate steps to maintain its rights, such as:

- Requesting implementation of improvement measures
- Verifying highlighted improvements/measures
- Excluding the supplier from new orders and
- Terminating the contract up to extraordinary termination

JCSCZ may waive the exercise of its right of termination if the supplier can credibly affirm and prove that it has immediately initiated countermeasures to prevent future, similar violations.

