



MAX Group Sustainability Guidelines for Business Partners

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MAX Co., Ltd.

In the MAX Group (hereinafter “MAX”), we recognize that our business partners are our customers and a vital part of our production line. We work with you, our business partners, so that we can grow together. We also want to collaborate with you to contribute to the achievement of a sustainable society.

1. Sharing a Basic Approach

We would like our business partners to join us in sharing the following basic approach.

1) Enhancing Human Resources Cultivation Systems

By respecting people, the development of people will result in growth for the company. Guided by this understanding, we provide our people with the environments they need. This includes enhancing human resources cultivation systems, so that all personnel can apply their capabilities to maximum effect, with enthusiasm and motivation.

2) Manufacturing based on a thoroughly jobsite-oriented

Our manufacturing stance is strict jobsite-oriented. Informed by this stance, we solve customers’ problems, making their lives and work more convenient and comfortable.

3) Steady Improvement

We constantly pursue progress and innovation, tirelessly striving to improve our products and services.

4) Building Relationships of Trust

For MAX, manufacturing is a collaborative enterprise with business partners. Recognizing our business partners as vital partners, we strive to build relationships of trust through fair, open and impartial business dealings.

2. What We Ask When You Provide Products and Services

At MAX, we ask our business partners to provide us with stable, long-term supplies of excellent products and services, at reasonable prices, quickly and in a timely manner. Based on its corporate vision of “Making work life easier and more enjoyable worldwide”, MAX works on responding to needs of our customers, understanding changes in our society, and creating and introducing unique products by following our strict jobsite-oriented and customer-first principle, thus creating new markets and establishing realms where we stand as No. 1 or the only one. We ask our business partners to play a vital supporting role in this effort.

1) Health in Mind and Body and Supportive Work Environments

Manufacturing depends on people. People’s mental and physical health, along with work environments that support them in their work, are vital for the creation of high-quality products. MAX expects its business partners to support their people in maintaining their mental and physical health and furnish them with supportive workplace environments.

2) Quality

Excellent quality is a baseline of MAX’s manufacturing activities. We expect business partners to regard excellent quality as a basic, non-negotiable precondition.

3) Delivery

MAX's policy on production activities is to respond flexibly to the ever-diversifying needs of the market. In that spirit, we ask business partners to respond flexibly and accurately in all phases of production, from preparation to delivery.

4) Cost

We expect our business partners to achieve cost-competitiveness that enables MAX as the No. 1 or only player in each market. To this end, we ask that you work hard to develop technology and innovate your production technology while continuously striving to reduce cost.

5) Technology

MAX aims to serve society's demands while preserving the environment and accurately grasping customer needs, as the No. 1 or only player in each market. MAX expects its business partners to develop technologies that serve those ends and to place groundbreaking technologies in the hands of as many customers as possible, and to do so at reasonable prices.

6) Business Continuity

Any business partner or supplier of a business partner can suffer the effects of natural disasters, accidents, spread of epidemics, terrorism or social strife. MAX asks business partners to make necessary preparations to ensure that, in the event of such unfortunate circumstances, they will be able to continue to fulfill their responsibilities to supply MAX and can restart production activities at an early date.

3. What We Ask of You in Your Business Activities

MAX asks you, its business partners, to undertake the following efforts within your own organizations.

(1) Compliance

1) Compliance in Both Letter and Spirit

- Comply with the laws, ordinances and standards of each country and region, in spirit as well as in letter.
- Furnish the necessary notification systems, training and other arrangements to ensure thoroughgoing policy implementation and compliance.

2) Confidentiality

- Manage your own company's confidential information with the strictest care and use it appropriately.
- When obtaining confidential information about other companies, confirm that you are obtaining it from the correct rights-holders and in the correct manner. Confirm the scope and other conditions that govern its use and use it only within that scope, maintain secrecy and avoid violating the rights of other companies.
- Obtain the personal information of employees, customers, suppliers and others only by lawful methods. Manage the information you so obtain with the strictest care, use it only within the appropriate scope and protect it.
- Devise defensive policies to protect yourselves from threats on computer networks and manage them effectively to prevent damage to your own or other companies.

3) Protection of Intellectual Property

- Protect your intellectual property appropriately so that third parties cannot infringe on it.
- Never unlawfully obtain or use the intellectual property of third parties or otherwise commit any acts that infringe on the rights of third parties.

4) Compliance with Competition Law

Comply strictly with the competition laws of each country and region, such as laws against private monopolies and improper restrictions on business (cartels, bid-rigging, etc.), and laws against unfair business practices (abuse of dominant position, etc.). Ensure free and fair competition at all times.

5) Export Management

Comply strictly with laws and ordinances regarding the security guarantees received from each country and region, conducting export management and other procedures appropriately.

6) Preventing Corruption

- Comply strictly with all applicable laws, regulations and other provisions on the prohibition of graft and corruption. Do not commit any acts that violate them.
- Never engage in any exchange of presents or entertainment beyond that which is socially acceptable and appropriate, whether among individuals or among businesses, regardless of whether you have a direct business relationship with the other party or parties or not.
- Never provide civil servants or business partners with unlawful payments or benefits, under any name or pretext.
- Have no dealings with antisocial forces and organizations that threaten the order and safety of society.

(2) Human Rights and Labor

1) Respect for the MAX Group Human Rights Policy

Make the effort to understand, uphold and implement the MAX Group Human Rights Policy (please refer to the MAX Co., Ltd. website).

- Continually study internationally recognized norms on human rights, such as the United Nations' International Bill of Human Rights (which includes the Universal Declaration of Human Rights) and the Guiding Principles on Business and Human Rights, and grapple with problems related to human rights.
- Comply strictly with the laws of the countries and regions in which you do business. Where a country's laws and regulations differ from international norms on human rights, follow the higher standard. Where they conflict, pursue ways of respecting to the maximum possible extent the internationally recognized norms on human rights.
- To fulfill your responsibility to respect human rights, labor to identify, prevent and reduce negative impacts on human rights.
- If you learn of any activity that has a negative impact on human rights, or encourages or is complicit in such negative impacts, take corrective action by appropriate methods. Also, take steps to expand channels for advice and consultation, establishing effective relief mechanisms.

- To spread understanding of your human-rights policy within and outside your organization, provide appropriate training and capability development to all officers and employees and establish dialogue and consultation with outside stakeholders.
- Continuously monitor the status of compliance with human-rights policy and make improvements as necessary. Provide appropriate disclosure of information regarding your efforts to respect human rights.

2) Prohibition of Discrimination and Respect for Diversity

- Respect diversity. Never accept unjust discrimination on the basis of nationality, race, ethnicity, gender, religion, age, educational status, opinions, creed, social status, illness, disability, physical characteristics, social disadvantage, sexual orientation, sexual identity, marital and parental status, etc.
- In hiring activities, respect and protect the human rights of applicants, selecting candidates fairly based on standards of aptitude and capability.
- Do not engage in abusive handling of employees of foreign nationality, taking advantage of their status as foreigners to violate their human rights.

3) Prohibition on Harassment

Do not condone sexual harassment, power harassment, maternity harassment, peer pressure or any other form of harassment, or any other act that is damaging to respect for the individual.

4) Prohibition on Forced Labor and Child Labor

Do not condone unjust labor practices such as forced labor or child labor.

5) Providing a Supportive Workplace Environment

Strictly comply with labor laws and other laws and ordinances. Manage work time appropriately, comply with minimum-wage laws, and provide a safe and hygienic workplace environment.

6) Respect for Freedom of Assembly and Collective Bargaining Rights

Respect freedom of assembly, right to collective bargaining and right to collective action. These are basic employee rights.

(3) The Environment

1) Environmental Management Systems

To contribute to a sustainable environment, establish environmental management system and constantly improve them. Clearly enumerate the environmental laws, ordinances and standards of each country and region, strictly comply with the necessary conditions, and strive to preserve the environment.

2) Reduction of Emissions of Greenhouse Gases

- Reduce greenhouse-gas emissions through the entire life cycle of your products and services, including taking energy-saving measures at your places of business.
- With the aim of reducing greenhouse-gas emissions, obtain an understanding of your greenhouse-gas emission levels and propose and implement a full range of measures to reduce them. Make efforts to understand in detail the status of problematic processes and materials. Work with your suppliers to reduce energy consumption, improve equipment, adopt substitute materials and introduce renewable energy.

3) Preservation of Water Resources

Recognize that water is a limited, precious resource. Reduce your consumption of it and manage wastewater appropriately.

4) Management of Chemicals

Manage chemicals (eliminating them, reducing them, etc.), complying strictly with the laws and ordinances of each country and region. Do not use prohibited substances in products, production processes or the like. Provide the competent authorities with reports as appropriate, based on laws and ordinances.

5) Harmony between People and Nature

Work to achieve a sustainable society characterized by harmony between people and nature.

(4) Responsible Procurement of Resources and Raw Materials

When sourcing raw materials, consider the impact on regional communities caused by raw materials associated with human-rights, environmental and other social problems (such as conflict minerals, cobalt and natural rubber). If concerns exist regarding certain raw materials, devise measures to avoid using them.

(5) Regional Communities

1) Contributing to Regions

Work with regional communities to contribute to the regions in which you do business, aiming to develop prosperous regional communities.

2) Disclosure to Stakeholders

Disclose useful information regarding management, finances, environmental preservation, society and contributing to communities, in a timely, relevant and appropriate manner. Communicate with stakeholders to reflect their views and wishes in your corporate activities.

(6) Extension to Business Partners' Suppliers

- Extend your sustainability policy, guidelines and the like to your suppliers and enlighten them with respect to the intent of these Guidelines.
- When enlightening your suppliers about these Guidelines, bear the entire supply chain in mind and undertake follow-up and corrective measures as necessary.

(7) Compliance with the Sustainability Guidelines

- MAX strives to ensure strict compliance with these Guidelines throughout its supply chain. We ask you to read these Guidelines carefully, ensure that you understand them, and strive to extend that understanding to your suppliers. To verify that you endorse MAX's approach, please fill out the attached form, sign or affix your seal to it and submit the completed form to MAX.
- To confirm compliance with these Guidelines and promote mutual communication, we may from time to time visit your factories as necessary. In some cases, we may request a third-party audit.
- If a problem arises that constitutes a violation of these Guidelines, please report the matter promptly to MAX and take corrective measures. In the event that appropriate corrective measures are not taken, MAX may suspend placement of orders with your company.