



# **Yamato Group**

## **Business Partner Guidelines**

**January 2022**

**Yamato Holdings Co., Ltd.**

## Foreword

Society around us is facing various issues, such as climate change, labor, and human rights. The need for companies to respond to these rapidly changing social issues grows ever more vital. The Yamato Group's mission is to contribute to the creation of an enriched society, and to do so we will further increase management speed and continue to provide our individual and corporate customers, as well as the whole of society, with new value. To achieve this, it is essential for the Yamato Group to collaborate with all of our business partners to realize sustainable growth and a sustainable society.

Accompanying the establishment of the Yamato Group Responsible Procurement Policy, we formulated the Yamato Group Business Partner Guidelines, which we request all of our business partners to comply with.

These guidelines specify the non-negotiable code of conduct that the Yamato Group requests all of its business partners to respect and follow when they engage in transactions with the Yamato Group. We ask that business partners follow these guidelines after having read and understood the purpose and contents of them.

## Request for Establishment of a Management Structure

To promote responsible procurement, we request that our business partners establish and operate the following management structure according to the scale of their company, the nature of their business, and their circumstances.

### 1. Establishment of a Management Structure and Promotion System Contributed to by Senior Management

Business partners shall endeavor to establish, appropriately operate, and continuously improve a management structure and promotion system that is contributed to by senior management to promote responsible procurement in compliance with these guidelines.

### 2. Business Partner Management

Business partners shall communicate to their own business partners their expectations with regard to compliance and establish an appropriate process for complying with these guidelines.

### 3. Establishment of a Grievance Mechanism

Business partners shall establish a grievance mechanism\*<sup>1</sup> that can be used by stakeholders, including employees and suppliers, in order to prevent unlawful practices in-house as well as throughout the supply chain. In addition, when handling complaints, business partners shall take measures to ensure those making complaints do not suffer any disadvantage.

### 4. Formulation of Business Continuity Plan

Business partners shall create plans and establish procedures for responding to and mitigating damage from natural disasters, adverse effects from climate change, the spread of infectious diseases, political instability, and other unpredictable events to ensure that the supply chain remains uninterrupted. Furthermore, they shall establish systems for business continuity and early recovery.

### 5. Cooperation with Information Disclosure and Monitoring

Business partners shall fulfill their duty of explaining information regarding social responsibility, including initiatives related to these guidelines, to all stakeholders and actively carry out information disclosure, regardless of whether they are legally required to do so. Business partners shall also respond appropriately to monitoring carried out by the Yamato Group to understand and confirm that a responsible supply chain has been established.

# Yamato Group Business Partner Guidelines

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## 1. Respect for Laws and Internationally Recognized Standards

Business partners shall respect internationally recognized standards in addition to complying with the laws of the countries and regions where they conduct business activities.

## 2. Fair Trading and Ethics

### 2-1. Prevention of Corruption (Prohibition of Bribery and Corruption)

Business partners shall maintain a normal, healthy, and politically neutral relationship with governments and shall not be involved personally or collaboratively in illegal activities, including political contributions, bribery, blackmail, or embezzlement in any form.

### 2-2. Prohibition of Inappropriate Gift Giving and Improper Benefits

Business partners shall not provide or accept entertainment, gifts, or money to or from customers, suppliers, or other business partners for the purpose of acquiring or maintaining improper benefits or preferential treatment.

### 2-3. Prohibition of the Restriction of Competitive Activities

Business partners shall not inhibit fair, transparent, and free competition in accordance with applicable competition and antitrust laws.

### 2-4. Information Disclosure

Business partners shall disclose financial and non-financial information (including information related to labor, health and safety, environmental activities, business activities, organizational structure, financial situation, and performance) in a timely and appropriate manner and in accordance with applicable laws and demands of society.

### 2-5. Prevention and Early Detection of Unlawful Conduct

Business partners shall take measures to prevent unlawful conduct and establish a whistle-blower contact point for its early detection and resolution. Business partners shall also take steps to ensure that whistle-blowers do not suffer any disadvantage and to maintain the anonymity of whistle-blowers and the confidentiality of the information they disclose.

### 2-6. Elimination of Any Dealings with Antisocial Forces and Organizations

Business partners shall not have any business relations or association with antisocial organizations, other associated organizations, similar groups, or their members.

### 2-7. Respect for Intellectual Property

Business partners shall respect patent rights, copyrights, trademarks, and other intellectual property rights of third parties, such as customers and business partners, and shall not infringe on the rights of third parties through the use of unauthorized intellectual property, the unlawful reproduction of copyrighted material, or other forms of infringement.

### **3. Human Rights and Labor**

#### **3-1. Prohibition of Forced Labor**

Business partners shall not carry out any form of forced labor, inhumane treatment, slavery, constraint, or human trafficking. All employees shall be hired on a voluntary basis and be provided with an employment contract that respects their legal and contractual rights and allows them the right to leave the company at will. Additionally, business partners shall not hold, destroy, conceal, or confiscate identification documents, including passports or residence cards.

#### **3-2. Prohibition of Child Labor**

Business partners shall not employ children who are under the minimum age for employment.\*<sup>2</sup> Furthermore, business partners shall not allow young workers under the age of 18 to take on hazardous work that may compromise their health and safety.

#### **3-3. Prohibition of Inhumane Treatment**

Business partners shall respect the human rights of employees and prohibit cruel and inhumane treatment, such as abuse, corporal punishment, abusive language, physical or mental coercion, or any form of harassment.

#### **3-4. Prohibition of Discrimination**

Business partners shall respect the human rights and diversity of employees in all aspects of their employment, including recruitment, remuneration, promotion, training, and retirement. Furthermore, business partners shall not discriminate for any reason, such as race, ethnicity, nationality, birthplace, age, gender, religion, ideology, disability, sexual orientation, gender identity, pregnancy, or marital status.

#### **3-5. Appropriate Management of Working Hours**

Business partners shall appropriately manage the working hours and days off of all employees to comply with the laws of each country or region.

#### **3-6. Adequate Payment of Wages**

Business partners shall comply with the laws of each country or region and pay wages above the legally mandated minimum wage, overtime pay, and other allowances.

#### **3-7. Respect for Freedom of Association and the Right to Collective Bargaining**

Business partners shall respect the right of employees to form and join a labor union and the collective bargaining of workers as a method of improving working environments and wage conditions in accordance with the relevant laws.

#### **3-8. Support for Female Employees**

Business partners shall respect the rights of female employees and consider issues including the appointment of female personnel and the enhancement of childcare leave.

## **4. Safety and Security**

### **4-1. Safe and Healthy Working Environment**

Business partners shall identify and assess the various risks regarding occupational safety and maintain safety through proper design, engineering, and management approaches. Furthermore, business partners shall evaluate the work environment to identify and assess the potential risks of hazardous biological, chemical, or physical impacts on workers' bodies and take appropriate measures.

### **4-2. Occupational Injuries and Illness**

Business partners shall identify, assess, record, and report the status of occupational injuries and illness and implement proper countermeasures and corrective actions.

### **4-3. Response to Emergencies**

Business partners shall establish emergency countermeasures\*<sup>3</sup> to protect the physical safety and lives of employees in the case of emergency situations, such as disasters, accidents, or the spread of infectious diseases, and ensure awareness of these countermeasures throughout the workplace. Furthermore, business partners shall respect their own business partners' decisions to prioritize employee safety and cease or suspend operations when an incident occurs or is anticipated to occur.

### **4-4. Employee Health Management**

Business partners shall carry out appropriate health management for all employees.

### **4-5. Maintenance of Safe Transportation**

Business partners shall give the highest priority to respect for human life at all times in the course of their work, endeavor to prevent traffic accidents, and do their utmost to ensure safe transportation. Business partners shall also comply with laws regarding safe transportation, regulations related to safety set by each company, and the agreements (rules) established by the Yamato Group while following procedures, such as applications for permits and reports, without delay.

### **4-6. Maintenance of the Quality and Safety of Goods and Services**

Business partners shall enforce quality management of goods and services that satisfies the safety standards set out by the relevant laws in each country and region where they conduct business activities and in accordance with their own quality standards and customer requirements and standards.

## **5. The Environment**

### **5-1. Establishment and Operation of a Management System (Environmental Management System)**

Business partners shall establish an independent environmental management system and commit to its continuous improvement through appropriate operation. Furthermore, business partners shall ensure compliance with environmental laws, acquire approval from governments when necessary, and submit the required management reports.

#### 5-2. Reduction of Greenhouse Gas Emissions

Business partners shall set their own targets for achieving a reduction of greenhouse gas emissions and endeavor to make continuous reductions.

#### 5-3. Reduction of Waste and Promotion of Recycling

Business partners shall set their own targets for realizing a reduction of waste after use of goods and for increasing the rates of reuse and recycling and endeavor to make continuous reductions.

#### 5-4. Prevention of Environmental Pollution

Business partners shall prevent air, soil, and water pollution, as well as environmental damage, while ensuring compliance with environmental laws.

#### 5-5. Sustainable and Effective Use of Resources (Such as Water and Raw Materials) and Energy

Business partners shall set their own targets for implementing the conservation of raw materials and energy and endeavor to continuously implement their effective use.

#### 5-6. Management of Chemicals and Hazardous Substances

Business partners shall carry out the appropriate management of chemicals and hazardous substances in their manufacturing processes, goods, and services and implement appropriate administrative reports.

#### 5-7. Responsibility for Biodiversity

Business partners shall respect biodiversity and endeavor to minimize the impact of their business activities on the natural environment.

#### 5-8. Environmental Information Disclosure

Business partners shall actively disclose environmental information on their goods and services and the status of their environmental conservation initiatives.

### **6. Information Security**

#### 6-1. Preventive Measures against Threats to Computer Networks

Business partners shall implement appropriate protective countermeasures against threats such as cyberattacks and manage incidents to prevent damage to themselves and others.

#### 6-2. Protection of Personal Information:

Business partners shall comply with relevant laws and regulations and properly manage and protect all personal information of customers, third parties, and employees.

#### 6-3. Prevention of Confidential Information Leaks

Business partners shall appropriately manage and protect not only their own confidential information but also information received from customers and third parties.

## 7. Contributions to Local Communities (Recommendations)

Business partners shall understand the local culture and customs as members of local communities, pay attention to the social issues faced by each community, and endeavor to contribute to their resolution, as well as the growth and development of society.

Established in January 2022

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\*1 A grievance mechanism is a framework for related parties to report any suspected breach of these guidelines and encourage corrective actions. Whistle-blowers must be able to report anonymously, and they must not receive detrimental treatment when filing a complaint.

\*2 The minimum age for employment is the age at which a person has completed compulsory education or a person who is no younger than 15 years old. (International Labour Organization (ILO) Convention No. 138)

\*3 Emergency countermeasures include the confirmation of mandatory reporting during an emergency, the creation of procedures for emergency countermeasures, the installation of the necessary facilities, the creation of rules for communicating with employees, and the implementation of education and training to ensure they carry out these actions during an emergency.