

TBK Group Sustainability Procurement Guidelines

Table of Contents

1. **Introduction**
2. **Basic Stance**
3. **Scope of Application**
4. **Requirements for Business Partners (Core Guidelines)**
 1. Human Rights
 - Background and Importance
 - Prohibition of discrimination and harassment
 - Respect for human rights
 2. Labor
 - Background and Importance
 - Prohibition of forced labor and child labor
 - Appropriate working conditions
 - Respect for freedom of association
 3. Health and Safety
 - Background and Importance
 - Safe workplace environment
 - Prevention of occupational injuries
 - Promotion of health management
 4. Environment
 - Background and Importance
 - Compliance with environmental laws and regulations
 - Initiatives to reduce environmental impact
 - Management of hazardous substances
 5. Quality
 - Background and Importance
 - Assurance of high quality
 - Quality management
 6. Information Management
 - Background and Importance
 - Protection of confidential information
 - Proper handling of personal information
 - Respect for intellectual property
 7. Legal Compliance and Corporate Ethics
 - Background and Importance
 - Compliance with laws and regulations
 - Maintenance of high ethical standards
 - Exclusion of antisocial forces
 8. Fair Business Practices
 - Background and Importance
 - Prevention of bribery
 - Compliance with fair competition
 - Fair and transparent relationships
 9. Social Contribution
 - Background and Importance
 - Coexistence with local communities
 - Engagement with stakeholders
 10. Establishment of Management Systems
 - Background and Importance

- System development and continuous improvement
- Thorough education and awareness
- Dissemination throughout the supply chain

5. Approval and Signature

1. Introduction

Under the management philosophy of “Creating products that bring joy to our customers and contribute to society,” the TBK Group supports the safety and reliability of logistics by ensuring a stable supply of essential safety components such as brakes and functional components including pumps for engine cooling and lubrication. In addition, by focusing on manufacturing that leverages the casting and machining technologies the Group has cultivated over many years and on the development of electrification solutions for a new era, the Group aims to be a company that contributes to a circular society. In its business activities, the Group recognizes social responsibilities, such as compliance with laws and regulations, respect for human rights, environmental conservation, and fair business practices throughout the supply chain, as key issues, and has therefore established the Guidelines described below based on its Procurement Policy.

2. Basic Stance

The TBK Group emphasizes compliance with laws and regulations, respect for human rights, environmental conservation, fair business practices, and other social responsibilities throughout the supply chain, and strives to promote procurement activities that contribute to the realization of a sustainable society.

Together with its business partners, the Group shares high ethical standards and aims to build relationships of trust with stakeholders and to enhance corporate value.

3. Scope of Application

The Guidelines apply to all business activities of the TBK Group. The Group also expects all business partners in business relationships with the Group, including suppliers of materials and components and contractors, to support and comply with the Guidelines. Not only the Group’s officers and employees but also its partner companies in the supply chain are requested to act in accordance with the Guidelines. Furthermore, the Group seeks to encourage its business partners to promote initiatives aligned with the intent of the Guidelines to their own upstream suppliers, thereby enhancing sustainability throughout the supply chain.

4. Requirements for Business Partners

To realize a sustainable society, the TBK Group requests that its business partners understand, support, and comply with the following requirements:

1. Human Rights

Background and Importance

Respect for human rights is an essential responsibility of every company. Creating an environment in which people can work with confidence leads to corporate trust and long-term development. Eliminating discrimination and harassment based on nationality, gender, age, disability, sexual orientation, or other attributes is the first step toward creating a workplace where everyone is respected. The TBK Group emphasizes international human rights standards and works with its business partners to promote initiatives that protect human rights.

- Prohibition of discrimination and harassment
Do not engage in discrimination or harassment based on race, ethnicity, gender, age, religion, disability, or sexual orientation, including LGBTQ+.
- Respect for human rights
Based on the TBK Group Human Rights Policy, respect internationally recognized human rights and do not engage in conduct that could lead to human rights violations in business activities.

2. Labor

Background and Importance

A safe and healthy working environment forms the foundation that enables all employees to work with confidence and demonstrate their abilities. Long working hours and unfair working conditions not only negatively affect productivity and corporate reputation but also pose significant risks of legal violations. Eliminating child labor and forced labor, ensuring the payment of appropriate wages, and improving working practices are essential to creating a sustainable supply chain. The TBK Group aims, together with its business partners, to create a workplace where every employee is valued.

- Prohibition of forced labor and child labor
Do not engage in any form of forced labor, slavery, or human trafficking. In addition, do not employ children below the minimum working age as defined by applicable laws and regulations.
- Appropriate working conditions
Comply with applicable labor laws and regulations and ensure proper management of working hours and the payment of fair wages. Ensure appropriate working conditions, including leave and rest periods, without imposing excessive burdens on employees.
- Respect for freedom of association
Respect employees' freedom of association, including the rights to organize and to bargain collectively, and engage in sincere dialogue between labor and management.

3. Health and Safety

Background and Importance

Protecting employees' lives and health is a fundamental responsibility of all companies. If workplace safety measures are inadequate, accidents and injuries may occur, leading to disruptions to operations and a loss of trust. By implementing measures such as thorough safety education, machinery and equipment maintenance, and regular inspections, companies can create an environment in which employees can work with confidence. Consideration for mental health is also important. The TBK Group continues to work with its business partners to promote the creation of a safe and comfortable workplace.

- **Safe workplace environment**
Comply with applicable occupational health and safety laws and regulations and ensure a safe and clean workplace environment for employees. Take measures to prevent occupational injuries, including implementing safety measures for machinery and equipment and maintaining an orderly workplace.
- **Prevention of occupational injuries**
Provide appropriate protective equipment and conduct safety education and training to prevent occupational injuries and accidents. Identify and assess hazards and implement necessary corrective measures.
- **Promotion of health management**
Establish a system to maintain and promote employees' health and engage proactively in workers' health management, including conducting regular health checkups and giving consideration to mental health.

4. Environment

Background and Importance

Consideration for the global environment is an important responsibility that all companies must fulfill. Corporate action is strongly expected to address issues that significantly affect our lives and future, such as climate change and resource depletion. Every initiative, including reduction of CO₂ emissions, proper waste treatment, management of chemical substances, and consideration for biodiversity, contributes to the realization of a sustainable society. The TBK Group strives to reduce environmental impacts throughout the product life cycle and requests that its business partners work together in these efforts. In addition, the Guidelines incorporate the content of the previously issued Green Procurement Guidelines, which are discontinued upon the publication of the Guidelines.

- **Compliance with environmental laws and regulations**
Comply with applicable environmental laws, ordinances, and regulations. Meet the environmental requirements prescribed by applicable laws and regulations, including the management of wastewater, air emissions, and chemical substances.
- **Strengthening of initiatives related to ISO 14001 environmental management systems**
Work with business partners to promote reduction of environmental impact and compliance with laws and regulations. Develop, continuously improve, and obtain certification for environmental management systems aligned with ISO 14001.
- **Initiatives to reduce environmental impact**
Actively work to reduce environmental impact associated with business activities, including addressing climate change. Promote environmental conservation activities such as energy conservation, reduction of greenhouse gas emissions, waste reduction and proper treatment, and promotion of recycling. For water resources, conserve water, properly treat wastewater, and strive to prevent water pollution. Furthermore, give consideration to the natural environment and ecosystems surrounding business sites and work to protect biodiversity.
- **Management of hazardous substances**
Properly manage and reduce hazardous substances in products and production processes. Comply with requirements for prohibited and restricted substances in products and strive to use safe alternative materials.

5. Quality

Background and Importance

Product quality is directly linked to safety and reliability and affects customer satisfaction and corporate credibility. Particularly in fields requiring high precision and reliability, such as automotive components, the occurrence of defects or malfunctions may lead to serious accidents and losses. To ensure consistent quality, a daily management system and continuous improvement are indispensable. The TBK Group requests that its business partners establish a quality management system and participate in improvement activities with the aim of enhancing quality together.

- Assurance of high quality
Take all necessary measures to ensure the quality of products and services and comply with applicable laws, regulations, and standards. Meet product safety requirements and customer specifications and provide products of consistent quality.
- Quality management
Develop and maintain a quality management system (e.g., ISO 9001) and work on continuous quality improvement. Set quality objectives and monitor and review them regularly.

6. Information Management

Background and Importance

Proper information management is essential to maintaining relationships of trust with business partners. In recent years, the risks of cyberattacks and information leakage have increased, and a single incident may result in a significant loss of credibility. Preventing the leakage of business and technical information and properly handling personal information and intellectual property are required of all companies. The TBK Group works not only internally but also with its business partners to promote the development of a safe and secure information management system.

- Protection of confidential information
Properly manage confidential business and technical information obtained through business with the Group and do not disclose or leak such information to third parties without authorization. Implement information security measures to prevent unauthorized information leakage both internally and externally.
- Proper handling of personal information
Comply with the Act on the Protection of Personal Information (Japan) and other applicable laws and regulations and properly handle personal data of customers, business partners, employees, and others. Clearly define the purpose of use; collect, use, and retain such data only to the extent necessary; and store it securely.
- Respect for intellectual property
Respect the intellectual property of each company and third parties and do not engage in unauthorized use or infringement. Exercise due care to avoid infringing other companies' patent rights, trademark rights, copyrights, trade secrets, and other rights, and also properly manage and protect their own intellectual property.

7. Legal Compliance and Corporate Ethics

Background and Importance

Complying with laws and acting fairly are the minimum rules that all companies must observe. In recent years, society has taken a stricter view of compliance both in Japan and overseas, and if violations are discovered, a company may suffer an immediate loss of trust and business opportunities. Correctly understanding laws, regulations, and social norms and acting ethically are directly linked to a company's sustainable development. The TBK Group conducts corporate activities with integrity and high ethical standards and requests that its business partners maintain the same stance.

- Compliance with laws and regulations
Comply with all applicable laws and regulations in each country and region where business activities are conducted. Establish internal systems for import and export controls, labor laws, environmental laws, product safety laws, and other applicable laws and regulations and strive to prevent violations.
- Maintenance of high ethical standards
Comply with social norms and corporate ethics and act with high ethical standards. Do not engage in misconduct or false reporting and conduct corporate activities with integrity and fairness.
- Exclusion of antisocial forces
Have no relationship whatsoever with antisocial forces or other forces posing threats such as terrorism. In the event of unreasonable demands, respond firmly and report them immediately to the competent authorities.

8. Fair Business Practices

Background and Importance

Fair business practices form the foundation for building long-term, strong business relationships. Misconduct such as bribery, undue preferential treatment, and bid rigging can seriously damage a company's social credibility. It is important to maintain transparency in all transactions and build trustworthy relationships on an equal footing. The TBK Group provides fair opportunities to all business partners and conducts procurement based on fair evaluation. While sharing the same values, the Group aims to maintain mutual trust with its business partners.

- Prevention of bribery
Do not offer or accept inappropriate benefits by giving or receiving gifts, entertainment, or money, or by any other means. Strictly prohibit bribery of public officials or business partners and comply with each company's anti-bribery policy.
- Compliance with the Subcontract Act (Japan) and prohibition of insider trading
Strictly comply with the Subcontract Act in dealings with customers and business partners and do not engage in any insider trading, including the unauthorized use of material non-public information. Ensure fair and transparent transactions and proper information management to build sound partner relationships.
- Compliance with fair competition
Comply with the Antimonopoly Act (Japan) and other applicable competition laws and do not engage in conduct that restricts fair market competition, such as cartels or bid rigging. Prohibit unreasonable restraints of trade, including price fixing and market allocation through coordination with other companies.

9. Social Contribution

Background and Importance

Companies are expected not only to pursue profits but also to contribute to local communities. Building strong relationships with communities and promoting initiatives that meet social expectations lead to an enhanced corporate image and a sense of pride among employees. The TBK Group values coexistence with communities and society as a “corporate citizen.” The Group also expects its business partners to actively engage in social contribution activities in their respective roles.

- Coexistence with local communities
Respect the laws, regulations, norms, and culture of local communities in business activities and maintain strong relationships with communities. Give consideration to the living environment and safety of surrounding communities and fulfill responsibilities as a corporate citizen.
- Engagement with stakeholders
Respond sincerely to expectations and requests from society and stakeholders. Build relationships of trust and enhance the transparency of corporate activities through appropriate information disclosure and communication about business operations.

10. Establishment of Management Systems

Background and Importance

To ensure that sustainability initiatives do not end as mere formalities, it is necessary to establish internal management systems and continuously implement and improve these initiatives. Through continuous management involvement, employee education, risk identification and correction, and other such efforts, policies take root in practice, enabling these initiatives to become effective. The TBK Group hopes that its business partners will also expand sustainable procurement activities internally and move forward with improvements together as partners.

- System development and continuous improvement
Develop and maintain internal management systems to implement each of the above requirements. Conduct regular self-assessments and audits to identify issues and strive for continuous improvement.
- Thorough education and awareness
Provide employees with sufficient education and raise their awareness about the Guidelines, and ensure thorough internal communication. Provide appropriate guidance to enable employees to understand the importance of legal compliance and sustainability and put them into practice.
- Dissemination throughout the supply chain
Share the intent of the Guidelines with each company’s business partners and seek their understanding of the content.

The Guidelines have been approved by the Sustainability Committee, a body reporting directly to the Board of Directors.

October 17, 2025

TBK Co., Ltd.

Masato Kobayashi
Director & Senior Managing Executive Officer