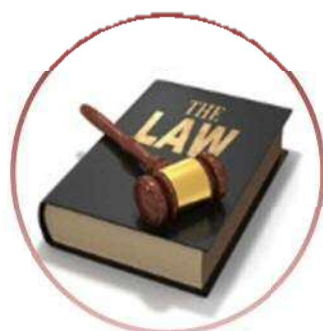


# MEIDOH CSR Guidelines



腐敗防止



法令遵守



安全第一



機密情報保護



環境配慮



人權尊重

August 2023

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## I Basic Principles of the Meidoh Group

### 1. Corporate Philosophy

I. Respect Trust and Value Responsibility. The highest trust stems from sincere work. The completion of duties is the source of corporate prosperity.

II. Provide the Best Quality Goods Faster and Cheaper than Anywhere Else. By utilizing our long-standing pride in excellent technology and recent advancements in quality control, we produce high-quality goods. Through cost reduction resulting from rationalization of management and productivity improvement, we offer goods at competitive prices. The speed of delivery is ensured through reliable production planning and process management, contributing to the company's growth.

III. Strive for a Cheerful and Safe Workplace. The workplace is vital to employees' lives. We believe that the value of life is fulfilled only through positive interpersonal relationships. Upholding safety and hygiene brings about a source of happiness.

### 2. Basic Principles

(1) Aim to be the top manufacturer of cold forged products and continue to grow.

(2) Strive to achieve "Good Quality Goods, Cheap, and Fast," contributing to societal development.

(3) Work together as a whole company to foster talent and create an attractive company.

## II Meidoh Group CSR Policy

### 1. CSR Policy

The Meidoh Group aims to contribute to the sustainable development of society by practicing business activities in various countries and regions based on its "Basic Principles" as a global company. We always listen to the voices of stakeholders, engage in open and fair communication, and aim to maintain and develop healthy relationships. We expect our business partners to endorse this policy and act together with us.

### 2. Action Guidelines

- (1) Clarify the vision.
- (2) Encourage employee participation in management.
- (3) Provide satisfactory evaluation and treatment.
- (4) Create a company where people can grow.
- (5) Provide treatment above standard levels.
- (6) Value the corporate image.
- (7) Embrace "challenge" into the unknown.

### III Supplier CSR Guidelines

#### 1. Compliance

(1) Compliance with Laws and Regulations - We adhere to the laws and regulations of each country and region, as well as their spirit. - We establish mechanisms such as necessary policies, systems, and education for thorough compliance.

(2) Management and Protection of Confidential Information - We rigorously manage and protect information related to our business, as well as information obtained from customers, business partners, and employees' personal information.

(3) Respect and Protection of Intellectual Property Rights - We protect our own intellectual property rights and ensure that they are not infringed upon by others. Additionally, we respect the legitimate intellectual property rights of others.

(4) Compliance with Competition Laws - We do not engage in activities that violate competition laws in various countries and regions, such as cartel formation, bid rigging, unfair competition, or abuse of dominant market positions, which hinder fair, transparent, and free competition.

(5) Proper Export Control - We establish clear management systems and conduct appropriate export procedures for products and technologies subject to regulation by laws and regulations.

(6) Prevention of Corruption - We maintain healthy and normal relationships with politics and administration and do not engage in bribery or illegal political contributions to public officials, etc.

## 2. Human Rights and Labor

(1) Respect for Diversity and Elimination of Discrimination - We do not engage in discriminatory treatment based on race, religion, nationality, gender, sexual orientation, social status, or any other reason in employment, promotion, and other situations to maintain a diverse workplace environment.

(2) Prohibition of Child Labor - We do not employ children who have not reached the age of employment permitted by the laws and regulations of each country and region. - We prohibit the employment of individuals under the age of 18 and women in hazardous work.

(3) Prohibition of Forced Labor - All labor is voluntary, and we ensure that employees can resign freely. We do not engage in forced labor.

(4) Wages - We comply with the laws and regulations of each country and region regarding statutory minimum wages, overtime allowances, wage deductions, and other statutory benefits, and pay employees accordingly.

(5) Working Hours - We manage employees' working hours, holidays, and vacations appropriately to ensure they do not exceed legal limits.

(6) Freedom of Association - We recognize the rights of employees to freely associate or not associate based on the relevant laws and regulations of each country and region where we conduct business activities.

(7) Ensuring a Healthy and Safe Working Environment - We comply with laws and regulations related to occupational safety and health, prioritize ensuring a safe working environment, and strive to prevent accidents and disasters.

### 3. Environmental Initiatives

(1) Establishment of Environmental Management System - We systematically manage environmental conservation activities and establish and continuously improve systems necessary for implementing environmental activities and complying with environmental laws and regulations in our business operations. - We also strive to assess and reduce environmental impacts at each stage of the lifecycle.

(2) Reduction of Greenhouse Gas (GHG) Emissions - We endeavor to reduce greenhouse gas (GHG) emissions throughout the entire lifecycle. - We are working on establishing and continuously improving systems to achieve carbon neutrality.

(3) Reduction of Water Environmental Impact - We promote the reduction of impacts on the water environment, including addressing long-term issues such as "water resource depletion."

(4) Promotion of Resource Circulation - In addition to compliance with regulations such as the Automobile Recycling Law and the European ELV Directive, we promote resource circulation through the use of recycled materials, design considerations for recycling, waste reduction, and recycling activities at each site.

(5) Management of Chemical Substances - We promote efforts to manage chemical substances (such as cessation and reduction) and improve recycling rates in response to regulations such as the European ELV, REACH, and Chemical Substances Control Law, both domestically and internationally.

(6) Establishment of a Nature-Friendly Society - Recognizing that consideration for nature is essential for the continuity of corporate activities, we understand the importance of nature conservation and biodiversity preservation and are working to build a society that coexists with nature.

#### 4. Community and Global Society

(1) Social Contribution Activities - We aim to contribute to creating a prosperous society as a member of the local community and promote social contribution activities through dialogue and cooperation with the local community.

(2) Information Disclosure - We disclose the necessary information to stakeholders correctly and promptly and promote good communication with stakeholders.

(3) Consideration in Procurement Activities - We conduct procurement activities considering the potential impact on the local community caused by the use of raw materials that may lead to serious social issues such as human rights and the environment. If concerns arise, we take measures to avoid their use.

#### 5. Risk Management and Internal Control

(1) Business Continuity Plan - We implement measures to reduce risks that may occur in business activities. Additionally, we establish and operate business continuity plans to continue operations in emergencies.

(2) Internal Control System - We strive to enhance the effectiveness and efficiency of company operations and improve corporate quality by establishing effective internal control systems.

#### 6. Extension to Suppliers

We request that your suppliers also deploy their respective CSR policies and guidelines based on the above principles, and we kindly ask for your efforts to promote the penetration and dissemination of CSR initiatives to your suppliers. Thank you for your cooperation.



## ADDENDUM FOR MS TECHNOLOGY GMBH

### 7. Financial Responsibility

We are committed to maintaining the international standards of financial responsibility. This involves ensuring that all financial practices are conducted with transparency, integrity, and sustainability.

#### (1) Transparent Financial Practices

We are dedicated to conducting all financial transactions and reporting with utmost transparency and integrity. Our adherence to applicable accounting standards and financial regulations across our regions of operation, including Japan and Germany, is unwavering. Regular audits and reviews are conducted to maintain financial accuracy and accountability.

#### (2) Ethical Financial Management

We are committed to avoiding any practices that could be considered financial misconduct, fraud, or corruption. Robust internal controls are in place to prevent and detect any financial irregularities, ensuring ethical financial management throughout our operations.

### 8. Conflict of Interest

#### (1) Identifying Conflicts of Interest

We strive to identify and address any situations where personal, financial, or other interests may conflict with the interests of the company. Employees are encouraged to disclose any potential conflicts of interest to their supervisors or the appropriate compliance personnel promptly.

#### (2) Preventing Conflicts of Interest

Preventive measures are in place to mitigate conflicts of interest before they arise. We implement rigorous policies and procedures to ensure that business decisions are free from undue influence and are made objectively. This includes guidelines for accepting gifts, hospitality, and other benefits that could influence decision-making.

#### (3) Managing Disclosed Conflicts

In cases where conflicts of interest are disclosed, we take appropriate steps to manage them effectively. This may involve recusal from decision-making processes, reassignment of responsibilities, or other measures to ensure that the conflict does not affect the integrity of our operations.

## 9. Whistleblowing

### (1) Encouraging Reporting

We encourage employees to report any suspected unethical behavior, violations of company policy, or illegal activities. Employees can raise concerns through various channels, including direct supervisors, the human resources department, or a dedicated whistleblower hotline/email.

### (2) Confidentiality and Anonymity

We ensure that all whistleblower reports are treated with strict confidentiality. Employees have the option to report concerns anonymously if they prefer. The information provided will be protected and only disclosed on a need-to-know basis to investigate and resolve the issue.

### (3) Thorough Investigation

All reported concerns will be promptly and thoroughly investigated by qualified personnel. Our investigation process is designed to be fair, impartial, and respectful to all parties involved. Appropriate corrective actions will be taken if necessary to address any confirmed violations.

### (4) Protection Against Retaliation

We strictly prohibit any form of retaliation against employees who report concerns in good faith. This includes protection from dismissal, demotion, harassment, or any other adverse employment action. Any employee found to be retaliating against a whistleblower will face disciplinary action, up to and including termination.

### (5) Support and Guidance

Employees who raise concerns will receive support and guidance throughout the reporting and investigation process. Our commitment is to ensure that whistleblowers are protected, and their concerns are addressed without fear of negative consequences.

# Greenhouse Gas Policy

Last Update: 01.08.2024

## ***Introduction***

**Purpose:** Our company is committed to reducing its greenhouse gas (GHG) emissions to mitigate climate change and promote sustainable business practices in line with the European Green Deal. This policy outlines our commitment to environmental stewardship and provides a framework for identifying, managing, and reducing our GHG emissions.

**Scope:** This policy applies to all operations, employees, and activities of MS Technology GmbH, trading company located in Germany, and extends to the parent company MEIDOH Co.,LTD., located in Japan, and its production facilities.

**Policy Statement:** MS Technology GmbH is dedicated to minimizing the environmental impact of our goods through responsible GHG management. We aim to:

- A. reduce our carbon footprint of production by adopting more energy-efficient practices
- B. invest in renewable energy sources
- C. select 100% green energy sources for the energy used by our offices (non-production)
- D. minimize waste during the production process
- E. find greener ways of dealing with waste and byproducts
- F. foster a culture of sustainability within our organization.

## ***Goals:***

### **1. Emission Reduction Targets:**

- The Meidoh Group reviews their Scope 1-3 reduction targets annually and communicates these reduction targets with all subsidiaries

- Production: achieve a 15 % reduction in Scope 1 GHG emissions by 2025.
- Production: achieve a 30 % reduction in Scope 1 GHG emissions by 2030.
- Set interim targets to ensure continuous progress.

## 2. Energy Efficiency:

- Production: achieve a 20 % reduction in Scope 2 GHG emissions by 2035.
- Implement energy-efficient technologies and practices across all operations. *Example: switch to CO2-free city gas for the heat treatment furnaces, which should count for a 15 % reduction in Scope 2 GHG emissions compared to the current usage of LPG.*
- Conduct regular energy audits to identify and address areas for improvement.

## 3. Renewable Energy:

- Increase the use of greener energy sources in our facilities and operations. *Example: Meidoh will change to CO2-free electricity and city gas supply between 2030 and 2035, which should reduce scope 1 and 2 emissions overall by 10-20%.*
- Aim for 30 % of our energy consumption to come from renewable sources by 2035.
- (German office) use 100% green energy for our offices *Example: currently receiving 100% green energy (“Ökostrom”) from TÜV-certified supplier Stadtwerke Dusseldorf*

## 4. Sustainable Practices:

- Promote sustainable practices among employees through training and awareness programs throughout the entire Meidoh Group Company.
- (German Office) Hold yearly environmental training and brainstorming sessions among employees to focus on sustainable practices.

- Encourage telecommuting, carpooling, and the use of public transportation to reduce transportation-related emissions among employees.
- (German Office) Turn off the central heating system in the months from April to October in order to prevent silent energy loss.

#### **5. Supply Chain Engagement:**

- (German Office) keep an open communication line (e-mail thread, regular contact person updates) with the environmental department of the central group in order to exchange information regarding environmental topics.
- Work with suppliers and partners to promote GHG reduction throughout the supply chain.
- Prioritize partnerships with environmentally responsible companies.

#### **6. Reporting and Transparency:**

- (German Office) request yearly reports on energy usage, material usage, waste production and reduction targets.
- (German Office) request yearly reports of GHG emissions produced during logistics from Japan (Nagoya) to Europe (Neuss) from the forwarder.
- (German Office) Report all necessary data to the government instances in Europe timely (e.g. Destatis, CBAM)
- Maintain transparency by publicly sharing our progress and strategies for GHG reduction with all our customers.

#### ***Responsibilities:***

- **Management:** Ensure the implementation and oversight of this policy. Set realistic but strict GHG reduction targets and allocate resources to achieve them.
- **Employees:** Adhere to the guidelines and practices outlined in this policy. Participate in training and contribute to achieving our GHG reduction goals.

- **Sustainability Team:** Develop, implement, and monitor GHG reduction initiatives. Provide regular updates to management and employees on progress and achievements.

**Continuous Improvement:** We are committed to continuously improving our GHG management practices. This policy will be reviewed annually and updated as necessary to reflect new technologies, regulations, and best practices.

**Conclusion:** By implementing this Greenhouse Gas Policy, MS Technology GmbH aims to play their part in combating climate change and promoting a sustainable future. Together, we can make a positive impact on the environment and ensure the longevity of our business for future generations.