

Sustainability Procurement Guidelines

In line with the Sustainability Procurement Policy, Menicon has established the "Sustainability Procurement Guidelines" to outline the expectations for our suppliers in contributing to the realization of a sustainable society. We request our suppliers to adhere to these guidelines.

1. Compliance with Corporate Governance for the Realization of a Sustainable Society

Suppliers are required to establish management systems that ensure compliance with the items listed in these guidelines, including the following:

1.1 Commitment and Responsibility

Suppliers should demonstrate commitment to the items listed in these guidelines through appropriate allocation of human and material resources. Suppliers should also require similar management from their own suppliers to maintain the supply chain.

1.2 Risk Management

Suppliers are required to identify, analyze, evaluate, and appropriately manage risks in the areas covered by these guidelines.

1.3 Accurate Records and Documentation

Suppliers must accurately create, maintain, and manage records and documents to demonstrate compliance with the items listed in these guidelines and relevant laws. Suppliers should provide these records for audits by Menicon or auditors designated by Menicon upon request. Records must be readable, clear, and free from concealment, negligence, or falsification.

1.4 Training and Capacity Development

Suppliers are required to establish and operate educational training systems to ensure that management and employees reach appropriate levels of knowledge, skills, and abilities to meet the items listed in these guidelines.

1.5 Continuous Improvement

Suppliers should set goals and implement plans to contribute to a sustainable society, disclose these internally and externally, investigate causes of identified deficiencies, and take corrective and preventive actions. These activities should be reviewed at the management

level to continuously improve compliance with these guidelines.

1.6 Internal Reporting System

Suppliers are required to establish systems that allow all employees and business partners to report legal violations or business concerns confidentially and anonymously. Suppliers should investigate reported issues and take corrective actions as necessary. Suppliers must protect whistleblowers from dismissal, threats, harassment, or retaliation.

1.7 Ensuring Business Continuity

Suppliers should identify risks such as disasters, terrorism, and accidents, and develop business continuity plans (BCP) to prevent and mitigate these risks. Suppliers should promptly notify Menicon if there is a risk of supply interruption due to unavoidable reasons.

2. Consideration for the Global Environment

Suppliers are required to comply with environmental laws and engage in environmental conservation efforts.

2.1 Environmental Management

Suppliers should conduct their operations responsibly and efficiently to minimize adverse environmental impacts.

2.2 Chemical Management and Pollution Prevention

Suppliers should properly manage (store, use, dispose of) chemicals and conduct risk assessments. Waste, wastewater, and exhaust must be controlled and treated appropriately before being released into the environment. Suppliers should provide information on the chemical substances contained in their products and cooperate in providing this information. Suppliers should prevent environmental pollution and respond promptly and appropriately in emergencies to prevent damage escalation, and report the situation and response to Menicon.

2.3 Sustainable and Efficient Use of Resources

Suppliers should take measures to effectively use energy, reduce water consumption in water-scarce areas, and promote resource conservation and efficient use (reduction, reuse, recycling).

2.4 Reduction of Greenhouse Gas Emissions

Suppliers are required to manage and continuously reduce greenhouse gas emissions from their business activities.

2.5 Consideration for Biodiversity

Suppliers should strive to conserve biodiversity and use it sustainably, and engage in procurement activities that consider biodiversity. Suppliers should also work to reduce the need for animal testing by using innovative analysis methods, reducing the number of animals used, or improving procedures to minimize pain. Where scientifically valid and approved by regulatory authorities, suppliers should use alternatives.

3. Respect for Fundamental Human Rights

Suppliers should understand and respect human rights based on the principles of the "Universal Declaration of Human Rights" and other international frameworks and norms.

3.1 Respect for Human Rights and Elimination of Discrimination and Harassment

Suppliers should respect the human rights of employees and stakeholders and avoid discriminatory treatment and harassment based on race, creed, color, sex (including gender identity and sexual orientation), religion, nationality, language, physical characteristics, property, or place of origin in all employment situations from recruitment and hiring to placement, treatment, education, and retirement. Suppliers should comply with laws related to human rights, including those regulating human trafficking and slavery, in the provision of services, products, or goods to Menicon.

3.2 Prohibition of Inhumane Treatment

Suppliers should provide workplaces free from harsh and inhumane treatment (including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse) and the threat of such treatment.

3.3 Payment of Appropriate Wages

Suppliers should comply with laws regarding minimum wages, overtime, wage deductions, piece rates, and other benefits, and pay appropriate wages. Suppliers should not engage in unjust wage reductions.

3.4 Fair Application of Working Hours, Holidays, and Paid Leave

Suppliers should comply with laws regarding the determination of working hours, holidays, and annual paid leave.

3.5 Prohibition of Forced Labor and Slave Labor

Suppliers should not use forced or bonded labor, involuntary or exploitative prison labor, slavery, or human trafficking. Suppliers should ensure that all employment is voluntary and that employees can freely leave their jobs.

3.6 Prohibition of Child Labor and Consideration for Young Workers

Suppliers should not employ individuals below the legal working age as defined by the laws of each country or region. Suppliers should ensure the health and safety of young workers (as defined by the standards of each country or region) by prohibiting hazardous work or night work.

3.7 Freedom of Association

Suppliers should promote open communication and consultation with employees and their representatives to resolve workplace and wage-related issues. Suppliers should respect employees' rights to freedom of association, union membership, election of representatives, and participation in labor councils as stipulated by domestic laws. Suppliers should ensure that employees can openly discuss working conditions with management without fear of retaliation, threats, or harassment.

3.8 Occupational Health and Safety

Suppliers should establish safe facilities, work environments, and procedures to protect the safety and health of employees, comply with labor laws of each country or region, and take safety measures and provide education to prevent accidents and occupational injuries.

3.9 Respect for Religious Traditions and Customs Related to Business Activities

Suppliers should respect the traditions and customs of the countries and regions where they conduct business activities, as well as the religious traditions and customs of employees, and ensure that uniform work rules do not hinder these traditions and customs.

3.10 Responsible Procurement Activities

Suppliers should engage in procurement activities that consider whether raw materials, such as conflict minerals contained in products, are involved in human rights violations, environmental destruction, or conflicts at their origin. Suppliers should take measures to avoid using such materials if concerns arise.

4. Compliance with Laws and Respect for International Codes of Conduct

Suppliers should conduct business activities ethically and sincerely, and strive for fair transactions. Suppliers should also ensure fair transactions.

4.1 Fair Business Activities

Suppliers should establish policies, systems, and education related to compliance to ensure fair business activities.

4.2 Anti-Corruption and Prohibition of Bribery

Suppliers should identify and prevent bribery and corruption, including improper payments and provision of conveniences. Suppliers should promptly notify Menicon if they become aware of bribery, corruption, or suspected acts.

4.3 Prevention of Competition Law Violations

Suppliers should comply with competition laws (including antitrust laws) of each country and always compete fairly with other companies. Suppliers should provide accurate information about the quality and value of goods and services supplied and should not use false information, conceal unfavorable information, or improperly use other companies' confidential information to gain an unfair advantage. Suppliers should not engage in defamation of other companies or intentional infringement of other companies' intellectual property rights.

4.4 Elimination of Relationships with Anti-Social Forces and Groups

Suppliers should eliminate relationships with anti-social forces and groups.

4.5 Respect and Protection of Intellectual Property

Menicon appropriately protects its intellectual property and respects the intellectual property of third parties, preventing unauthorized use and illegal reproduction of copyrighted works. Suppliers should also strive to respect and protect intellectual property.

4.6 External Consultation Window

Suppliers should establish external consultation windows to allow stakeholders to report important risk-related information in trading relationships.

4.7 Prohibition of Insider Trading

Suppliers should establish measures to prevent the trading of stocks and other securities

using unpublished company information.

4.8 Prohibition of Conflict of Interest

Suppliers should not engage in actions that benefit their own interests at the expense of their company, business partners, or third parties. Suppliers should also not respond to unjust demands from customers or employees of business partners.

5. Ensuring Quality and Safety through the Supply Chain

Suppliers understand that the quality and safety of goods and services they supply affect Menicon's products. Suppliers are required to comply with laws and standards to supply goods and services with quality and safety.

5.1 Quality Management System

Suppliers should establish and maintain quality management systems to ensure the quality required by Menicon, valuing communication within the supply chain.

5.2 Maintaining and Improving Quality and Safety

Suppliers should comply with the laws and standards of each country to ensure and improve the quality and safety of products. In the event of any issues, suppliers should promptly report to Menicon and take appropriate actions such as recalls or changes to alternative products that maintain quality.

5.3 Corrective and Preventive Actions

If non-conformities are found in the goods or services supplied, suppliers should promptly notify Menicon, investigate the cause, identify the scope of impact, and take corrective and preventive actions.

5.4 Advance Proposals for Changes

Suppliers should propose changes in specifications, raw materials, parts, manufacturing or supply processes, manufacturing locations or facilities, and suppliers that may affect the quality or functionality of the goods or services supplied, in advance to Menicon for assessment of the impact on Menicon's products.

5.5 Compliance with Domestic and International Quality Regulations

Suppliers should comply with domestic and international laws and regulations related to quality management, such as the Pharmaceuticals and Medical Devices Act.

6. Information Management

Suppliers should establish appropriate information management systems in accordance with applicable data protection laws (including privacy and confidentiality protection of personal information).

6.1 Information Management System

Suppliers should have appropriate organizational structures and procedures to protect personal information from accidental, intentional, or illegal loss, destruction, alteration, disclosure, use, or access. This includes technical and organizational security measures, as well as rules and procedures for compliance verification.

6.2 International Compliance

Suppliers should comply with laws related to cross-border data transmission.

6.3 Protection of Personal and Confidential Information

Suppliers should comply with the laws of each country and region when obtaining, managing, and protecting personal information of business partners, third parties, and their own employees, as well as confidential information of business partners and third parties, and use it within appropriate limits.

6.4 Information Disclosure

Suppliers should respond to societal and stakeholder demands for transparency and accountability in corporate activities by appropriately disseminating financial and non-financial information internally and externally.