



Sustainable Procurement Guidelines

<5th Edition>

Document No.: AM08401-005

Revised on April 1, 2024



1. Introduction

With our corporate philosophy “Ever Onward” and “Trusted Technology”, ISHIGAKI COMPANY, Ltd. (hereinafter referred to as the “Company”) has provided the society with the solutions contributive to our environment in the water infrastructure and industrial fields, centering around solid-liquid separation technology since its founding.

For the purpose of global environmental preservation, the Company formulated “Green Procurement Guidelines” in 2005 and has made efforts to reduce an environmental load over a product life cycle through cooperation of our suppliers.

In these years, there have been unusual weather conditions and large-scale natural disasters presumed to be caused by global warming. It is warned that if the temperature continues to rise down the road, the situation will be further worsened. Simultaneously, it is also concerned that biodiversity will be deteriorated by climate change, demanding business activities intended for realization of a decarbonized society and a recycling-oriented society, and natural capital and biodiversity from a long-term viewpoint.

With international documents published such as the UN’s “Guiding Principles on Business and Human Rights” and “Sustainable Development Goals”, the OECD’s “Guidelines for Multinational Enterprises” and the ILO’s “Declaration on Multinational Enterprises”, the companies have been requested more strongly to address solutions to social issues.

For this reason, newly adding the perspectives of social responsibility, such as protection of human rights, elimination of unfair labor and prevention of corruption, to the conventional Green Procurement Guidelines, we have renamed it as “Ishigaki Sustainable Procurement Guidelines” (hereinafter referred to as the “Guidelines”) to revise its content.

The suppliers are requested to understand the purpose of the Guidelines and expand it to your suppliers so as to promote sustainable procurement activities across the supply chain.

We appreciate your cooperation for our past efforts and would like to ask for your further understanding and cooperation.

Manager, Purchasing Dept., ISHIGAKI COMPANY, Ltd.

2. Policy

(1) Quality and environmental policy

We preserve the water environment, reduce a waste volume, reduce a environmental load, build robust infrastructure and provide solutions to the customer's higher productivity in the water infrastructure and industrial fields in order to realize a sustainable society.

1. Continuously develop new products and services and improve the quality to pursue functionality and safety and respond to the customer's trust with technology.
2. Contribute to realization of the decarbonized society, reduction of the environmental load, and protection and recovery of biodiversity and a biological system through business activities and local contribution.
3. Comply with the laws and regulations and social norms based on corporate ethics.

(2) Procurement policy

The Company conducts procurement activities based on the following procurement policy.

1. Being fair, impartial and open-minded
We are widely opened to not only domestic, but also overseas companies wanting to do business with us. We always fairly evaluate and select a supplier.
2. Compliance with the laws and regulations
In procurement activities, we mutually comply with relevant laws and regulations in the international society and their spirits, and do not disclose confidential information obtained in procurement transactions to a third party without the supplier's consent.
3. Social responsibility
We procure from the perspectives of social responsibility such as protection of human rights, elimination of unfair labor and prevention of corruption.
We make efforts not to use minerals supplied from a business operator with high risks of human rights and environment in a conflict zone and a high-risk area.
4. Mutual trust and partnership
Through healthy business with the supplier, we make efforts to deepen mutual understanding, build a relationship of trust and secure a relationship of coexistence and co-prosperity as a good partner.

5. Green procurement

The Company has been addressing global environmental protection across corporate activities, including procurement activities.

We have enacted the “Sustainable Procurement Guidelines”, a basis for smooth promotion of these activities, and obtained understanding and cooperation from the suppliers as well.

3. Requests to Suppliers

(1) Compliance with the laws and regulations and respect for international norms

The supplier should not only comply with applicable laws and regulations in its own country and the destination country/region of business, but also respect international code of conduct.

(2) Human rights and labor

The supplier should not only comply with relevant laws and regulations, but also refer to international human rights standards including the ILO*¹ Core Labor Standards to respect the human rights of workers.

*1: ILO (International Labor Organization)

1) Prohibition of forced labor

The supplier cannot use a labor force obtained by compulsion, restraint, inhumane prison labor, slavery or human trafficking.

Also, the supplier needs to protect a worker’s right to quit a job or end employment at his/her own discretion without forcing all work.

2) Prohibition of child labor and consideration for young workers

The supplier must not allow labor by children under the minimum working age. Also, the supplier must not allow young employees less than 18 years old to be engaged in dangerous work which may damage health or safety, such as working at night or overtime.

3) Consideration of working hours

The supplier is not allowed to have the employees work beyond the limit legally stipulated in their working district and should appropriately manage their working hours and holidays in consideration of international standards.

4) Appropriate wages and benefits

The supplier should comply with all laws and regulations applicable to the compensations paid to workers (including a minimum wage, overtime pay and legally obligated benefits and wage deduction).

It is also desirable to consider payment of wages (living standard) enough to purchase necessities for living.

5) Prohibition of inhumane treatment

The supplier should respect the human rights of workers and not give them inhumane treatments such as mental and physical abuse, compulsion and harassment, and perform acts of such potentials to them.

Also, the dormitory provided by the supplier for workers should have a facility capable of storing personal belongings and valuables and sufficient personal space for appropriate access.

6) Prohibition of discrimination

The supplier must not discriminate or harass workers. Also, consider the workers' requests for religious practices within an appropriate scope.

7) Freedom of association and collective bargaining rights

Complying with local laws and regulations, the supplier should respect the collective bargaining rights of workers as a means to realize a labor-management consultation for a work environment and a wage level.

(3) Safety and hygiene

The supplier should not only observe relevant laws and regulations, but also pay heed to the ILO's safety and hygiene guidelines, etc. to minimize workers' injury and mental/physical illness resulting from work and make efforts to secure a safe and sanitary work environment.

1) Occupational safety

The supplier should identify and evaluate occupational safety risks and secure safety by appropriate design and technological and management means.

Particularly, it is necessary to take pregnant women and breastfeeding mothers into rational consideration.

2) Emergency preparation

In preparation for emergencies such as disasters and accidents which may damage the life and bodily safety, the supplier should identify them, including their potentials, create behavioral procedures for emergencies, which minimize damage on workers and assets, install necessary facilities and educate and train the workers so that they can act properly in the case of disaster.

3) Occupational accidents and illnesses

The supplier should identify, evaluate, record and report occupational accidents and illnesses, and take appropriate measures and corrective actions.

4) Industrial hygiene

The supplier should identify and evaluate the risks of exposing the workers to harmful biological, chemical and physical impacts in the workplace and manage them appropriately.

5) Consideration of physically strenuous work

The supplier should identify and evaluate physical strenuous work and manage it appropriately so that it will not lead to occupational accidents and illnesses.

6) Safety measures for mechanical equipment

The supplier should evaluate the safety risks of mechanical equipment used by workers and take appropriate safety measures.

7) Safety and health of the facilities

The supplier should appropriately secure the safety and health of the facilities (dormitory, cafeteria, toilets, etc.) provided for the workers' living.

Also, secure an appropriate emergency exit in the dormitory.

8) Communications for safety and health

The supplier should educate and train the workers about appropriate safety and health information as to various occupationally possible risks in the language and method understandable to them.

Also, set up a system for the workers to feed back their opinions on safety.

9) Health management of the workers

The supplier should manage the health of all employees appropriately.

(4) Environment

The supplier should not only positively address global environmental problems such as resource depletion, climate change and environmental contamination, but also consider local environmental problems in view of the health and safety of local people concerned.

1) Environmental permit and report

According to the laws and regulations at the location of business, the supplier should obtain a permit and approval required for business, and register and report to that effect.

2) Reduction of energy consumption and greenhouse gas emissions

The supplier should make efforts to improve energy efficiency and continuously reduce energy consumption and greenhouse gas emissions.

3) Discharge into the atmosphere

Complying with relevant laws and regulations, the supplier should take appropriate measures for reducing the discharge of harmful substances into the atmosphere.

4) Water management

Complying with the laws and regulations, the supplier should monitor the source, use and discharge of water used to save it.

It is necessary to present the characteristics of every waste water as required before discharge or discard to monitor, control and treat it.

Also, identify a contamination source which may cause water contamination, and manage it appropriately.

5) Effective use of resources and waste management

By compliance with the laws and regulations and appropriate management, the supplier should promote reduction, reuse and recycling to use resources effectively and minimize waste.

6) Control of chemical substances

Complying with the laws and regulations such as the Act on the Regulation of Manufacture and Evaluation of Chemical Substances, Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof and REACH regulations, the supplier should identify, indicate and manage chemical substance hazardous to the human body and environment and other substances so as to handle, relocate, save, use, recycle and discard them safely and surely.

7) Control of chemical substances contained in the product

The supplier should comply with all laws and regulations applicable to prohibition or limitation of using specific substances contained in the product, and the customer's request.

(5) Fair trade and sense of ethics

The supplier should not only comply with the laws and regulations, but also conduct business activities based on a high-level sense of ethics.

1) Prevention of corruption

The supplier must not be involved in any kind of bribery, corruption, extortion and embezzlement.

2) Prohibition of inappropriate profit sharing and reception

The supplier must not provide or approve a promise, offer or permit as a means to obtain a bribe or other unfair or inappropriate profit.

3) Appropriate disclosure of information

According to applicable laws and regulations and industry practices, the supplier should make efforts to disclose information on labor, safety and health, environmental activities,

business activities, organizational structure, financial condition and business performance.

It is not tolerated to falsify the record and disclose false information.

4) Respect for intellectual properties

The supplier should respect intellectual property rights and transfer technologies and knowledge in such a manner that intellectual properties will be protected. Also, protect the intellectual properties of third parties such as customers and suppliers.

5) Execution of fair business

The supplier should conduct fair business, competition and advertisement.

6) Protection of informants

The supplier should protect confidentiality of reported information and anonymity of an informant and eliminate retaliation to the informant.

7) Responsible procurement of minerals

The supplier should conduct due diligence to check whether or not minerals such as tantalum, tin, tungsten and gold, which are contained in its manufactured products, are causing or involved in serious human rights violation, environmental destruction, corruption, dispute, etc. in a conflict zone and a high-risk area.

(6) Quality and safety

The supplier should secure the safety and quality of its products and services and provide accurate information.

1) Securement of product safety

The supplier should fulfill its responsibility as a supplier by ensuring that its products satisfy the safety standards stipulated by laws and regulations in each country, and that they have been designed, manufactured and marketed so as to secure sufficient product safety.

2) Quality control

The supplier should comply with not only all laws and regulations applicable to the quality

of products and services, but also its own quality standards and the customer's requirements.

3) Provision of accurate product and service information

The supplier should provide accurate and non-misleading information on products and services.

(7) Information security

The supplier should prevent leakage of confidential information and personal information and intensify information security.

1) Protection against cyber attacks

The supplier should take protection measures against threats by cyber attacks, etc. to prevent damage on itself and others.

2) Protection of personal information

The supplier should comply with relevant laws and regulations for all personal information of its suppliers, customers, consumers, employees, etc. to manage and protect it appropriately.

3) Prevention of leakage of confidential information

The supplier should appropriately manage and protect not only its own confidential information, but also that received from a customer or a third party.

(8) Business continuity plan

The supplier should conduct preparation for resuming production activities as early as possible in order to fulfill its supply responsibility in case the supplier or its supplier is struck by a large-scale natural disaster, etc.

1) Formulation and preparation for business continuity plan

The supplier should identify and evaluate business continuity obstruction risks and formulate the business continuity plan (BCP) which has summarized careful examination

of their impacts on business, medium- and long-term required precautions and their status.

Revision history

Green Procurement Guidelines

Enacted on Oct. 20, 2005

2nd edition: May 17, 2012

3rd edition: Jun. 4, 2015

4th edition: Mar. 1, 2017

Sustainable Procurement Guidelines

5th edition: Apr. 1, 2024

The following was used as reference materials to formulate the Guidelines.

- Universal Declaration of Human Rights
- ILO International Labor Standards
- ILO Safety and Health Code of Conduct
- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- JEITA Responsible Business Conduct Guidelines, Ver. 1.1