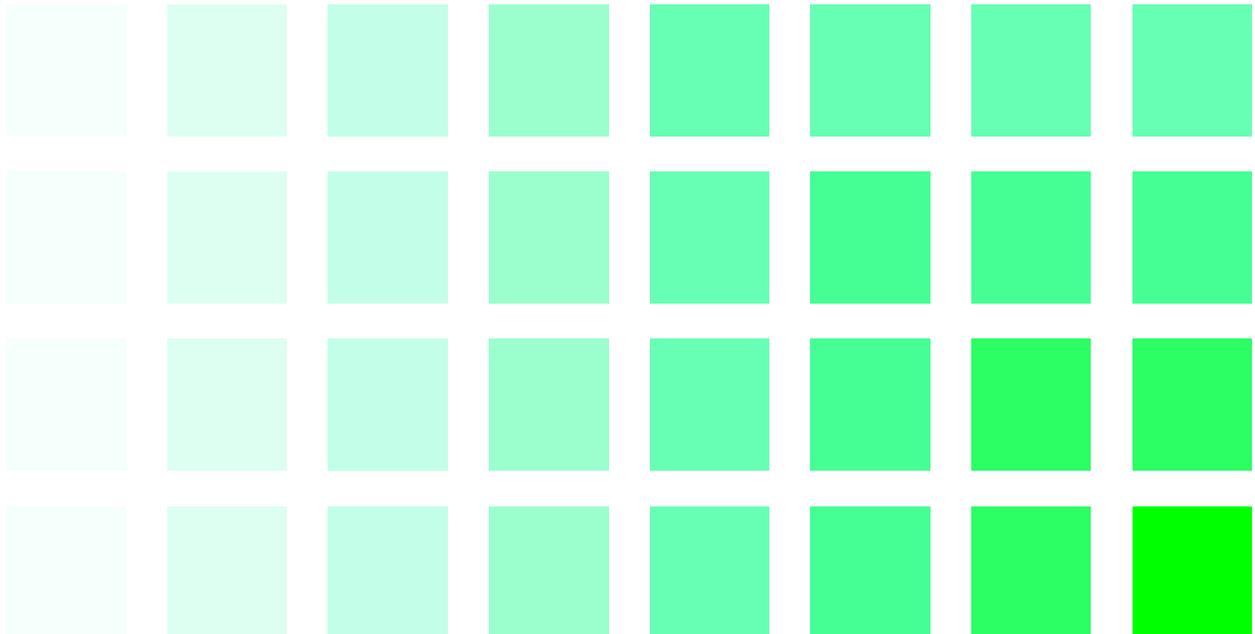


TS TECH AMERICAS, INC.

# Supplier Sustainability Guidelines

August 2019



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# 1. Introduction

The automotive industry to which the TS Tech Group belongs is connected to a wide range of industries, and the impact the value chain can have across those industries is immeasurable. Therefore, I believe that we have an important responsibility as a manufacturer of automotive interior components to ensure a stable and sustainable supply of safe, comfortable, and attractive products and to continue being a company trusted by society for our fair business practices.

Under the TS Tech Philosophy, TS Tech has worked to fulfill our social responsibilities as they relate the environment, safety, and various other areas. Thanks to the hard work and support of many different stakeholders, we have earned society's trust for our sourcing and procurement operations with our supply base in accordance with our vision and principles for purchasing.

Through these guidelines, we aim to foster a common understanding with our suppliers about sustainability and to carry out proactive sustainability initiatives in order for TS Tech and our suppliers to continue growing and be companies whose continued presence is appreciated by society. I therefore ask all of TS Tech's suppliers to please implement initiatives based on these guidelines and to ask their suppliers to do the same as well.



Executive Vice President  
Corporate Commercial Relations Division  
TS Tech Americas, Inc.

## 2. TS Tech Philosophy

The TS Tech Philosophy was established in order to set down in writing our founder's business philosophy and our company's vision and approach to business.

This philosophy is the foundation for all of the TS Tech Group's business activities. We believe that the spirit it represents should apply not just to members of the TS Tech Group but also to the work that we do and to our relationships with the people and companies with whom we do business.

TS Tech is committed to earning society's trust and fulfilling our corporate social responsibilities in accordance with these values.



### **Vision Statement**

- A company dedicated to realizing people's potential
- A company sincerely appreciated by all

### **Mission Statement**

We shall provide comfortable, high-quality products at competitive prices to our customers worldwide, always pursuing the infinite possibilities in manufacturing.

### **Operational Directives**

- We should make our workplace a vibrant one, valuing consensus and communication.
- Work should be done in accordance with the circumstances, with importance placed on time and priorities.
- We must always challenge ourselves to create new value by leveraging our passion and know-how.
- Each of us should always persevere to make our individual vision a reality.

### 3. Purpose of These Guidelines

These guidelines illustrate our belief that profit should not be our only pursuit; rather we should strive to exist in harmony with society and become “a company sincerely appreciated by all” whose presence is valued by all. These guidelines contribute to that endeavor by outlining what sustainability means for our supply base and defining key expectations we have for our suppliers.

We ask all of our suppliers to adhere to these standards. We also ask that our suppliers share these standards with their supply chains.

#### TS Tech’s Fundamental Stance for Each Category

**(1) Safety and Quality**

We strive to make high-quality products in order to provide customers with safe and reliable products.

**(2) Human Rights and Labor**

The TS Tech Code of Conduct states that we should act in accordance with the idea that all people are equal and affirmatively accept all people’s individual traits and differences. As such, we respect the rights and will of all employees and business partners and are committed to treating everyone fairly. In regards to occupational health and safety, we endeavor to prevent work-related accidents, monitor employee health, and provide a comfortable work environment.

**(3) The Environment**

To realize our vision statement of being “a company sincerely appreciated by all,” we strive to reduce the burden that all aspects of our business operations have on the environment.

**(4) Compliance**

In order to be a company with a strong culture of compliance, we endeavor in good faith to comply with the law as a member of society and to act ethically in line with societal norms.

**(5) Information Disclosure**

We strive for swift, proper disclosure of information and a high degree of transparency to strengthen society’s trust in and understanding of our company.

## 4. Guidelines by Category

### (1) Safety and Quality

**1) Provide products and services that meet consumer and customer needs**

Identify consumer and customer needs and develop and supply socially responsible products\*.

\* Socially responsible products include products that are easy for anyone to use regardless of their age, gender, or disability as well as environmentally-friendly products that save energy and resources or help protect the environment.

**2) Provide appropriate information about products and services**

Provide appropriate information about your products and services to consumers and customers.

**3) Guarantee safe products and services**

Produce and provide products and services in compliance with the safety laws and regulations that apply to the country and region in question.

**4) Guarantee quality products and services**

Implement and maintain company-wide mechanisms and systems for ensuring quality.

## 4. Guidelines by Category

### (2) Human Rights and Labor

#### 1) **No discrimination**

Do not discriminate based on race, ethnicity, national origin, religion, sex, disability, age, or other such characteristic in any aspect of employment\*.

\* Hiring, employment, promotion, wages, termination, assignment of tasks, discipline, etc.

#### 2) **Respect human rights**

Do not tolerate any type of harassment in the workplace based on race, ethnicity, nationality, religion, sex, physical disability, age, or other such characteristic.

#### 3) **No child labor**

Do not allow any labor by children below the legal working age in each country and region.

#### 4) **No forced labor**

Do not use any forced labor. Ensure that all labor is voluntary and that all employees are able to resign from their jobs at will.

#### 5) **Wages**

Comply with the laws and regulations of the country and region in question concerning minimum wages, overtime, payroll deductions, payment based on output, and other wage-related issues.

#### 6) **Work hours**

Comply with the laws and regulations of the country and region in question concerning decisions on employee work hours (including overtime), the granting of holidays and annual paid leave, and other such issues.

#### 7) **Communication and discussion with employees**

Engage in communication and discussion in good faith with your employees or their representatives. Do not infringe on the rights of employees to organize or not organize in accordance with the laws and regulations of the country and region in question.

#### 8) **Safe and healthy work environment**

Take measures to prevent accidents and disasters before they happen, and make ensuring the safety and health of employees at work the number one priority.

#### 9) **Conflict minerals\***

Perform due diligence on the use of conflict minerals in your supply chain. If you discover the use of a mineral of concern, take action to eliminate its use.

\* For TS Tech Americas' Rules & Policy for Conflict Minerals please visit our website: <https://www.tstna.com/compliance.php>

## 4. Guidelines by Category

### (3) The Environment

#### 1) **Environmental management**

In order to facilitate the execution of a wide range of environmental initiatives, follow the laws and regulations in each country and region and take action to comply with future changes to laws and regulations. Implement company-wide management systems, and maintain and improve them on a continued basis.

#### 2) **Reduce greenhouse gas emissions**

Follow the laws and regulations in each country and region and take action to comply with future changes to laws and regulations in order to help prevent global warming. Monitor greenhouse gas emissions stemming from your business operations and carry out initiatives to reduce them. Also, take action to make your energy usage as efficient as possible.

#### 3) **Prevent air, water, soil, and other environmental pollution**

Follow the laws and regulations to prevent air, water, soil, and other forms of pollution in each country and region, and take action to comply with future changes to those laws and regulations. Carry out continuous monitoring and reduction of pollutants in order to prevent pollution of the environment.

#### 4) **Conserve resources and reduce waste**

Follow the laws and regulations concerning proper waste disposal and recycling in each country and region. Strive to reduce the amount of waste sent to permanent waste disposal by making efficient use of resources.

#### 5) **Chemical substance management**

Follow the laws and regulations in each country and region, and take action to comply with future changes to these laws and regulations. Exercise careful management of any chemical substances that could pollute the environment. Do not use chemical substances in your products that are prohibited under the laws and regulations of the countries and regions where those products are used or sold. Likewise, do not use prohibited chemical substances in your production processes, and identify and report to the authorities the amounts of any chemical discharges or emissions in accordance with the laws and regulations of the country and region in question.

#### 6) **Protect ecosystems**

Make efforts to protect ecosystems through your business operations and component production processes, including the procurement of raw materials.

## 4. Guidelines by Category

### (4) Compliance

**1) Compliance with laws and regulations**

Follow the laws and regulations of each country and region. Implement and maintain policies, systems, conduct guidelines, whistle-blower systems, and training to ensure compliance.

**2) Compliance with competition laws**

Follow the competition laws of each country and region and do not engage in unlawful private monopolization, illegal or unfair restraint of trade (e.g. cartels or bid rigging), unfair business practices, or abuse of a dominant bargaining position.

**3) Preventing corruption**

Adhere to the laws and regulations of the country or region in question when making any political contributions and donations. Maintain clean and transparent relationships with politicians and government authorities. Do not provide or accept entertainment, gifts, or money to or from business partners for the purpose of obtaining or maintaining unfair advantages or special treatment.

**4) Confidential information controls and safeguards**

Use only proper and legitimate means to obtain confidential information and personal information from customers, employees, and third parties. Safeguard that information by managing it with the utmost security and using it only where it is pertinent and justified.

**5) Export trade**

Follow proper export procedures and management processes for export-restricted technology and goods according to the laws and regulations in each country and region.

**6) Intellectual property protection**

Protect the intellectual property that you own or possess. Do not infringe on, illegitimately use, or wrongfully acquire intellectual property belonging to a third party.

**7) Exclusion of anti-social forces**

All associates, from executives to employees, must firmly reject any relationship with anti-social forces (i.e. individual and groups that use means of violence, power, or fraud to pursue their financial interests). Please share this unequivocal commitment with your stakeholders and business partners.

## 4. Guidelines by Category

### (5) Information Disclosure

#### 1) **Disclosure of information to stakeholders**

Disclose appropriate information about your financial health, business performance, and business activities to your stakeholders at the appropriate time. Work to maintain and advance mutual understanding and trust with your stakeholders through fair and open communication.

## 5. Requests to Our Suppliers

Through these guidelines, TS Tech aims not only to create a shared understanding with our suppliers but also to enact a proactive approach to sustainability in order for both us and our suppliers to exist in harmony with society, maintain continued growth, and be companies “sincerely appreciated by all” whose presence is valued by society.

### (1) Compliance with these guidelines

We ask that our suppliers follow these guidelines in addition to the master agreement that we sign with each of you.

### (2) Reinforcement of internal systems

We ask that our suppliers develop, implement, and maintain internal systems to comply with any applicable laws, regulations, and norms. We also ask that our suppliers strengthen internal governance and internal audits to establish a corporate culture where laws, regulations, or norms do not get broken.

### (3) Dissemination throughout the supply chain

We ask you, our suppliers, to share these sustainability guidelines, especially items related to compliance, with your suppliers, contractors, and entire supply chains.

### (4) Verification of compliance

If necessary, we may request the submission of relevant records and data or on-site reviews (at manufacturing plants) to confirm that our suppliers are in compliance with these guidelines. We appreciate your understanding and cooperation with such requests.

### (5) Action when a compliance violation is found

In the event that a compliance violation is discovered in one of our supplier’s business operations, we request that said supplier report the violation immediately to TS Tech, investigate the cause, and submit a report of the investigation and any measures to be taken to prevent similar violations from happening again.

## 6. Issuing Department and Contact Information

Please contact the following department with any inquiries concerning these guidelines.

### **Issuing Department**

Purchasing Department  
Corporate Commercial Relations  
Division TS Tech Americas, Inc.

### **Contact Information**

Administration Department  
Corporate Commercial Relations  
Division TS Tech Americas, Inc.

TEL: 614-575-4100









**T-Tech**  
TS TECH AMERICAS, INC.

[www.tstna.com](http://www.tstna.com)

