

## Lion Group Supplier CSR Guideline

1	<b>Human Rights, Labor Practices</b>	Forced and Child Labor Avoidance	We prohibit forced labor and child labor, which is the employment of individuals under the legal minimum working age.
2		Non-Discrimination	We prohibit discrimination and the harsh or inhuman treatment of individuals, to respect human rights.
3		Fair Wages, Benefits and Working hours	We provide fair wages and benefits and we do not allow working hours to exceed the limits set by law.
4		Freedom of Negotiation for Employees	We guarantee our employees the freedom of organizing labor unions or rights to negotiation
5		Working Environment Health and Safety	We ensure occupational safety and health, such as by employing machine safeguarding.
6		Occupational Injury and Illness	We are aware and monitor occupational injuries and illness and take preventative measures.
7		Sanitation, Food, and Housing	We provide facilities (canteen, dorms, bathrooms, etc.) for our employees.
8		Health and Safety for Employees	We properly manage the health of our employees.
9	<b>Environment</b>	Environmental Management System	We have employed and we properly operate an Environmental Management System (EMS).
10		Chemical Substances	We properly manage chemical substances involved in products and manufacturing processes in compliance with laws and regulations.
11		Minimizing Environmental Impacts	We strive to minimize the environmental impacts from our business.
12		Environmental Permits and Reporting	We have obtained all legally required environmental permits, approvals, and registrations, and we report when necessary.
13	<b>Fair Operating Practices</b>	Prohibition of Corruption and Bribery	We maintain an ethical relationship with politicians and public officials and do not conduct bribery, or make illegal contributions.
14		No Improper Advantage	We maintain good relationships with business partners without abusing an advantageous position.
15		No Inappropriate Benefits	We prohibit the acceptance and the provision of benefits with business partners beyond what is socially acceptable.
18	<b>Consumer Issues</b>	Quality Management System	We have employed and appropriately operate a quality management system.
19		Data Security	We properly manage and protect confidential and personal information with information security systems.
20	<b>Overall</b>	Compliance	We are in compliance with all matters required by laws and regulations.
21		Supply chain Activities	We also demand our business partners to be socially responsible as according to the categories listed above.

## Supplier CSR Guideline Glossary

#	Terms	Definition
1	Forced labor	Labor that is conducted unwillingly such as bonded labor for the repayment of debts, human, slave labor performed as a result of human trafficking, and inhumane prison labor.
2	Discrimination	The provision of less favorable treatment or opportunities such as recruitment, promotion, and compensation for unreasonable reasons and/or inhumane treatment. Unreasonable reasons include race, skin color, gender, religion, political opinion, social origin. Inhumane treatment includes abuse, corporal punishment, sexual harassment, power harassment (intimidation or verbal abuse).
3	Wages and benefits / Working hours	Working hours are managed and wages are paid adequately in accordance with law.
4	Freedom of organizing labor unions or rights to negotiation	To ensure freedom of association or join the labor union in accordance with laws and regulations without reprisal, intimidation, or harassment. Even if the labor union does not exist, ensure there is an opportunity for labor-management discussion on labor conditions, etc.
5	Safety standards for equipment and machinery	Periodic inspections and maintenance, and the adoption of safety measures such as the installation of barriers and fail-safe interlocks.
6	Occupational injury and illness	Accidents and /or health hazards in the workplace which may occur due to problems such as fires, transportation, and electricity.
7	Facilities	Installations provided to employees outside of the workplace such as canteens, dormitories, drinking fountains, and locker rooms.
8	Health management	Medical examinations conducted as required by laws and regulations. It is necessary to also consider measures such as mental healthcare and the prevention and treatment of health problems from overwork.
9	Environmental management system	Management mechanisms such as ISO14001 that promotes environmental activities. Continuous improvement is achieved through the PDCA cycle, which is the development, implementation, review, and maintenance of policies and plans. These systems may include organizational structures, planned activities, responsibility delegation, practices, procedures, processes, and management resources.
10	Chemical substances	Chemicals prohibited or required to be reported by laws and regulations.
11	Minimizing environmental impact	Efforts to reduce air pollution, water discharge, sludge, and waste by monitoring, controlling, and treatment. These efforts may include reduction of greenhouse gas emissions, energy-saving, biodiversity conservation, water use reduction, waste reduction, efficient use of resources, and the promotion of environmentally –friendly products and technology development.
12	Environmental permits	Requirements set by laws and regulations such as the mandatory delegation of a manager for pollution control and obligations to notify the government.
13	Bribery	To offer government officials or others in a similar position, money, goods or entertainment in return for business benefits.
14	No improper advantage	Taking advantage of a position as a buyer or contractor, this can include, unilaterally determining or changing initial terms of an agreement with suppliers, or imposing unreasonable requirements or obligations.

15	Inappropriate benefits	To offer gifts in the form of money, goods or entertainment beyond the scope of what is acceptable under law or social customs. This includes paying off anti-social forces and insider trading.
16	Fair competition	Anti-competitive activities such as bid rigging to arrange prices between bidders, or forming cartels where competitors agree upon the price of products, services, product amounts, or sales areas. In addition, the activities include false indication regarding products of other companies.
17	Intellectual property	Intellectual property rights include patent rights, utility model rights, design rights, trademarks, copyrights, and business secrets, etc. Infringement of the intellectual property rights includes the illegal duplication of copyrighted materials, the illegal acquisition and use of business partner's information, etc.
18	Quality Management System	Management mechanisms such as ISO9001, which promotes quality management activities. Continuous improvement is achieved through the PDCA cycle, which is the development, implementation, review, and maintenance of policies and plans. These systems may include organizational structures, planned activities, responsibility delegation, practices, procedures, processes, and management resources.
19	Data security	Management to defend the company internally and externally from computer network threats such as viruses and spyware. In addition, regarding information allowing the identification of specific individuals, as well as sensitive information, data security includes building and operating management mechanisms to prevent such information from being unduly used, disclosed, or leaked.
20	Compliance	To understand and comply with laws and regulations applicable to your own company.
21	Supply chain	A series of activities and parties involved throughout a production process such as treating raw materials to delivering final products to end users; i.e. development, procurement, manufacture, distribution, sale, consumption, recycling, etc. An integrated management method of a supply chain is called supply chain management.