



# **Hanwa Group Supply Chain Handbook**

**January 2026**  
**Hanwa Co., Ltd.**

## 1. Introduction

In recent years, as social issues such as climate change and human rights problems become more serious, companies are required to take responsible action not only within their own operations but also throughout the entire supply chain. In the international community, efforts toward the realization of a sustainable economy and society are accelerating, and it is essential for companies and their business partners to collaborate and address issues across a wide range of fields, including the environment, human rights, labor, and ethics.

Hanwa Co., Ltd. and its Group companies (hereinafter, "the Group") are involved in supply chains around the world through business activities. In this context, realizing environmental protection, respect for human rights, and fair trading is an indispensable responsibility for a sustainable society. We have formulated this Handbook based on the belief that the understanding and cooperation of our business partners are essential to advancing these initiatives.

This Handbook is a set of common guidelines for the Group and our business partners to collaborate and promote responsible corporate activities expected by society, including environmental protection, respect for human rights, and fair trading, while complying with various laws and regulations including local laws of each country and international laws. We ask our business partners to understand the purpose of this Handbook, implement its contents, and provide further understanding and cooperation with our activities.

Going forward, in light of changes in social conditions and international norms, while reviewing the contents as necessary, we will build relationships of trust throughout the entire supply chain and promote sustainable value creation together.

### ■ Scope of Application of this Handbook

We have created this Handbook primarily for our business partners (direct and indirect), including suppliers of the Group. In addition, this Handbook is also made available to other stakeholders of the Group. Please note that this document does not define transaction terms and conditions, but indicates the expectations of the Group. Specific terms and conditions of transactions are subject to individual contracts.

## **2. Expectations for Business Partners and Request for Cooperation in Supply Chain Management**

We ask our business partners to observe the "Supply Chain Action Guidelines" and each item of the "Supply Chain Action Handbook" described below.

### **(1) Labor**

#### **A : Prohibition of Forced Labor**

We require that all employees be employed of their free will and that no employee be subjected to forced labor.

#### **[Specific Examples of Non-Compliance]**

This includes labor resulting from debt or repayment of debt, involuntary prison labor, slavery, and labor resulting from human trafficking. Recruitment by means of threats, fraud, or abduction, unreasonable restrictions on freedom of movement, and confiscation of identification documents or passports are also issues. Furthermore, disadvantageous changes to contract terms, restrictions on freedom to leave employment, excessive financial burdens (placement fees, medical expenses, travel expenses, etc.), state-sponsored forced labor or exploitation by private agents, and excessive production pressure on subcontractors and non-regular workers are also considered examples of non-compliance.

#### **[Expectations for Business Partners]**

- Eliminate coerced labor, debt labor, and exploitative prison labor.
- Employ workers based on their free will, and do not engage in forced labor, human trafficking, or slave labor.
- Do not unreasonably restrict workers' freedom of movement (including workplaces, dormitories, and housing).
- Provide a written contract stating employment conditions in the worker's native language or a language the worker can understand. Provide the contract to foreign workers before they leave their home country.
- Do not change contract terms signed in the country of origin to disadvantageous terms in the country of employment.
- Guarantee that workers can leave employment without penalty upon giving reasonable notice.
- Do not hold or confiscate government-issued identification documents, passports, work permits, etc. If holding is required for legal compliance, ensure that workers have access at all times.
- Do not require workers to bear recruitment fees or related costs (medical expenses, insurance premiums, travel expenses, accommodation expenses, training costs, etc.). If such payments are found, refund them promptly.
- Notify workers in advance of all items to be deducted from wages.
- Do not use dispatch agencies or recruitment agents that do not comply with the labor laws of the relevant country.

## **B : Prohibition of Child Labor**

We require the prohibition of employing children below the minimum working age and the prohibition of any work that may impair the development of children.

### **[Specific Examples of Non-Compliance]**

This includes the employment of children under 15 years of age, those who have not completed compulsory education, or those under the minimum employment age of the country, and engaging persons under 18 in night work, overtime work, or work that threatens health and safety. Furthermore, situations where the rights of student workers are not protected and appropriate management or education is not provided, inadequate age verification of workers, and paying student workers, interns, and apprentices wages lower than those of new employees performing similar work can also be considered examples of non-compliance.

### **[Expectations for Business Partners]**

- Do not use child labor at all (Child refers to persons under 15 years of age, those who have not completed compulsory education, or those under the minimum employment age of the country).
- Do not engage workers under 18 in hazardous work, including night work and overtime work.
- Establish appropriate mechanisms to verify the age of workers.
- Protect the rights of student workers and provide appropriate management and education.
- If child labor is found, promptly take corrective and remedial measures.
- Comply with local laws and regulations. In the absence of local laws, ensure wages for student workers, interns, and apprentices are equal to those of new employees performing similar work.

## **C : Prohibition of Long Working Hours**

We require the appropriate management of employees' working hours, holidays, and vacations, and the prohibition of excessive overtime work.

### **[Specific Examples of Non-Compliance]**

This includes situations exceeding the limits stipulated by local laws and regulations regarding working hours, or long working hours exceeding 60 hours per week in the absence of laws (excluding emergencies). Furthermore, cases where overtime work is forced and not voluntary, cases where at least one day off is not provided in seven days, and cases where the number of annual working days exceeds statutory limits are also issues. In addition, situations where chronic long working hours occur and lead to forced labor risks are also considered examples of non-compliance.

### **[Expectations for Business Partners]**

- Working hours must not exceed the limits stipulated by local laws and regulations.
- In the absence of local laws, weekly working hours including overtime work must not exceed 60 hours (excluding emergencies).
- All overtime work must be based on the voluntary will of the workers.
- Provide workers with at least one day off every seven days.
- Ensure that planned and actual annual working days do not exceed statutory limits.

### **D : Payment of Fair Wages**

We require compliance with at least statutory minimum wages, efforts to pay living wages or higher, and the prohibition of unjustified wage deductions. We also require compliance with laws regarding statutory welfare benefits.

### **[Specific Examples of Non-Compliance]**

This includes situations where minimum wages are not paid, non-payment of appropriate premium wages for overtime work, and failure to provide welfare benefits required by law. Also, acts of deducting wages for disciplinary purposes, situations where wage slips are insufficient and workers cannot verify accurate remuneration, and delayed payment of wages and allowances are issues. Furthermore, cases where the use of temporary, dispatch, or outsourced workers exceeds the limits stipulated by local laws and regulations are also considered examples of non-compliance.

### **[Expectations for Business Partners]**

- Comply with all applicable laws and regulations related to wages (including minimum wages, overtime work, and statutory welfare benefits).
- Pay premium wages for overtime work based on local laws.
- Do not make deductions from wages for disciplinary or punitive purposes.
- Provide workers with wage slips containing sufficient information to verify accurate remuneration for work performed by the payment due date.
- Pay wages and allowances without delay.
- Use temporary, dispatch, and outsourced workers within the limits stipulated by local laws and regulations.

## **E : Humane Treatment / Prohibition of Harassment**

We require respect for employees' human rights and the prohibition of harsh and inhumane treatment, including various types of harassment and abuse.

### **[Specific Examples of Non-Compliance]**

Violence or threats in the workplace, gender-based violence, sexual abuse, and sexual harassment are serious issues. Corporal punishment, mental or physical coercion, bullying, public shaming, and verbal abuse are also included. Furthermore, situations where disciplinary policies and procedures are unclear and not communicated to workers, lack of harassment consultation systems, and risks of retaliation or disadvantageous treatment are also examples of non-compliance.

### **[Expectations for Business Partners]**

- Do not allow any unpleasant or inhumane acts such as violence, harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse against workers.
- Clearly define disciplinary policies and procedures and communicate them to workers.
- Establish consultation desks and response systems regarding harassment, and ensure an environment where workers can consult with peace of mind.
- Prohibit retaliatory measures and disadvantageous treatment against consultants and cooperators.
- If a harassment case occurs, promptly and appropriately conduct fact-finding and take measures to prevent recurrence.
- Comply with applicable laws and regulations regarding harassment prevention.

## **F : Prohibition of Discrimination**

We require efforts to eliminate discrimination in employment and realize equal opportunities in the workplace and fairness in treatment.

### **[Specific Examples of Non-Compliance]**

Unfair treatment in recruitment or employment based on race, gender, age, sexual orientation, disability, religion, nationality, etc. is a serious issue. This includes situations where reasonable accommodation for religious customs or disabilities is not provided, and the conduct of medical examinations that lead to discrimination, such as pregnancy tests or virginity tests. Furthermore, unequal treatment in opportunities for recruitment, promotion, and education/training, as well as cases where disciplinary policies and procedures for preventing discrimination are unclear and not communicated to workers, are also examples of non-compliance.

### **[Expectations for Business Partners]**

- Do not discriminate based on attributes such as race, gender, age, sexual orientation, disability, religion, or nationality in opportunities for recruitment, promotion, remuneration, and education/training.
- Provide reasonable accommodation for religious customs and disabilities.
- Do not conduct medical examinations or physical examinations on workers or job candidates that could be used in a discriminatory manner.
- Clearly define disciplinary policies and procedures regarding discrimination prevention and communicate them to workers.
- Comply with relevant international labor standards and local laws and regulations.

### **G : Freedom of Association and Right to Collective Bargaining**

We require respect for employees' rights to organize and bargain collectively as a means of realizing labor-management consultation on working environments, wage levels, etc.

### **[Specific Examples of Non-Compliance]**

Interference with the right of workers to form or join labor unions, and restrictions on participation in collective bargaining or peaceful assemblies are serious issues. Furthermore, situations involving discrimination, retaliation, threats, or harassment against workers or their representatives, and situations where opinions on working conditions cannot be shared with management are included. Cases where labor unions are interfered with by the company and are not established or operated freely and autonomously, or where the election of alternative worker representatives is not permitted, are also examples of non-compliance.

### **[Expectations for Business Partners]**

- Respect the right of workers to form and join labor unions of their own choosing and to participate in collective bargaining and peaceful assemblies.
- Do not engage in discrimination, retaliation, threats, or harassment against workers or their representatives.
- Comply with local laws and regulations regarding the right to collective bargaining, and ensure an environment where workers can openly communicate with management regarding working conditions and management practices.
- Do not interfere with labor union activities or engage in anti-union discrimination.
- If freedom of association or the right to collective bargaining is restricted by laws and regulations, allow for the election and participation of alternative worker representatives.

## **H : Land Rights**

We require that land be acquired and used through lawful means and that business partners must not be complicit in land grabbing or in the infringement of the rights of indigenous peoples and local communities.

### **[Specific Examples of Non-Compliance]**

Infringement of legitimate land tenure rights (including customary and informal rights) of individuals, communities, and indigenous peoples is a serious issue. This includes land grabbing, unfair evictions, and land acquisition conducted under corruption, violence, or threats. Furthermore, failure to respect the customary and traditional land use rights of indigenous peoples and local communities, and failure to obtain FPIC (Free, Prior and Informed Consent) are also examples of non-compliance. In addition, situations where procurement is conducted from those involved in land grabbing in the supply chain are also issues.

### **[Expectations for Business Partners]**

- Conduct acquisition and use of land only through lawful means.
- Do not be complicit in land grabbing and do not procure from those involved in land grabbing.
- Respect the customary and traditional land use rights of indigenous peoples and local communities.
- Ensure FPIC (Free, Prior and Informed Consent).
- Evaluate the risks of human rights infringements associated with land acquisition and evictions, and take necessary corrective measures.

## **(2) Safety and Health**

### **A : Ensuring Occupational Health and Safety**

We require business partners to conduct thorough workplace risk assessments and to implement safety and health measures, emergency response, and training in order to provide workers with a safe and healthy working environment.

### **[Specific Examples of Non-Compliance]**

Issues include unmanaged hazards (chemical substances, machinery, fire, etc.), lack of safety procedures or disaster prevention drills, inadequate protective equipment, hazardous work for pregnant women, and insufficiency of reporting on occupational accidents or corrective measures. Unmanaged industrial hygiene hazards or physical burdens, lack of safety devices on machinery, insufficient sanitary facilities, and situations where safety and health information or training is not provided are also examples of non-compliance.

### **[Expectations for Business Partners]**

- Identify workplace hazards, conduct risk assessments, and take measures based on hierarchy of controls.
- Confirm safety procedures before non-routine work or emergency work, and implement necessary risk reduction measures.
- Provide and maintain appropriate personal protective equipment (corresponding to gender and physique).
- Do not assign dangerous work to pregnant women or nursing mothers.
- Establish emergency response procedures, clarify evacuation routes, and conduct disaster prevention drills regularly.
- Conduct reporting, recording, cause investigation, and corrective measures for occupational accidents and diseases, and support return to work.
- Manage industrial hygiene hazards such as chemical substances and noise, and provide necessary protective equipment and ventilation facilities.
- Identify work with high physical loads and take risk reduction measures.
- Install physical protection or safety devices on machinery equipment, and inspect and maintain them regularly.
- Provide employees with clean toilets and drinking water.
- Provide safety and health information in a language employees can understand and conduct regular training.

### **(3) Environment**

#### **A : Response to Climate Change**

We require the implementation of initiatives to reduce greenhouse gas (GHG) emissions and improve energy efficiency.

#### **[Specific Examples of Non-Compliance]**

Situations where energy consumption remains high and the reduction of GHG emissions does not progress affect the sustainability of the environment, society, and companies. In particular, if emissions such as Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased electricity, etc.), and Scope 3 (emissions throughout the entire supply chain) are not tracked, it becomes difficult to formulate effective reduction plans.

### **[Expectations for Business Partners]**

- Calculate and track Scope 1 and 2 (and if possible, Scope 3 emissions and product carbon footprints).
- Set targets to reduce GHG emissions and manage progress.
- Consider and introduce methods to minimize energy consumption and emissions.

### **B : Conservation of Water Resources**

We require the minimization of water resource usage, and thorough implementation of wastewater management and water quality conservation.

### **[Specific Examples of Non-Compliance]**

Situations where management of water usage and wastewater is insufficient, causing water pollution or excessive water intake, have a serious impact on the local environment and communities. Issues also include cases where the performance of wastewater treatment systems declines, increasing the risk of violations of regulations. Furthermore, causing water resource risks such as droughts and water quality deterioration threatens the living foundation of local communities.

### **[Expectations for Business Partners]**

- Comply with regulations regarding wastewater.
- Seek opportunities for water saving and reuse, and minimize water intake of groundwater and surface water.

### **C : Pollution Prevention**

We require the appropriate management of hazardous substances and waste, and the thorough implementation of pollution prevention for air, soil, and water.

### **[Specific Examples of Non-Compliance]**

Situations where hazardous chemical substances and waste are not appropriately managed, causing adverse effects on the environment and the human body, are serious issues. This includes cases where volatile organic compounds or ozone-depleting substances are emitted into the atmosphere untreated, or situations where waste or wastewater is discharged exceeding limits stipulated by laws and regulations. Such deficiencies lead to air and water pollution, soil degradation, and furthermore health damage to local residents and legal risks for companies.

### **[Expectations for Business Partners]**

- Identify hazardous substances and implement safe handling, transportation, storage, and disposal.
- Minimize the generation of pollutants, waste, and air emissions, and appropriately monitor, control, and treat them based on international standards and relevant laws and regulations.

## **D : Effective Use of Resources**

We require the promotion of waste reduction and recycling, and the implementation of business activities contributing to resource circulation.

### **[Specific Examples of Non-Compliance]**

Situations where waste is not recycled and reliance is placed on landfill or incineration lead to a waste of resources and increased environmental impact. If recycled materials are not utilized in procurement items and raw materials, the transition to a sound material-cycle society will be delayed. Furthermore, if improvement in resource use efficiency does not progress, it causes risks in terms of both the environment and economy, such as increases in waste processing costs and greenhouse gas emissions.

### **[Expectations for Business Partners]**

- Identify and manage waste, and actively implement reduction, recycling, and reuse.
- Utilize recycled materials in procurement items and raw materials, and conduct business activities considering a sound material-cycle society.
- Improve resource use efficiency and reduce resource usage.

## **E : Conservation of Biodiversity**

We require the conservation of biodiversity and ecosystems, and not being complicit in deforestation, etc.

### **[Specific Examples of Non-Compliance]**

Raw material procurement that causes adverse effects on deforestation and ecosystems invites irreversible loss of the natural environment. If biodiversity risk assessment is not conducted and conservation measures are insufficient, it leads to the decline of rare species and the collapse of ecosystems. Furthermore, situations involving land conversion violating international standards or involvement in illegal logging cause not only legal risks but also serious impacts on local communities and the environment.

### **[Expectations for Business Partners]**

- Conduct raw material procurement, product development, and production that consider ecosystems.
- Comply with international standards regarding forest-derived products and do not be complicit in deforestation.
- Evaluate biodiversity risks, and set and report targets to reduce impacts.

## **(4) Business Ethics**

### **A : Prevention of Corruption**

Bribery and the provision of unfair benefits are not permitted. We require compliance with relevant laws and regulations to ensure transparency.

#### **[Specific Examples of Non-Compliance]**

Acts of providing money or gifts to public officials or business partners to obtain permits or maintain business transactions are serious misconduct. This includes the provision or receipt of gifts or entertainment that exert an unreasonable influence on business decisions, as well as facilitation payments (payments to facilitate business operations). Furthermore, violations of laws and regulations related to bribery, provision of benefits to criminal organizations, misconduct such as insider trading, failure to implement internal education or monitoring, and inaccuracy of accounting records or transaction history are also issues. These acts cause serious risks such as loss of corporate credibility, legal sanctions, and suspension of transactions.

#### **[Expectations for Business Partners]**

- Prevent bribery and corruption, and comply with relevant laws and regulations.
- Prohibit bribery to public officials and business partners, and the provision of unfair benefits in business.
- Do not make facilitation payments, except in cases where there is an imminent threat to life or safety.
- Conduct gifts and entertainment in accordance with local laws and regulations, and within a range that does not exert an unreasonable influence on business judgment.
- Maintain accurate accounting records and implement internal procedures to prevent bribery.

### **B : Fair Competition**

We require compliance with competition laws and the elimination of unfair trade practices such as cartels and bid-rigging.

#### **[Specific Examples of Non-Compliance]**

Cartels with competitors (agreements on price, sales territory, or quantity) and prior agreements on the winning bidder or price through bid-rigging impede fair competition. Market or customer allocation, manipulation of the competitive bidding process, and the exchange of confidential information or sensitive information regarding competition are also serious issues. Furthermore, false representations, advertising that misleads customers, and abuse of a superior bargaining position through unreasonable demands or obligations impair the transparency of transactions and lead to legal sanctions and loss of corporate credibility.

### **[Expectations for Business Partners]**

- Do not engage in acts that impede fair, transparent, and free competition.
- Comply with competition laws and antitrust laws of each country.
- Prohibit restrictive trade practices such as cartels, bid-rigging, price manipulation, and anti-competitive information exchange.
- Do not engage in false representations or misleading advertising.
- Do not abuse a superior bargaining position.

### **C : Appropriate Trade Control**

We require compliance with export control regulations and customs laws, and the execution of necessary permit acquisitions and accurate declarations.

### **[Specific Examples of Non-Compliance]**

Exports that violate export control regulations or economic sanctions entail serious legal risks. Acts of exporting restricted products, technologies, or software without obtaining export permits, and situations where declarations regarding customs classification, country of origin, quantity, price, etc. are inaccurate are also issues. Furthermore, cases where the export control framework is undeveloped and procedures for obtaining permits from supervisory authorities are insufficient, or situations where export regulations based on international agreements and laws are not investigated or observed, cause serious impacts such as high fines, criminal liability, suspension of transport, supply chain disruptions, suspension of international transactions, and the collapse of trust relationships with business partners.

### **[Expectations for Business Partners]**

- Comply with applicable domestic and foreign trade-related laws and regulations, export control regulations, economic sanctions, and customs laws.
- Obtain necessary permits before export and observe permit conditions and special exception conditions.
- Establish an export control framework and appropriately perform procedures for obtaining permits from relevant authorities.
- Accurately declare customs classification, country of origin, quantity, price, etc., and cooperate in the submission of necessary documents.
- Appropriately implement export procedures for restricted items based on international agreements and applicable laws and regulations.

## **D : Prevention and Early Detection of Misconduct**

We require the establishment of a whistleblowing system to prevent misconduct and ensure the protection and anonymity of whistleblowers.

### **[Specific Examples of Non-Compliance]**

Environments where workers and business partners cannot report misconduct (due to fear of retaliation or lack of anonymity) hinder early detection and increase risks for the entire organization. Situations where the confidentiality and protection of whistleblowers are not ensured, or where reporting systems and means are undeveloped, lead to prolonged misconduct, legal violations, and significant losses. Furthermore, if misconduct in the upstream supply chain is overlooked, companies may face serious impacts such as legal sanctions, suspension of transactions, and a decline in social credibility.

### **[Expectations for Business Partners]**

- Establish a system to prevent misconduct and for early detection and response.
- Ensure the confidentiality, anonymity, and protection of internal whistleblowers among workers and in the upstream supply chain.
- Provide reporting means that allow workers to raise concerns without fear of retaliation.

## **(5) Information Disclosure / Information Protection**

### **A : Information Disclosure**

We require accurate and transparent information to be disclosed in a timely manner in accordance with laws and regulations and industry practices, and prohibit the falsification of records and misrepresentation.

### **[Specific Examples of Non-Compliance]**

Situations where material information regarding labor, health and safety, environmental activities, business activities, and financial status is not appropriately disclosed mislead stakeholders' judgment and damage trust. Issues also include falsification of records or misrepresentation in the supply chain, and cases where timely disclosure is not performed even when legal violations or serious environmental and social risks occur.

### **[Expectations for Business Partners]**

- Disclose information regarding labor, health and safety, environmental activities, business activities, organizational structure, financial status, and performance in accordance with laws and regulations and industry practices.
- Prohibit falsification of records and misrepresentation in the supply chain.
- In addition to legally mandated information disclosure, provide reliable information in a timely and appropriate manner based on social norms.
- Actively disclose useful information to stakeholders, including non-financial information (environmental and social aspects).
- In the event of a problem, disclose it to stakeholders promptly without concealment (e.g., product recalls, damage status during disasters).

### **B : Prevention of Leakage of Confidential Information of Customers and Third Parties**

We require the appropriate management of confidential information of customers and third parties, and the establishment of measures to prevent leakage and response systems.

### **[Specific Examples of Non-Compliance]**

Situations where confidential information of customers or third parties is acquired, used, or disclosed in an unauthorized or improper manner lead to serious privacy infringements. Issues also include violations of laws and regulations regarding personal information protection, and cases where mechanisms for confidential information management are insufficient, resulting in high leakage risks. Such deficiencies cause serious impacts such as customer damage due to information leakage, legal sanctions, damages, decline in brand value, and the collapse of trust relationships with business partners.

### **[Expectations for Business Partners]**

- Build a management system and operate the PDCA cycle to ensure that confidential information of customers and third parties is not acquired, used, disclosed, or leaked in an unauthorized manner.
- Comply with laws and regulations regarding personal information protection.
- Appropriately manage and protect confidential information.

### 3. Request for Cooperation in Supply Chain Management

The Group considers responsible business activities throughout the entire supply chain, not limited to its own initiatives, as an important mission toward the realization of a sustainable society.

We ask our business partners to understand the purpose of this Handbook, promote similar initiatives within their own companies, and communicate and share them with their suppliers and contractors further upstream, striving to grasp the status and encourage improvements.

The Group may request questionnaires or interviews to confirm the status of initiatives related to the Handbook. In such cases, we ask for your cooperation within a reasonable range. In addition, if significant concerns arise, we may request consultations for fact-finding and correction.

Based on changes in social trends and international standards, we will aim to realize better supply chain management together with our business partners while reviewing this Handbook as appropriate.

### 4. Relationship with Related Policies

This Guideline is formulated based on the following Group policies:

- Hanwa Group Sustainability Basic Policy
- Environmental Policy
- Human Rights Policy
- Health and Safety Policy
- Supply Chain Action Guidelines

These policies are interrelated as a framework to meet international standards and social expectations, such as environmental preservation, respect for human rights, fair business practices, and ensuring a safe and healthy working environment. The Group will operate these policies in an integrated manner and strive to build a responsible supply chain together with our business partners.

\*Details of each policy are posted on our official website. Please refer to the latest versions as necessary.

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### Revision History

Ver.	Revision Date	Remarks
1	January 2026	First edition of Hanwa Group Supply Chain Handbook issued