

Taiheiyo Cement Group Supplier Code of Conduct

To provide safety and security to the people of the Pacific Rim, Taiheiyo Cement Group (“the Group”) pursues its business activities responsibly and sustainability. The Group is working to address a variety of sustainability issues across the value chain, and to achieve this, it is imperative that we work in partnership with our suppliers.

This Code of Conduct sets forth the principles that we ask our suppliers to observe in their business transactions with the Group and in their ordinary business operations. We appreciate your understanding and cooperation with respect to the purpose and substance of this Code.

We ask that our suppliers understand the intent of this Code, disseminate and adhere to them internally, and encourage their own suppliers to work toward realizing a sustainable supply chain.

If any issues arise with respect to this Code of Conduct, we hope to coordinate and cooperate with our suppliers in order to resolve them.

Legal and regulatory compliance, fair and equitable trading

1. Legal and regulatory compliance

In addition to the matters set forth in this Code, we ask that you comply with all applicable laws, government ordinances, ordinances, and regulations as well as the underlying social norms.

2. Anti-corruption

To prevent corruption, we ask that you adhere to the following:

- Do not participate in or abet bribery, embezzlement, insider trading, extortion, money laundering, tax evasion, or other such activities.
- Do not provide entertainment or gifts that are inappropriate in light of social norms, irrespective of whether there is a direct business relationship.
- Do not offer, pay, or promise to bribe public officials (including foreign public officials or officers and workers of government-affiliated companies), whether directly or indirectly, in violation of the laws and regulations of Japan or other countries.

3. Fair competition

We ask that you comply with the competition laws of each country and region in which you conduct business, and that you compete fairly.

Reference: Conduct that violates fair competition (examples)

- Cartel behavior: Companies communicate to jointly decide product prices and production quantities, which should be individually decided by each company.
- Bid rigging: When bidding on public projects or supplies for national or local governments, companies participating in the bidding consult with each other in advance to determine the winner of the contract and the pricing, and stop competing with each other.
- Monopoly behavior: When a company, acting alone or in concert with other companies, attempts to monopolize a market by shutting out competitors or blocking new entrants.
- Abuse of dominant position: When a company with a dominant bargaining position uses that position to the disadvantage of a trading partner.

4. Repelling anti-social forces

We ask that you refrain from having any association whatsoever with anti-social forces such as organized crime groups or corporate racketeers.

Respect for human rights

We ask that you protect and respect internationally recognized human rights*, including those listed below, and refrain from complicity in any human rights violations.

*These are rights inherent to all people, as stipulated in the International Bill of Human Rights, which includes the “Universal Declaration of Human Rights”, and the “ILO Declaration on Fundamental Principles and Rights at Work”.

1. Child labor

We ask that you do not employ children under the legal working age in the countries and regions in which you conduct business, and that you do not engage in work that endangers the safety, health, or morals of children.

2. Forced labor

All work is something that is performed voluntarily, and we ask our suppliers to ensure that their workers are working of their own volition.

Reference: Forced labor (Further explanation and example behaviors)

Forced labor refers to any work or service which a person is forced to perform under duress and that is not offered voluntarily. For example, the following practices are considered forced labor:

- Exploitative behavior such as forced overtime or demanding the deposit of guarantees (financial or personal documents) in exchange for employment
- Total or partial restriction of freedom of movement
- Withholding or non-payment of wages (also related to spurious debt repayments, exploitation, and other forms of coercion)
- Threatening to report workers who are undocumented immigrants

3. Harassment

We ask that you prohibit all kinds of harassment, including sexual harassment and power harassment, as well as conduct that violates the dignity of individuals, such as violent behavior and abusive language.

4. Anti-discrimination

We ask that you do not discriminate on grounds of race, nationality, ethnicity, creed, religion, social status, place of origin, age, sex, sexual orientation, gender identity, disability, educational background, or marital status, and that you endeavor to achieve equal opportunity and fairness, and that you treat all workers with dignity and respect.

5. Ensuring freedom of association and the right to collective bargaining

We ask that you respect workers' freedom of association and the right to bargain collectively in accordance with all national and local laws, regulations and labor agreements.

Reference: Freedom of association

- Freedom of association refers to the right of all employers and workers to organize voluntarily, without restriction, and to decide for themselves whether or not to join such organizations.
- The term "association" encompasses activities including creating rules, operating an organization, and electing representatives. Freedom of association allows employers, unions, and worker representatives to freely use the workplace to discuss issues in order to reach an agreement that is satisfactory to all three parties.

Reference: Right to bargain collectively

- Collective bargaining refers to a voluntary process or activity through which employers and workers discuss and negotiate labor relations, particularly matters relating to working conditions and adjustments of relations between

employers and workers (or worker organizations).

6. Wage payment

In accordance with the laws and regulations in each country and region, we ask that you honor the statutory minimum wage in the countries or regions in which you conduct business, and refrain from reducing wages in violation of labor laws.

7. Hours worked

We ask that you comply with working hours set forth in the laws and regulations of the countries and regions in which you conduct business, and give your workers the right to paid holidays.

8. Responsible sourcing

We ask that you conduct procurement activities while taking into consideration the use of raw materials* that may cause human rights, environmental, or other social problems. We also ask that you work to ensure the traceability of raw materials used in products delivered to the Group.

*For example, conflict materials (tin, tantalum, tungsten and gold), cobalt and mica, and also natural rubber, palm oil, and wood and paper products.

9. Rights of local residents and indigenous peoples

We ask that you understand and respect the history, culture, customs and ways of living found in the countries and regions in which you conduct business, and that you respect and take into consideration local inhabitants' land rights, access to water, safety, health and indigenous peoples' rights in the regions in which you conduct business.

Industrial Safety and Health

1. Work environment

We ask that you provide a safe and healthy work environment for your workers by working to identify and eliminate sources of harm at the workplace such as chemical substances, loud noises and foul odors that can cause accidents or illnesses.

2. Ensuring work safety

We ask that you ensure the safety of your workers by assessing industrial accident risks in work processes and implementing preventive measures.

3. Disaster prevention

We ask that you put in place preventive measures and procedures for responding in the event of a fire or natural disaster in the workplace or at housing provided to workers.

Environment

1. Environmental management systems

We ask that you comply with environmental laws and regulations, build appropriate environmental management systems, and engage in environmental protection activities.

2. Climate change

The Group has established the goal of becoming carbon neutral by 2050 and we are working to reduce greenhouse gas emissions generated through our business activities.

We also expect our suppliers to pursue the following efforts:

- Assessment of the volume of greenhouse gas emissions from your business activities
- Setting of greenhouse gas reduction targets
- Promotion of initiatives to reduce greenhouse gas emissions

3. Circular economy

We ask that you work to reduce, reuse and recycle the resources used in your business to support a circular economy.

4. Effective use and proper management of water resources

We ask that you work to use water efficiently, reduce water use, and properly manage water intake and discharge.

5. Appropriate handling of hazardous substances and dangerous materials

We ask that when disposing of hazardous substances and dangerous materials, or when releasing them into the atmosphere or discharging wastewater, you work to properly manage and treat such substances and limit their discharge.

6. Preserving biodiversity

We ask that you take ecosystems into consideration in all of your business activities and strive to preserve biodiversity.

Reference: Biodiversity

- Biodiversity refers to an abundance of species and the rich and balanced

ecosystems that are preserved thanks to this abundance. Biodiversity is rapidly being eroded by human consumption and other activities. Business activity is supported by the blessings of natural capital (soil, air, water, and animal and plant life), so preserving biodiversity is essential to sustainable business activity.

Ensuring stable supplies and maintaining quality

1. Business continuity

We ask you to assess and understand the risk of supply disruptions to your company and your supply chain, and take appropriate measures to ensure that supplies are stable and resilient.

2. Maintaining and improving quality

We ask that you guarantee that you will meet the quality standards of the Group companies and that you will constantly work to maintain and improve quality.

Proper management of information

1. Information security

We ask that our suppliers act as follows in managing information assets:

- Always adhere to laws, regulations and social norms concerning information security, and strive to constantly enhance and improve information security.
- Take appropriate security measures to protect information assets under your management or supervision from threats, and manage and use these assets appropriately.
- Obtain other companies' information assets and personal information relating to workers and business partners only through legitimate means, and strictly control this information, confirming the scope of use and other conditions.

2. Intellectual property management

We ask that our suppliers act as follows in managing intellectual property:

- Take appropriate steps to protect your intellectual property rights from being infringed by third parties.
- Refrain from engaging in any conduct that infringes on third party rights, such as the unauthorized acquisition or use of third-party intellectual property rights.

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