

# Code of Conduct for Supply Chain

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## CHAPTER 1 GENERAL PROVISIONS

### **Article 1(Purpose)**

This Supplier Code of Conduct aims at BGF Retail(hereafter referred to as “the company”)’s suppliers complying with the rules and regulations applicable to corporate management, as well as adopting the best practices concerning ethics, the environment, labor/human rights, safety/health, and management systems to establish a sustainable supply chain. The company expects suppliers to not only grow into a company that is more respected by society by complying with this code of conduct, but also provide an opportunity for mutual growth.

### **Article 2(Scope of application)**

All suppliers that provide goods and services to the Company, or enter into a contract for any other transactions, should comply with the Supplier Code of Conduct. They may recommend that subcontractors, trading partners, comply with the provisions of this Code of Conduct.

### **Article 3(Suppliers’ Roles and Responsibilities)**

① In management decision-making and operational business processes, all suppliers of the Company should consider the provisions of this Supplier Code of Conduct. Company, and third party entities commissioned by the Company, may verify and inspect, within the scope permitted by the law, whether suppliers are complying with the provisions of the Supplier Code of Conduct.

② Based on inspection and investigation outcomes, Company may recommend that suppliers respond to any identified risks, and if so, suppliers will establish plans and implement countermeasures to mitigate these risks.

## CHAPTER 2 Implementation Guidelines

### **Article 4(Respect for Human Rights)**

- ① Suppliers shall protect and respect the basic human rights of all staff in the workplace, and strive to improve working conditions in this regard.
- ② Suppliers comply with relevant laws and systems to pay wages and observe working hours.
- ③ All labor activities of partners must be based on the voluntary will of the staff, and must not receive goods or services from a supplier involved in forced labour, etc.
- ④ Suppliers should ban any and all forms of child labor in principle. Also, Suppliers should not receive goods and services from businesses that are engaged in child labor or that violate applicable laws, and should take necessary action if such violations are confirmed.
- ⑤ Suppliers shall protect the privacy of staff, including personal information, and avoid treatment that may harm their personal dignity and shall endeavor to prevent human rights violations of staff by arranging and operating relevant procedures or systems to resolve factors of human rights violations
- ⑥ Suppliers shall give staff equal opportunities and do not unfairly discriminate against staff based on gender, race, nationality, age, etc. in employment, promotion, and educational opportunities.

#### **Article 5(Health and Safety)**

- ① Suppliers recognise that a safe and healthy working environment can maintain and improve the safety and health of staff, which improves the quality of partners' products and services and enables continuous production.
- ② Suppliers provide staff with appropriate personal protective equipment, establish safe work procedures, and provide continuous safety education to staff in order to remove risk factors that may threaten the safety of staff.
- ③ Suppliers prepare systems and procedures to prevent and manage industrial accidents and diseases.
- ④ Suppliers shall provide staff with a sanitary working environment and additional facilities, and strive to continuously improve working conditions so that the excessive fatigue and stress does not damage the health of staff.

#### **Article 6(Environment)**

- ① Suppliers recognize their responsibility to the environment and strive to minimize negative impacts on local communities and the environment.
- ② Suppliers should comply with the environmental laws and regulations of the countries where they maintain business operations and obtain all environmental permits

and licenses necessary to maintain these operations.

③ Suppliers endeavor to reduce or eliminate all types of waste through changes in process, substitute for raw material, and material recycling and reuse.

④ Suppliers identify pollutants such as greenhouse gases and chemicals that may be harmful to the human body or cause environmental pollution, and endeavor to handle and manage them safely.

#### **Article 7(Business Ethics)**

① Suppliers recognize the importance of business ethics for sustainable growth, prepare standards for ethical decision-making and judgment with which partners manage and supervise employees to comply.

② Suppliers comply with fair trade laws and manage and supervise their employees to conduct business honestly and transparently without engaging in unfair trade practices or acts that damage fair market order.

③ Suppliers establish policies and standards for anti-bribery and anti-corruption, and manage and supervise employees so that they comply with them.

④ Suppliers shall protect personal information including customers in accordance with relevant laws and regulations, and take technical and physical measures for this purpose.

⑤ Suppliers aim for a win-win relationship of mutual respect with their business partners and respect intellectual property rights, and do not force unfair actions by using their superior position.

⑥ Suppliers recognise their responsibility to contribute to the local community, the basis of their corporate activities, and actively participate in contribution activities for the local community.