

Sojitz Group

**Sustainable Supply Chain
Handbook**



New way, New value



We distribute this Handbook to all of our business partners to:

- 1) Share the Sojitz Group CSR Action Guidelines for Supply Chains
- 2) Introduce Sojitz's sustainability initiatives
- 3) Introduce case studies where environmental and social (human rights) risks have affected corporations in the supply chain

We greatly appreciate you taking the time to read this booklet, to deepen your understanding of Sojitz Group initiatives. We also hope that reading this book, you could improve your own operations, helping make the entire supply chain more competitive.

Going forward, we plan to exchange opinions with all of you by visiting your respective offices or by conducting CSR surveys, and in some cases, we may even request a tour of production plants or production sites. We would greatly appreciate your understanding and cooperation at that time.

Sojitz Group CSR Action Guidelines for Supply Chains

The Sojitz Group's business activities are underpinned by collaboration with business partners in diverse countries and regions as well as within various industries. The Sojitz Group strives to promote CSR initiatives in the supply chain as we conduct our business in this diverse context.

Our Expectations: In order to conduct responsible business, incorporating respect for the human rights of stakeholders and protection of the environment, the Sojitz Group asks its suppliers to understand and implement the following items by its suppliers as it strives, with them, to do business in harmony with society and the environment.

1. Respect for the human rights of employees, and treatment of employees in a humane manner.
2. Prevention of forced labor, child labor, and the observance of appropriate labor hours minimum wage.
3. Non-discrimination in hiring and employment.
4. Respect for employees' freedom of association and the right to collective bargaining to ensure constructive negotiations between labor and management.
5. Provision of a safe, sanitary, and healthy work environment for employees.
6. Observance of all relevant laws and regulations, ensuring fair transactions and prevention of corruption.
7. Ensuring the quality and safety of products and services.
8. Consideration for ecosystems, the environment, and environmental conservation within our business activities, as well as efforts to prevent environmental pollution.
9. Timely and appropriate disclosure of information regarding the above items.

<Cases of Material Breach>

In the event of a material breach of the Action Guidelines, the Sojitz Group shall, upon verifying the facts, request that the supplier or other business partner improve the situation. If no improvement has been made after a specified period, we will take measures which may include a reconsideration of the contract with the supplier or partner.

If necessary, the Sojitz Group shall, along with experts designated by the Group, visit the site concerned for investigation.

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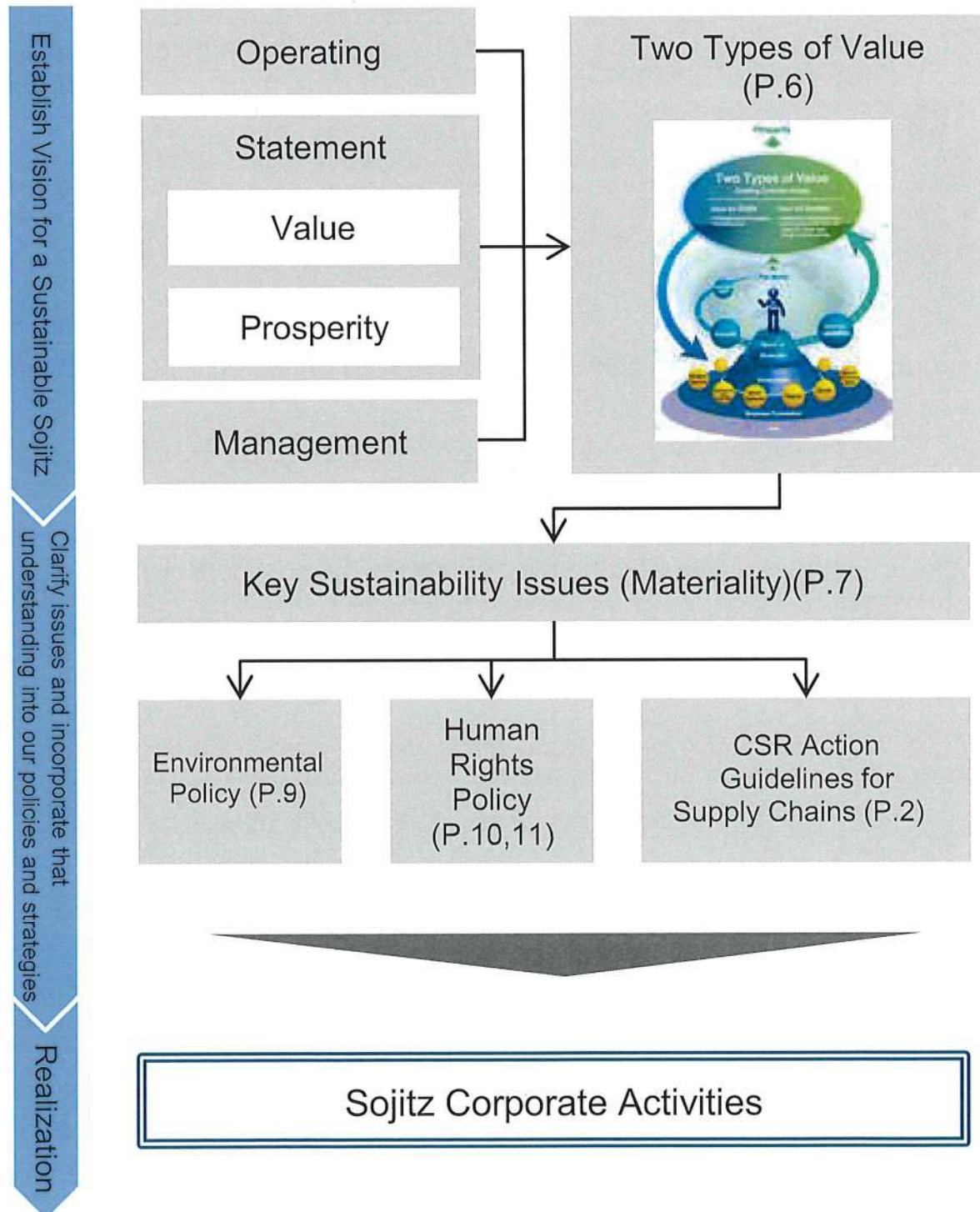
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Sojitz Group's Sustainability

Sojitz Group's Sustainability

How We Promote Sustainability - Overview

Sojitz Group believes that considering perspectives of both our company and society at large in order to maximize shared value between the two will help "create value and prosperity," as set forth in the corporate statement. In this book, we will introduce the many ways Sojitz is working to increase sustainability through the model shown below.



Our Approach to Sustainability

For Sojitz Group, "sustainability" means working with stakeholders to create the "Two Types of Value" through our business activities, aiming to create sustainable growth for both Sojitz Group and society in pursuit of the "value and prosperity" set forth in the corporate statement.

Sojitz Group Statement

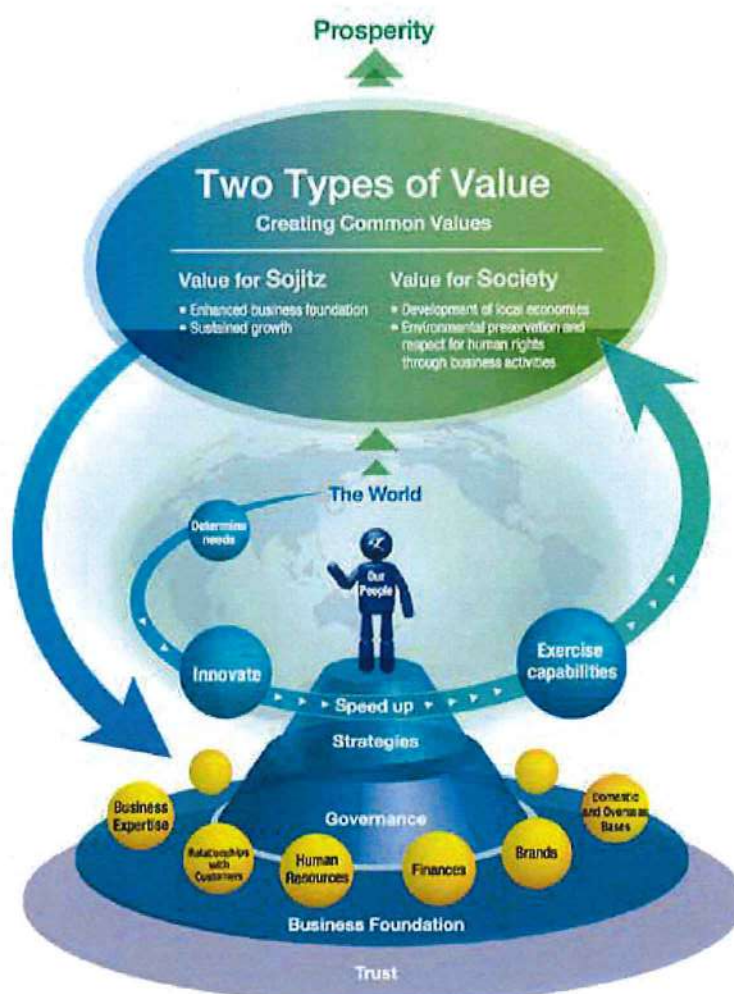
The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity.

The Value Creation Model - Two Types of Value

One of the Two Types of Value is "value for Sojitz," which includes the expansion of our business foundations and sustainable growth of the company. The other is "value for society." This includes national development and growth of local economies, as well as initiatives which show consideration for human rights and the environment.

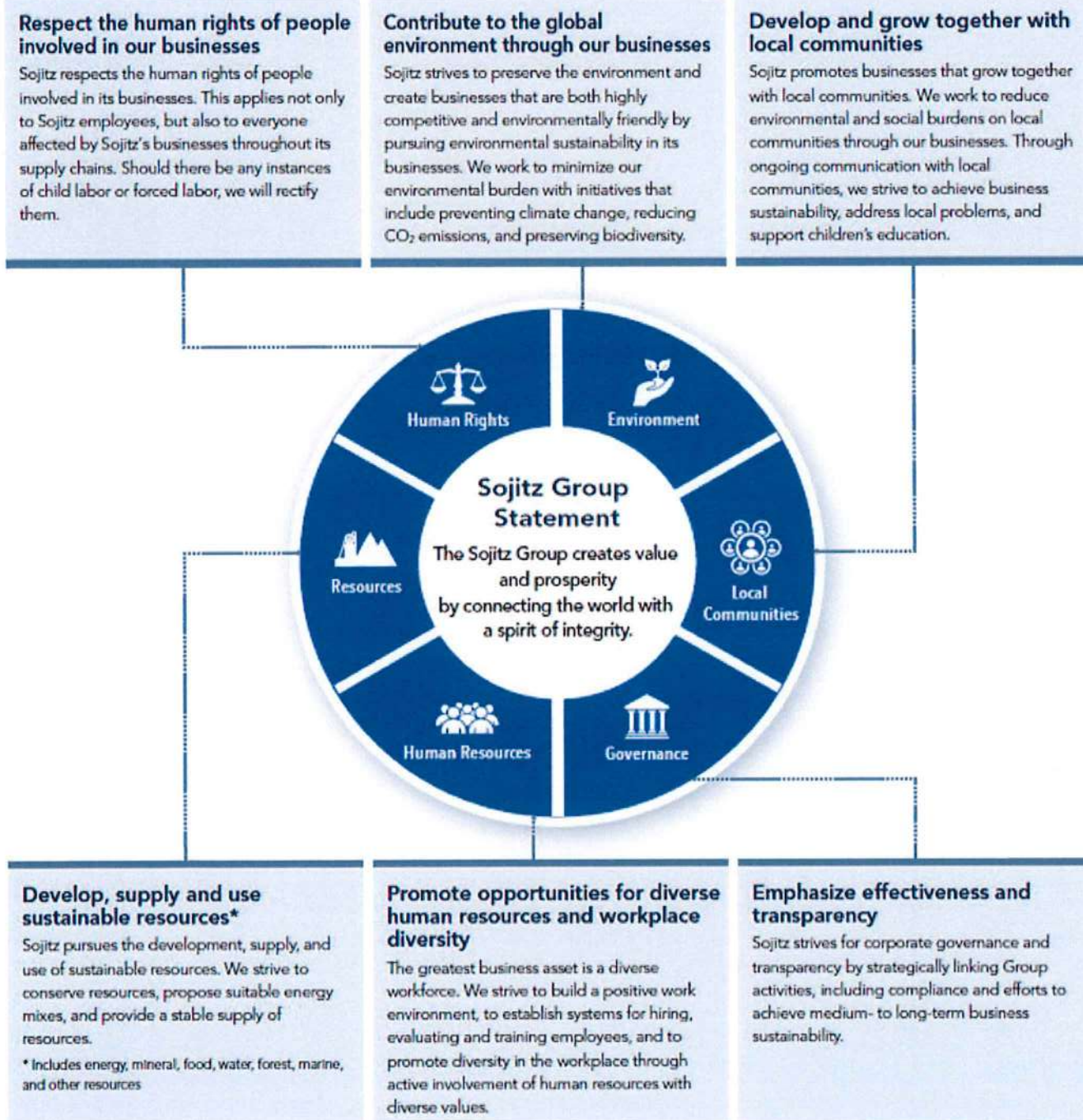
We believe that maximizing the Two Types of Value, taking into account the difference between the external expectations for our corporate activities and the pursuit to greater business competitiveness, will help us embody the corporate statement's promise to "create value and prosperity."

Our approach to these Two Types of Value can be found in the value creation model to the right, which describes our vision for how Sojitz Group aims to create new value.



Key Sustainability Issues (Materiality)

To continue creating these “two types of value” in the future, Sojitz has determined 6 Key Sustainability Issues (Materiality) to focus on in our business over the medium- to long-term. Based on these issues, we are striving to integrate solutions to global environmental and social problems with our corporate activities and build systems for such integration.



Sustainability Challenge: Sojitz's Long-Term Sustainability Vision for 2050

We aim to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.

We believe that it is our responsibility to realize a decarbonized society and respect human rights in our supply chains. Sojitz Group has established this long-term sustainability vision in order to continue to "create value and prosperity" as set forth in our corporate statement, given the trends of various countries to set 2050 decarbonization goals based on the Paris Agreement, and global issues addressed in sustainable development goals (SDGs).

Working to achieve this vision, we intend to expand our businesses aimed at achieving a low-carbon and recycling-based society, as well as our infrastructure-based businesses and services that will be essential during the transition period, while also developing our initiatives to consistently respect human rights.



Sojitz Group Environmental Policy

As a global company, Sojitz Group considers environmental issues a crucial topic to be addressed in management. Striving for a sustainable society, we will work to preserve the environment and prevent pollution in our business activities, while creating businesses that are both highly competitive and environmentally friendly.

1. Comply with environmental laws and regulations

In the course of our business operations, we will comply with laws and regulations concerning the environment, international treaties, and agreements to which we subscribe.

2. Continuously improve our environmental management system

Under our environmental management system, we will establish and periodically review environmental objectives and aim for constant improvement, in order to enhance our environmental performance.

3. Minimize environmental burden

Through reducing greenhouse gases such as CO₂ to prevent climate change and preserving biodiversity, we will strive to minimize the environmental burden of our businesses.

4. Conserve resources and reduce/recycle waste

We will engage in curbing the use of natural resources such as energy and water, and the reducing and recycling of waste.

5. Consider the environment in new businesses

When starting new businesses and expanding or further developing existing businesses, we will work to reduce the burden on the environment and prevent pollution.

6. Pursue sustainable resources

We will promote initiatives for the stable supply of resources and realization of a suitable energy mix.

7. Educate and promote awareness on the environment

In addition to ensuring that all of our officers and employees are notified of this policy, we will implement educational activities to ensure widespread awareness.

Drafted April 1, 2004
Amended July 2, 2007
Amended August 6, 2013
Amended January 1, 2017
Amended May 9, 2018

Sojitz Group Human Rights Policy

1. Our commitment to respect human rights

The Sojitz Group strives to create value and prosperity by connecting the world with a spirit of integrity. We believe that respect for human rights is an integral foundation for creating what we call “Two Types of Value” —value for both our company and society — and for meeting the expectations of our stakeholders.

As a general trading company, the Sojitz Group buys, sells, and trades goods from all over the world, provides manufacturing and sales services for a wide range of products, plans and coordinates various projects, invests in a multitude of business fields and conducts financial activities. In undertaking these business activities, we recognize our responsibility to avoid causing or contributing to adverse human rights impacts and to seek to prevent or mitigate adverse impacts to which we are directly linked.

We commit to respecting human rights as set out in the International Bill of Human Rights and the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, and to carry out our business in accordance with the United Nations Guiding Principles on Business and Human Rights.

2. Our people

The Sojitz Group - in accordance with international human rights standards as well as its Group Statement - is committed to promoting, among the executives, staff and employees of Sojitz Group, the prohibition of discrimination, respect for diversity (including with respect to race, nationality, ethnic origin, beliefs, gender, social status, religion, age, mental and physical disability, and sexual orientation), as well as responsible labor practices including prohibition of child or forced labor, prevention of corruption, provision of a safe labor environment, payment of minimum wage and ensuring appropriate working hours. The Group supports freedom of association and the right to collective bargaining.

3. Conducting human rights due diligence

The Sojitz Group is committed to assessing actual and potential adverse impacts on the human rights of our stakeholders in accordance with the United Nations Guiding Principles on Business and Human Rights. We will strive to prevent, mitigate and account for adverse impacts. Where it is necessary to prioritize our actions, we will prioritize action to address the most salient potential risks to our stakeholders.

The Sojitz Group shall comply with local laws and regulations in conducting its business activities. Where laws or regulations in a country conflict with international human rights norms, the Group will seek ways to honor international human rights standards. In making decisions on responses to be taken, we will seek opinions from credible third parties.

The Sojitz Group recognizes the importance of dialogue with our employees, workers and external stakeholders who are or could potentially be affected by our actions, and we are committed to engaging in such dialogue with stakeholders on human rights issues related to our business.

4. Specific Issues

Indigenous Peoples :

When undertaking business activities in areas in which indigenous peoples reside, the Sojitz Group will acknowledge the unique culture and history of indigenous peoples and show consideration for their rights as set out in both local and national laws as well as in international standards such as the United Nations Declaration on the Rights of Indigenous Peoples and ILO Convention No. 169.

Employment of security companies :

To avoid complicity in human rights abuses committed by security providers, the Sojitz Group supports the Voluntary Principles on Security and Human Rights (VPSHR), which guide companies in how to operate within a framework that ensures respect for human rights and fundamental freedoms.

5. Our Business Partners

The business activities of the Sojitz Group are possible due to the cooperation of various stakeholders including suppliers and other business partners. For the Group to meet our responsibility to respect human rights, their understanding and cooperation are indispensable. The Sojitz Group is committed to working with and encouraging our business partners to uphold the principles in this Policy.

In the event that we identify an alleged human rights abuse outside of the Sojitz Group but linked to our business activities, including in our suppliers and other business partners, upon confirming the situation the Group will ask relevant parties such as suppliers and other business partners to take measures to address the human rights issues.

* For further information on our expectations of our suppliers and other business partners, including our policy concerning cases of material breach, see our Sojitz Group CSR Action Guidelines for Supply Chains.

Drafted June 2017

See the Sojitz website for more information on Sustainable initiatives.

sojitz
New way, New value

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COMPANY NEWS OUR BUSINESS INVESTOR RELATIONS SUSTAINABILITY **caravan**

HOME > Sustainability

Sustainability

Key sustainability Issues (Materiality)

Human Rights Environment Resources Local Communities Human Resources Governance

Sojitz has identified these areas as Key Sustainability Issues to be pursued over the medium-to long-term.

Latest Information

Aug. 3, 2023	Sojitz continuously selected as a constituent of the ESG indices provided by FTSE Russell
Apr. 7, 2023	Stakeholder Dialogue held in February 2023
Mar. 22, 2023	Sojitz Selected as "Nadeshiko Brand" for Seventh Consecutive Year

Japanese : <http://www.sojitz.com/jp/csr/>

English : <http://www.sojitz.com/en/csr/>



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About Sustainable Supply Chain

Sustainable Supply Chain

The various social and environmental issues that exist throughout supply chains the supply chain; only by working together can these issues be addressed.

Based on the Sojitz Group CSR Action Guidelines for Supply Chains, we are facing our supply chains with the goal of raising the sustainability of our entire

The following pages will introduce the ways in which these issues affect our

■ Human Rights and Labor Rights

- Preventing forced labor
- Preventing underpaid labor
- Preventing inhumane treatment
- Monitoring worker hours
- Preventing child labor
- Respecting freedom of association
- Preventing employment discrimination

■ Safety and Sanitation in the Workplace

- Safety measures for operating equipment
- Emergency response
- Workplace safety measures
- Workplace sanitation measures
- Employee health management
- Safety and sanitation for employee facilities (cafeterias, etc.)
- Measures to prevent work-related injuries and health hazards

■ Environmental Protection

- Reducing and preventing pollution
(Taking appropriate measures to eliminate waste products and to reduce/prevent pollution of the soil, air, and water.)
- Measures to reduce the emission of greenhouse gases
- Measures to protect biodiversity
- Renewable energy and resources

must be understood and shared between all of the companies involved in

focusing on the following six areas together with our customers to tackle issues supply chain network.

business.

■ **Anti-Corruption Measures and Fair Trade**

- Preventing bribery and corruption
- Preventing the abuse of a dominant bargaining position
- Preventing actions that restrict competition
- Preventing inappropriate payments and favors

■ **Quality and Safety Control for Products and Services**

- System for maintaining and increasing quality and safety control
- Providing accurate information on products and services

■ **Disclosing, Monitoring, and Protecting Information**

- Timely disclosure of any problems relating to the 5 categories listed above (maintaining transparency)
- Defenses against computer viruses and hackers
- Preventing leaks of private information
- Preventing leaks of sensitive information on customers and third parties

Human Rights and Labor Rights

■ Preventing Forced Labor

Forced labor is when workers are made to work against their will through unjust acts or punishment.

Examples include the following:

- ① Taking away a worker's freedom to leave his/her job by retaining his/her passport, working papers, or identification
- ② Making a worker pay back a debt through labor
- ③ Slavery as a result of human trafficking
- ④ Unpaid prison labor to reduce a sentence

■ Preventing Inhumane Treatment

Inhumane treatment includes abuse, physical punishment, sexual harassment, verbal abuse, or intimidation.

■ Preventing Child Labor (ILO International Labor Standards)

- ① All workers must be at least 15 years old. (In developing countries, the minimum age is 14 years.)
 - ② If a job clearly compromises the health, safety, or morals of a worker, the minimum age for employment is 18 years.
 - ③ Under certain conditions, a worker may participate in light labor from 13 years of age up to 15 years of age. (In developing countries, this is from 12 years up to 14 years.)
- Persons who do not meet the criteria specified in 1-3 below will be considered underage.

This criteria has been adopted by most industries.

(1) Minimum 15 years of age (2) Has reached the age at which compulsory education is completed (3) Has reached the minimum legal age required for work in that country

■ Preventing

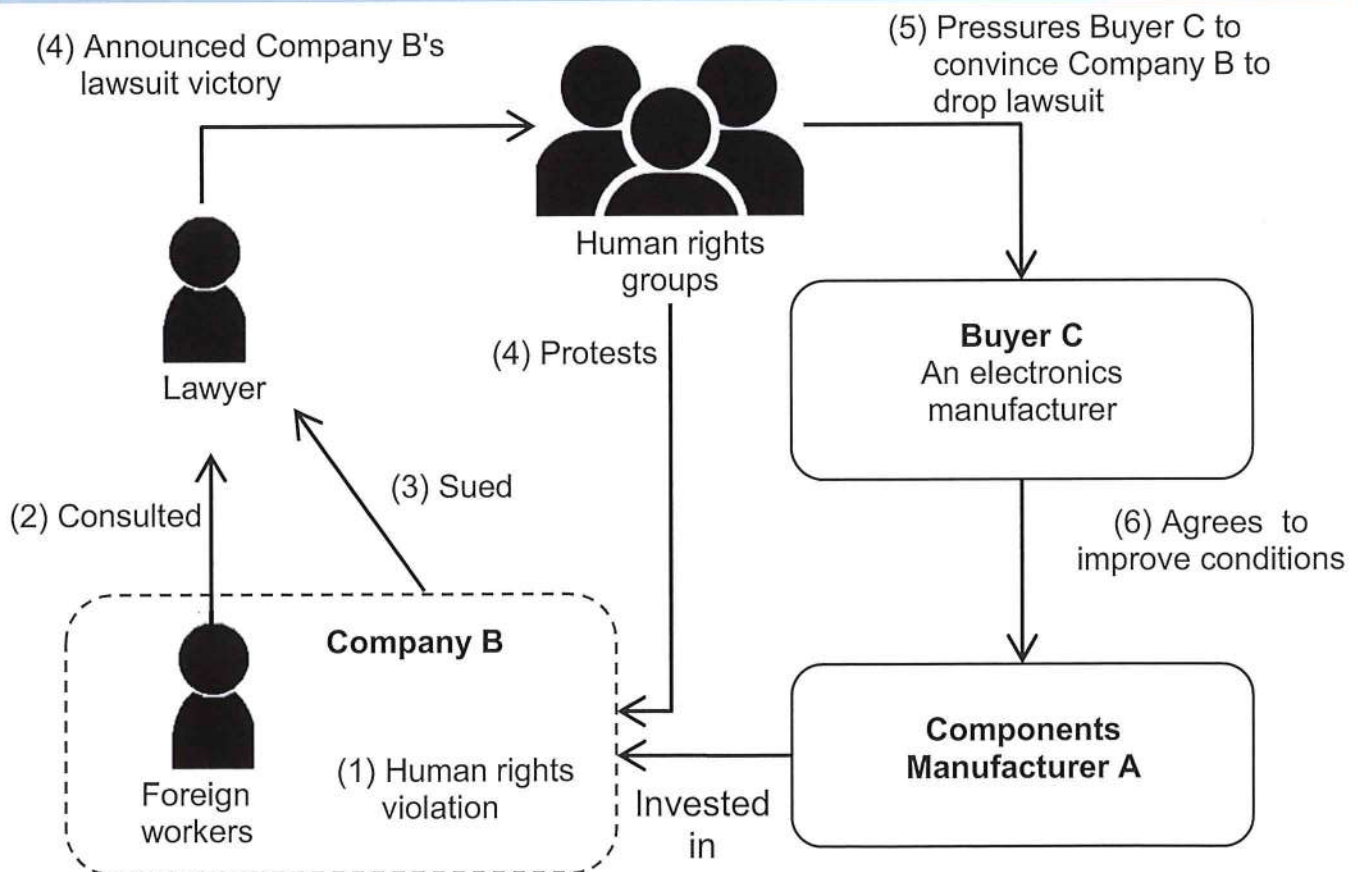
It is discriminatory to hire, place, promote, pay, or select an individual for a training based on factors outside of aptitude, ability, or performance. No discrimination should take place based on race, ethnicity, nationality, origin, skin color, age, gender, sexual orientation, disability, religion, politics, union association, or marital status.

■ Respecting Freedom of Association

A worker must be allowed freedom of association without fear of retaliation, blackmail, or harassment. Employers must respect a worker's legal rights, including freedom to join a union, to protest, and to be on a workers' council.

Case Study

- (1) Foreign workers at Company B, an overseas subsidiary of Components Manufacturer A, were threatened by Company B with deportation when they asked Company B to improve working conditions.
- (2) A lawyer with whom the workers were consulting requested Company B confirm details about the situation, but received no response from Company B. The lawyer then published information about Company B's alleged human rights violations on the lawyer's personal blog.
- (3) Company B then charged the lawyer with defamation, with Company B winning the lawsuit.
- (4) As soon as the lawyer published news of Company B's victory on their blog, Company B found themselves inundated with protests of mis-trial from human rights groups from around the world.
- (5) Protests were levied not only at Company B, but at Buyer C, a company which procured parts from Company B. Buyer C's offices worldwide received more than 100 e-mails a day requesting their cooperation in working to convince Company B to drop their lawsuit. Some of Buyer C's offices were also visited by protestors who staged demonstrations there.
- (6) Buyer C talked to Components Manufacturer A about the situation, prompting Components Manufacturer A to recognize its responsibility to ensure human rights are respected. They decided to improve working conditions at Company B according to guidelines provided by Buyer C.



Safety and Sanitation in the Workplace

■ Safety Measures in the Workplace

Creating safety measures means understanding workplace risk and creating countermeasures to address potential health hazards or workplace accidents caused by electrical leaks, fires, slippery floors, falling objects, etc.

Countermeasures should include the distribution of protective gear (safety goggles, helmets, gloves etc.) as well as training on the ways to operate and monitor power sources.

■ Sanitation Measures in the Workplace

Sanitation measures refer to measures which monitor and protect against employee exposure to noise, noxious odors, and harmful chemical substances such as asbestos. They include distributing protective gear as well as creating, implementing, and training employees in the fundamentals of sanitation control.

■ Measures to Prevent Work-Related Injuries and Health

This means understanding the circumstances surrounding work-related injuries and creating measures to counteract risks. These can include tracking injuries and diseases, distributing medical treatments, investigating the causes for injuries and diseases, and implementing preventative measures.

■ Emergency Response

Making preparations and setting response measures in anticipation of an injury or accident. All response measures should be widely shared. For instance, conducting disaster training can clarify and raise awareness of escape routes, emergency stairwells, etc.

■ Safety and Sanitation of Facilities

Safety and sanitation should be monitored for employee-use workplace facilities (bathrooms, water fountains, locker rooms, dining halls, and dormitories) as well as other facilities provided to employees outside the workplace.

■ Employee Health Checks

Employee health checks are used as a way to diagnose illnesses at an early stage and provide appropriate treatment. This includes mental health care.

Case Study

(1) A building in Country X which housed production facilities for five different companies collapsed, causing more than 1,000 fatalities. The direct cause of the accident was determined to be the additions to the building, which were constructed in violation of building codes. These additions did not hold up under the vibration of thousands of sewing machines.

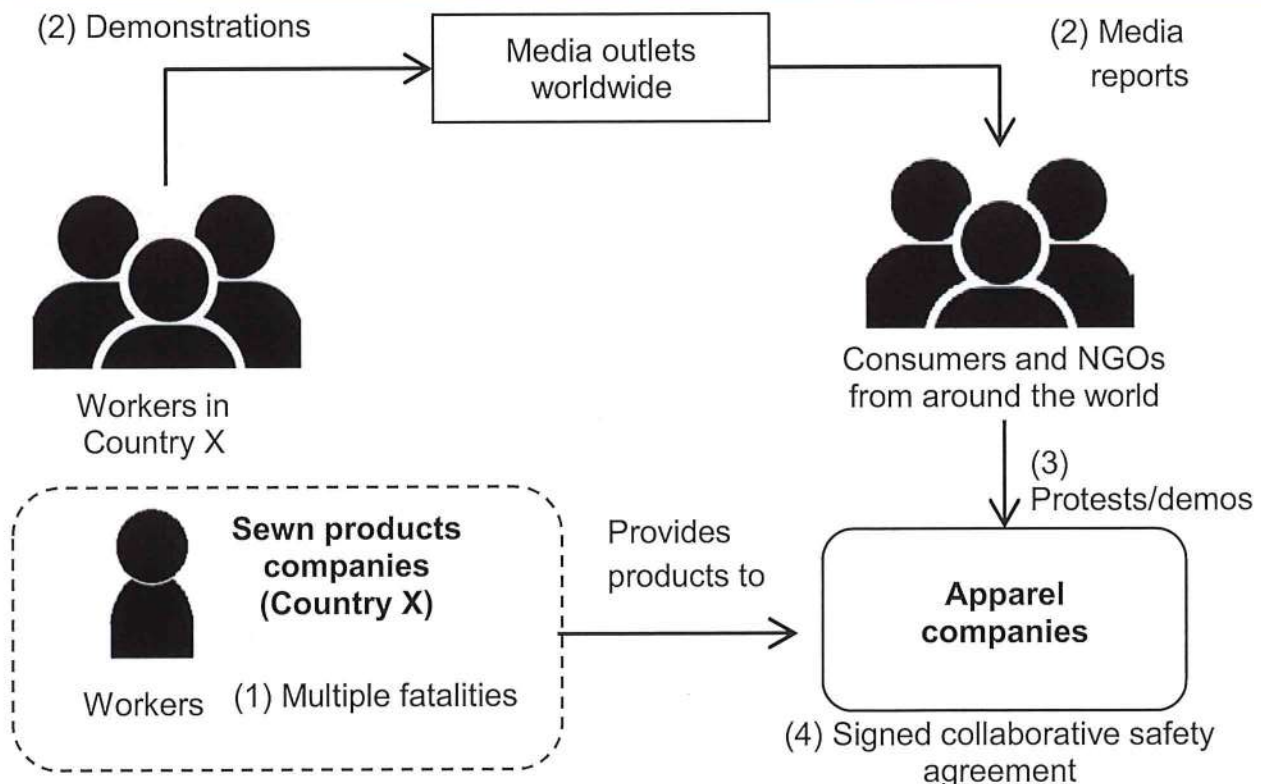
Although the workers had temporarily evacuated the building just before the accident, after a crack had suddenly appeared in one of the walls, their employer had forced them to return to work in order to meet the tight deadlines mandated by the buyer, an apparel manufacturer.

(2) After the accident, there were constant demonstrations by working-class citizens in Country X, demanding that working conditions improve. These demonstrations were broadcast around the world by various media outlets.

(3) After seeing these broadcasts, consumers began to protest all apparel companies involved in the business, resulting in demonstrations demanding that human rights NGOs cooperate to help Country X improve working conditions.

(4) The apparel manufacturers signed an agreement to collaborate and improve safety standards throughout their industry, starting with their suppliers from Country X. They began work to improve working conditions.

But the sewn products industry was one of the pillars of Country X's economy, which kept it cost competitive. This means that the country kept wages low in order to protect this advantage, forcing laborers in Country X to work under unfair working conditions.



Environmental Protection

■ Reduce and Prevent Pollution

- ① In addition to laws regulating the inclusion of chemical substances, companies must also comply with legal requirements for labeling and testing products.
- ② Companies whose emissions include regulated chemical substances should not only dispose of these chemicals in accordance with laws and monitor emission volumes, but also work to reduce usage.
- ③ Companies should create a sustainable framework for reducing adverse affects on the environment, and obtain international certifications such as ISO14001.
- ④ Companies should comply with water, air, and soil pollution laws of the country in question and based on self-imposed standards, work to further improve operations as necessary.
- ⑤ Companies that handle waste products that must be incinerated or buried in a landfill should also work to reduce emission and usage volumes in addition to disposing of them in accordance with the law.

■ Measures to Reduce the Emission of Greenhouse Gases

Companies are asked to set reduction goals and achieve self-made reduction plans for greenhouse gases, particularly including the following: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

■ Measures to Protect Biodiversity

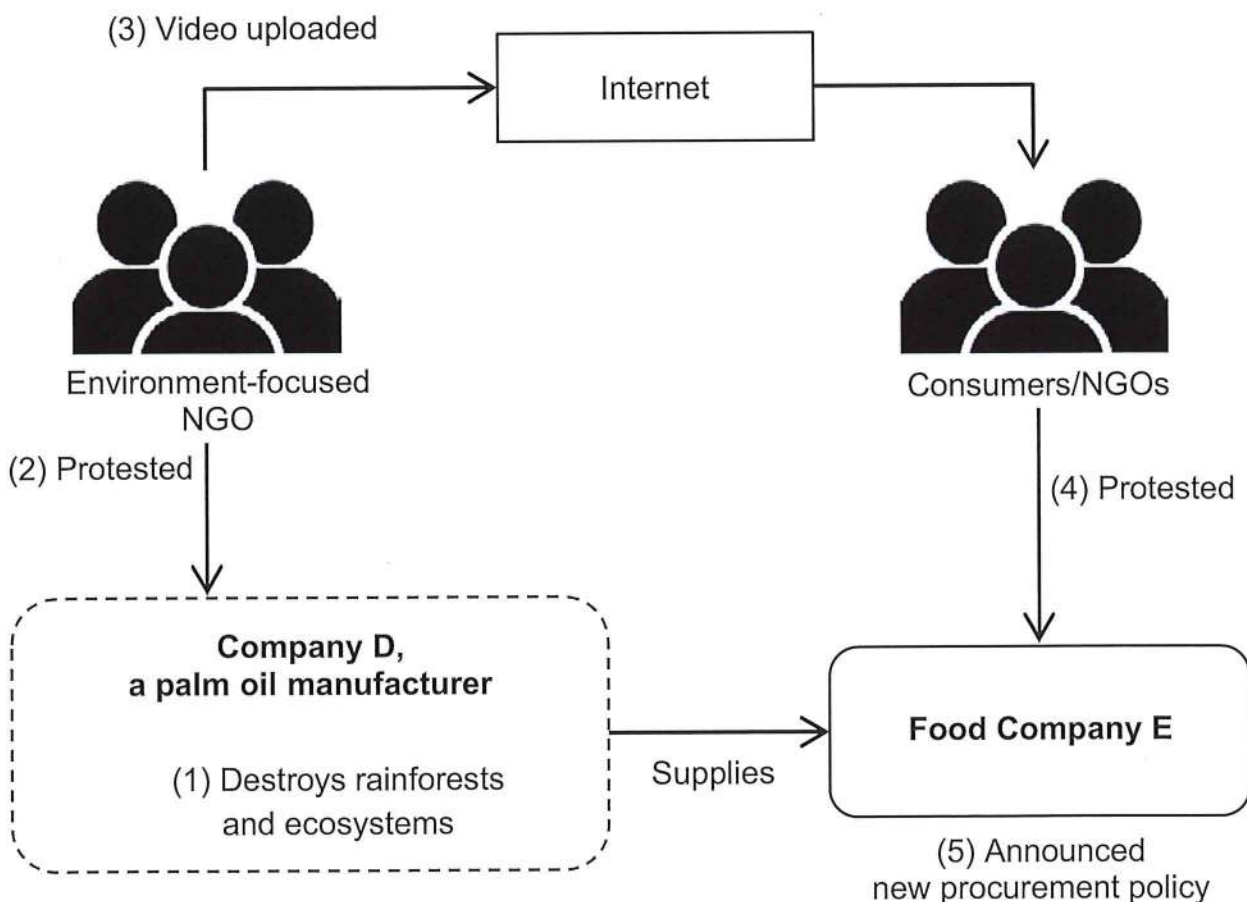
Be aware of plants, animals and their habitats in the vicinity of supply chain businesses and execute a plan to protect these organisms to the greatest extent possible.

■ Renewable Energy and Resources

Keep the 3Rs (Reduce, Reuse, Recycle) in mind when setting goals for the effective utilization of energy and resources.

Case Study

- (1) Company D, a palm oil manufacturer, cleared a section of rainforest in order to develop a palm oil plantation.
- (2) An environment-focused NGO which conducted an on-site survey of the plantation told Company D to stop its development, but Company D did nothing to amend its operations.
- (3) The NGO then shifted their focus to Food Producer E, a company which procured palm oil from Company D. They uploaded a video onto the internet criticizing Food Producer E's products for their contribution to the destruction of the rainforest and other ecosystems.
- (4) The video went viral, and two months later, over 1.5 million people had viewed it. Food Manufacturer E received more than 300,000 protest e-mails from wide variety of consumers and NGOs.
- (5) Food Producer E was buried under a mountain of protests and decided to set a procurement policy, promising that they would "stop using raw materials whose production contributes to rainforest destruction and switch to a more sustainable alternative."



Anti-Corruption and Fair Trade

■ Preventing Bribery and Corruption

Bribery refers to the act of giving money, entertainment, gifts, or other benefits to civil servants and those considered of equivalent status (hereafter referred to as civil servants etc.) or private citizens with the intent of securing a deal, obtaining/maintaining licenses or business arrangements, or acquiring nonpublic information.

■ Preventing the Abuse of a Dominant Bargaining Position

Abusing a dominant bargaining position is when a buyer takes advantage of its status in order to one-sidedly determine or alter trade conditions with a supplier, or set unreasonable demands or obligations.

■ Preventing Actions that Restrict Competition

Restricting competition is when a group of companies act in concert to manipulate prices, quantities, and areas of distribution for a particular product or service (ex. a cartel). This also includes determining top bidder and contract amounts for a project through an agreement with the other bidding parties, essentially rigging the bidding process. Restricting competition is prohibited by each country's anti-monopoly laws, and there are cases where this legislation applies across borders.

■ Preventing Inappropriate Payments and Favors

The following are examples of inappropriate payments:

- ① Receiving or accepting bribes. Overstepping legal boundaries with free gifts, products, money given to or from clients, or going beyond common courtesy by giving or receiving money or entertainment beyond what is expected.
- ② Providing funding to anti-social forces that threaten public safety or social establishments, such as organized crime groups or terrorist organizations.
- ③ Insider trading: buying or selling stock by providing clients with nonpublic information about the company stock in question.

Case Study (1)

Company H was forced to pay a large fine to U.S authorities for bribing a high-ranking government official from **Country U** to secure oil and gas fields in their country. *

The U.S. Department of Justice prohibits corruption and the bribery of foreign officials under the Foreign Corrupt Practices Act of 1977. The U.S. Securities and Exchange Commission heard that **Country U** received a bribe, and **Company H** was consequently fined nearly four million dollars.

* **Company H** had previously used an intermediary to pay a high-ranking government official of **Country U** in order to secure development rights to gas and oil fields in their country.

Case Study (2)

Company I acknowledged their cartel activities and bribery of government officials to reach a settlement with the U.S. Department of Justice. Employees and executives involved in the corruption were arrested.

After **Company I**'s crimes were exposed, the company took stock of its situation and resolved to prevent future corruption.

Employee education was a central focus in the anti-corruption program, with training sessions held for employees at **Company I**'s headquarters and its foreign subsidiaries in order to prevent the same activities from reoccurring.

Company I conducts these trainings using materials prepared in the local language of the country in question, with a legal expert from **Company I** on-hand to explain. If necessary, a local lawyer is called to join the training to explain the specific circumstances and legal systems of that country.

Quality and Safety Control for Products and Services

■ Establish a System for Maintaining and Increasing Quality and Safety Control

This system refers to the overall promotion of quality control operations, which include organizational frameworks, strategic activities, division of responsibilities, common practices, processes, systems, and management resources.

Quality control activities involve making quality control guidelines, implementing and achieving measures based on these guidelines, and reviewing and maintaining these guidelines. In other words, quality control is a PDCA cycle that involves continuous reform.

Model examples of quality management systems include the ISO9000 series, ISO/TS16949 (on automobiles), and ISO13485 (on medical equipment).

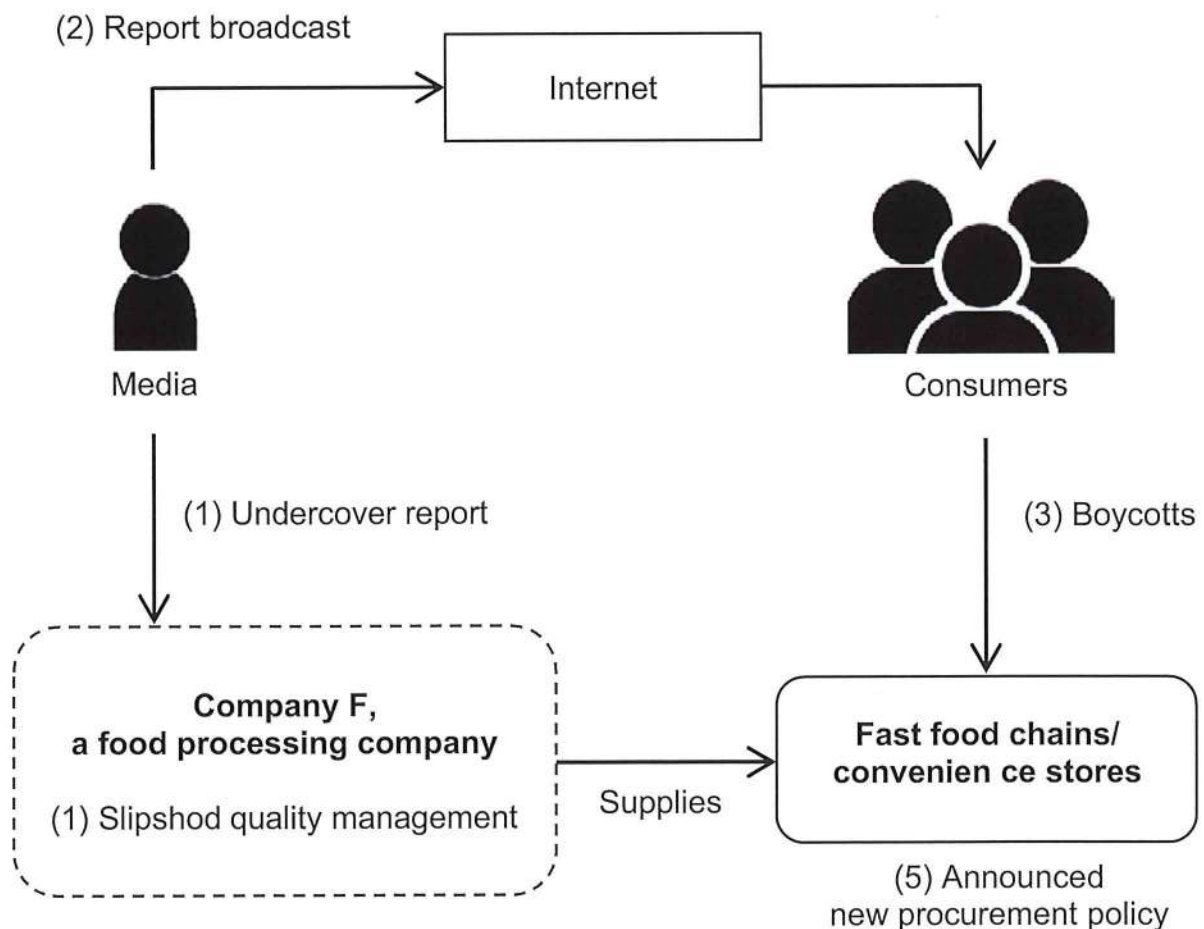
■ Provide Accurate Information on Products and Services

Accurate information refers to the following:

- ① Accurate information on the specifications and quality of goods and services provided by the business
- ② Accurate information related to the components and parts contained in the product
- ③ When advertising products or services in a catalog etc. there should be no false advertising or misleading expressions that can confuse clients or consumers. Advertising should not slander or violate the rights of any individual or company.

Case Study

- (1) Several facts revealing the slipshod quality management system at Company F, a food processing company, were exposed in an undercover media investigation. This included the fact that they had shipped products made with expired raw materials.
- (2) The report was taken up by domestic and foreign media outlets, with their version of the report naming not only Company F, but also the fast food chains and convenience stores which bought Company F's products.
- (3) Consumers became less likely to buy products associated with Company F or its buyers.
- (4) Company F's buyers came up with their own countermeasures, such as switching to a different supplier, but their sales continued to drop due to consumer boycotts. The faced mounting expenses incurred disposing of inventory procured from Company F, forcing several companies to announce a downward revision of their performance for the year. Additionally, Company F itself was forced to suspend operations.



Disclosing, Monitoring, and Protecting Information

■ Timely Disclosure of Problems (Preventing concealment of the truth)

Not only should financial standing and business descriptions be made readily available to stakeholders, but also any serious breach of law, concerns about negative social or environmental impact, and information regarding disaster-related damages. For example, if there are concerns about the possibility of food poisoning, the product

■ Defenses Against Computer Viruses and Hackers

Security measures should be taken to prevent company secrets or client information from being leaked via external network threats such as computer viruses or hackers.

■ Preventing Leaks of Private Information

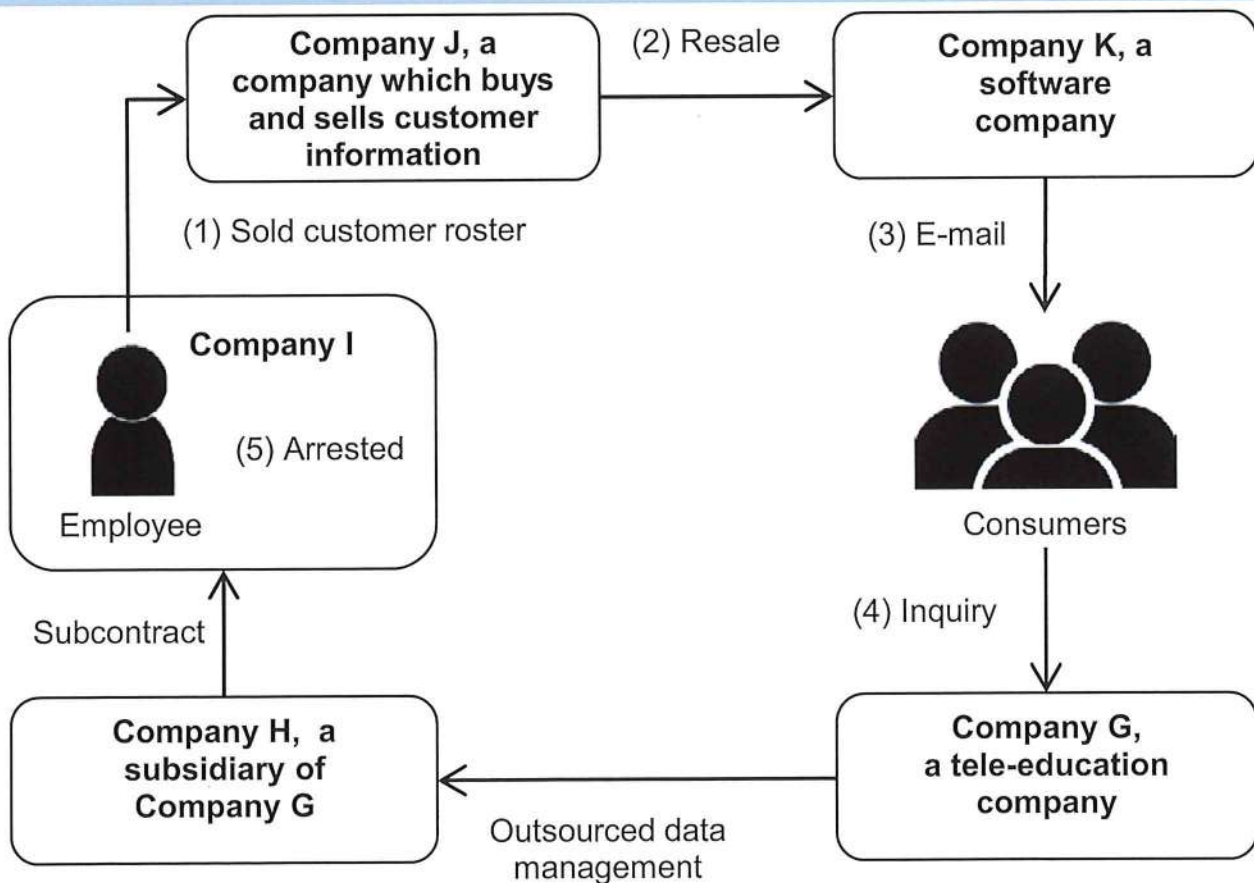
Private information is any information that would allow someone to identify a specific individual, such as names or birthdates. Rules and policies should be created for employees handling private information. Planning, implementation, audits, and reviews made in accordance with these rules must be carefully monitored and enforced.

■ Preventing Leaks of Sensitive Information Regarding Clients or Third

This refers to secret information found within documents marked as confidential or any information said to be confidential before being verbally communicated. Just as with private information, it is important that these be appropriately monitored and their rules enforced.

Case Study

- (1) Company G, a tele-education company, had outsourced management of customer information to its subsidiary, Company H. However, Company H had subcontracted this work to another company (Company I) outside Company G's corporate group. An employee at Company I stole Company G's customer information for personal gain, selling it to Company J, a company which buys and sells customer rosters.
- (2) Company J then re-sold the customer roster to Company K, a software sales and development company.
- (3) In order to spread word about its newly developed product, Company K started to advertise to the customers on Company G's list.
- (4) Some of the customers solicited by Company K contacted Company G to ask why they had received the soliciting e-mail when they had thought their contact information had only be submitted to Company G. It became clear at this point that Company G's customer information had leaked.
- (5) The Company I employee which had stolen and sold the information was arrested. Company G was subject to government reprimands from related agencies, it lost customers over this damage to credibility, and saw profits plummet due to compensation paid to customers whose personal information was leaked.



■Further Reading

- United Nations Global Compact

English: <http://www.unglobalcompact.org/>

- Global Compact Network Japan

Japanese: <http://www.ungcjn.org/>

- International Labor Organization (ILO)

English: <http://www.ilo.org/global/lang-en/index.htm>

- UN Guiding Principles on Business and Human Rights

English: <http://www.ohchr.org/EN/HRBodies/HRC/Pages/HRCIndex.aspx>

Japanese: http://www.unic.or.jp/texts_audiovisual/resolutions_reports/hr_council/ga_regular_session/3404/

- Responsible Business Alliance (RBA)Code of Conduct

English: <https://www.responsiblebusiness.org/>

Japanese: https://www.responsiblebusiness.org/media/docs/RBACodeofConduct7.0_Japanese.pdf

- Japan Electronics and Information Technology Industries Association (JEITA)

Japanese: <http://home.jeita.or.jp/ecb/csr/>

- UN Sustainable Development Goals (SDGs)

English: <http://www.un.org/sustainabledevelopment/>

Japanese: http://www.unic.or.jp/activities/economic_social_development/sustainable_development/2030agenda/



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