

Statement on the Prevention of Forced Labor and Human Trafficking

1. About this statement

As the parent company of Honda Tsushin Kogyo Co., Ltd., the HTK Group (“the Group,” hereinafter) discloses the initiatives it pursues to prevent forced labor, human trafficking and suchlike within the Group and its supply chain through this statement.

This statement applies to the period from April 1, 2020 to March 31, 2021. It was approved at the Executive Meeting, which consists of full-time directors and operating officers.

2. About the Group

The Group maintains sites in Japan, China, Hong Kong, England, Thailand and Singapore, and engages in the manufacture and sale of electronic components (connectors). The Group purchases product components and materials from various suppliers (“partners,” hereinafter) primarily in Japan and Asia, and consigns partners to manufacturer such goods.

The Group also runs a system design and software development business in Japan, and part of the development work is outsourced to business partners in Japan.

3. Policy on forced labor and human trafficking

The Group has adopted the following corporate philosophy and procurement policy to prevent forced labor, human trafficking and suchlike within the Group and its supply chain.

- Group Corporate Philosophy: HTK Philosophy

The HTK Philosophy has been established as something that is understood by all employees and put into practice as the foundation of the Group’s business activities, and as a philosophy to which all related parties commit. The philosophy includes provisions concerning “relationship with partners,” “respect for human rights,” “legal compliance” and so on, and all employees are required to put those aspects into practice.

- HTK CSR Procurement Policy

The Group has set forth a CSR procurement policy based on the *Supply Chain CSR Promotion Guidebook* set out by the Japan Electronics and Information Technology Industries Association (JEITA). This procurement policy seeks the smooth promotion of CSR across the entire supply chain and prescribes matters concerning “human rights and labor” which include the prohibition of forced labor and human trafficking.

4. Due diligence process

To ensure compliance with the policies described in the preceding item, the Group undertakes the following initiatives.

- Compliance with the HTK CSR Procurement Policy

The Group presents the HTK CSR Procurement Policy to its partners and requires them to

comply with the policy.

- Conclusion of agreements concerning “human rights and labor”

Matters concerning “human rights and labor” that include the prohibition of forced labor and human trafficking, which are found in the HTK CSR Procurement Policy, are incorporated into basic transaction agreements and executed therein.

- Confirming the state of compliance with agreements

The Group investigates and verifies the statement compliance with agreements concerning “human rights and labor” through interviews, questionnaires and so forth.

- Introduction of internal reporting and external reporting systems

The Group has introduced systems to accept compliance-related reports and consultation from employees and partners with the aim of discovering compliance violations early on and taking corrective actions.

5. Risk assessment and management

Based on information concerning forced labor, human trafficking and suchlike around the world, partner attributes (location, line of business, type of contract) and the results of the due diligence process, the Group assesses risks concerning compliance violations with a focus on human rights and labor issues such as forced labor and human trafficking. Additional investigations are carried out with respect to partners who are deemed high risk, and if facts of forced labor or human trafficking are confirmed, corrective measures are taken. If no improvements are seen, the Group ceases its business dealing with the partner in question.

6. How the Group verifies the effectiveness and viability of these initiatives

Audits of the effectiveness and viability of the Group’s due diligence process and risk assessment and management measures are carried out as a part of internal control activities. The Group also endeavors to maintain its performance in this regard while incorporating the latest information from experts on forced labor, human trafficking and the like around the world.

7. Training

Efforts are made to ensure that the HTK Philosophy is pervasive among all employees within the Group. The Group also conducts internal training as appropriate to deepen understanding of the HTK CSR Procurement Policy as well as information concerning forced labor, human trafficking and so on.

8. Outline of initiatives

- In support of the objective of the Declaration of Partnership Building, which is being promoted by the government and business groups, we declared our intent to facilitate optimized and streamlined transactions from the perspective of overall supply chains.

- When the volume of orders declined due to the COVID-19 pandemic, we engaged in close dialogues with manufacturing facilities in Japan and overseas, as well as with our partners, to make production more uniform, thereby ensuring that employment was maintained throughout the supply chain.
- We worked on automating production processes and improving ordering systems with a view to reducing partners' workloads and enhancing productivity.

September 1, 2021

Kinji Kashio,

President and Representative Director

Honda Tsushin Kogyo Co., Ltd.

A handwritten signature in black ink, appearing to read "Kinji Kashio". The signature is written in a cursive, flowing style.