

Valuence Group Supplier Code of Conduct

Introduction

The Valuence Group's purpose is "Circular Design for the Earth and Us," and we aim to promote sustainable and circular business activities for the earth and for us as our raison d'être. We have positioned our mission "to encourage more people to focus on what is most important in their lives" and strive to provide value that changes the lives of everyone involved through its corporate activities, to prosper together with society and to maximize corporate value.

As the requirements for corporate activities are changing drastically today, we are called upon to address ESG issues such as the environment, human rights, and governance in addition to traditional factors such as price, quality, and delivery time in our business dealings with suppliers and partner stores.

Against this backdrop, the Valuence Group Supplier Code of Conduct (the "Code") stipulates the matters to be observed together with business partners who provide products and services to the Valuence Group. Together with our suppliers, we aim to fulfill our social responsibilities and achieve sustainable growth by complying with the Code. For this reason, we request that suppliers who provide goods and services for the business activities of the Valuence Group and partner stores whom the Valuence Group outsources purchasing and sales activities understand and comply with the standards set forth in the following table, thereby asking them to build good relationships based on mutual trust and conduct responsible and sustainable business transactions. We also ask our suppliers' supply chains to develop such relationships.

Purpose

The Code sets forth the standards of business conduct that Valuence Holdings Inc. and all its Group companies (the "Valuence" together with Group companies) expect from suppliers. The Code does not supersede any specific agreements entered into between the Supplier and Valuence.

Scope

The Code applies to all suppliers who provide goods or services to Valuence and to whom purchases and sales services are outsourced (partner stores).

Operation

Suppliers that do business with Valuence are expected to comply with the Code to the extent permitted by law. We also hope that supplier partners related to the deal between suppliers and Valuence will also be asked for the same level of business conduct.

External reporting desk

Suppliers are expected to report to Valuence any violation or suspected violation of laws or regulations of each country and region in their business activities in connection with a transaction between the supplier and Valuence. Suppliers can contact us at the following External Reporting System.

External Reporting System: <https://www.valuence.inc/en/external-reporting-system/>

Valuence will protect the confidentiality and the personal information of the reporter to ensure that they will not be identified as a result of reporting.

Amendment and abolition

The Code is established and revised by the Board of Directors of Valuence Holdings Inc. In response to business developments and changes in the external business environment, the content will be revised and published on the Valuence website. The content will also be informed to suppliers.

Established June 28, 2024

1. Respect for human rights

1.1 Respect and observance of international human rights standards

Suppliers will respect human rights in accordance with the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.

1.2 Prohibition of modern slavery, trafficking in persons, forced labor and child labor

Suppliers will not violate human rights such as modern slavery, human trafficking, forced labor, and child labor, and will strictly comply with them.

1.3 Prohibition of discrimination

Suppliers will prohibit discrimination on the basis of race, religion, age, gender, nationality, disability, sexual orientation, or gender identity.

1.4 Humanitarian treatment

Suppliers will prohibit inhumane treatment, including harassment, corporal punishment, abuse and torture, mental and physical coercion, bullying, public humiliation and verbal violence, and will establish and communicate disciplinary policies and procedures.

1.5 Compliance with working hours

Suppliers will prohibit working beyond the limit of overtime work or preventing workers from obtaining appropriate breaks without special circumstances, in accordance with the laws of each country and region.

1.6 Wages and benefits

Suppliers will pay the wages stipulated in the labor contract and the rules of employment on the prescribed payment date. In addition, regardless of the minimum wage stipulated by law, suppliers will consider wages sufficient to meet the basic needs of workers and their families.

1.7 Freedom of association

Suppliers will not prevent workers from joining a labor union or from making decisions through union association. In addition, suppliers will not treat employees disadvantageously on the grounds that they are a member of the labor union or that they participate in union activities during overtime or during working hours with the consent of the employer.

2. Occupational health & safety

2.1 Compliance with laws and regulations related to occupational health and safety

Suppliers will submit notifications and submit applications related to occupational safety and health in accordance with the occupational health and safety laws and regulations in each country and region and comply with the requirements relating to the operation thereof.

2.2 Occupational safety

Suppliers will prevent work-related injuries and illnesses and strive to ensure the safety and health of workers through the realization of a comfortable working environment and the improvement of working conditions.

2.3 Occupational accidents and diseases

Suppliers will determine the matters necessary for the management of safety and health and take the necessary measures to promote the mental and physical health of employees and to prevent danger.

2.4 Safety and health communication

Suppliers will provide information and support in the worker's understandable language for labor contracts and all hazards that may result in work-related injuries and diseases.

3. Environmental preservation and reduction of environmental impact

3.1 Environmental reduction and regeneration in products and services

Suppliers will work to develop services and products that contribute to solving environmental issues.

3.2 Sustainable procurement and use of resources

Suppliers will promote the sustainable procurement and use of resources, including water.

3.3 Measures to prevent environmental pollution and conserve biodiversity

Suppliers will work to prevent environmental pollution and conserving biodiversity in consideration of the ecosystem impacts of their businesses.

3.4 Responding to climate change

Suppliers will promote the reduction of greenhouse gas emissions, energy conservation and the use of renewable energy.

3.5 Waste reduction and proper disposal

Suppliers will promote the reduction and reuse of waste.

4. Fair business activities

4.1 Legal compliance

Suppliers will comply with the laws and regulations of each country and region and act with integrity based on high ethical standards.

4.2 Prevention of corruption and bribery

Suppliers will strive to prevent corruption in all its forms and will not directly or indirectly offer, promise, give, accept, or solicit bribes, facilitation payments, or other improper gifts, entertainment, or benefits domestically or internationally, regardless of whether the other party is a public official or a private individual.

4.3 Prohibition of conflicts of interest

Suppliers will not commit any acts of conflict of interest that may impair or appear to impair the interests of the company for their own benefit.

4.4 Fair competition and antitrust

Suppliers will comply with the laws and regulations related to free and open competition in each country and region and will always engage in fair competition.

4.5 Dealing with anti-social forces

Suppliers will firmly maintain their corporate stance of not having any relationship with anti-social forces and will eliminate any relationship by responding in a resolute manner.

4.6 Money laundering prevention

Suppliers will not engage in any criminal activities, such as transactions that fund terrorists, transactions with persons whose transactions are prohibited by governments or other entities, or money laundering.

4.7 Accounting reports and the performance of tax liabilities

Suppliers will make timely and appropriate accounting reports and pay taxes properly.

4.8 Thorough information management

Suppliers will strictly manage the personal and confidential information of suppliers and of those disclosed to suppliers by third parties, will not divulge it to third parties, and will use such information only for the purpose of their business.

4.9 Ensuring cyber security

Suppliers will establish and implement cyber security processes that comply with relevant standards and guidance in each country and region and take adequate measures against cyber-attacks and other threats.

4.10 Respect for intellectual property rights

Suppliers will endeavor to appropriately protect their created intellectual property rights and respect the intellectual property rights of third parties.

5. Risk management system

5.1 Assessment and control of risks

Suppliers will consider risks related to human rights, the environment, fair business activity, etc., and work to reduce and manage those risks.

5.2 Building a BCP

Suppliers will actively work to build a business continuity plan (BCP) in preparation for disasters and unforeseen events.

6. Remedies

6.1 Establishment of a reporting system

Suppliers will accept complaints and reports from employees, protect employees from the risk of retaliation from respondents and suppliers, and take appropriate measures to improve such complaints, etc., while giving due consideration to privacy.

6.2 Prohibition of retaliation

Suppliers will not tolerate any disadvantageous treatment or retaliatory action for consultation, reporting of concerns or cooperation in investigations.