

## Effort Level Sheet

From the "GCNJ CSR Procurement Self-Assessment Questionnaire", we have listed the effort levels that your company should aim and the specific measures that your company should implement for each SAQ item that we consider important.

Please implement measures to achieve Level 3 or Level 5 depending on the size of your company.

Reference for the effort level your company should aim for:

Company with more than 1,000 employees → Level 5

Other company → Level 3

Category	Subcategory	Further Subcategory	Effort Level and Measures (The effort level listed are consistent with the answer level of the CSR Procurement Self-Assessment Questionnaire.)
III. Labor	1. Basic attitude toward labor practices  Companies should recognize and comply with the labor principles presented in international norms, etc., and to apply basic workplace principles as universal values.  Main international frameworks and norms: Universal Declaration of Human Rights, International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, Ten Principles of the UN Global Compact, UN "Guiding Principles on Business and Human Rights," OECD Guidelines for Multinational Enterprises, UK Modern Slavery Act, etc.	Legal awareness	(Level 3) Identify the scope of the international norms, laws and regulations (refer "Main international frameworks and norms" in the left column "1. Basic attitude toward labor practices" ) regarding labor practices. If there is a discrepancy with domestic law, discuss your company's policy on which to respect.  (Level 5) Identify the scope of the international norms, laws and regulations regarding labor practices, and check for breaches through initiatives such as human rights due diligence or employee surveys.
		Policy	(Level 3) Formulate either policy or guideline regarding labor practices. In these, include your company's policy discussed in the "Legal awareness" section (which will be respected if there is a discrepancy between domestic laws and international norms).  (Level 5) Develop company rules or manuals to regularly review both policy and guideline regarding labor practices in line with updates to the international norms, laws and regulations regarding labor practices.
		System / Responsibility	(Level 3) Appoint a officer responsible and establish a department/division responsible for labor practices. (human resources, legal, general affairs, production management, etc.) Also, establish a department/division responsible for checking that there are no deviations from the international norms, laws and regulations regarding labor practices. *The department/division that is responsible for each of the sub-items below may differ.  (Level 5) Develop company rules or manuals to review the scope of responsibility of the responsible officer and the scope of duties of the responsible department/division periodically.
	4. Prohibition of inhumane treatment  Companies should respect employees' human rights. Inhumane treatment, such as abuse, physical punishment and harassment, is prohibited.  Example: Systems such as an internal whistle blower system	Checking initiative results	(Level 3) As an effort for prohibition of inhumane treatment, implement measures such as; checking whether there is no discrimination within your company or at the hiring stage (wage gap between men and women, hiring based on age or nationality, etc.) ; conducting in-house training on discrimination and harassment, etc.  (Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.
	5. Payment of fair wages  Companies should abide by the legal minimum wage of the country and region in which they are operating, and ensure that an appropriate collective agreement is concluded regarding matters such as overtime, and that extra pay and payment methods, etc., are applied fairly.	Checking initiative results	(Level 3) As an effort for payment of fair wages, implement measures such as; concluding appropriate labor agreements regarding wage payments ; conducting in-house training on appropriate wage payments ; introducing a labor management system, etc.  (Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of breaches of laws and regulations, etc.) of the above efforts and conduct monitoring.

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	<p>6. Fair application of working hours, time off, and paid time off, etc.</p> <p>Companies should abide by working hours designated by law or agreed to in advance. They should ensure that employees' working hours are managed appropriately and that they are given the right to take paid time off. Employees should be given at least one day off per week.</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for fair application of working hours, time off, and paid time off, implement measures such as; concluding appropriate labor agreements regarding overtime work and holidays; conducting in-house training on appropriate working hour management and holidays/breaks; introducing a labor management system, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of breaches of laws and regulations, etc.) of the above efforts and conduct monitoring.</p>
	<p>7. Prohibition of forced labor</p> <p>Companies should avoid making people work against their will and making people do work that restricts their freedom to leave their jobs. Work coercion using unjustified means of restraint and compulsion of overtime work, etc., should not be practiced. In addition, unjustified retention of identification documents, etc., and unjustified collection of deposit (money) should not be practiced.</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for prohibition of forced labor, implement measures such as; checking whether there is no improper retention of identification documents or improper collection of deposits; checking the licenses of labor providers; checking whether there are no rules that restrict the freedom of retirement; conducting in-house training on such efforts, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
	<p>8. Prohibition of child labor</p> <p>Companies should avoid employing children under the legal working age in that country or region. In addition, children should not be made to perform work that could harm their health, safety, or morals.</p> <p>Example: Age check when employing people</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for prohibition of child labor, implement measures such as; verifying age when recruiting and hiring; conducting in-house training on considerations for young workers, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
	<p>11. Proper management of employee safety and health</p> <p>Companies should take steps so that the risk of accidents occurring during work and the risks of harmful chemical substances, noise, and odors on the human body are understood and that appropriate safety measures, etc., are taken (including statutory inspections, safeguards, danger signals, control of the handling of chemical substances, measures against dangerous work, and compliance with designations for and supply of protective equipment, etc.). In addition, measures that give consideration to employees' mental health should also be taken.</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for proper management of employee safety and health, implement measures such as; conducting a benchmark analysis of occupational injury frequency rate; introducing a safety and health management system; conducting in-house training on safety, health, and health management, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
<p>V. Fair business practices</p>	<p>1. Basic attitude toward fair business practices</p> <p>Companies are expected to engage in fair business practices (e.g., prevention of corruption, responsible political involvement, fair competition, rejection of relationships with antisocial forces/ organizations) in business processes producing/providing products and services.</p> <p>Examples of Major international frameworks and norms related to fair business practices: Ten Principles of the UN Global Compact, OECD Guidelines for Multinational Enterprises, United Nations Convention against Corruption</p> <p>Examples of Major laws and regulations related to fair business practices: Domestic laws regarding competition: Antimonopoly Act (Japan), antitrust laws (US), European Union competition law (EU)</p>	<p>Legal awareness</p>	<p>(Level 3) Identify the scope of the international norms, laws and regulations (refer "Major international frameworks and norms" in the left column "1. Basic attitude toward fair business practices") regarding fair business practices. If there is a discrepancy with domestic law, discuss your company's policy on which to respect.</p> <p>(Level 5) Identify the scope of the international norms, laws and regulations regarding fair business practices, and then check for breaches through initiatives such as human rights due diligence or employee/business partner surveys.</p>
		<p>Policy</p>	<p>(Level 3) Formulate either a policy or a guideline regarding fair business practices. In these, include your company's policy discussed in the "Legal awareness" section (which will be respected if there is a discrepancy between domestic laws and international norms).</p> <p>(Level 5) Develop company rules or manuals to periodically review both a policy and a guideline regarding fair business practices in line with updates to the international norms, laws and regulations regarding fair business practices.</p>

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		System / Responsibility	<p>(Level 3) Appoint a officer responsible for fair business practices and establish a department/division responsible for fair business practices. (legal, etc.) Also, establish a department/division responsible for checking that there are no deviations from the international norms, laws and regulations regarding fair business practices.</p> <p>(Level 5) Develop company rules or manuals to review the scope of responsibility of the responsible officer and the scope of duties of the responsible department/division periodically.</p>
	<p>2. Establishment of appropriate relationships with local governments and public officials in and outside countries where business activities are conducted</p> <p>It is expected that healthy relationships will be maintained between the company and public officials, such as by managing the entertainment of public officials to prevent corruption.</p>	Checking initiative results	<p>(Level 3) As an effort for establishment of appropriate relationships with local governments and public officials in and outside countries where business activities are conducted, implement measures such as; identifying risks specific to a country, region, or industry; conducting in-house training on bribery, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
	<p>3. Prevention of the giving and receiving of improper advantages with customers and trade partners, etc., in sales and purchasing activities, etc.</p> <p>Healthy relationships must be maintained with customers.</p>	Checking initiative results	<p>(Level 3) As an effort for prevention of the giving and receiving of improper advantages with customers and trade partners in sales and purchasing activities, implement measures such as; identifying risks specific to a country, region, or industry; conducting in-house training on giving or receiving improper benefits, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
	<p>4. Prevention of competition law violations in sales activities, etc.</p> <p>Bid rigging, cartels, abuse of dominant bargaining position, and other unfair trading practices should be prevented from occurring.</p>	Checking initiative results	<p>(Level 3) As an effort for prevention of competition law breaches in sales activities, implement measures such as; considering scenarios regarding your company's breach of competition laws; conducting in-house training on competition laws, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
	<p>5. Rejection of relationships with antisocial forces/organizations</p> <p>Relationships with violent groups and corporate extortionists, etc., should be rejected.</p>	Checking initiative results	<p>(Level 3) As an effort for rejection of relationships with antisocial forces/organizations, implement measures such as; including clauses to exclude antisocial forces/organizations in contracts and terms of business; conducting in-house training on antisocial forces/organizations, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>

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	<p>6. Prevention of unauthorized use of a third party's intellectual property and of illegal reproduction of copyrighted works</p> <p>Intellectual property rights, including patent rights, copyrights, and trademark rights, should be respected.</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for prevention of unauthorized use of a third party's intellectual property and of illegal reproduction of copyrighted works, implement measures such as; developing a process to check whether intellectual property rights have not been infringed during the research and development stage; conducting in-house training on intellectual property and copyrighted works, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
<p><b>VII. Information security</b></p>	<p>1. Basic attitude toward information security Businesses are required to properly manage and protect information obtained through business activities and to take defensive measures against threats on computer networks.</p> <p>Major laws and regulations related to information security: Japanese domestic laws in this area include: Penal Code; Basic Act on Cybersecurity; Act on the Protection of Personal Information; Act against Unauthorized Access; Act on Electronic Signature Certification, etc.</p>	<p>Legal awareness</p>	<p>(Level 3) Identify the scope of the international norms, laws and regulations (refer "Major laws and regulations" in the left column "1. Basic attitude toward information security") regarding information security. If there is a discrepancy with domestic law, discuss your company's policy on which to respect.</p> <p>(Level 5) Identify the scope of the international norms, laws and regulations regarding information security, and then check for breaches through initiatives such as human rights due diligence or employee surveys.</p>
		<p>Policy</p>	<p>(Level 3) Formulate either a policy or a guideline regarding information security. In these, include your company's policy discussed in the "Legal awareness" section (which will be respected if there is a discrepancy between domestic laws and international norms).</p> <p>(Level 5) Develop company rules or manuals to regularly review both a policy and a guideline regarding information security in line with updates to the international norms, laws and regulations regarding information security.</p>
		<p>System / Responsibility</p>	<p>(Level 3) Appoint a officer responsible for information security and establish a department/division responsible for information security. (IT, etc.) Also, establish a department/division responsible for checking that there are no deviations from the international norms, laws and regulations regarding information security.</p> <p>(Level 5) Develop company rules or manuals to review the scope of responsibility of the responsible officer and the scope of duties of the responsible department/division periodically.</p>
	<p>3. Protection of personal information and privacy</p> <p>The personal information of customers, third parties, and employees should be properly managed and protected.</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for protection of personal information and privacy, implement measures for each information leakage route and conduct in-house training on personal information and privacy, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>
	<p>4. Prevention of misuse of confidential information</p> <p>Confidential information received from customers and third parties should be properly managed and protected.</p>	<p>Checking initiative results</p>	<p>(Level 3) As an effort for prevention of misuse of confidential information, implement measures for each information leakage route and conduct in-house training on misuse of confidential information, etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>

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VIII. Supply chain	<p>1. Basic attitude toward the supply chain</p> <p>Companies are required to fulfill corporate responsibility in business processes that create products and services. It is advisable to establish a CSR/sustainable procurement policy and to make it widely known and instilled in and outside the company, with the aim of practicing CSR activities not only in the company but also throughout the supply chain. Accordingly, it is necessary to inform and instill in the company's suppliers the practice of the matters included in each SAQ.</p> <p>Major laws and regulations related to the supply chain: EU RoHS Directive, REACH Regulation, UK Modern Slavery Act, California Transparency in Supply Chains Act</p>	Legal awareness	<p>(Level 3) Identify the scope of the international norms, laws and regulations (refer "Major laws and regulations related to the supply chain" in the left column "1. Basic attitude toward labor practices") regarding the supply chain. If there is a discrepancy with domestic law, discuss your company's policy on which to respect.</p> <p>(Level 5) Identify the scope of the international norms, laws and regulations regarding the supply chain, and then check for breaches through initiatives such as requests for compliance with laws and regulations in contracts or business partner surveys.</p>
	Policy	<p>(Level 3) Formulate either a policy or a guideline regarding the supply chain. In these, include a section on respecting human rights in either the policy or the guideline. Also, inform them to your suppliers .</p> <p>(Level 5) Develop company rules or manuals to review both the policy and the guideline regularly, in line with updates to the international norms, laws and regulations regarding the supply chain. Request your suppliers to make a agreement the policy or the guideline.</p>	
	System / Responsibility	<p>(Level 3) Appoint a officer responsible for the supply chain and establish a department/division responsible for the supply chain. (procurement, production management etc.) Also, establish a procedure for responding to cases where human rights violations occur at a supplier.</p> <p>(Level 5) (Level 5) Develop company rules or manuals to review the scope of responsibility of the responsible officer and the scope of duties of the responsible department/division periodically. Also, develop a manual and establish a procedure for responding to cases where human rights violations occur at a supplier.</p>	
	<p>2. Use of raw materials not involved in conflict or crime (initiatives against conflict minerals)</p> <p>Companies are expected to survey suppliers and conduct verification, in case of the purchase and use of gold (Au), tantalum (Ta), tungsten (W), and tin (Sn), which are conflict minerals connected to inhumane acts committed by local armed groups in the Democratic Republic of the Congo and surrounding regions and elsewhere. The purchase and use of such minerals are prohibited.</p> <p>Major laws and regulations related to conflict minerals: Dodd-Frank Act</p>	Checking initiative results	<p>(Level 3) As an effort for use of raw materials not involved in conflict or crime, confirm that your suppliers of conflict minerals do not source from the Democratic Republic of the Congo or neighboring countries, or that they source from smelters on the whitelist., etc.</p> <p>(Level 5) Develop company rules or manuals to monitor the effectiveness (level of understanding of employees/managers, number of cases, etc.) of the above efforts and conduct monitoring.</p>