

Quality Assurance and Product Safety

Our Concepts

In the SII Group Charter of Corporate Behavior, "Article 3: Human rights and human resource development" states as follows.

"Improve the Quality, Cost, Delivery and Safety of our Products and Services to create increased value for customers."

This is the SII Group Basic Quality Policy, which incorporates our strong commitment to achieve customer satisfaction with our product quality as well as meeting high standard of cost, delivery and product safety.

We have established a quality assurance promotion system to embody the policy and have been taking the following basic measures.

1. Comply with each country's engineering laws, regulations and a wide variety of specifications
2. Establish a system and develop human resources to ensure product quality and safety in the development and design phases
3. Share information of product quality and safety

Quality Assurance that Establishes Security and Reliability

The SII basic concept of product safety is "to improve customers' trust by providing safe products and services." Based on this concept, we continue to provide the Products Safety Education to raise product safety awareness and cultivate engineers with safety knowledge.

We also established the Product Safety Network within the SII Group. For all the SII products, it conducts regular inspections of compliance with laws and regulations concerning product and technical safety, and verifies product safety and appropriateness according to each country's laws and regulations.

In case of accidents due to SII products, we report to the senior management within ten minutes, as well as attempt to promptly solve the problem and prevent the recurrence of accidents. After these actions, we share the information throughout the entire Group and deploy activities horizontally.

Communication with Customers

SII Customer Service Center

SII Customer Service Center is committed to providing prompt, accurate and sincere responses to customer inquiries.

Our customers' opinions, requests and complaints are communicated to the relevant divisions, and are used effectively for product and service quality improvement.

In addition, we focus on improving the quality of our after-sales service to attain the higher level of customer satisfaction through product consultation service as well as repair and supply services.

Disclosure of Product Safety and Quality Information

We strive to minimize our customers' disadvantages by promptly and precisely providing SII products' safety, accidents, and important quality information.

Support for Employee Development

Respect for Human Rights

In the SII Group Charter of Corporate Behavior, "Article 3: Human rights and human resource development" states as follows.

- We respect the diversity and the human rights of all our employees and seek to achieve safe, comfortable working conditions. We facilitate and support the advancement and growth of each employee and endeavor to ensure all employees the fair evaluation and treatment. We respect the human rights and individuality of all stakeholders in our business activities.
- We strive to develop a creative, professional human resources characterized by a strong ethical sense.
- We have been trying to ensure that the Charter is thoroughly implemented within SII Group companies.

Including our affiliated companies outside Japan, we have taken steps to further clarify the Basic Policies of Human Rights, reflecting the various cultures and customs of each region. We have thoroughly instructed our personnel to make sure that all actions pertaining to stakeholders are conducted in the spirit of the message of these Basic Policies of Human Rights.

Work/Life Balance

In Japan, SII has established and been continually enhancing a variety of systems which support every employee in balancing their careers and family lives so that they can fully exercise their abilities.

Since FY 2019, we have introduced a system that allows employees to shift their scheduled start and end times within a certain range (work hour shift system). The purpose of this system of flexible work hours regardless of the reasons (i.e., circumstances of childcare or nursing care) is to allow employees the flexibility to enhance their personal lives with other activities such as volunteering or studying. We have also introduced a system that allows employees to work shorter hours for any reason (short-time employee system) and a three-day workweek (short-day work system).

In addition to this, we also have a caregiver leave system that allows for up to three years of caregiving leave for one member of each eligible family, helping them to balance both work and the need for potentially long-term care for their loved ones.

In FY 2022, as in the previous fiscal year, we continued to implement the telecommuting system from the perspective of preventing the spread of COVID-19. In the future, we plan to establish and introduce a telecommuting system for the purpose of work-life balance by labor and management.

Status of Utilization of the Systems (Japan)

System	FY2018	FY2019	FY2020	FY2021	FY2022
Childcare leave	21	23	16	22 (including 3 male employees)	17 (including 3 male employees)
Short-hours work for childcare	24	22	17	22 (including 1 male employee)	19 (including 1 male employee)
Elderly nursing care leave	0	0	2	0	0
Short-hours work for elderly nursing care	1	1	0	0	0

Safety and Health

Concept of Occupational Safety and Health

SII believes that the basis of a healthy company is formed by maintaining a safe and healthy work environment as well as all the employees' physical and mental well-being.

Based on the "SII Group Occupational Safety and Health Policy" established in 2008, all the SII Group sites work on the prevention of plant and industrial accidents as well as pursue the high safety level to create a comfortable workplace.

Purchasing Activities with Fairness and Integrity

Our Concept of Sustainable Procurement

SII complies with the Seiko Group Procurement Activity Policy of its parent company, Seiko Group Corporation, and in order to realize sustainable procurement, SII strives to practice "Coexistence and co-prosperity with business partners," "Promoting procurement activities with consideration for the environment, society, and governance," and "Fair and impartial evaluation and selection of business partners," as stated in the policy.

Supplier Certification System

SII uses the Supplier Certification Criteria to select fair business partners and build the CSR framework based on the purchasing supply chain.

SII Group Supplier Certification Criteria

- Existing framework to conduct fair and honest business, respect human dignity and achieve coexistence with society
- Stable business condition
- Environmental management system
- Management system for quality and risk management

The Seiko Group formulated Procurement Guidelines that collect the items that suppliers should observe regarding the environment, human rights, labor, society, and other issues in FY 2022 and is moving forward with investigations of application. SII plans to deploy the applications prescribed by the Seiko Group in FY 2023.

Compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act)

The Subcontract Act has a major significance in purchasing activities in Japan.

SII established the Subcontract Act Section at the head office to reinforce compliance with the Subcontract Act by cooperating with the SII Group's purchasing staff through activities including appropriate guidance to routine work and education.

In FY 2021, we carried out voluntary inspections of 8 purchasing divisions in Japan and confirmed there were no violations of the Subcontract Act.

Purchasing Risk Management

In our role as a manufacturer that provides products, it is important for us to minimize the risk of a disruption in our supply of parts. Our Purchasing Division clarifies key suppliers and comprehends manufacturing bases to promptly handle emergency situations in case of disasters like earthquakes. In addition, the division is promoting the selection of alternative suppliers or parts to prevent the interruption of parts supplies.

Conflict Minerals Policy

SII recognizes conflict minerals as being a critical international issue that supports the financing of organizations engaged in human rights violations and/or injustices committed in the Democratic Republic of Congo and adjoining countries.

In March 2012, the "SII Group Conflict Minerals Policy" was established, and we ask our suppliers for their cooperation in prohibiting the use of any conflict minerals.

With Regions and Society

Academic and Technical Advancements

Foundation Advanced Technology Institute

SII contributes to technical advancements as a social contribution through donation and operational support to Foundation Advanced Technology Institute (ATI). As well as bringing together unique and talented researchers and providing opportunities for discussions and exchanges across their respective professional fields, ATI's purpose is also to contribute to the academic and technical development of the next generation in various ways, including providing aid to young researchers. In June 2018, SII received the Medal with Dark Blue Ribbon for contributions to the public interest by way of our contributions to ATI.

Environmental Activities

Tree-planting initiative –Seiko Instruments Forest–

In August 2014, the Makuhari Unit entered into the Cooperative Forest Agreement with the Chiba prefectural government, and is currently carrying out the planting of black pine trees in the Seiko Instruments Forest located along Kujūkuri Beach in Chiba. Weed clearing and ball safety net repair was entrusted to the Chiba Prefecture Forest Owners Association in FY 2022. In April 2023, the agreement was renewed again, and growth of Japanese black pine continues to be watched attentively.



Local Cleanup Activities

Every SII Unit in and outside Japan holds regular cleanup activities around their premises, at roadsides, etc. for contribution to the local community and as part of environmental conservation.

Roadway cleaning was carried out in front of both the Navanakorn and Gateway factories of Seiko Instruments (Thailand) Ltd. A total of 150 employees participated on that day.



Educational Support

Each SII Unit continues to provide factory tours as well as work-study and internship programs for local pupils and students. In August 2022, the Akita Unit accepted two internship students from a local high school. After a company presentation, the two students experienced actual inspection work in the inspection process.

Community Activities

Fifteen employees of Seiko Instruments (Thailand) Ltd. visited a local elementary school (Lychee Uthit School) and donated learning materials.

Seiko Instruments (Thailand) Ltd. also held two blood drives at its Gateway plant, with a total of 42 people participating.

