

Daiichi Kigenso Kagaku Kogyo Group Procurement Policy

Based on its management philosophy that prioritizes valuable products, fulfilling life, and rewarding workplace, Daiichi Kigenso Kagaku Kogyo Co., Ltd. (hereinafter referred to as “DKK”) has been conducting its business activities with a view to building sound relationships with all of its diverse stakeholders. DKK hence believes it must remain useful and essential to society, as those are the necessary conditions of its continuous growth and flourishing.

DKK is therefore committed to conducting its procurement activities with all its suppliers while considering them as good business partners, based on mutual understanding and trustful relationship, such that DKK’s supply chain as a whole can fulfill its social responsibilities.

1. Development of partnership

- The DKK Group shall strive to promote CSR across its entire supply chain in cooperation with all its suppliers while considering them as good business partners, based on mutual understanding and trustful relationship.

2. Compliance with laws, regulations, and social norms

- For compliance is its top priority in conducting business activities, the DKK Group shall strive to ensure that its procurement operations conform to all applicable laws, regulations, and social norms of Japan and other countries. The DKK Group also vows not to engage in transaction with any anti-social force or any supplier that has ties to any anti-social force.

3. Equitable and fair transactions

- The DKK Group shall select its suppliers while taking into consideration such factors as quality, price, lead time, technological development capability, supply stability, financial stability, CSR, and environmental protection initiatives, etc. in a comprehensive manner.
- The DKK Group shall not engage in any unfair transaction or commit a violation of the competition law of any country, including without limitation cartel formation, bid rigging, abuse of dominant position.

4. Respect for human rights

- The DKK Group shall strive to uphold international standards on human rights, including without limitation those that are designed to eradicate child labor, forced labor, human trafficking, and other inhumane acts, and also to conduct its procurement activities in such a manner that is attentive to the working conditions at each of its suppliers.
5. Reduction of environment impacts
 - The DKK Group shall strive to conduct its procurement activities while being attentive to resources conservation and environmental protection.
 6. Management of trade secrets
 - The DKK Group shall properly manage all confidential information relating to its suppliers that it becomes privy to in its procurement activities so that it does not get disclosed or divulged to outside parties.
 7. Responsible mineral procurement initiative
 - The DKK Group shall strive to conduct its procurement activities in a responsible manner pursuant to its Responsible Mineral Procurement Policy.
 - The DKK Group shall comply with the framework of the OECD (Organisation for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and shall facilitate its initiative not to use any materials that involve use of, or otherwise contain, any materials that are specified therein, in order to fulfill its corporate social responsibility in addressing the issue of minerals that are sourced from conflict-affected and high-risk areas.
 8. Prevention of corruption and prohibition of provision and acceptance of inappropriate benefit
 - The DKK Group shall enforce its policy of not demanding or accepting any entertainment or gift from its suppliers beyond socially acceptable norms.
 - The DKK Group shall not engage in any reciprocal transaction, the purpose of which is to use any of DKK products or services.
 - The DKK Group's employees involved in procurement shall not form any personal relationship with any of DKK's supplier that may give rise to conflict of interest.

9. Assurance of the quality and safety of delivered goods
- The DKK Group shall strive to maintain and improve the quality and safety of all its products and meet its customers' delivery requirements by complying with all applicable laws and regulations on the prohibited or restricted use of chemical substances that are contained in raw materials and by only sourcing materials the safety of which has been verified.

Hiroshi Kokubu
Representative Director, Member of the Board; President, Executive Officer
DAIICHI KIGENSO KAGAKU KOGYO CO., LTD.
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