

TOK Group CSR Procurement Policy

Guideline

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Tokyo Ohka Kogyo Co., Ltd.

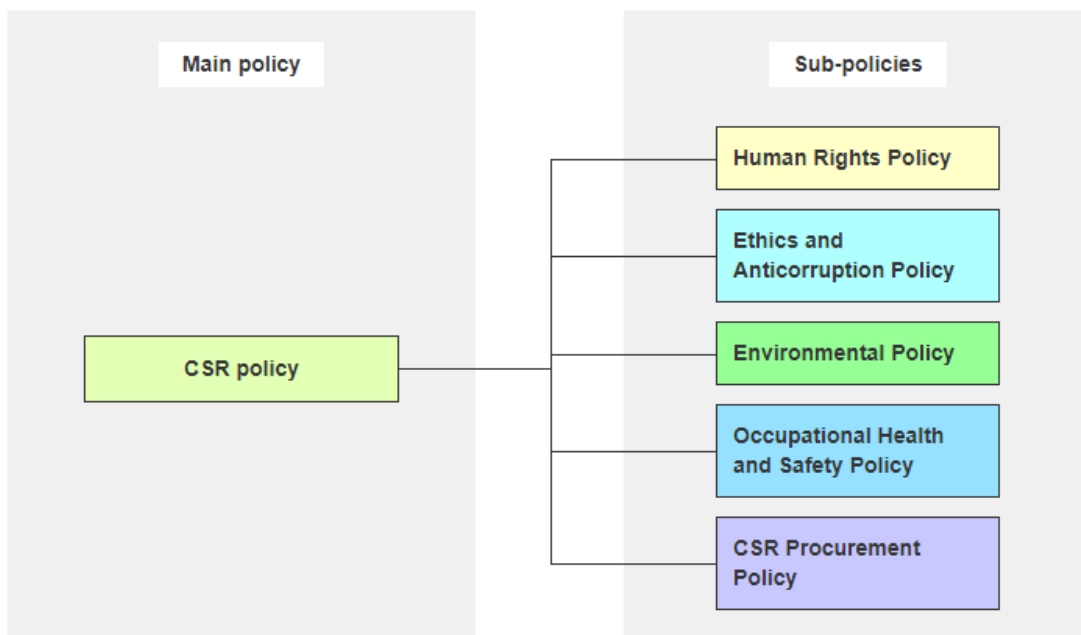
Introduction

Purpose

Tokyo Ohka Kogyo (hereinafter referred to as "TOK Group") promotes CSR activities in compliance with the RBA (Responsible Business Alliance, formerly known as EICC, the CSR Alliance of the Electronics Industry) Code of Conduct. For the purpose of commitment to social norms, we established a CSR policy on October 1, 2020, based on this basic approach to CSR, the RBA Code of Conduct, and various norms and laws and regulations. As a subsidiary policy of this policy, we have established the CSR Procurement Policy.

We would like to ask our suppliers to understand and agree with this policy and actively promote CSR activities.

Diagram of TOK Group CSR Policy



CSR Procurement Policy

TOK Group promotes sustainable procurement based on the spirit of coexistence and co-prosperity with our business partners, as well as laws, regulations and social norms.

1. Promotes the highest possible standards of integrity with respect to quality, price, and delivery time.

- ✓ Always comply with the various laws and regulations of the countries and regions in which you conduct business activities and follow the procedures for obtaining the necessary permits and approvals, notifications, etc.
- ✓ Always comply with laws and regulations and the company's regulations in selecting suppliers of products and services and business subcontractors, and make decisions from a fair comparison and evaluation of conditions such as price, quality, and delivery time.

2. Maintains equitable and appropriate purchasing activities with our suppliers.

- ✓ Equitable and appropriate purchasing activities refers to "transactions made from a position of equality with trading partner companies." It is particularly important to set transaction conditions for things such as prices and delivery times after sufficiently discussing these matters with suppliers. If a violation of laws or regulations or some other issue occurs so that purchasing activities are suspended, continuation of business activities may be hindered. Suppliers are essential partners without whom we could not conduct our business activities, so let's make every effort to have constructive dialogues with our suppliers so that we can continue to maintain equitable and ethical purchasing activities with them.

3. Considers social issues such as human rights and occupational health and safety.

- ✓ Companies must give sufficient consideration to issues concerning human rights and occupational health and safety such as discrimination, child labor, forced labor, and long working hours. These social issues cannot be resolved unless they are addressed by society as a whole, so the efforts of companies are

naturally needed. It is not enough for a company to address human rights issues; the company must join with the entire supply chain including trading partner companies in addressing human rights issues. This specifically involves regularly conducting surveys and taking other effective action to verify whether trading partner companies are addressing social issues. **Let's** work together with trading partner companies so that the entire supply chain is mobilized to address social issues.

4. Promotes green procurement by taking environmental factors into consideration.

- ✓ Green procurement refers to "priority given by companies to procurement from suppliers that pro-actively implement measures to reduce the environmental load of their products and services and that take environmental factors into consideration in conducting their business operations." Promoting green procurement enables reduction of the load corporate activities place on the environment. In addition, environmental considerations and green procurement have various advantages, such as avoiding chemical substance regulations and other risks, reducing costs, and improving the company's brand.

5. Promotes business continuity management to mitigate supply chain risk.

- ✓ There are a variety of risks associated with business activities such as violations of laws and regulations, fraud, quality problems, and many more. Procurement risks include supply issues that occur due to natural disasters and accidents, bankruptcy of trading partner companies due to financial difficulties, and orders to suspend transaction due to violations of laws and regulations by a trading partner company. If a company is not prepared for these kinds of risks and its business activities are suspended in an emergency situation, it will cause considerable damage for customers and other stakeholders. This is why companies evaluate all kinds of risks and formulate countermeasures in advance in promoting their business activities. Specifically, this involves regular evaluation of trading partner companies to recognize risks, procurement from multiple companies, and preparations to deal with all kinds of risks in order to enable business continuity.

6. Strictly controls confidential information that is in the possession or acquired in the normal course of business.

- ✓ In handling confidential information in connection with transactions with other companies, strictly manage the confidential information in accordance with relevant laws and regulations, information management regulations, and agreements concluded with companies you transact with. Particularly when confidential information of companies you transact with is leaked, there is the possibility that your company will lose the trust of the general public. Always keep in mind that the company's computers and documents contain confidential information and must be managed with extra care when taken outside of the company.

7. Promotes responsible mineral procurement throughout the supply chain.

- ✓ "Responsible mineral procurement" means, from a CSR perspective, striving to avoid the use of conflict minerals that contribute to human rights abuses. Conflict minerals refers to 4 kinds of minerals--tin, tantalum, tungsten, and gold (and also cobalt and mica)-- Purchasing products containing these minerals results in funding of armed insurgents. Therefore, check whether or not the substances controlled by conflict minerals and other laws, regulations, and treaties are applicable, and make a judgment as to whether or not they can be used.

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