

Sustainable Procurement Policy

At Hokkan Holdings Group, we endeavor to ensure that our procurement activities give due consideration to the environment, society, and safety and are carried out with high ethical standards, allowing us to deliver safe and high-quality products and services. We have established the Sustainable Procurement Guidelines, as a way of helping us to fulfill our social responsibilities in partnership with our suppliers and business partners throughout the supply chain and to contribute to bringing about a sustainable society.

Basic Policy

1. Ensuring quality and safety

We will comply with all laws and regulations relating to quality and safety in all the countries and regions in which we do business, and we will carry out procurement activities to ensure levels of reliability and safety that meet the Group's requirements and to guarantee quality.

2. Stable supply of products and services

We will carry out procurement activities to ensure a stable supply of products and services and will operate a crisis management system to enable us to respond to emergency situations.

3. Consideration for human rights, labor, and health and safety

We will work together with suppliers and business partners to ensure that due consideration is given to issues of human rights, working environment, and health and safety throughout our procurement activities.

4. Compliance

In order to ensure that we are a company that is trusted by society, we will comply with the laws and regulations of all the countries and regions in which we do business, and will act ethically and in good faith to ensure fair and equitable competition and appropriate management of imports and exports. We will work to eliminate the influence of anti-social elements, to prevent corruption, and to guard against infringement of intellectual property rights.

5. Consideration for the environment

We will promote procurement practices that give due consideration to the environment, through response to climate change, sustainable use of resources, pollution prevention and

environmental protection.

6. Information management and ensuring information security

We are committed to the strict protection of the confidentiality of all business secrets and personal information provided to us by business partners.



Hokkan Holdings Group

Sustainable Procurement Guidelines

The Hokkan Holdings Group's Sustainable Procurement Policy sets out our aim of working together with our business partners and suppliers to fulfil our social responsibilities throughout the supply chain and contribute to bringing about a sustainable society.

We ask our suppliers to take the same approach based on these guidelines. We also ask suppliers to extend the guidelines to other suppliers and business partners within your own supply chains.

1. Ensuring quality and safety

1) Ensuring quality

We ask you to produce and supply products and services that comply with all the relevant laws and standards in force in the countries where they are produced, and to ensure levels of reliability and safety that meet the Group's requirements, and to guarantee the quality of all products.

2) Operation of quality control systems

We ask suppliers to establish and operate an optimized quality control system to maintain and improve the quality of products and services.

3) Appropriate information disclosure and incident response

We ask you to provide all appropriate information relevant to the quality and safety of products and services and to take appropriate action in response to any accident involving a product

4) Traceability

We ask you to keep records at every stage, from the procurement of raw materials and supplies to processing, assembly, distribution, and sales, in order to ensure and maintain the traceability of products.

2. Stable supply of products and services

1) Stable supply

We ask you to help promote optimization of the supply chain by putting in place a production system and crisis management system that will help to ensure a stable supply of materials and enable you to meet strict deadlines.

2) Establishment of a Business Continuity Plan

We ask that you have plans and systems in place to minimize damage and ensure the continuation and recovery of your business in the event of a natural disaster, epidemic of infectious disease, or other emergency.

3. Consideration for human rights, labor, and health and safety

1) Respect for human rights

We ask you to respect the basic human rights of all people and to observe and adhere to international codes of conduct relating to human rights.

2) Prohibition of discrimination and harassment

We ask our business partners to ensure that their business activities are free from all forms of discrimination on the grounds of race, skin color, religion, gender, sexual orientation, gender identity, nationality, age, place of origin, physical or mental disability, illness, or any other reason, and to eradicate all types of harassment.

3) Prohibition of forced labor, child labor, and other unethical practices

Do not require or force anyone to work against their will, and do not employ children under the legal age for employment according to the law of the land, and avoid all involvement in other unethical labor practices.

4) Working hours and wages

Comply with the laws and regulations of the countries and regions in which you operate, manage working hours appropriately, and pay an appropriate level of wages.

5) Strict observance of health and safety guidelines

We ask you to provide a safe and healthy working environment, to take all possible measures to prevent accidents, and to take proper steps to manage the health of all officers and employees.

6) Freedom of association and collective bargaining

We ask you to respect the right to freedom of association and collective bargaining in accordance with relevant laws and regulations.

7) Ban on use of conflict minerals

We ask you to avoid all use of conflict minerals or other materials that are mined in environments likely to involve human rights abuses or that might be used to finance armed groups and criminal organizations, or to be implicated in conflict or crime.

4. Compliance

1) Legal compliance and adherence to international codes of conduct

You must comply with all relevant laws and promote fair and equitable procurement that respects international codes of conduct.

2) Ensuring fair and equitable competition

Do not take any action that restricts or impedes fair and equitable competition and comply with all relevant anti-trust laws and regulations.

3) Appropriate management of imports and exports

Establish an appropriate system to manage imports and exports and comply with the laws and regulations of all the countries and regions in which you operate.

4) Exclusion of antisocial forces and criminal organizations

Do not have any relationship with antisocial forces (criminal organizations) or with groups or individuals who are associated with them in any way, and do not make unreasonable demands using violence, force, threats, or fraud.

5) Prohibition of corruption

Maintain normal relationships with political, governmental and industry organizations, as well as with other companies and individuals. Do not offer or accept bribes or make illegal donations and comply strictly with all relevant laws and regulations.

6) Prohibition on infringement of intellectual property rights

Do not engage in any inappropriate use or infringement of the intellectual property rights or technical information of third parties.

7) Disclosing information to stakeholders

In addition to information that must be disclosed by law, we ask you to disclose in a prompt and appropriate manner any information that may have an impact on the continuation of business dealings with us.

8) Establishment of an internal reporting system

We urge you to establish an internal reporting system that guarantees the confidentiality and protection of anyone who reports inappropriate behavior, and to ensure that officers and employees are aware that no adverse consequences will result from such a report.

5. Consideration for the environment

1) Strict compliance with environmental laws and regulations

Comply strictly with all environmental laws, ordinances, and regulations in the areas where you operate.

2) Establishment of an environmental management system

Please establish and operate an optimal management system to promote and support your environmental activities.

3) Climate change

Please take steps to reduce greenhouse gas emissions.

4) Sustainable use of resources

Take steps toward the sustainable use of all resources, including depletable resources and water resources, and implement steps to use resources efficiently, including the 3Rs: reduce, reuse, and recycle.

5) Preventing pollution

We ask you to protect the regional environment by taking measures to prevent pollution of the air, water, and soil, to guard against noise, vibrations, land subsidence, and unpleasant odors, and to appropriately manage all chemical substances that may have an impact on the environment.

6) Consideration for biodiversity

We urge you to consider biodiversity and ecosystems in your business activities.

6. Information security

1) Strict management of confidential information

You must implement strict controls to protect any technical information, information about products and pricing, as well as the personal data of customers, third parties, officers and employees acquired through your business dealings with us.

2) Defense against threats on computers and networks

Please take appropriate steps to guard against threats on your computers and networks, and manage these systems appropriately to avoid damage to your own company and to other companies.
