

Dainichiseika Group (the “Group”) engages in its corporate activities in accordance with the Basic CSR Policy and aspires to be a company that continues to be trusted by its stakeholders.

Furthermore, in order to apply its CSR initiatives to the entire supply chain, the Group selects its business partners and procurement items based on fair and just assessments through the addition of CSR initiatives such as human rights, the labor environment, environmental conservation, and compliance to the criteria for the selection of its business partners, in addition to conventional items such as quality, safety, performance, price, and stable supply. In the selection of its business partners and procurement items and the continuation of transactions, the Group has set forth the items, which the Group hopes will also be undertaken by its business partners, and has established the “CSR Procurement Guidelines,” as follows.

1. Respect basic human rights; eliminate discrimination, forced labor, and child labor; and make efforts to improve the labor environment.

1) Respect for human rights

Respect the human rights of each person involved in the company’s business activities; prohibit any form of harassment; and never become involved in the infringement of human rights.

2) Prohibition of discrimination

In the employment, promotion, remuneration, etc. of employees, never engage in unfair discrimination based on nationality, human rights, beliefs, gender, the color of their skin, religion, ethnicity, academic background, whether they have a disability, whether they are expecting, marital status, or sexual orientation.

3) Prohibition of forced labor and child labor

Never force labor through threats, restraints, or other means. Furthermore, never use child labor at any stage of the manufacturing process.

**“Child” used in this provision is defined as anyone under the age of 15, or the age at which compulsory education is completed, or the highest age among the legal working ages under local law.

4) Ensuring a (safe and healthy) work environment

Comply with laws on labor, safety, and health; ensure a safe, healthy, and comfortable work environment for all persons involved in the company’s business activities; and make efforts to maintain and improve such an environment.

2. Practice thorough compliance including compliance with laws and the prevention of corruption.

1) Fair transactions

Engage in fair, transparent, and free competition as well as fair transactions and never engage in fraudulent activity.

2) Preventing corruption

Prohibit and prevent bribery, corruption, embezzlement, the offering, receiving, and extortion of improper advantage, among others.

3) Compliance with laws

Comply with the laws (and other agreements) of each country and region as well as international ordinances and social norms.

3. Prevent pollution; effectively utilize limited resources; and make efforts to preserve and recover the natural environment, under the essential task of coexistence of the natural environment and companies.

1) Mitigate the environmental burden

Be aware that initiatives to resolve environmental problems are prerequisites for the social existence of a company and its corporate activities; and make efforts to prevent the pollution of the air and water quality and the soil contamination, to effectively utilize limited resources, and to preserve and recover the natural environment. Furthermore, make efforts to mitigate the environmental burden throughout the entire lifecycle of a product, i.e., from the procurement of materials, the manufacturing, the distribution, the use, the recycling, and the disposal of the product.

2) Management of chemical substances

Thoroughly manage chemical substances and ensure the health and safety of persons who handle such substances and consumers. Be aware of the substances prohibited by the Group and practice thorough management to prevent the contamination of the delivered products by the prohibited substances.

4. Conduct proper quality management and make efforts to establish a quality assurance system.

1) Conduct proper quality management of procurement items and make efforts to establish a quality assurance system.

2) Regard price, delivery, stable supply, and safety also as elements of quality, and make efforts to assure as well as to maintain and improve the quality of procurement items.

5. Offer accurate and adequate corporate information in a timely and appropriate manner and proactively engage in information disclosures.

1) Information disclosures

Offer accurate and adequate corporate information in a simple, timely, and appropriate manner, and proactively engage in the disclosure of information on corporate activities.

Furthermore, regarding matters that impact or may impact safety, the environment or quality, proactively offer information, even if it is not mandated by law.

6. Appropriately manage and protect information as corporate assets and privacy information.

1) Protection of information

Appropriately manage and protect information as corporate assets and privacy information, and never illegally or unreasonably use or leak such information. Additionally, take measures against threats to computer networks.

7. Make efforts to eliminate risks by conducting periodic business assessments to ensure the early detection of new risks.

1) Risk management

Conduct periodic business assessments and make efforts to ensure the early detection of new risks and eliminate such risks.

2) Formulation of a BCP (Business Continuity Plan)

Prepare a system that will allow the resumption of the supply of raw materials in the shortest possible time in the event of a disaster.

8. Engage in the responsible procurement of minerals.

1) Never use conflict minerals that cause the infringement of on human rights, environmental destruction, and other conflicts and become the source of funding for armed groups.

2) Make efforts to procure minerals from conflict-free smelters selected by organizations such as the RMI (Responsible Minerals Initiative).

3) If, in the unlikely event that the use of conflict-minerals funding financing armed groups comes to light, make prompt efforts to remedy such a situation.

You are requested to apply the initiatives outlined in 1 through 8 to further upstream suppliers.

Quality Assurance

Our Approach to Quality Assurance

At all stages from product design through to manufacturing, inspection, and delivery to customers, in compliance with all statutory and regulatory requirements, Dainichiseika Group always puts the highest priority on providing our customers with high quality products and services, while recognizing the maintenance and enhancement of their reliability and safety as social needs.

Quality Policy

To provide the products and services satisfying our customers demand, Dainichiseika has established a quality policy, the fulfillment of which will build its trust and contribute to society.

- 1) We provide the products and services satisfying our customers demand.
- 2) We comply with all statutory and regulatory requirements.
- 3) Our managers and all employees aim to improve product quality.
- 4) We continue to promote the activity that improves product quality.