

Purchasing Policy

We strive to comply with fair trade practices and green procurement in order to build a better society.

With this in mind, in order to fulfill our social responsibilities in the supply chain and to gain the understanding and cooperation of our various stakeholders, we will work with our suppliers on an equal footing, based on mutual understanding, to ensure stable procurement through ongoing transactions that are strictly evaluated based on fair and impartial standards, and develop domestic and international trading markets to promote new entrants, and conducting economical and rational transactions.

Our purchasing policy is to procure from companies that comply with the RBA (Responsible Business Alliance) Code of Conduct, OECD Due Diligence (OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas), and mineral resource disclosure rules, while giving priority to companies that are actively involved in environmentally-friendly products and services.

We will work together with our suppliers to procure and purchase raw materials and materials in consideration of the above so that this purchasing policy can be properly implemented not only in our own company but also in the entire supply chain.

Kanto Denka Kogyo Purchasing Guidelines

In order to gain the trust of society through our activities to promote sustainability and to contribute to building a sustainable society, we promote sustainable procurement throughout the supply chain in our purchasing activities.

We have established the Kanto Denka Kogyo Purchasing Guidelines and work together with our suppliers to further upgrade the entire supply chain including our own. To this end, we would like all suppliers to understand and agree to the intent of these guidelines and follow the initiatives outlined below, while applying this policy to their own supply chain.

1. Compliance with Relevant Laws, Regulations and Social Norms and Action With Ethics

i. Compliance with relevant laws and regulations

We shall comply with all relevant domestic and overseas laws and regulations while understanding the demands of society and acting with high ethical standards.

ii. Elimination of all ties with antisocial forces

We shall eliminate all ties with antisocial forces and take a firm stand against them.

iii. Management of confidential information

We shall pay due care to the management of confidential information and shall not engage in insider trading based on such information or speculative trading that could lead to suspicion of insider trading.

iv. Respect for intellectual property rights

We shall acknowledge the importance of intellectual property, respect the intellectual property (copyrights, design rights, patents, etc.) of third parties and shall not engage in any conduct that may infringe upon such property.

2. Respect for Human Rights

i. Consideration for human rights

We shall procure from companies that comply with the RBA (Responsible Business Alliance) Code of Conduct, OECD Due Diligence (OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas), and mineral resource disclosure rules.

ii. Prohibition of discrimination

We shall respect the human rights and the personality of the individual and eliminate all types of discrimination based on race, skin color, gender, age, religion, beliefs, language, property, nationality or national origin, ethnicity or social origin, political views and other opinions, disability, marital status, health or pregnancy status, sexual orientation or gender identity.

iii. Prohibition of child labor and forced labor

Based on the International Labour Organization (ILO) standards, we shall prohibit the employment of children below the minimum age for employment. Furthermore, we shall employ all employees based on their own free will and prohibit forced labor.

iv. Prohibition of harassment

We shall respect the human rights of employees and shall prohibit inhumane treatment of them such as abuse, corporal punishment, bullying, sexual harassment, and abuse of authority (verbal harassment and intimidating behavior).

v. Right to collective bargaining, appropriate wage structure, and the proper management of labor conditions

We shall respect the basic labor rights of employees, including the rights to organize and bargain collectively, and provide appropriate wages. We shall also properly manage employees' working hours and other labor conditions.

3. Fair and Equitable Transactions

i. Selection of suppliers

We shall evaluate and select suppliers on the basis of unequivocal criteria including the safety, quality, price, delivery time of products and services, technological development capabilities, manufacturing capacity, the stability of management, and commitment to socially responsible activities, and engage in fair corporate activities and optimal purchasing under sound management conditions.

ii. Prohibition of the use of dominant bargaining positions toward suppliers

We shall ensure that we fulfill our obligations under contracts with suppliers and take due care not to impose unfair trading conditions or purchase cheaply from suppliers by abusing our dominant bargaining position. We shall not make unreasonable demands on our suppliers or give or receive gifts or entertainment beyond what is considered socially acceptable.

iii. Promotion of fair and free transactions

We shall not exchange information, hold meetings, or make contact for the purpose of coordination that may lead to collusion, cartels, and other activities that impede the principle of free and fair competition, or even the suspicion thereof.

4. Ensuring Stable Supply and Consideration for Safety

i. Formulation of a business continuity plan (BCP)

We shall formulate a business continuity plan (BCP) and establish a risk management framework to ensure prompt resumption of the supply of raw materials in the event of a crisis such as a natural disaster or an outbreak of infectious diseases.

ii. Prevention of occupational accidents and diseases

We shall promote the prevention of occupational accidents and diseases and shall have procedures and systems for managing and reporting them.

iii. Workplace safety measures

We shall eliminate and mitigate potential worker health and safety risks by identifying and assessing them and taking appropriate measures.

5. Quality Assurance, Product Safety, and Technological Improvement

i. Quality assurance system

To ensure the quality of products and services, we shall establish and maintain a quality assurance system and improve it on an ongoing basis through the operation of such system.

ii. Assurance of product safety and the communication of information

We shall ensure the safety of our products and services at every stage from product design, manufacture, sales, distribution, use, and disposal.

iii. Technological improvement

We shall promote new technological development and the improvement of quality and strive to develop and propose new products.

6. Consideration for the Environment

i. Compliance with relevant environmental laws and regulations and response to the demands of society

We shall comply with all relevant domestic and overseas environmental laws and regulations while striving to reduce the environmental burden by meeting demands of the international community and our stakeholders to make contributions.

ii. Management and reduction of industrial waste

We shall properly manage and dispose of industrial waste in compliance with laws and regulations and promote the 3Rs (Reduce, Reuse, and Recycle) in all of our business activities.

iii. Reduction of greenhouse gas emissions and the communication of information

To reduce emissions of CO₂ and other greenhouse gases generated throughout our supply chain, we shall appropriately monitor and manage emissions and set voluntary targets for continuous reduction. Furthermore, we shall report such emissions in order to properly grasp and manage emissions throughout the entire supply chain.

iv. Management of chemical substances and the communication of information

We shall manage chemicals in products (CiP) at each stage of design and development, procurement, manufacturing, and delivery by appropriately providing and sharing reports on such information with our suppliers and shall provide products that have less impact on the health of our stakeholders and the natural environment by reducing the use of high-risk substances.

v. Conservation of water resources

We shall work to conserve the water environment through the reduction of water consumption, water recycling and reuse, and the thorough management of discharges, etc., in consideration of the water environment of each country and region and aim for the sustainable use of water resources, while striving to ensure business continuity by taking measures against flood.

vi. Consideration of biodiversity

We shall promote initiatives to conserve nature and biodiversity.