

**EKK Procurement Policy**  
**(Basic Procurement Policy and CSR Procurement**  
**Guidelines)**

January 2024

## **Procurement Policy**

Eagle Industry Co., Ltd. and our group companies (hereinafter referred to as the EKK Group) conduct procurement activities in accordance with our procurement policy in the countries and regions in which we do business.

### **1. Basic Procurement Policy**

1. We comply with laws, regulations, and social norms.
2. Under the principle of free competition, we provide opportunities in a fair and equitable manner and strictly select our partner companies.
3. Under the principle of co-existence and co-prosperity, we respect mutual interests and do not engage in conflicts of interest.
4. We proactively engage in improvement activities in collaboration with our partner companies.
5. We build partnerships with our partner companies through open communication.

### **2. CSR Procurement Guidelines**

As a signatory business to the UN Global Compact, we support the UN Guiding Principles on Business and Human Rights (United Nations Human Rights Council), the OECD Guidelines for Multinational Enterprises (Organization for Economic Co-operation and Development), the ILO MNE Declaration (International Labour Organization), and the SDGs (Sustainable Development Goals), and to achieve our corporate social responsibility and sustainability requirements, we will conduct our procurement activities according to the following guidelines.

#### **(1) Compliance**

1. Compliance with laws and regulations
  - We will comply with the laws and social norms of the countries and regions in which we do business, including competition laws, trade-related laws, and environmental-related laws.
  - We will develop and implement policies, systems, training, etc., to ensure compliance with laws and regulations.
2. Management of confidential information
  - We will properly manage and use customer information, partner company information, personal information, technical information, and other information acquired through transactions.
  - We will carry out strict control and protection of privacy and data acquired through transactions.
3. Protection of intellectual property
  - We will not infringe on the rights of third parties, including unauthorized acquisition or unauthorized use of intellectual property.
4. Prevention of corruption
  - We will strive to build transparent and fair relationships with our partner companies, and will not give or receive entertainment, gifts, money, or information for the purpose of obtaining or

maintaining undue profit or unfair preferential treatment.

- We do not buy or sell shares based on internal information from our partner companies.
5. Exclusion of anti-social forces
- We will not conduct transactions with organized crime groups, members of organized crime groups, persons affiliated with organized crime groups, other anti-social forces, or businesses associated with such groups.

(2) Human Rights and Labor

1. Respect for human rights

- In all employment and treatment (application, hiring, promotion, compensation, right to receive education, job assignments, wages, employee welfare, discipline, termination, retirement, etc.), we provide fair and equitable employment opportunities, etc., without regard to attributes such as gender, age, nationality, race, ethnicity, religion, sexual orientation, gender identity, disability, marital or child status, or political or personal beliefs, and we will not tolerate any discrimination on the basis of these attributes.
- We will not tolerate any form of harassment, including power harassment, sexual harassment, or any other form of harassment.
- We will not carry out the forcible vacating or deprivation of land, forests, or waters for acquisition, development, or other uses.
- When employing a security company to protect the safety of our business activities, we recognize that the use of force may cause human rights violations and strive to respect human rights in compliance with the laws and regulations of the countries and regions in which we do business.

2. Work environment

- We do not prevent employees from joining or forming labor unions in accordance with the laws and regulations of the countries and regions in which we do business. We also recognize the exercise of collective bargaining rights.
- All work is voluntary and we will not tolerate forced labor or human trafficking due to lack of consent to work and threat of punishment.
- We will not tolerate child labor at ages below the minimum age at which a person may work as defined by the labor laws and regulations regarding the minimum age for employment of the countries and regions in which we do business and international norms.
- We will not tolerate illegal work by aliens or other forms of illegal work.
- We will ensure the occupational safety and health of our employees, and comply with the laws and regulations of the countries and regions in which we do business.
- In order to pay appropriate wages and manage working hours appropriately, while complying with wage payments that meet legal standards, we will strive to pay more than a living wage. In addition, we will prohibit excessive overtime exceeding the legal maximum working hours.

3. Diversity and inclusion

- This is based on hiring and appointing a wide variety of human resources regardless of gender, race, nationality, etc.
- We will work to ensure that the human rights and the abilities and skills of each employee are recognized and utilized.

(3) Quality and Safety

To earn the trust of our customers and consumers, we place the highest priority on “quality first” and “safety first” in our product development and procurement.

(4) Environmental Conservation

1. Aiming at harmony with the environment, we will comply with the environmental laws and regulations of the countries and regions in which we do business, and conduct procurement activities according to the “EKK Green Procurement Guidelines” in consideration of the global environment and the realization of a sustainable society.
2. Aiming to be carbon neutral, we will work to introduce facilities that reduce greenhouse gases and save energy, replace components, use renewable energy, and so on.
3. We will strive for continuous improvement and prevention of pollution in consideration of biodiversity, and will respect the five freedoms established by the World Organization for Animal Health (WOAH) regarding animal welfare in our business activities.
4. We will strive to be environmentally conscious regarding transportation, and will actively work to simplify packaging, use recycled materials, use environmentally friendly packaging materials, and use packaging and cushioning materials that can be used repeatedly.

(5) Community and Society

1. Responsible procurement

- We strive to avoid the procurement and use of products and raw materials from countries and regions that may cause social problems in terms of human rights, labor, the environment, prevention of corruption, and so on.
- We work toward the non-use of minerals and related processed products that are sources of funding for armed groups engaged in inhumane acts.

2. Conflict minerals

Our basic policy is to not use conflict minerals from conflict and high-risk areas (CAHRAs) in the Democratic Republic of the Congo (DRC) and neighboring countries, and to eliminate conflict minerals that finance or benefit illegal armed groups in conflict areas. Furthermore, to ensure compliance with our policy, we require our partner companies to procure from smelters that have been certified as being free from complicity in conflicts or serious human rights violations.

To realize this policy, we eliminate all forms of human rights violations and promote efforts to procure raw materials that do not contribute to conflicts and to mitigate risks.

- When purchasing raw materials, we conduct sufficient research and do not purchase conflict minerals (tantalum, tin, gold, tungsten) or cobalt and mica that could be a source of funding for armed groups produced in conflict and high-risk areas (CAHRAs) in the Democratic Republic of the Congo and neighboring countries.

In addition, we will not purchase any materials that are unidentified by our partner companies.

- We fully cooperate with our customers in their investigations of conflict minerals and work together to eliminate conflict minerals and to engage in responsible procurement activities.
- We collect information related to conflict minerals and review the content and progress of these measures to make them more effective in light of the above objectives.

### 3. Contribution to local communities

- In cooperation with local communities, we pay attention to issues facing communities, and aim to perform social contribution activities that will lead to solving them.
- We contribute to the development of local communities through active transactions with local businesses.

### 4. Information disclosure

- We disclose business information related to management and finances, product handling, safety, quality, and the environment to all stakeholders in a timely and appropriate manner, and strive to maintain and develop mutual understanding and relationships of trust with stakeholders through open and fair communication.

## (6) Crisis management for business continuity

We establish organized management systems for business continuity and ensure crisis management in preparation for the occurrence of crises such as cyber attacks, information leaks, natural disasters, infectious diseases, fires, and accidents.

## (7) Sharing awareness with our partner companies

We work to ensure that the EKK Group's "Charter of Corporate Behavior" and "Procurement Policy (Basic Procurement Policy and CSR Procurement Guidelines)" are respected throughout the procurement supply chain.

## 3. Requests to Our Partner Companies

### (1) Request for understanding of our "Procurement Policy (Basic Procurement Policy and CSR Procurement Guidelines)"

We believe that sharing awareness of CSR activities throughout the procurement supply chain is important in fulfilling our corporate social responsibility.

We request that our partner companies make similar efforts by understanding the EKK Group's "Charter of Corporate Behavior" and "Procurement Policy (Basic Procurement Policy and CSR Procurement Guidelines)."

(2) Expansion to our partner companies' suppliers

We ask our partner companies to develop their own policies and guidelines for their suppliers based on the above objectives, and to disseminate their CSR initiatives.

(3) Declining kindnesses, etc.

1. We decline all kindnesses (money, gift certificates, book vouchers, gifts, special discounts on products, etc.) from our partner companies.
2. We decline to attend dinners, golf, etc., unless agreed upon in advance between the partner company and the EKK Group.
3. We will not receive any other favors that are considered to be inappropriate by socially accepted conventions.

**4. Consultation Service and Complaint Processing Mechanism**

We have established a consultation service for compliance questions and other issues related to human rights, labor, the environment, prevention of corruption, etc., in transactions with the EKK Group.

SCM Department of the Corporate Strategic Planning Office or Administration Department of the Corporate Administration Office, Eagle Industry Co., Ltd.

TEL: 03-3432-3892

1. This consultation service and complaint processing mechanism is intended to solve problems by receiving information from reporting parties when they become aware of violations (or suspected violations) of laws and regulations and risks related to human rights, labor, the environment, and prevention of corruption by EKK Group employees, etc., in transactions with partner companies.
2. We will confirm the facts of the reported matter and take appropriate action. Note that we may ask for cooperation in fact-finding, investigation, etc.
3. In order to protect a reporting party and their place of employment, we will thoroughly maintain confidentiality regarding reporting. In addition, we will not engage in any conduct that identifies or investigates a reporting party or their place of employment, or treat a reporting party disadvantageously because of their report.
4. The above does not apply if a report contains intentionally false information.

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Issued by: SCM Department, Corporate Strategic Planning Office, Eagle Industry Co., Ltd.

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