

Mitsubishi Kakoki Group Procurement Guidelines

April 2025

Mitsubishi Kakoki Kaisha, Ltd.

Mitsubishi Kakoki Group's Procurement Guidelines

In order for the Mitsubishi Kakoki Group (hereinafter referred to as “The Group”) to continue sustainable growth into the future, The Group formulated a target for 2050 entitled the “Mitsubishi Kakoki Group's Management Vision for 2050” based on its vision statement to “Challenging sustainable development and realizing a comfortable society” and conducts its business activities to achieve this goal. Further, The Group's procurement activities are conducted faithfully in accordance with the “Mitsubishi Kakoki Group's Code of Conduct,” “Mitsubishi Kakoki Group's Code of Behavior for Compliance,” and “Mitsubishi Kakoki Group's Procurement Policy” (on the next page).

Recently, sustainability demands have been expanding globally through the supply chain, and we are responding sincerely to requests from our customers.

Based on these company policies and social demands, and as a matter that should be handled by The Group and our business partners to fulfill our social responsibilities together, we established the “Mitsubishi Kakoki Group's Procurement Guidelines” as items that should be complied with regarding procurement activities. Simultaneously, we aim to contribute to increasing the value of The Group and our business partners' companies through the procurement activities based on these guidelines.

The Group would like to treat these guidelines as a matter of importance, regarding the continuation of our business relationships and shall periodically confirm the status of its implementation. As for all our business partners, we kindly ask for your understanding towards these guidelines. Please inform your business partners about them and proceed with the implementation of the measures.

Date of creation: 3/31/2025

*These guidelines were created based on the “CSR/Procurement Self-assessment Tool Set Version 1.2” compiled by Global Compact Network Japan.

Mitsubishi Kakoki Group's Procurement Policy

The Group implements procurement activities based on the following principles.

Compliance with Laws and Regulations

Along with complying with laws, regulations, and so forth, we faithfully promote procurement activities in accordance with the “Mitsubishi Kakoki Group's Code of Conduct” and “Mitsubishi Kakoki Group's Code of Behavior for Compliance,” which were established to form the foundation of compliance. Regarding procurement of materials, any information obtained from business partners shall be strictly managed as important internal information and shall not be disclosed outside of The Group without consent from business partners.

Fair and Transparent Business

We provide fair and impartial entry opportunities to all our business partners. We make comprehensive assessments of each article for purchase, such as the quality, price competitiveness, reliability of delivery, and operational stability, and trade with the optimum business partners.

Partnership Building

We aim to mutually strengthen competitiveness and prosperity based on a relationship built on mutual trust with our business partners on a long-term perspective. We endorse the aim of the “Conference for Promoting Partnerships that Open Up the Future” promoted by the Cabinet Office, METI (Ministry of Economy, Trade and Industry), SMEA (Small and Medium Enterprise Agency), and so forth. We have made official announcements regarding “Declaration of Partnership Building.” We shall continue to further strengthen our business partnerships and work on increasing added value to the entire supply chain.

Consideration for Sustainability

We aim to “be kind to people and the earth” by endeavoring to procure raw materials, parts, and products that consider human rights, labor, health and safety, the global environment, and local communities.

Mitsubishi Kakoki Group's Procurement Guidelines

I. Human Rights and Labor

The Group's fundamental stance toward human rights and labor practices is stipulated in the "Human Rights Policy."

1. **Respect for Basic Human Rights and Prohibition of Discrimination**
Respect basic human rights and eliminate all kinds of discrimination and harassment in employment, such as race, nationality, gender, sexual orientation, age, disability, faith, ideology, and ethnicity.
2. **Provide Fair Opportunities to Workers for Talent Development, Career Enhancement, etc.**
Support the development of workers' abilities through various initiatives, such as education and training systems, an internal open recruitment system, and consultations.
3. **Prohibition of Inhumane Treatment**
Respect the human rights of workers and prohibit inhumane treatment and such potential behavior, such as mental and physical abuse, coercion, and harassment.
4. **Payment of Reasonable Wages**
Comply with all applicable regulations regarding remunerations paid to workers (incl. minimum wage, overtime pay, statutory allowance, and wage deductions), and to not make any improper wage reductions.
5. **Fair Application of Working Hours, Vacation, Paid Leave, etc.**
Comply with statutory working hours, appropriately manage workers' working hours, days off, and vacations, and provide a working environment that emphasizes the workers' health and work-life balance.
6. **Prohibition of Forced Labor**
Ensure a foundation of labor based on the free will of workers, and do not coerce, such as through improper restraint, excessive overtime work, or exploitative labor. Further, respect the rights of workers' resignation and termination of employment.
7. **Prohibition of Child Labor**
Do not employ anyone who has not reached 15 years of age, the age of completing compulsory education, or the country's minimum age for employment, whichever is greatest. Further, regarding workers under 18 years old, do not allow night shifts or overtime work that may potentially harm health and safety.

8. Respect for Operating Country/Local Culture, Traditions, Customs, etc.
Respect the country/local unique culture, history, traditions, customs, and so forth. Abide by international standards regarding religious requests from workers and consider them appropriately within a scope that does not hinder business operations.
9. Recognition and Respect for Freedom of Association and Right to Collective Bargaining
Respect the right of workers to freely form associations and join labor unions and the right to protest without experiencing retaliation, intimidation, or harassment. Further, carry out dialogues and negotiations faithfully between labor and management.
10. Appropriate Management of Workers' Health and Safety
Provide safety information, education, and training to workers, and endeavor to prevent work-related accidents and occupational diseases. Also, take safety measures against risk factors, such as accident risks, hazardous chemicals, noise, foul smells, and so forth. Further, conduct health checkups and carry out health management that also takes mental health into consideration.

II. Environment

The Group's fundamental stance toward the environment is stipulated in the "Basic Sustainability Policy."

1. Management of Hazardous Chemicals Designated by Laws and Regulations in Manufacturing Processes, Products, and Services
Comply with regulations for the handling of hazardous chemicals used in the manufacturing processes.
2. Management and Reduction of Sewage, Sludge, and Emissions
Meet statutory standards or go above them by setting independent standards for monitoring emissions, sewage, and sludge discharge, and work to prevent environmental pollution and reduce environmental impact.
3. Sustainable and Efficient Use of Resources (Energy, Water, Raw Materials, etc.)
Set independent targets to promote saving resources and energy conservation, and work to reduce continuous waste and effectively utilize resources.
4. Reduction of GHG (Greenhouse Gas) Emissions
Set independent targets to reduce the amount of greenhouse gases (CO₂, methane, chlorofluorocarbon, etc.) toward preventing global warming and climate change, and continuously promote reduction activities.
5. Specification, Management, and Reduction of Waste and Responsible Disposal or Recycling
Set independent targets and work to reduce waste by promoting the three Rs: Reduce, Reuse, and Recycle.
6. Biodiversity Initiatives
Business activities shall consider the direct and indirect impact on the ecosystem and work to conserve and sustain the use of biological diversity.

III. Fair Business Activities

The Group's fundamental stance toward fair business activities is stipulated in the "Code of Conduct."

1. Establishment of Appropriate Relationships with Domestic and Overseas Local Governments and Public Officials Where Business Activities Are Conducted
In order to maintain sound relationships with companies and public officials (incl. quasi-public officials and overseas public officials), do not entertain or exchange gifts that violate laws. Further, do not make promises or offers as a means to earn improper or inappropriate gains.
2. Prevent Transfer of Improper Gains with Customers or Business Partners in Sales or Purchasing Activities
Do not make any promises, offers, or grant any permission or approval whatsoever as a means to bribe or to earn improper or inappropriate gains. Further, do not approve receiving improper gains or benefits nor make promises or demands for these.
3. Prevention of Competition Law Violations in Business Activities
Do not conduct any unfair trade whatsoever toward business partners or competitive partners, such as abuse of a superior position, order adjustments, bid-rigging, cartels, obstruction of trade, and so forth.
4. Elimination of Relationships with Criminal Groups, Organizations, and Individuals
Do not hold any relationships whatsoever with criminal groups, organizations, or individuals that threaten the order and safety of civil society, and by no means respond to any illegal or improper demands from these organizations.
5. Prevention of Unauthorized Use of Third-Party Intellectual Property and Illegal Reproduction of Copyrighted Material
Respect the intellectual property of third parties, such as patent rights, copyrights, trademark rights, and so forth, and take sufficient care not to violate these rights or wrongfully obtain or use them.
6. Complaints and Inquiries Desk for Internal and External Parties
Provide an exclusive desk where workers, business partners, and customers who become aware of important risk information can report or consult directly. On such an occasion, we will ensure that confidentiality is strictly maintained and that you will not be subject to any unfavorable treatment whatsoever.
7. Prohibition of Insider Trading
It is prohibited to trade stocks and so forth of the company or other companies based on inside information acquired during business operations at the company, affiliated companies, business partners, and so forth, or to provide such information to others.
8. Prohibition of Conflict of Interest
In situations where there is a conflict between individual gain and company gain, it is prohibited to pursue only one's own interest or a third party's interest at the expense of the company interests.

IV. Quality and Safety

The Group's fundamental stance toward quality and safety is stipulated in the "Measures for Preserving Quality and Safety."

1. Ensure Quality and Safety of Products and Services

Always comply with laws and safety standards regarding the provision of products and services, and provide competitive quality, prices, and delivery times.

2. Appropriate Response to Accidents Involving Products/Services and Defective Products

In the event of an accident or defective products going into circulation, maintain a system that responds to customers, discloses information, contacts the competent authorities, collects products, provides safety measures to suppliers, and so forth. Further, prepare for the occurrence of accidents by formulating an action plan and implementing training to ensure the safety of workers and minimize damage.

V. Information Security

The Group's fundamental stance toward information security is stipulated in the "Basic Policy for Protecting Information and Specific Personal Information."

1. Protection Against Computer Network Attacks

Take defensive measures against the threat of computer networks and cyber-attacks and manage appropriately so that damage is not caused inside or outside the company.

2. Protection of Personal Data and Privacy

Comply with laws related to all the personal information of customers, suppliers, consumers, workers, and so forth, and manage and protect it appropriately.

3. Protection of Confidential Information

Regarding confidential information of the company and confidential information received from customers or third parties, comply with the terms of contracts, carry out appropriate management, and protect information in order to prevent improper use and information leaks.

VI. Supply Chain

The Group's fundamental stance toward the supply chain is stipulated in the "Basic Sustainability Policy."

1. Responsible Procurement of Minerals

We take measures so as not to purchase parts and products that include minerals related to human rights violations and environmental destruction, such as minerals (tin, tantalum, tungsten, and gold) that become a source of funds for armed groups in conflict areas and so forth, as well as child labor.

VII. Coexistence with Local Communities

The Group works on coexisting with local communities in accordance with the “Code of Conduct,” “Basic Sustainability Policy,” and “Environmental Policy.”

1. Reduction of Damage to Health and Safety of Local Communities and Residents
We carry out measures to eliminate damage, towards health and safety and so forth, to local communities and residents from our products and production processes.
2. Contribution and Cooperation with Local Communities and Residents Toward Sustainable Development
We cooperate with local communities, endeavor to engage in social contribution activities, and contribute to the development of a sustainable society.
3. Respect and Consideration for the Lives and Cultures of Local Communities and Indigenous People
Respect the unique cultures and history of areas where indigenous people or minority ethnic groups reside, to abide not only the local laws but also international standards, and consider the rights of indigenous people.

This marks the end of the document.

Date of creation: 3/31/2025