

TPR Group Procurement Policy

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August, 2024

TPR CO., LTD.

TPR Group Procurement Policy

We will engage in procurement activities that build partnerships based on fairness and mutual trust by promoting cooperation, co-existence and co-prosperity with our supply chain partners and other value-creating businesses.

Basic Procurement Policy

- (1) We will conduct procurement activities based on a relationship of mutual trust with our business partners.**
- (2) We will comply with laws, regulations, social norms, etc., and conduct procurement activities with a high sense of business ethics.**
- (3) We will work with our business partners to fulfill our corporate social responsibilities and engage in sustainable procurement activities.**
- (4) We will provide our business partners (including potential partners) with opportunities for fair and equitable transactions.**

Compliance with Promotion Standards

("Promotion Standards" based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises)

① Pricing

We will not make unreasonable requests for cost reduction. At the time of entering into a contract, we will clearly state and deliver the terms and conditions of the contract in writing or otherwise.

② Cost burdens such as die management

We will promote the disposal of unneeded dies and will not request free storage of dies after production has been terminated.

③ Terms of payment for bills and other items

Payment for transactions will be made in full in cash whenever possible. Terms of payment should be within 60 days.

④ Intellectual property and know-how

We will not seek disclosure of know-how or free transfer of intellectual property rights by exploiting our position in a business transaction.

⑤ Burdens associated with workstyle reform

To enable our suppliers to respond to changes in work styles, we will strive to avoid placing orders with short delivery times or changing specifications at short notice.

Selection of Business Partners

We will select suppliers who agree with and implement the following A. through D. and TPR Procurement Guidelines to conduct procurement transactions.

A. Open and fair trade

We will build desirable business practices throughout the supply chain based on mutual trust in procurement activities.

B. Compliance with laws, regulations and social norms

We will comply with the laws, regulations and social norms of each country and region in which we operate.

C. Consideration for the environment

We will promote business activities that take the local and global environment into consideration.

D. Consideration for human rights and occupational health and safety

In our business activities, we will respect human rights and strive to create a safe and clean work environment.

TPR Group Procurement Action Guidelines

The staff members conducting operations in the procurement department of the TPR Group will endeavor to maintain and improve the following items over the long term.

- (1) Deal fairly with all of our business partners, respect fair trade practices, and not cause unfair disadvantage.
- (2) Listen to our business partners and develop a broad perspective to procure competitive and better products in the best possible manner.
- (3) Strictly manage confidential information of business partners obtained through business transactions and endeavor to maintain confidentiality.
- (4) Not accept personal benefits from a business partner in connection with a procurement transaction.
- (5) Other guidelines for conduct shall be in accordance with the TPR Group Procurement Guidelines.

TPR Group Procurement Guidelines

We, the TPR Group, with the aim of realizing sustainable manufacturing and society, will respect desirable business practices throughout the supply chain based on mutual trust with our business partners, and actively work to correct business practices and commercial practices that hinder partnership building. In order to realize open and fair procurement transactions, we will welcome active proposals from suppliers with their wealth of experience, knowledge and know-how in the procurement of raw materials for products, products and parts, production equipment, dies, jigs and tools, and packaging materials, based on price, quality, delivery time, technical improvement and cost reduction capabilities, management foundation, and green procurement, and will ensure the procurement of competitive and better products in the best possible manner.

[1] Compliance with laws, regulations and social norms, and prevention of corruption

We will comply with the relevant laws, regulations, and social norms of the countries and regions in which we operate.

- ◆ Compliance with relevant laws and regulations (e.g., antitrust laws, commercial laws, subcontracting laws, foreign exchange laws, personal information protection laws, copyright laws, labor laws, etc. in each country and region)
- ◆ Prohibition of engaging in bribery with any interested party
- ◆ Prohibition of business transactions with antisocial forces

[2] Consideration for human rights and occupational health and safety

In our business activities, we will respect human rights and comply with the following in order to realize a safe and clean work environment.

- ◆ Prohibit forced labor, inhumane treatment (including slavery), human trafficking, and child labor; prohibit discrimination based on race, nationality, sex, religion, etc.; and eliminate harassment
- ◆ Payment of a fair wage (payment of a wage that exceeds the minimum wage of applicable laws and regulations, and a level of wage that can provide for the
- ◆ Proper management of working hours (working hours and days off that do not exceed applicable laws and regulations, and that take into account international standards)
- ◆ Respect for freedom of association and collective bargaining
- ◆ Provide safe and clean facilities (suitable work environment and equipment maintenance, living conditions, etc.)
- ◆ Responsible mineral procurement (procurement activities shall take into account the impact on local communities of the use of raw materials that may cause social problems such as human rights and the environment (e.g., conflict minerals, cobalt, natural rubber, etc.)), and if there are concerns, measures shall be taken to avoid the use of such materials.

[3]Concern for the environment

We will position environmental initiatives as one of our most important management issues, and actively engage in activities to promote environmentally harmonized product manufacturing while promoting the following.

- ◆ Establishment and maintenance of an environmental management system (establishment of an ISO 14001:2015 compliant environmental management system)
- ◆ Formulation of a basic environmental policy
- ◆ Promotion of activities aimed at reducing environmental impact (addressing climate change, carbon neutrality, and water resource management; addressing circular economy; consideration for ecosystems; and creating management systems and educating employees on environmental risks)
- ◆ Promotion of chemical substance management
- ◆ Coexistence with neighboring communities (reduction of noise, wastewater, and waste, promoting development of odor reduction technologies, and promoting the use of recycled and reclaimed materials, etc.)

[4]Sound business management and information disclosure

We will endeavor to conduct sound business management for the sake of uninterrupted transactions with our business partners. We will also disclose information on human rights, occupational health and safety, environment-related matters, business activities, our financial status and performance, and risk information (e.g., damage caused by large-scale disasters, occurrence of adverse effects on the environment and society, and discovery of serious legal violations).

[5]Ensuring superior quality

In order to maintain and improve the quality of products provided to customers, we will maintain a quality assurance system in accordance with ISO9001, cooperate in obtaining necessary external certifications, and comply with laws, regulations, and the following

- ◆ Compliance with national and regional safety standards
- ◆ Uninterrupted provision of materials and services that meet customer specifications and quality requirements
- ◆ Proper management and storage of documents, records, and inspection data that guarantee compliance with important quality characteristics, especially laws, regulations, and standards

[6] Information security and protection of intellectual property

We will prevent the leakage of confidential and personal information and strengthen information security.

- ◆ Defense against cyber attacks
Formulate defensive measures against threats such as cyber attacks and establish a management system to prevent damage to our company and other companies.
- ◆ Protection of personal information
Compliance with laws and regulations and appropriate management and protection of all personal information of suppliers, customers, consumers, employees, and so on

- ◆ Prevention of leakage of intellectual property and confidential information
Proper management and protection of intellectual property and confidential information received not only from our company but also from our customers and third parties

[7] Establishment of a stable supply system and uninterrupted supply in the event of unforeseen disasters, etc.

In order to ensure an uninterrupted supply of products to our customers, we will strive to ensure reliable delivery dates and establish a stable and flexible supply system for materials and services. In the event of unforeseen circumstances (natural disasters, epidemics, fires, riots, terrorism, wars, civil wars, etc.), we will cooperate to provide uninterrupted supply while sharing supply chain information with our customers, TPR Group and suppliers, including your suppliers, and promote risk management activities during normal times.

Compliance Confirmation Form

In order to realize sustainable manufacturing and society, we agree with TPR Group's commitment to comply with the TPR Group Procurement Policy throughout the supply chain based on mutual trust with suppliers, and we will cooperate with efforts to disseminate this policy throughout our supply chain. Accordingly, we hereby submit this letter of intent with the signature of our legal representative (*).

*The person who should sign the form should be someone who has the authority to represent the company or who has been delegated the authority by a representative (e.g., director in charge).

Date of signature

Your company name

Position of signatory

(Seal)

Signature (handwritten or signed with the representative's seal)

Name of signatory

Department in charge of this matter

Person in charge of this matter

Telephone No.

E-mail address

Corporate Message

TPR

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