

Nihon Chouzai Group Basic Procurement Policy

As a company that contributes to society through medical care, we at the Nihon Chouzai Group are committed to our mission “to give people the closest possible support,” and play a role in supporting people's healthy lifestyles. We believe that we cannot accomplish our various business activities alone, and that the understanding and cooperation of all of our stakeholders is essential. We established the Nihon Chouzai Group Basic Procurement Policy to ensure responsible procurement and build sound cooperative relationships with business partners, including those in our supply chain, and will implement the policy appropriately to help create a sustainable environment and society.

The Basic Procurement Policy applies to all officers, executive officers, and employees of the Nihon Chouzai Group, and we will conduct our procurement activities in accordance with this policy.

1. Compliance with laws, international norms, and internal rules

We will comply with domestic and international laws and regulations, international norms, and internal rules in our procurement activities. Furthermore, if there are differences between the laws and regulations of a given country or region and international norms, we will adhere to the higher standard, and if there are conflicting standards, we will pursue ways to maximize compliance with international norms.

2. Providing safe and secure services and products

We will ensure that safety and security are prioritized in every aspect of our services and products provided to all stakeholders. In addition, we will strive to continuously provide services and ensure a stable supply of products with an appreciation for the importance of our social responsibility in healthcare.

3. Respecting human rights and ensuring an appropriate working environment

We respect fundamental human rights and prohibit unfair discrimination and harassment in our procurement activities. Furthermore, we will check for human rights violations and unfair labor practices, and if we discover any unfair practices, we will examine options for corrective action and then suspend transactions if the practices are not rectified.

4. Environmental preservation

We will work together with suppliers in our procurement activities to preserve the environment and reduce our environmental impact.

5. Conducting fair business practices and preventing corruption

We will engage in fair, just and free competition in our procurement activities, and will engage in fair transactions with all suppliers based on appropriate standards. In addition, we will not engage in any form of corrupt practices in Japan or overseas.

6. Revisions and abolishment

The Board of Directors of NIHON CHOUZAI Co., Ltd. will be responsible for revising or abolishing this policy.

7. Enactment

This policy will go into effect after revision on January 1, 2024.

Nihon Chouzai Group Supplier Code of Conduct

Dear supplier,

This Code of Conduct outlines matters that we expect all of our business partners to comply with. The Nihon Chouzai Group will pursue procurement from suppliers that comply with these matters. We hope that your company will communicate the content of this Code of Conduct or similar guidelines that you have to your business partners and encourage them to comply with it.

■ Scope of application

We expect suppliers directly doing business with the Nihon Chouzai Group to comply with this Code of Conduct. In addition, we hope that second tier suppliers and other indirect business partners, as well as those we work with through agencies, will also comply by this Code of Conduct.

■ Operation

The Nihon Chouzai Group will pursue procurement from suppliers that address the matters set forth in this Code of Conduct. In addition, we will use this Code of Conduct as one of the factors in determining whether to continue conducting business with your company.

■ Inspection

Suppliers shall respond to questionnaires, accept on-site audits, submit relevant materials and records, and respond to other requests from the Nihon Chouzai Group regarding the status of compliance with this Code of Conduct.

■ Reporting violations and corrective actions

Suppliers must report any violation or potential violation of this Code of Conduct to the Nihon Chouzai Group as soon as they become aware of such violation or potential violation. If a violation is found, suppliers must formulate a plan to eliminate the violation, implement corrective actions, and report to the Nihon Chouzai Group. Depending on the nature of the violation, Nihon Chouzai Group may terminate the contract.

■ Matters to be complied with

The following is a list of matters that we expect all of our business partners to comply with.

1. Complying with laws and international norms

Suppliers must comply with the relevant laws and regulations and international norms in each country and region in which they conduct business activities.

2. Conducting fair business practices and preventing corruption

(1) Fair competition

Suppliers must not engage in any conduct that restricts fair and free competition.

(2) Corruption prevention

Suppliers must not engage in any form of corrupt practices such as bribery, collusion, etc. Sound relationships with government or public officials shall be maintained, and no money, gifts, entertainment, or other financial benefits shall be offered, promised, or proposed in return for business.

(3) Severing relations with antisocial forces

Suppliers must not have any relationship with any group or individual that may disrupt the social order or sound corporate activities.

(4) Relationship with medical institutions

Suppliers must maintain fair and transparent relationships with medical institutions in compliance with various laws, regulations, and guidelines.

(5) Donations

Suppliers must comply with relevant guidelines and ensure proper disclosure and transparency when making donations.

(6) Preventing insider trading

Suppliers must comply with the rules of the securities market and not engage in insider trading that violates laws and regulations, such as buying or selling shares or other securities while knowing material non-public information about a company or its business partners, etc.

(7) Protecting intellectual property

Suppliers must not engage in business activities that infringe on the intellectual property rights of other companies.

3. Human rights and labor

(1) Prohibition of discrimination and harassment

Suppliers must eliminate discrimination and harassment of any kind on the basis of race, color, gender, disability, nationality, language, religion, creed, ideology, property, family origin, or other status, and prohibit discrimination and harassment in employment, treatment, promotions, and other decisions based on these grounds.

(2) Prohibition of forced labor

Suppliers must not engage in any form of forced labor, slavery, or human trafficking. In addition, the human rights laws and regulations of each country shall be observed.

(3) Prohibition of child labor

Suppliers must not allow children who have not reached the working age as defined by the laws and regulations of each country or region to work.

(4) Freedom of association and the right to collective bargaining

Suppliers must support the freedom of association and the right to collective bargaining by their employees.

(5) Reducing excessive working hours

Suppliers must comply with the laws and regulations of each country regarding working hours, establish holidays and appropriate working hours, and strive to reduce excessive working hours.

(6) Paying more than the minimum wage

Suppliers must pay wages that exceed the legal minimum wage in each country or region.

(7) Maintaining occupational health and safety

Suppliers must maintain their facilities in a manner that takes into consideration the safety and health of their employees. The safety of facilities shall be maintained through appropriate repair work, etc.

4. Environment and animal welfare

(1) Reducing CO2 emissions and mitigating climate change

Suppliers must work to prevent global warming and mitigate climate change by reducing greenhouse gas (GHG) emissions, including CO2 emitted through business activities, and by implementing energy conservation initiatives.

(2) Reducing environmental impact

Suppliers must acknowledge their corporate social responsibility and strive to reduce environmental impact throughout their group's business activities. In addition, suppliers must actively promote the introduction of technologies that reduce environmental impact and transition to renewable energy sources.

(3) Reducing waste and efficiently using resources

Suppliers must work to build a recycling-oriented society by using resources more efficiently, reducing, reusing, and recycling waste, and shifting to environmentally friendly materials and reusable containers.

(4) Improving water use efficiency

Suppliers must improve water use efficiency and reduce environmental impact by lowering water consumption, finding secondary uses for wastewater, and properly treating contaminated water.

(5) Preserving biodiversity

Suppliers must work to preserve biodiversity by recognizing the impact of their business activities on ecosystems and minimizing impact on biodiversity through business activities that preserve ecosystems as well as through appropriately treating chemical substances generated as part of our business activities.

(6) Respecting animal welfare

Suppliers must respect the lives of animals, minimize pain and limit the number of animals to the minimum necessary when conducting animal experiments. Animal experiments shall be conducted in compliance with relevant laws and regulations, and efforts shall be made to have the animal husbandry and experiment implementation systems verified by an external organization.