

Sustainable Procurement Guidelines

1. Promotion of sustainable procurement

Hisamitsu Pharmaceutical Co., Inc. has the corporate philosophy of “Delivering a Better QOL to the World” (QOL stands for Quality Of Life) and the corporate mission of “Promoting ‘TE-A-TE’ Culture Worldwide.” Under this corporate philosophy and mission, we at Hisamitsu Pharmaceutical strive to improve our corporate value and promote sustainable procurement while giving importance to ESG (Environmental, Social, and corporate Governance) and the SDGs (Sustainable Development Goals).

2. Basic Policies for Sustainable Procurement

To build a sustainable supply chain as part of the company’s sustainability efforts, Hisamitsu Pharmaceutical has established the Basic Policies for Sustainable Procurement, and it complies with all relevant laws, regulations, and rules and conducts fair and equitable procurement activities.

Basic Policies for Sustainable Procurement

1) Compliance with laws and regulations

- In conducting business activities in Japan, we comply with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Antimonopoly Act, the Unfair Competition Prevention Act, the Fair Competition Code, and other domestic laws and regulations. In conducting business activities outside Japan, we comply with local laws and regulations.

2) Compliance with social norms

- To promote procurement activities based on high ethical standards, we select suppliers of raw materials and other goods in a fair and equitable manner.
- We do not accept, ask for, or promise illegal or undue gain (e.g., in the form of money, goods, or entertainment).
- We do not transfer, disclose, or leak to a third party any confidential information obtained through individual-to-individual or business-to-business activities.

3) Respect for human rights

- Under the Hisamitsu Pharmaceutical Human Rights Policy, we conduct company management and business activities based on respect for human rights, thereby contributing to sustainable social development.

4) Maintenance and improvement of occupational health and safety

- We contribute to the maintenance and improvement of occupational safety and health based on the policies of ISO 45001 (Occupational Health and Safety Management System).

5) Environmental consciousness

- We contribute to the maintenance and improvement of environmental

conservation based on the policies of ISO 14001 (Environmental Management System).

6) Building a relationship of trust with suppliers

- We conduct a constructive dialogue with suppliers to improve their corporate value as a whole.
- We also strive to meet a wide variety of societal demands, including suppliers' environmental consciousness and worker management at their production sites.

3. Supplier Standards for Sustainable Procurement

We at Hisamitsu Pharmaceutical promote sustainability efforts throughout the supply chain and also aim to enhance the corporate value of suppliers. To that end, we have established the Supplier Standards for Sustainable Procurement and ask our suppliers to accept and comply with the standards.

Supplier Standards for Sustainable Procurement

Suppliers shall follow the following standards:

- 1) Respect basic human rights
- 2) Prohibit child labor and forced labor
- 3) Strive to stabilize employment without unjustly discriminating against employees.
- 4) Comply with the Labor Standards Act, the Industrial Safety and Health Act, and other labor laws and regulations
- 5) Strive for use of environmentally friendly raw materials, efficient utilization of energy and other resources, and reduction in emissions
- 6) Comply with the Wastes Disposal and Public Cleansing Act and appropriately dispose of industrial waste
- 7) Comply with laws and regulations applicable to business activities, including the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Antimonopoly Act, the Unfair Competition Prevention Act, and the Fair Competition Code
- 8) Not accept, ask for, or promise illegal or undue gain (e.g., in the form of money, goods, or entertainment)
- 9) Not have any relationship with antisocial forces or organizations
- 10) Not transfer, disclose, or leak to a third party any confidential information obtained

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