

(Translation)

# **ROHTO GROUP CSR PROCUREMENT GUIDELINES**

**July 2023**

**ROHTO Pharmaceutical Co., Ltd.**

The CSR Procurement Guidelines (“Guidelines”) consist of “Procurement Basic Policy” and “CSR Procurement Standards” and apply to all the procurement of goods and services necessary for conducting business activities by the ROHTO Group (“Group.”)

● **Procurement Basic Policy**

To provide safe, secure, and quality products and services, we, the Group, conduct fair and impartial transactions and promote procurement activities considering our social responsibility for human rights, occupational safety and health, environment, and other social challenges in cooperation with our business partners involving our supply chain (“Suppliers.”) Further, through building good relationships with the Suppliers, we will contribute to the realization of a “Well-being” society.

1. Quality and Safety

To provide customers with our safe, secure, and quality products and services, we will procure materials, goods, and services, the quality and safety of which are ensured.

2. Stable Procurement

To steadily provide the products and services that customers seek, we aim to ensure stable procurement in cooperation with the Suppliers.

3. Compliance Promotion

In compliance with all related laws, regulations, and rules (“Applicable Laws”), we will conduct procurement activities based on a higher sense of ethics and social convention.

4. Fair and Impartial Procurement

We will choose Suppliers who engage in fair, impartial, and transparent transactions after comprehensively evaluating their management policy, quality, cost prices, delivery time, environmental initiatives, and other factors.

5. Considerations for Human Rights and Occupational Safety and Health

We will advance our procurement activities considering human rights and occupational safety and health of the Suppliers.

6. Considerations for Environment

To develop environment-oriented business activities, we will proactively work on procuring materials, goods, and services that are friendly to the global environment.

7. Co-prosperity with Suppliers based on Mutual Trust Relationship

Valuing the Suppliers as equal partners and aiming at mutually sustainable growth, we will build good trust relationships with them through fair and appropriate exchanges of information and opinions and mutual understanding.

## ● **CSR Procurement Standards**

The Group has set out the CSR Procurement Standards to contribute to the sustainable development of society through our whole supply chain. In this connection, we will ask all the Suppliers to understand the intent of the Guidelines and cooperate in promoting CSR procurement. When necessary, we may ask the Suppliers to answer a questionnaire or survey regarding their respective procurement initiatives for us to monitor the progress. Depending on the outcome, we will seek improvement from a Supplier deemed to have a challenge in procurement.

### 1. Compliance with Applicable Laws and Corporate Ethics

- In conducting business activities, we (“we” means the Group and the Suppliers in paragraphs 1 through 7 below) will comply with all Applicable Laws and social norms related to commercial transactions, occupational safety and health, environment, intellectual property, and other relevant aspects and carry out fair and impartial transactions based on corporate ethics.
- We will respect local culture, customs, and the Applicable Laws in countries and regions where we operate (“Relevant Countries”).
- We will never offer nor receive any money, goods, or entertainment beyond healthy business customs and common sense.
- We will exclude any relationship with anti-social forces. We will address and refuse or reject in a resolute attitude any offer for a transaction with those forces or similar groups and any unreasonable request from them.
- The Groupe will set up and maintain a whistleblowing system to receive a report or consultation on compliance violations or related issues, internally and externally (from business partners including Suppliers) (“Whistleblowing”). The Group will strictly keep confidentiality and protect persons who made the Whistleblowing (“Whistleblower.”)

### 2. Respect for Human Rights

- We will never conduct and be involved in any unfair labor practices, such as forced and child labor. Further, taking the greatest care, we strive to prevent the occurrence of similar unfair labor practices in any business partners.
- We will respect the dignity and fundamental human rights of all relevant stakeholders and not discriminate against or harass any individual for personal factors, such as race, ethnic group, age, religion, creed, gender, nationality, social status, disability, sexual orientation, gender identity, physical feature, and disease.

- We will promote responsible procurement based on considerations for various social needs required to meet (such as the “Conflict Minerals Regulation” of the EU)
3. Occupational Safety and Health
    - In compliance with the Applicable Laws of the Relevant Countries, we strive to foster a secure and pleasant workplace, considering our employees’ occupational safety and health.
    - We will reduce excessive working hours under the Applicable Laws of the Relevant Countries.
    - We will pay employees decent wages that exceed the minimum wage under the Applicable Laws of the Relevant Countries.
    - We will support and respect employees’ freedom of association and right to collective bargaining.
  4. Considerations for Environment
    - We strive to reduce environmental burden by taking various measures, such as resource-saving, energy saving, and reducing greenhouse gas emissions and waste.
    - We strive to carry out our business activities with considerations for protecting the global environment and conserving biodiversity.
  5. Assurance of Stable Supply, Quality, and Safety of Products
    - We strive to meet a designated delivery time and supply products and materials stably.
    - We strive to satisfy quality requirements and offer safe products, and we will provide accurate information on those products and services.
    - In compliance with the Applicable Laws, we strive to reduce any anticipated risks, further ensure safety, and increase the quality of products.
    - We strive to map out and maintain a business continuity plan by simulating emergencies and unexpected events in advance.
  6. Ensuring Information Security
    - We will establish and maintain a framework for appropriately managing and protecting personal and confidential information. Further, we will strive to safeguard against any threats to computer networks.
  7. Contribution to Society

As a corporation that is a social organ, we strive to contribute to the sustainable development of society.

Established in July 2023