

## Procurement basic policy

### 1 Promotion of global procurement activities

We aim to enhance global procurement and the relationships we share with our valuable suppliers by utilizing our domestic and overseas bases.

### 2 Compliance with laws, social codes and internal regulations

We comply with laws, social codes and internal regulations, and promote healthy and open procurement activities.

### 3 Promotion of fair, just and sincere procurement activities

We provide our valuable suppliers with fair and just competitive opportunities to promote sincere procurement activities.

### 4 Procurement considering the environment and human rights

We conduct procurement with consideration for the earth's environment in accordance with INOAC's environmental policies. In addition, we give due consideration when dealing with the procurement of raw materials that may cause human rights issues or social problems, such as the use of conflict minerals.

### 5 Construction of partnerships on the basis of mutual trust with our valuable suppliers.

We construct firm relationships of mutual trust and cooperate with our valuable suppliers to maintain and improve mutual technological capability and quality.

## Optimal procurement at our bases across the globe

We contribute to the countries where our bases are located by procuring local raw materials and components. At the same time, we also aim to build good relations with our valuable suppliers by thinking of optimal quality and cost as well as long-term trade. Furthermore, we promote higher strategic procurement capable of responding to global production.

## Enhancement of partnerships with our valuable suppliers

Together with approximately 80 valuable suppliers, we formed the INOAC Cooperative Assembly, where we engage in various activities. For example, we invite representative speakers from our valuable suppliers to the whole group presentation conference and ask them to give us presentations about the work they do to promote compliance and risk management or to share with us the work that goes on in their subcommittees. In this way, we aim to enhance the level of all participating companies, both our own and those of our partners'.



## Promotion of green procurement

In order to keep up with environmental regulations that become stricter every year, we revise the INOAC Green Procurement Criteria on a yearly basis and promote procurement activities that are considerate of the environment. In addition, we are also working to reduce the burdens we place on the environment, such as by looking for ways to enhance loading efficiency as a means to improve procurement logistics.

## Measures regarding conflict minerals

The Democratic Republic of Congo has one of the world's richest mineral resources, however, it is also a region—along with neighboring countries—embroiled in ceaseless warfare. Minerals produced in this region become a source of funding for organizations involved in human rights violations, environmental destruction, corruption and illegal activities. Our policy is to not use such conflict minerals, and we are working with each of our business partners to disclose this information.