

Daifuku Group Procurement Policy

Basic Approach

The Daifuku Group will contribute to the creation of a sustainable society by engaging in sound business practices in accordance with our company creed, management philosophy, and Group Code of Conduct. In procurement, we shall select business partners based on appropriate criteria, comprehensively evaluating quality, technological development capabilities, economic rationality in terms of price and delivery time, as well as the status of environmental and social initiatives. We shall also require all our business partners engaged in the production, installation, and services for our Group's products to understand and practice the Sustainable Procurement Guidelines that we have established separately, and we shall work together with our stakeholders to build a sustainable supply chain.

Basic Policy

We will ensure that all Group officers and employees are aware of this policy and promote responsible procurement.

1. Compliance with laws and regulations

We will comply with the laws, regulations, international codes of conduct, and other social rules of the countries and regions where we conduct business. We will stand firmly against antisocial forces or organizations that are a threat to the order and safety of civil society, and we will not have any relationship with them.

2. Fair and equitable trade

We will open our doors to a wide range of domestic and international companies, regardless of the country in which they are located or their size, to provide opportunities for free competition. We will conduct transactions through fair and equitable procedures, and we will eliminate misconduct such as the offering or receiving of inappropriate benefits.

3. Building partnerships

We will respect all business partners as equal partners and build long-term relationships of trust based on mutual understanding. We will commit to solving environmental and social issues in the supply chain by strengthening communication and collaboration to achieve mutual sustainable growth.

4. Pursuing quality and safety

We will pursue quality and safety in the products and services we procure. We will require our business partners to comply with the applicable laws, regulations, and standards of each country and region with respect to quality and safety, and we will provide guidance and support as needed to help them establish systems and management structures to achieve this.

5. Respecting human rights

We will respect the fundamental human rights of all people involved in the products and services we procure, and we will not be complicit in any human rights violations, including forced or compulsory labor, child labor, discrimination, abuse, and harassment. We will also give due consideration to the working environment and health and safety of our business partners. If it becomes evident that the Group's procurement activities have caused or contributed to an adverse impact on human rights, we will strive to take appropriate and effective remedial measures.

6. Responsible sourcing of minerals

We will not procure minerals such as tin, tantalum, tungsten, and gold that are mined in conflict-affected and high-risk areas (CAHRAs) and may involve corrupt activities, support for armed groups, human rights violations, environmental destruction, or other adverse activity. We will also request our business partners to not use conflict minerals and will work to establish a management system for this.

7. Reducing environmental impact

We will comply with laws, regulations, and agreements related to environmental conservation, and we will give priority to the procurement of products and services with a lower environmental impact. We will provide guidance and support to our business partners as needed, and we will address environmental issues such as climate change and biodiversity conservation throughout our supply chain.

8. Information security and protection of intellectual property rights

We will establish a management system and appropriately manage and protect confidential and personal information obtained through our business activities. We will also respect the intellectual property rights of third parties and business partners, and we will not violate them.

9. Formulation of a business continuity plan

We will work to identify and assess risks that will have a significant impact on business continuity and formulate a business continuity plan (BCP) in preparation for large-scale natural disasters and unforeseen circumstances. In order to fulfill our supply responsibilities to customers, we will implement measures in cooperation with our business partners as needed.

10. Information disclosure and communication

We will disclose the status of our initiatives based on this Policy in a timely and appropriate manner and communicate with our stakeholders.

Established: January 31, 2024