

With Our Business Partners

In the Daishinku Group, we endeavor to create value in collaboration with our business partners on the basis of trust, building a mutually beneficial partnership that also contributes to society.

Daishinku's Basic Purchasing Policy

I. Partnership

We endeavor to build, maintain, and further improve a favorable partnership with all our suppliers founded on mutual understanding and trust.

II. Openness and equity

We offer business opportunities equally and openly to all our potential suppliers in and outside Japan in the spirit of free and fair competition.

III. Social responsibility

We give due consideration to legal compliance, quality, security, environmental conservation, safety and health, respect for human rights, and labor, actively contributing to society in making purchasing decisions.

CSR Activities throughout the Supply Chain

To promote CSR activities throughout the entire supply chain, the Daishinku Group prepared the "CSR Procurement Guidelines" (URL: <https://www.kds.info/company/csr/>) in June 2017 so that our Basic Purchasing Policy will not only be implemented internally but also understood by our suppliers. The Guidelines establish the Group's basic stance as well as our requests including not only from a perspective of compliance with a laws and regulations but also consideration for human rights, labor, safety and health, and the environment, in order to promote CSR activities within the supply chain together with our suppliers.

Fair and Favorable Partnership with Suppliers

Our suppliers are important partners for stable production of high-quality products, and it is essential to establish a framework for cooperation with them. The Daishinku Group holds a "business information meeting" every year to share the Group's current status, management policies, production strategies, technological trends and other information concerning the environment that surrounds us and our suppliers, in an effort to build relationships of trust, with the aim of contributing to the realization of a sustainable society.



Restrictions on Chemical Substances

To offer society environmentally responsible products, we endeavor to purchase components and raw materials that do not contain hazardous substances. Regulations governing the use of chemicals are in place in different countries and regions around the world, including the Restriction of Hazardous Substances (RoHS) Directive, the End of Life Vehicles (ELV) Directive, and the Regulation Concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), all three of which are European Union directives, and they have been made stricter year by year. We at the Daishinku Group compile a requirement and carry out green purchasing in collaboration with our suppliers.

Conflict Minerals

In compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of the United States enacted in July 2010, manufacturers are required to audit and disclose information on their purchase of natural resources so-called "conflict minerals" (gold, tantalum, tin, and tungsten) so as to control the use of minerals produced in and around the Democratic Republic of the Congo (DRC) and sold to fund local armed groups.

The Daishinku Group has adopted the following policy to our business activities.

We avoid purchasing or using minerals that can directly or indirectly lead to the funding or profiting of armed groups in the DRC or its neighboring countries.

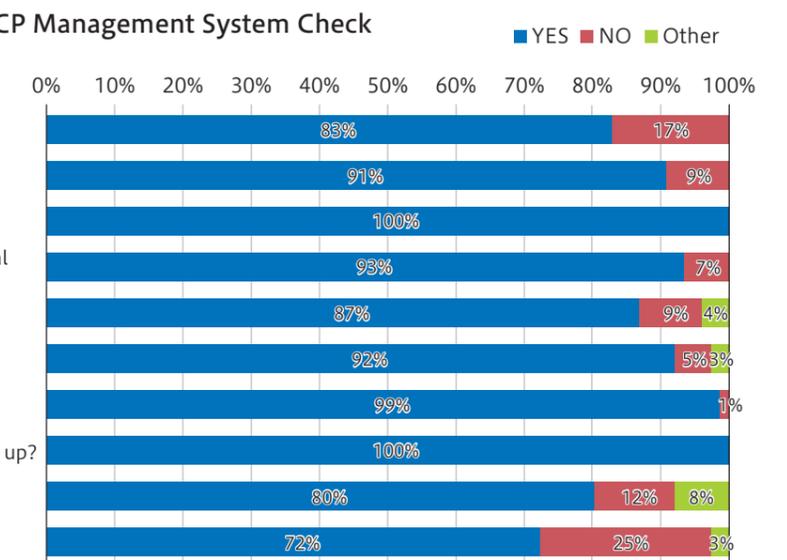
As a company situated mid-stream in the supply chain, we request that our suppliers audit and report their use of natural resources to check against conflict minerals, using the industry's common reporting template. We compile information thus collected and share it with our customers. In fiscal 2018 and 2019, we had all of our suppliers in and outside Japan audit their use of conflict minerals and confirmed the total absence of minerals funding local armed groups.

Management Index Survey, BCP/CSR Management System Check Sheet

We conduct the Management Index Survey and a questionnaire survey using the BCP/CSR Management System Check Sheet of our major business partners every year. For FY2020 surveys, all 76 companies surveyed responded, and we learned that they have a high level of interest in implementing BCP/CSR. We will strive to reinforce the procurement system for stable supply of products and promote CSR activities together with our business partners based on mutual understanding.

BCP Management System Check

- Is there a BCP plan?
- Is a crisis management organization established?
- Is the information transmission route network of the organization clear?
- Is there a disaster prevention manual (evacuation, initial action, role, etc.)?
- Is there a countermeasure organization for production restoration?
- Is the emergency supplier of equipment, molds, and materials clear?
- Are there multiple means of transportation (in-house delivery, courier)?
- Is electronic data (production information, etc.) backed up?
- Is seismic retrofitting of power equipment (variable equipment, boilers, etc.)?
- Are you able to grasp production base information at the procurement material level?



CSR Management System Check

- Do you understand the Daishinku CSR Procurement Guidelines?
- Is there a system for CSR activities within the company?
- Are there any policies, systems, rules, and procedures for thorough implementation of the company?

