

Business Activity

Procuring Activities: Under the Standard of “Open, Fair, Best & Partnership”

The Nitto Denko Group upholds its procurement policy, conducting fair and transparent transactions. This is done in view of the fact that our suppliers are also recognized as our business partners aiming towards future development also.

The CSR-Based Procurement Policy, Action Guideline

1. About the CSR-Based Procurement Policy

The Procurement Business Sector sets up OPEN, FAIR, BEST & Partnership as the guiding concept.

OPEN

The Nitto Denko Group opens the door to partners at home and abroad and creates an environment that promotes unrestrained proposals.

FAIR

The Nitto Denko Group deals with its partners on an equal and fair basis in its procurement activities.

BEST

The Nitto Denko Group will do its best to realize its procurement activities based on care for the natural environment as well as laws and ethics, to create new value.

Partnership

The Nitto Denko Group aims to be the choice not only of its customers but also of its partners. The Nitto Denko Group seeks to establish true partnerships for coexistence and co-prosperity based on trust and cooperation.

2. Action Guideline for Persons Engaged in Procurement Activities:

Every member engaged in procurement activities for the Nitto Denko Group must be committed to behaving with respect for corporate ethics and social common sense, and must observe the following action guideline to promote procurement activities that are fair and free of corruption.

- 1 A person who is engaged in procurement activities shall follow any and all laws and regulations related to procurement processes. If any person finds out any fact indicating noncompliance with the law, the person aware of the noncompliance must immediately report it to his/her supervisor for appropriate actions.
- 2 A person who is engaged in procurement activities shall not accept any kind of gifts from partners, including summer and year-end gifts and presents from visitors. Similarly, he/she shall refuse any offerings of a complimentary nature, including offerings for celebration/condolence or other courtesy calls.
- 3 A person who is engaged in procurement activities shall not acquire unlisted shares of partners or acquire shares based on insider information.
- 4 A person who is engaged in procurement activities shall not purchase products offered by partners at a special discount, for his/her private use.
- 5 A person who is engaged in procurement activities shall not have any partners pay for his/her transportation/hotel/meals on his/her visit to meet with those partners.
- 6 A person who is engaged in procurement activities shall not have any interest in partners, including privately demanding payoffs from them.

※ “A person who is engaged in procurement activities” means any individual who is involved in transactions with business partners, including procurement, material management, purchasing, quality assurance, production technology, and development processes.

Turning to Suppliers for Appraisal

Nitto Denko Corporation (non-consolidated) conducted an inquiry survey where we had partners comment on and assess our procuring activities from their respected points of view. The survey results were analyzed and compiled by outside experts. They showed that Nitto Denko had not deviated from CSR standards.

Abiding Strictly by the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors

Along with the Sales & Distribution Reform that has occurred within our group, the number of partners that Nitto Denko Corporation deals with directly without agency representation has increased. In order to keep the supply chain sound, we select partners under the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors and CSR when closing a new contract.