

NICHIAS Group Procurement Guidelines

Established on September 1, 2025

NICHIAS Corporation

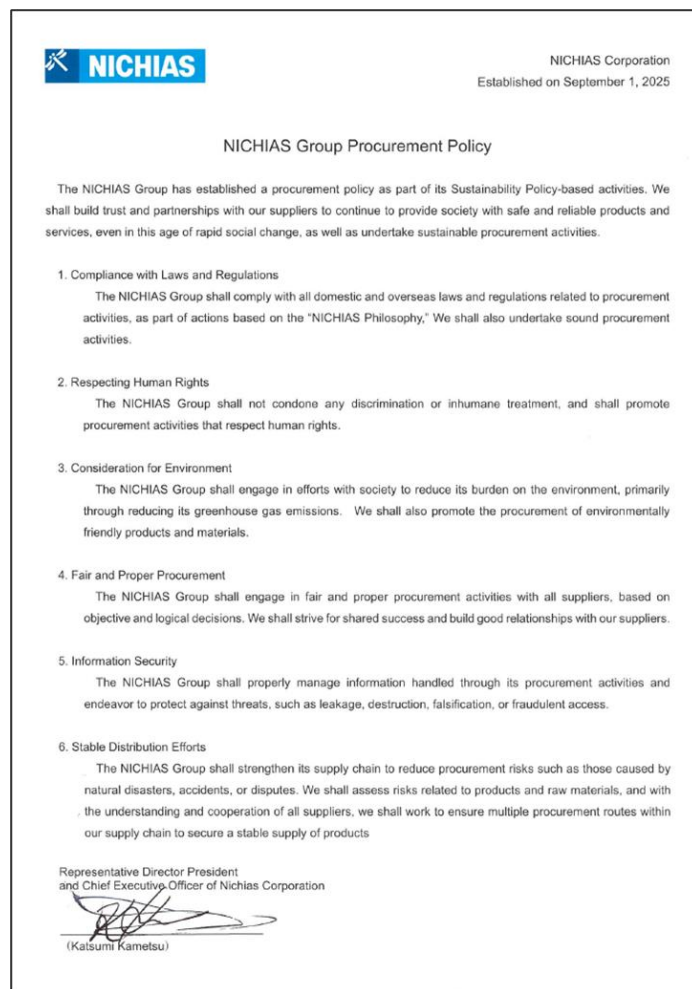
Introduction

The NICHIAS Group wants to remain a company that is essential to society by providing safe and reliable products and services based on its TATSU-TAMOTSU™ (insulation and protection) technologies, even in the face of rapid social change.

In recent years, the business environment has become increasingly complex, with the diversification of sustainability challenges like climate change and human rights, changes in various rules and regulations, and the need to safeguard against threats like cybersecurity attacks and fraudulent access. To deliver products and services to our customers in such a climate, we believe it is vital that we strengthen our supply chain, and have thus formulated the NICHIAS Group Procurement Guidelines.

These guidelines shall act as a policy to convey the initiatives of the NICHIAS Group to its suppliers, summarizing items, by category, that we would like our suppliers to implement in order to ensure sustainable and reliable procurement.

We ask all our suppliers to understand and agree to the NICHIAS Group Procurement Policy and these guidelines, and request your support in implementing them throughout the entire supply chain together with the NICHIAS Group.



1. Compliance with laws and regulations

The NICHIAS Group shall comply with all domestic and overseas laws and regulations related to procurement activities, as part of actions based on the "NICHIAS Philosophy." We shall also undertake sound procurement activities.

(1-1) Prohibition of giving or receiving improper benefits

We prohibit any acts that could lead to corruption, such as collusion or the improper giving or receiving of benefits between stakeholders, including our suppliers.

(1-2) Compliance with trade laws

We shall comply with all laws, regulations, and international treaties related to import and export operations in Japan and all other countries or regions in which we do business.

(1-3) Prohibition of unlawful acquisition and infringement of rights

We prohibit the fraudulent acquisition of confidential information of third parties, such as suppliers and customers, as well as the fraudulent use of intellectual property. What shall never infringe on rights such as patents, utility model patents, or trademarks.

(1-4) Elimination of relationships with antisocial forces

We shall have no relations whatsoever with antisocial forces or organizations that threaten public order or safety. We shall flatly refuse any unreasonable demands from antisocial forces and organizations.

(1-5) Preventing fraud

In executing our business operations, we shall always maintain a sound workplace environment and undertake upright business activities. We shall also strive to prevent fraud throughout the organization.

(1-6) Initiatives on compliance matters and whistleblower protection

We identify and prevent compliance violations, behavior that violates domestic and overseas laws and regulations, and fraudulent acts. We shall also protect whistleblowers in all respects so that they do not suffer any disadvantage.

2. Respecting Human Rights

The NICHIAS Group shall not condone any discrimination or inhumane treatment, and shall promote procurement activities that respect human rights.

(2-1) Eliminating discrimination

We shall not discriminate whatsoever based on factors such as race, color, age, sex, sexual orientation, gender identity, ethnicity, nationality, disability, pregnancy, or religion.

(2-2) Prohibiting unreasonable labor

We shall not conduct any kind of unreasonable labor, such as forced labor, bonded labor, child labor, etc., in any country or region where we do business.

(2-3) Working hours and wages

We shall comply with the working hours prescribed by local laws and pay compensation to workers in accordance with the applicable laws.

(2-4) Respecting diversity and the prohibition of harassment

We shall promote diversity and not condone any form of harassment, such as sexual harassment or power harassment.

(2-5) Safety and sanitation efforts

We shall identify and evaluate risks related to occupational health and safety, and strive to create a safe and sanitary workplace environment.

(2-6) Freedom of association and the right to collective bargaining

We shall respect fundamental rights related to workers' freedom of association and right to collective bargaining.

(2-7) Responsible raw material procurement

We shall avoid procuring raw materials that could contribute to human rights abuses or financing armed groups, and take corrective measures where necessary.

3. Consideration for Environment

The NICHIA Group shall engage in efforts with society to reduce its burden on the environment, primarily through reducing its greenhouse gas emissions. We shall also promote the procurement of environmentally friendly products and materials.

(3-1) Consideration for the global environment

We shall undertake efforts to reduce our burden on the environment across the entire product lifecycle, such as in the procurement of raw materials and manufacturing of products, to help conserve the global environment.

(3-2) Compliance with related laws and regulations

We shall properly comprehend and comply with all laws and regulations that apply to raw material procurement, product manufacturing, and other business activities.

(3-3) Environmentally friendly raw material procurement

We shall procure products and raw materials that are environmentally friendly in terms of factors like striving to eliminate/reduce their greenhouse gas emissions, contributing to a circular society, or preserving water resources or biodiversity.

4. Fair and Proper Procurement

The NICHIAS Group shall engage in fair and proper procurement activities with all suppliers, based on objective and logical decisions. We shall strive for shared success and build good relationships with our suppliers.

(4-1) Fair and proper procurement

We shall provide fair opportunities to compete to all our suppliers. We shall also procure products and raw materials that are superior in terms of quality, cost, delivery, and environmental friendliness from domestic and overseas suppliers.

(4-2) Communication and mutual trust

We shall endeavor to engage in close communication with all our suppliers, building sound and controlled relationships and mutual trust.

5. Information Security

The NICHIAS Group shall properly manage information handled through its procurement activities and endeavor to protect against threats, such as leakage, destruction, falsification, or fraudulent access.

(5-1) Protecting against cyber attacks

We shall forge measures to protect against threats like cyber attacks, and conduct thorough management to prevent damages to NICHIAS and our suppliers.

(5-2) Preventing information asset leakage

We shall properly manage and protect information assets such as the confidential information we receive from customers and third parties from all kinds of threats like leakage, destruction, falsification, fraudulent access, and obstruction from use. We shall implement measures to prevent improper use and actions that damage the value of information assets.

(5-3) Protecting personal information

We shall comply with all relevant laws and regulations regarding personal information obtained through our business activities, such as the information of our customers and employees, and properly manage and protect said information.

6. Stable Distribution Efforts

The NICHIAS Group shall strengthen its supply chain to reduce procurement risks such as those caused by natural disasters, accidents, or disputes. We shall assess risks related to products and raw materials, and with the understanding and cooperation of all suppliers, work to ensure multiple procurement routes within our supply chain to secure a stable supply of products.

(6-1) Ascertaining behavior throughout the supply chain

We shall check the entire supply chain process from the procurement of materials through to manufacturing, inspection, and delivery to identify procurement risks as quickly as possible.

(6-2) Enhancing procurement risk management

We shall promote multiple procurement routes without relying on a specific supplier to diversify risks and ensure sufficient stock based on demand forecasts.

A Message to NICHIAS Suppliers

■ Request for Cooperation with Our Surveys

We shall regularly undertake surveys regarding areas such as raw material procurement, business continuity planning (BCP) measures, environmental compliance, efforts to reduce greenhouse gas emissions, and human rights, conflict minerals, and information security compliance. We ask that you cooperate in responding to these surveys when asked.

■ The NICHIAS Group's policies, declarations, and guidelines

Our various policies are published on the Sustainability page on the NICHIAS Corporation website.

- NICHIAS Group Human Rights Policy
- NICHIAS Group Environmental Policy
- NICHIAS Group Carbon-Neutral Declaration
- NICHIAS Group Health and Productivity Management Declaration
- NICHIAS Group Basic Information Security Policy

■ Contact us

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