

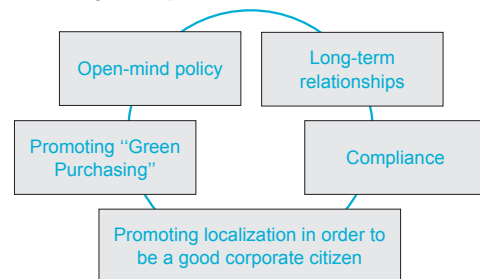
## Supply Chain

### Basic purchasing policy

Tokai Rika is developing global purchasing of parts, materials and equipment which are superior in terms of environment, quality, delivery, and cost, on the basis of the five principles for purchasing. We have stipulated that we will provide fair trade opportunities, no matter what nationality or company size, and develop healthy and good and long-term cooperative relationships with our suppliers. We carry out our activities in accordance with this.

Upon selecting suppliers, we periodically review order policy on the basis of a comprehensive evaluation for each fiscal year.

[Basic purchasing stance]



### Strengthening cooperation with suppliers

Every April, we hold a supplier meeting for our major suppliers. Through explanations of the business environment, group policy, and basic purchasing policy, we share and collaborate on various activities and goals, such as safety and disaster prevention, CSR, quality assurance, reinforcement of our foundations, and competitiveness. We also praise and present awards to suppliers who have achieved outstanding results with regard to quality, cost reduction, and stable supply.



Purchasing Policy explanation

[Initiatives for FY 2022]

Safety/disaster prevention	<ul style="list-style-type: none"> <li>•Realization of "0 (zero) accidents"</li> <li>•Promotion of risk assessment</li> <li>•Disaster prevention audit and fire prevention</li> </ul>
Quality assurance	<ul style="list-style-type: none"> <li>•Commitment to zero defects</li> <li>•Audit and improvement of important parts suppliers</li> </ul>
Secure competitiveness	<ul style="list-style-type: none"> <li>•Accelerating our global competitiveness</li> <li>•Strengthening competitiveness by improving on-site capabilities</li> </ul>
Reinforcement of our foundations	<ul style="list-style-type: none"> <li>•Initiatives for BCP</li> <li>•Carbon-neutral strategy</li> </ul>
CSR	<ul style="list-style-type: none"> <li>•Dissemination of CSR guidelines</li> </ul>

### Education and training for employees

From the perspective of disseminating CSR among suppliers, we provide training to internal Purchasing Division staff in charge of CSR. Additionally, from the perspective of legal compliance, we regularly provide the Subcontract Act training for Tokai Rika Group employees.

### Declaration of Partnership Building

We have formulated and announced the "Declaration of Partnership Building" with the aim of increasing added value to our entire supply chain through mutually-beneficial nature with our business partners and new collaboration.



Declaration of Partnership Building logo

### Supplier support

We support our suppliers' efforts to strengthen their structure and to ensure sustainability in the supply chain, including the environment, respect for human rights, and labor safety, where expectations from stakeholders are increasing.

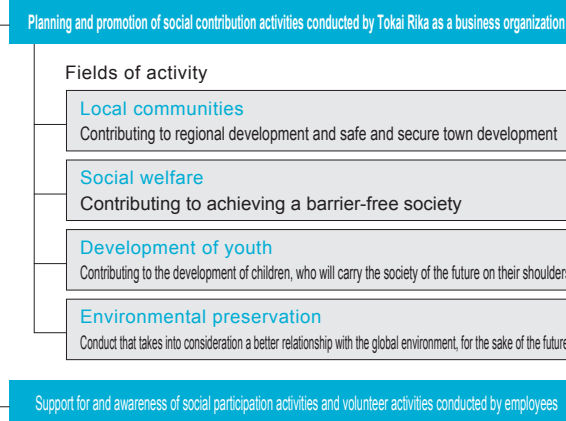
We will continue to strengthen the foundations of our supply chain through activities in collaboration with our suppliers.

## Social Contribution Activities

### Social contribution activities policy

With regard to our policy for activities in relation to social contribution, firstly, among our initiatives as a business organization we conduct activities that focus on four pillars: "local communities," "social welfare," "development of youth," and "environmental preservation." As another initiative, we are also committed to support for and awareness of various social contribution activities and volunteer activities conducted by employees.

#### Policies for activities in relation to social contribution



### In-house blood donation activity

We cooperate with blood donation at each plant every year. Amid blood shortages due to the COVID-19 crisis, we have increased the number of blood donations at each plant and held them twice in summer and winter in FY 2022. (Blood donation: 769 people)

Additionally, since 2003, we have continued our bone-marrow donor registry activities, with a total of 98 employees registering as donors.



### Extermination of coreopsis lanceolata as a biodiversity activity

In May 2022, we carried out activities to exterminate coreopsis lanceolata in cooperation with the Oguchi Town (Environmental Measures Section, Community Development Department), Toyota Boshoku Corporation, and Rinnai Corporation in Oguchi Town twice. As a specific alien species, coreopsis lanceolata may affect the ecosystem of Japan.



### Co-sponsorship for Paralym Art

We co-sponsored the "Paralym Art World Cup 2022," a contest held by the Shougaisha Jiritsu Suishin Kikou Association to collect artwork from people with disabilities around the world. In December 2022, we presented the Tokai Rika Award to NAMY, an artist from Ehime Prefecture and the author of the work "A Future Where Everyone Shines," which was selected by our internal vote.



### Maintenance of abandoned farmland in Oguchi Town and Minatomachi, Aizuwakamatsu City, Fukushima

In Oguchi Town, we cooperated in sowing seeds of seasonal flowers such as sunflowers on abandoned farmland in town with the aim of protecting the local landscape and creating a new flow of people to rural areas. A neglected wasteland has been reborn as a place where local people and those from other prefectures visit for photography.

We carried out activities with the aim of resolving local issues (village maintenance, restoration of old roads, wildlife control) in Minatomachi, Aizuwakamatsu City, Fukushima. At the same time, we maintained abandoned farmland and sowed seeds such as sunflowers in order to improve the landscape and prevent damage from wild animals.



Maintenance of abandoned farmland

Sowing seeds



Abandoned farmland (before our activity)

Sunflower field in July 2022

### Donation of can badges commemorating the 60th anniversary of the Oguchi Town

With the help of our employees with disabilities, we handcrafted original can badges commemorating the 60<sup>th</sup> anniversary of Oguchi Town, where our Head Office is located, and the 70<sup>th</sup> anniversary of neighboring Fuso Town, and donated them to both towns.

