Achilles Group Basic Policy on Procurement

Basic Policy

1. Fair and transparent transactions

2. Compliance with corporate ethics and with relevant laws and regulations

3. Consideration for the environment and measures aimed at process safety and disaster prevention

4. Respect for human rights, prohibition of child labor and forced labor, and consideration for labor issues and for health and safety

5. Emphasis on product and service safety and on quality assurance

6. Maintenance and promotion of information security, covering both personal data and product information

7. Working together with suppliers for our mutual benefit

8. Appropriate management of suppliers' intellectual property, assets, etc.

9. Responding to the conflict minerals※ issue
   We do not use minerals (Tantalum, Tin, Tungsten, Gold) in our products that could be a source of funding for armed groups in the Democratic Republic of Congo (DRC), neighboring countries, conflict areas, or high-risk areas. When we procure materials that may contain these minerals, we will conduct an investigation in advance to confirm that they have not been procured from parties related to armed forces. If any of the materials we procure are found to contain these minerals, we will take appropriate measures such as immediately suspending the procurement after discussing the matter with our suppliers. However, we will use minerals that have been legally traded and are not used as a source of funding for armed forces in the region.

Policy Regarding Supplier Selection

1. Suppliers should be financially and operationally sound

2. Suppliers should be able to maintain stable supply and respond flexibly to changes in production requirements

3. Suppliers should implement measures that take account of society's requirements, including the Basic Policy items noted on the left

4. Suppliers should demonstrate an appropriate level in terms of pricing, quality, delivery, technological capabilities, and service

※ The term "conflict minerals" is used to refer to minerals the mining of and transactions in which may constitute a source of funding for armed groups, thereby contributing to conflict, and which may be closely linked to human rights violations, labor abuses, etc. The Dodd-Frank Wall Street Reform and Consumer Protection Act which was enacted in the U.S. in July 2010 defined "conflict minerals" as including tantalum, tin, gold and tungsten mined in the Democratic Republic of the Congo or adjoining countries, as well as other minerals defined as such by the U.S. State Department. Companies that are listed on the stock market in the U.S. are required to report any use of conflict minerals to the U.S. Securities and Exchange Commission (SEC).