



RESPONSIBLE

PURCHASING



POLICY

2016



INTRODUCTION

Our sustainability performance is affected by the performance of our suppliers so it is important to adopt sustainable procurement practice considering the economic, environmental and social aspects.

To formalize our ethic, social and environmental commitments we prepare in 2013 our Code of Ethics. The code defines the principles that drive our decisions and daily practices.

DAITO KASEI Group undertakes and respects:

- the 10 principles of the United Nations Global Compact
- the United Nations Universal Declaration of Human Rights
- the various International Labour Organization treaties

We are expected that our suppliers to understand these values and to share them.

We select our suppliers based on technical and commercial criteria that are objectively established in advance and not on unfair bias or other improper or illegal reasons. The following evaluation criteria are used:

- Quality
- Safety
- Historical experience
- Adhesion to our supplier code of conduct
- Technical ability
- compliance with the specifications
- prices
- compliance with deadlines



We want to collaborate with suppliers who share our values and so who adhere to our supplier code of conduct.

The sustainability of the raw material is taking an important part of supplier qualification processes: we are looking for products with minimal environmental and health impacts, obtained with green processes....



We focus on finding the right balance between quality and price.

We are trying to source from local community suppliers in order to know “the story” of the raw material. We try to learn how the ingredient grown, is harvested, mined, processed, etc. This allows us to get a better understanding of the raw materials, where they come from, how they are produced, what potential labour or environmental issues might arise and what might impact the cost of the materials (seasonality, climate, etc).

We purchase from multiple suppliers to avoid excessive reliance on a single supplier and to prevent suppliers from depending excessively on us.

We do not engage in transactions that lead to the violation of a third party's intellectual property right



BUILD A STRONG LONGTERM RELATIONSHIP

Establish a strong mutual beneficial relationship with our strategic suppliers is important: it allows a better communication (feedback, exchanges of ideas...) and guarantees uninterrupted supply of good quality materials to make our products. We are able to ensure our suppliers understand the needs of our business and we also understand the constraints of their operations.

We try to adopt collaborative approach with our suppliers to develop new processes, innovating strategies to ensure a productive partnership.

We treat our suppliers respectfully, fairly and trusty. We collaborate with our suppliers in good faith, in a constructive spirit, with an awareness of the other's needs and with the intention of providing accurate and comprehensive information.

Confidentiality

Confidential, sensitive or private information are not disclosed to others under any circumstances.

Corruption

DAITO KASEI Group prohibits all forms of corruption from its commercial transactions. We undertake not to offer, receive or provide, either directly or indirectly, any advantage of any kind, financial or otherwise to obtain or maintain a commercial transaction. Gifts offered or received can sometimes contribute towards good business relations. However, gifts must remain within acceptable limits in terms of both value and the anticorruption legislation in force. Gifts must never create obligations on the part of the receiving party vis-à-vis the party that offered them.