

Supplier Sustainability Guidelines



TACHI-S Co., Ltd.

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TACHI-S Home Page

https://www.tachi-s.co.jp/sustainability/society/supply_chain.html#anchor01



1. Introduction

In recent years, the social challenges surrounding businesses, such as climate change and human rights issues have become increasingly complex and diversified. Against this backdrop, companies are expected not only to provide products and services but also to contribute to the realization of a sustainable society throughout their entire supply chain.

The TACHI-S Group has strived to fulfill its social responsibilities in all aspects, including environmental conservation, fair labor practices, and respect for human rights, aiming to be a company that sustainably grows alongside society.

In the new medium-term management plan, TVE Wave 2 2027 (FY2025-2027) announced in May 2025, we have identified three material issues* and formulated 2030 Vision* to demonstrate our commitment to the realization of a sustainable society that creates both social and economic value.

Accordingly, we have renamed the Supplier CSR Guidelines as the Supplier Sustainability Guidelines (the "Guidelines").

The Guidelines clearly state our fundamental approach to sustainability and the matters that we expect to address together with our business partners. We aim to deepen mutual understanding and trust with our partners, co-create value throughout the entire supply chain and become a company that continues to be needed by society.

Our suppliers are invited to refer to the Guidelines, understand the purpose and put them in practice proactively in respective businesses. We would truly appreciate if you could share the contents of the Guidelines with your business partners and expand the circle of initiatives for the realization of a sustainable society.

We will continue to take firm steps together with our suppliers to bring about a better future. Thank you for your continued support.

Yohei OTA
Head of Procurement Group
Monozukuri Division
TACHI-S Co., Ltd.

* Three material issues

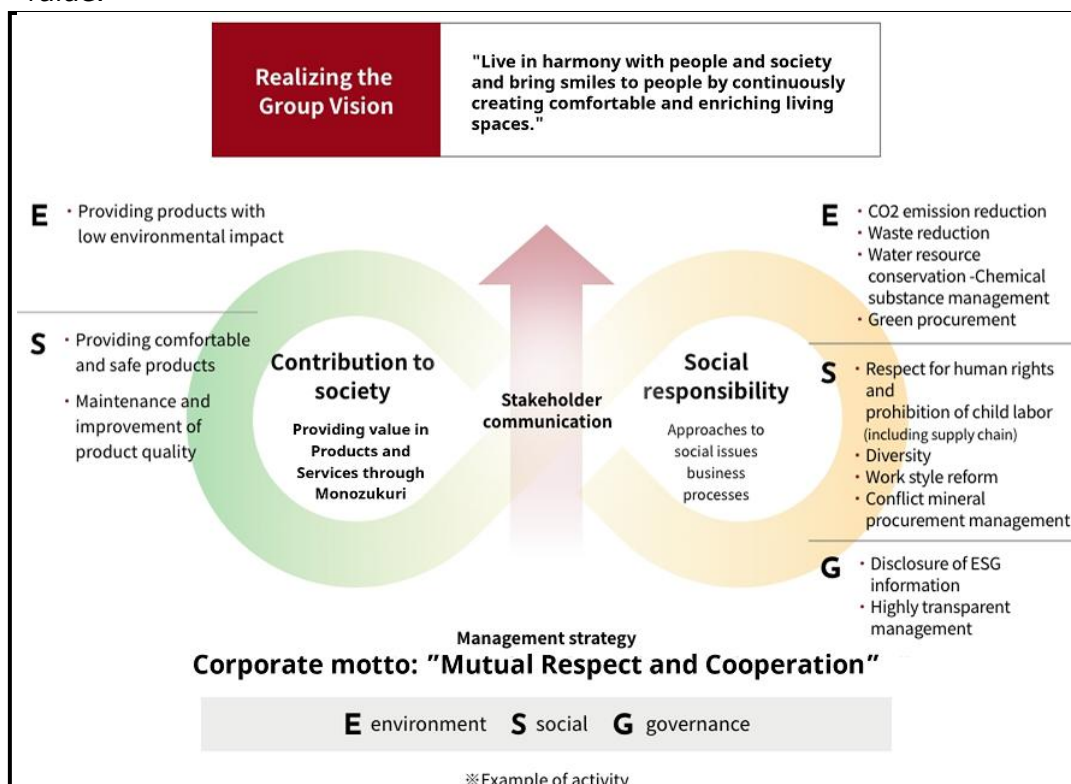
- 1) Address social issues through innovation and business operations.
(Value proposition)
- 2) Sincerely run business operations to become a company that continues to be chosen based on trust for contributions to the realization of a sustainable society.
- 3) Develop human capital and a corporate culture that allows employees to act autonomously toward value creation.

* 2030 Vision

In line with our company motto of "mutual respect and cooperation", we will transform value proposition through innovation for improvement in competitiveness and profitability and contribute to the realization of a sustainable society by addressing social issues.

2. TACHI-S Group's Approach to Sustainability

We at the TACHI-S Group have strived to create a sustainable society by placing ESG at the center of its management, based on our corporate vision, "Bring smiles to people by coexisting in harmony with people and society and continuing to create comfortable and enriched living spaces." We are committed to contributing to society through innovative manufacturing while fulfilling its social responsibilities, including legal compliance, diversity promotion, and environmental measures, aiming to achieve both corporate growth and social value.



In pursuit of this objective, our company positions "social contribution" and "social responsibility" as core principles of ESG. (See diagram above.) To be a company that continues to be chosen, we strive to remain highly responsive and proactive in implementing appropriate and preventive measures across the ESG domains—Environment, Social, and Governance—ensuring the continuity of sustainable business operations.

This goal cannot be achieved by our group alone. Close collaboration with all suppliers and partners is essential. By maintaining a high-level perspective while promoting concrete and ongoing initiatives, we seek to foster a shared understanding of sustainability through this guideline and to grow together as organizations whose presence is valued by society.

3. TACHI-S Group Supplier Sustainability Guidelines

3-1. TACHI-S Basic Procurement Policy

- (1) We comply with applicable laws and regulations and execute appropriate sales contracts.
- (2) We strive to improve QCD evaluation techniques by collecting and sharing information both inside and outside of the TACHI-S group.
- (3) We comply with fair and equitable transactions and aim to build relationships of mutual trust with our partners.
- (4) We strictly manage confidential information and strive to prevent information leakage.
- (5) We promote procurement activities with consideration for human rights, labor, safety and health, and the environment.

3-2. Expectations of Suppliers in Manufacturing

We expect our suppliers to provide excellent products in quality, delivery, technology as well as cost. we believe it is essential to enhance BCP in manufacturing to ensure a stable supply of high-level products to satisfy customers who purchase our products.

3-2-1. Safety

By prioritizing safety above anything, we can steadily produce better products. To this end, suppliers are requested to create a safe and healthy work environment for their employees.

3-2-2. Quality

To meet customer expectations for quality, we expect suppliers to gather manufacturing capabilities to deliver high quality products. To achieve this, suppliers are required to enhance change point management, greater internal awareness of quality's importance, and compliance to the Quality Control Standards for Suppliers.

3-2-3. Production

In order to improve productivity, it is important to carry out improvement activities in all manufacturing processes.

To realize this, we believe it is essential to maintain a constant focus on improvement and to produce competitive products.

We expect suppliers to offer a stable supply of products and establish and strengthen BCP to ensure supply even in contingent circumstances.

3-2-4. Technology

As environmental awareness grows, it has become increasingly important to develop forward-looking technologies and apply materials with a view towards the future, such as natural materials and materials that are free of environmentally hazardous substances.

We expect suppliers to continue developing technology to make proposals that meet customers' expectations.

3-2-5. Cost

Suppliers are requested to continue to provide us with raw materials, processing, logistics, etc. at a fair and market-competitive cost.

3-2-6. Trust

We promote activities and build good relationships with our suppliers through thorough communication, understanding, and consent.

3-3. Target fields of sustainability

3-3-1. Compliance

(1) Compliance with Laws and Regulations

We comply with relevant laws and regulations of each country and region. We establish and implement policies and structures for thorough compliance, as well as mechanisms for code of conduct, reporting systems, and education, etc.

(2) Compliance with Competition Law

We abide by Competition Law of each country and region and do not engage in acts such as private monopolization, unfair trade restrictions (cartels, bid rigging, etc.), unfair trade methods, or abuse of a superior position.

(3) Anti-Corruption

Political donations and contributions will be made in accordance with the laws and regulations of each country or region, and we strive to build transparent and fair relationships with our suppliers. We do not accept or provide any money, including meals, entertainment, gifts, or year-end or mid-year gifts, to stakeholders for the purpose of obtaining or maintaining undue benefits or preferential treatment.

(4) Management and Protection of Confidential Information

We obtain the personal information of customers, third parties, and our own employees, and confidential information of customers and third parties by legitimate methods, strictly manage such information, and use and protect such information to the extent appropriate.

(5) Export Transaction Management

We carry out the appropriate export process and management in relation to the export of technologies, goods, etc., limited by laws and regulations of each country and region. Therefore, we properly grasp the condition (confirmation that they are not intended to be used as weapons, and that they are produced in each country and region) and share such information with suppliers.

(6) Intellectual Property Protection

We strive to protect intellectual property which the Company stores or belongs to, and will not illegally obtain, use, or infringe on the rights of third parties.

(7) Elimination of Antisocial Forces

All associates at the TACHI-S Group, from executives to employees, shall have no relationship, trade or otherwise, with antisocial forces, criminal organizations, or individuals engaged in unlawful activities, i.e., individuals and/or groups that pose a threat to social order and security by using violence, coercion or fraud to pursue their financial interests.

We communicate this clear policy to our stakeholders including all our suppliers.

(8) Responsible Mineral Procurement

We promote due diligence for conflict minerals and abide by laws relating to responsible mineral procurement.

We confirm whether or not mineral resources contained in materials and parts perform adverse social effects from the viewpoint of human rights, environment, etc. When adverse effects are envisioned or confirmed, we will promote methods that do not use such mineral resources.

3-3-2. Safety and Quality

(1) Provision of Products and Services that Meet Customer Needs

We strive to understand customer needs and to develop and deliver socially beneficial products. Such products are designed to be accessible and user-friendly for all people, regardless of age, gender, or physical disability, and to minimize environmental impact through energy saving, resource saving, and environmental conservation.

(2) Ensuring the Safety of Products and Services

We manufacture and provide products and services that comply with the safety laws and regulations established in each country and region.

(3) Improving the Quality of Products and Services

In order to increase customer satisfaction, we build and operate a company-wide system for continuously improving quality.

3-3-3. Human Rights and Labor

(1) Non-discrimination

We shall not discriminate on the grounds of nationality, race, ethnicity, origin, ideology, creed, marital status, age, sex, sexual orientation, gender identity, disability, employment status, or any other basis in any aspect of employment (recruitment, employment, promotion, salary, dismissal, retirement, job assignment, discipline, etc.).

(2) Prohibition of Harassment

Any form of harassment in or outside the workplace is strictly prohibited. This includes, but is not limited to, power harassment, sexual harassment, and harassment related to pregnancy, childbirth, childcare, and caregiving responsibilities.

(3) Prohibition of Child Labor

Employment of minors who have not reached the legal working age under the laws of each country or region is not permitted.

In addition, under any circumstances, employment of persons under the age of 15 is not permitted.

(4) Prohibition of Forced Labor

All labor must be voluntary, and employees must be guaranteed the freedom to leave their employment at any time. The use of forced labor is strictly prohibited.

(5) Wage

We comply with all applicable laws and regulations in each country and region regarding minimum wage, overtime, wage deductions, performance-based pay and other forms of compensation and benefits.

(6) Consideration for Foreigners

In cases where foreign workers, technical interns, or trainees are accepted, all relevant labor laws and regulations of the host country must be strictly

observed. Actions that violate the intent or purpose of the acceptance programs are not permitted.

(7) Working hours

We comply with all applicable laws and regulations in each country and region regarding the determination of working hours (including overtime), the provision of holidays and annual paid leave, and other employment-related matters.

(8) Dialogue and Consultation with Stakeholders

We engage in sincere consultation and dialogue with stakeholders. We respect the right of employees to freely associate or not to associate, in accordance with the labor laws and regulations of the countries and regions in which we operate.

(9) Safe and Healthy Working Environment

We prioritize the occupational safety and health of our employees and do our utmost to prevent workplace accidents.

(10) Eliminating Human Rights Violations in Local Communities and Supply Chains

We continue our efforts to respect the local environment in areas where we operate and to eliminate human rights violations throughout our supply chain.

3-3-4. Environment

(1) Environmental Management

To promote a wide range of environmental initiatives, we comply with all applicable laws and regulations in each country and region and strive to respond proactively to future legal changes.

We establish a company-wide management system to ensure continuous implementation and improvement.

(2) Reducing Greenhouse Gas Emissions

We comply with all applicable laws and regulations in each country and region, and strive to respond to future legislative changes. We manage greenhouse gas emissions from our business activities and actively promote

reduction initiatives. Furthermore, we strive to use energy efficiently across all operations.

(3) Prevention of Environmental Pollution of Air, Water, Soil, etc.

We are committed to complying with all applicable laws and regulations concerning the prevention of air, water, and soil pollution across the countries and regions in which we operate, while proactively adapting to future legislative developments. We conduct ongoing monitoring and implement measures to reduce pollutants, thereby preventing environmental contamination.

(4) Resource Conservation and Waste Reduction

We comply with all applicable laws and regulations related to proper waste management and recycling in each country and region. We are committed to reducing the volume of final waste disposal through effective resource utilization, while also striving to minimize water consumption.

(5) Chemical Substance Management

We comply with all applicable laws and regulations in each country and region, and strive to respond proactively to future legal changes. We identify chemical substances that may pose a risk of environmental pollution and manage them safely. We ensure that our products do not contain any chemical substances prohibited by all applicable laws or Company Regulations. Furthermore, we do not use prohibited substances in our manufacturing processes, and for regulated chemicals designated by applicable laws, we monitor emission volumes and report them to the relevant authorities.

(6) Protection of Ecosystem

We are committed to safeguarding ecosystems across all aspects of our operations, including raw material sourcing and component manufacturing.

* With regard to items 3-3-4. (1)-(6), suppliers shall submit records and reports to TACHI-S when disclosure of information is requested. For chemical substances contained in products, reporting shall be conducted through IMDS.

3-3-5. Information disclosure

Disclosure of Information to Stakeholders.

We disclose information such as financial status, business performance, and preemptive activities to stakeholders in a timely and appropriate manner. Through open and fair communication, we strive to foster mutual understanding and build lasting relationships of trust with our stakeholders.

3-3-6. Defense against Cyber Attacks

Companies must implement protective measures against threats such as cyberattacks to ensure that neither their own organization nor others are harmed.

3-3-7. Formulation of Business Continuity Plan

To ensure sustainable business operations, companies are expected to identify and assess risks that may hinder business continuity. They are required to formulate a Business Continuity Plan (BCP) that outlines the potential impacts on operations, the necessary preemptive measures over the medium to long term, and the status of those initiatives.

4. To Our Suppliers

4-1. Compliance with Laws and Regulations

All our suppliers are requested strict adherence to the Guidelines, with particular emphasis on full compliance with applicable laws and regulations.

4-2. Strengthening the Internal Structure

Suppliers are expected to establish, maintain, and operate an internal framework that ensures full compliance with all applicable laws, regulations, and ethical standards. Strengthening corporate governance and internal audit functions is essential to fostering a culture in which violations of laws and norms do not occur.

4-3. Dissemination of the Guidelines throughout the Supply Chain

Suppliers are expected to actively promote awareness and understanding of sustainability guidelines—particularly those related to compliance—not only among their own contractors and procurement partners, but throughout the entire supply chain.

In the event of any compliance violation by a supplier, prompt reporting to our company is required, along with the submission of investigation findings and a corrective action plan. Until the issue is resolved and appropriate measures are implemented, transactions and new quotation requests may be suspended.