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1. Basic Procurement Policy

Ionbond Group carries out procurement activities based on the guidelines set out in our Basic Code of Conduct.

Regional and local organization units have their own operational procurement departments, which follow the local applicable legislations, as well as the Ionbond Group policies and guidelines.

1.1. Fair and Impartial Procurement

We provide business opportunities in an open manner to business partners from around the world, and welcome working with creative and competitive business partners.

We also evaluate and select business partners in a comprehensive and fair manner

based on factors such as quality, price, delivery schedule, technology and financial conditions.

1.2. Mutually Beneficial Partnership with our Business Partners

We regard our business partners as value creators, and through seeking to realize optimal levels for quality, price and delivery, together with procurement reliability, we aim to establish relationships of trust with our business partners and bring about the mutual enhancement of competitiveness and prosperity with them.

1.3. Approach to Compliance and Social Needs

We comply with the related laws that govern our local and global businesses.

In addition, we promote procurement activities that prioritize factors such as the environment, human rights, labor conditions, occupational safety and health, and information management.

2. Request to Our Business Partners

The Ionbond Group works on the following values to promote our business activities.

We ask for the co-operation and understanding of our business partners with regard to the promotion of these values.

2.1. Compliance

We ask our business partners to comply with the related laws, regulations and social norms governing their local and global businesses through the fulfillment of the following actions.

- To ensure full compliance with the related laws and regulations (e.g. commercial codes, competition law, subcontractor regulations, foreign exchange laws, personal privacy laws, intellectual property laws and environmental laws) of the countries and/or regions in which they operate.
- To prohibit the inappropriate giving of favors (any illegal or non-contractual giving of favors or dealings with anti-social forces such as organized crime).
- To prevent the inappropriate obtaining, using or disclosure of confidential information.

2.1.1. Conflict Minerals¹

Ionbond Group policy is to avoid procuring raw materials, parts and products that contain Conflict Minerals. Based on this policy, Ionbond Group, is moving forward with initiatives to avoid becoming complicit in the human rights violations and environmental destruction that result from the armed groups profiting from trade in Conflict Materials. We will continue to tackle this issue together with our business partners.

**2.1.2. REACHⁱ**

The European Regulation 1907/2006 concerning the Registration, Evaluation and Authorization of Chemicals (REACH) and Directive 2006/121/EC, to streamline and improve the former legislative framework on chemicals of the European Union (EU). Ionbond Group is taking responsibility to manage the risk that chemicals may pose to the health and the environment.

Under the structure of REACH regulation Ionbond Group is a downstream user to our customers. We do not manufacture “substances” or “preparations” and our products do not involve “the intentional release of substances”. Chemicals substances contained in our goods, which may possibly be subject to registration, have to be registered exclusively by our suppliers.

However, Ionbond Group has identified the substances used in the course of our industrial activities and we are in constant contact with our suppliers to seek formal assurance of their intention to comply with the registration requirements of REACH.

With regard to the requirement of Article 33 of REACH “Duty to communicate information on substances in products”, we continually maintain contact with our suppliers to avoid Substance of Very High Concern (SVHC, Annex XIV) is being included in our products.

Based on the response statements of our suppliers, no materials from ECHA SVHC Candidate/Autorization list with more than 0,1% (w/w) percent, are included in our products or package materials.

With regard to requirement of Article 67 of REACH “a substance on it’s own, in a preparation or in an product, for which Annex XVII, contains a restriction shall not be manufactured, placed on the market or used unless it complies with the conditions of that restriction”.

We declare that none of the substances in the conditions of restriction is present in Ionbond products or package materials.

2.1.3. RoHSⁱ

The European Directive 2002/95/EC dealing with the restriction of the use of certain hazardous substances in electrical and electronic equipment (the “RoHS Directive”). European Directive 2011/65/EU (RoHS 2) and European Directive 2015/863/EU (amending RoHS 2).

We declare that the coatings from Ionbond are RoHS compliant and that products are manufactured in compliance with RoHS. This is based on the response statements of our suppliers, that no restricted materials or substances in the composition of the base/raw materials used to make coatings, are found above the current threshold levels specified in Article 4, Annex II of the RoHS Directive 2015/863/EU.

2.2. Paying Attention to Human Rights, Labor Conditions, and Occupational Safety and Health

We ask our business partners to respect the human rights of their employees and to assure their labor conditions, and occupational safety and health.

2.3. Ensuring Optimal Quality, Cost and Delivery Conditions

We ask our business partners to establish production and crisis management systems capable of reliably securing and providing high-quality, safe materials and services that meet our requirements in a timely manner.



2.4. Enhancement of Competitiveness

Through the sharing of issues and goals with us in order to raise our competitiveness, we ask our business partners to provide us with information on appropriate materials, technologies, methods and more.

We proactively make proposals related to Value Engineering (VE) and other methods for the promotion of cost reduction.

2.5. Respect for the Environment

We ask our business partners to comply with all environmental laws.

We also ask them to proactively carry out activities which contribute to minimizing the environmental impact, while paying attention to social needs and requirements related to the environment.

2.6. Information Disclosure

We ask our business partners to disclose information that should be made public, including their management policy, business status, financial status, and the environmental and social impact of their activities.

HI Group Policy on Conflict Minerals

In the Democratic Republic of the Congo and neighboring countries, armed groups engaged in conflict have committed grave human rights violations and acts of environmental destruction. This serious issue has been the subject of worldwide attention. It is understood that certain minerals (namely, tin, tantalum, tungsten, gold), which produced in this regions fund these groups (hereinafter, "Conflict Minerals").

IHI Group policy is to avoid procuring raw materials, parts and products that contain Conflict Minerals. Based on this policy, IHI Group is moving forward with initiatives to avoid becoming complicit in the human rights violations and environmental destruction that result from the armed groups profiting from trade in Conflict Materials. We will continue to tackle this issue together with our business partners.

ⁱ For more details, please refer to the published Compliance Statements on our [website](#).