

## Midori Auto Leather's Procurement Policy of the Global Purchasing Division

### 1. Fair and equitable transactions

---

Fraudulent acts that undermine fair competition are not tolerated in our company or our supply chain. Likewise, we strive to build a company culture in which all employees clearly refuse to engage in fraudulent activities.

### 2. Compliance with the law and social norms

---

We follow the laws of each country and region, and ensure compliance by engaging in procurement activities that respect social codes of conduct.

### 3. Respect for human rights

---

We promote procurement activities that consider respect for basic human rights, the work environment, and health and safety, throughout our company and our entire supply chain (such as prohibiting labor such as child labor, forced labor, and human trafficking, and prohibiting sex discrimination, abuse, and harassment).

We see employees as our most important resource, and treat all employees with dignity and respect.

### 4. Mutual trust with suppliers

---

We are building business relationships with our associates with the aim of long-term mutual prosperity.

### 5. Consideration for the environment

---

We are helping to build a sustainable society where we can pursue business activities in harmony with the environment.

In 2021, Midori Auto Leather Brazil Ltda. and Midori Auto Leather Mexicana, S.A.DE C.V. obtained a Leather Working Group (LWG) certification. Midori Auto Leather Co., Ltd. (Japan factory) is also aiming to obtain an LWG certification, and continue taking measures to reduce the environmental burden particular to leather factories.

We are also working to save power and reduce carbon dioxide emissions and waste wherever possible in our supply chain.

## <On the procurement of hides, our main raw material>

- ① We only use hides generated as a byproduct of meat production.
- ② Every year, we obtain a written oath from all suppliers on animal welfare, zero deforestation, and traceability.

### • Animal Welfare

Animal welfare refers to the rearing of cattle in an environment featuring the following five freedoms. All the hides we use meet the animal welfare conditions.

Five freedoms <sup>※1</sup>

1. Freedom from hunger and thirst (securing feed and water supply)
2. Freedom from stress (supply of an appropriate rearing environment)
3. Freedom from pain, injury, and illness (prevention, diagnosis, and treatment)
4. Freedom to express normal behaviors (appropriate space, stimulation, and socialization)
5. Freedom from fear and distress (appropriate treatment)

### • Zero Deforestation and Traceability

For our raw materials, we do not source hides from cattle reared in livestock farms built from illegal deforestation in South American regions such as the Amazon and Chaco.

We are also cooperating with suppliers to build a traceability management system in our supply chain.

※1 FAWC (1993) Second Report on Priorities for Research and Development in Farm Animal Welfare. Farm Animal Welfare Council, DEFRA, London, UK

## 6. Information management and protection

---

With regard to confidential information relating to procurement transactions, we follow all related and applicable laws and ordinances, and work to prevent risks such as unauthorized access, leaks, tampering, and loss of confidential information. Before using confidential information, we confirm the scope of use and other conditions, and ensure that our use stays within that scope.