



Contribution through Core Business

# Improve Quality and Ensure Product Safety

## Quality Assurance

The RIKEN TECHNOS GROUP's Product Quality Policy is to "Supply reliable products and services under the concept of Customer-first and Best Quality," and this approach will be further enhanced toward achieving the policy. As such, we will review our quality control standards and instill the RIKEN Standard throughout the Group. At the same time, we will promote the establishment of a global quality assurance structure that incorporates automation.

In our initiatives for the environment, for all our business activities, we focus on the harmony on the environment. We seek to protect the environment and realize a sustainable society. As part of our efforts, we established an environmental management system and work on the formulation of our own rules besides complying with relevant laws and regulations, continuous improvement, prevention of environmental pollution, and promotion of environmental protection activities. We also strive to obtain trust and understanding from society through appropriate and accurate information disclosure.

### Quality Assurance Structure

Based on our Product Quality Policy, we engage in monozukuri in compliance with ISO 9001. We strive for thorough quality control in all processes—from acceptance of raw materials to delivery of products—by carrying out weekly quality improvement activities in collaboration with all of our production sites, including overseas consolidated subsidiaries.

In FY2024, quality control tools such as the Process Abnormality Navigator were also implemented at our overseas consolidated subsidiaries, and we performed root cause analysis and shared information regarding defects. In this

way, we are promoting further efforts to prevent the reoccurrence of past defects.

### Quality Improvement Activities

In FY2024, we promoted the automation of operations related to quality and shipping inspections as well as standardization using data so as to provide products that have less quality deviation. Continuing from FY2023, we further invigorated the activities of the Global Quality Control Consortium. Through thorough discussions, we sought to improve the level of quality control for the RIKEN TECHNOS GROUP as a whole.

In FY2025, we will revise and clarify our definition of defects and the method for aggregating them. We will also start operating a quality control structure based on a common set of key performance indicators for all sites, including overseas consolidated subsidiaries. Furthermore, we will use standard deviation management and process capability index (Cpk) management to visualize quality deviation and seek to stabilize our production processes.

We will use sensing technologies to visualize change points for early discovery of abnormalities in production processes. This will be combined with AI-based shipping inspections to improve our preventive activities, which seek to eliminate defective products. Specifically, we will improve quality by actively implementing digital transformation, such as (1) the building of an abnormality monitoring structure using the Mahalanobis-Taguchi System and (2) the use of a statistics gateway to automatically send inspection results and strengthen operation of abnormality assessment.

## Procurement and Logistics

As a global company, we procure a variety of raw materials and other procurement supplies from locations all over the world. When doing so, we achieve sustainable and stable procurement by building partnerships with our business partners. In procurement and logistics, we responded to changes in the market and environment by determining business partners using comprehensively assessing factors—such as quality, price, and stable procurement—and building partnerships based on mutual trust with each business partner. However, in Japan and overseas, stable procurement has become even more difficult than before due to our business partners' review of their businesses and environmental issues. Going forward, we will further strengthen our relationships with business partners and widen the scope of our procurement to respond rapidly to changes in the times.

Regarding logistics, as a shipper, we will respond appropriately to legal revisions and maintain a stable logistics structure.

### Procurement Structure

To supply safer and more reliable products to our customers, RIKEN TECHNOS is making efforts to build better environmental and quality management systems, including our supply chain, with the cooperation of our business partners, in accordance with the following Procurement Policy. We also promote the establishment of sustainable supply chains using requests for cooperation concerning the environment and various communication tools based on our Environmental Policy and the RIKEN TECHNOS GROUP Green Procurement Standard. In addition, we are expanding our procurement contacts and working to achieve competitive raw materials procurement to continually reduce costs.

### Procurement Policy

<b>1 Fair Procurement Transactions and Selection</b>	We deal with our business partners on an equal footing. Ordinarily, we procure from multiple sources, and we offer fair and impartial business opportunities. During selection, whether in Japan or overseas, we consider appropriate quality, price, and environmental friendliness from a global perspective.
<b>2 Creation of Partnerships</b>	We build and maintain good relationships of mutual trust with our business partners to create value together while seeking sustainable growth.
<b>3 Observance of Relevant Laws and Regulations and Self-management</b>	We are thorough in managing confidential information from our business partners and carry out procurement while following social norms and complying with relevant laws and regulations in each country.
<b>4 Realization of a Sustainable Society</b>	In our procurement, we actively use environmentally friendly raw materials and promote further switching over from conventional raw materials to contribute to achieving the Sustainable Development Goals (SDGs) and respond to climate change.
<b>5 Respect for Human Rights and Elimination of Unfair Discrimination</b>	We do not procure or engage in transactions involving raw materials that contribute to conflicts or that are obtained through unlawful labor (such as child labor or labor which involves the infringement of human rights) in all regions, even if they are not conflict or high-risk regions.

### RIKEN TECHNOS GROUP Green Procurement Standard

The RIKEN TECHNOS GROUP promotes global environmental protection activities, and as part of this, works on green procurement.

To prevent environmental pollution by products and waste, countries regulate chemical substances. The substances subject to such regulation are being updated and increasing year by year, boosting the importance of understanding and communicating information about chemical substances in products. Along with the formulation of the RIKEN TECHNOS GROUP Green Procurement Standard, we have prepared and are implementing an Information Sheet of the Chemical Substances for the acquisition of detailed information about chemical substances in products.

The Group works together with business partners on environmental protection and strives for effective use of resources.

The RIKEN TECHNOS GROUP Green Procurement Standard can be found on our website.  
<https://www.rikentechnos.co.jp/e/csr/governance/scm/>

#### ■ Scope of Application

The RIKEN TECHNOS GROUP Green Procurement Standard applies to the development of environmental management systems and environment-related substance control at our business partners for procuring raw materials, packaging materials, release paper, paper tubes and other auxiliary materials that make up the products of Group companies and lubricants and machine oil for maintaining and controlling facilities.

#### ■ Green Procurement Standard Policy

- (1) Request for the establishment of an environmental management system
  - a. Top management's declaration/policy related to the environment
  - b. Environmental target and plan setting
  - c. Self-evaluation
- (2) Request for attaining the environmental performance
- (3) Request for reporting

#### ■ Request for Environment-related Substance Investigation and Reporting

- (1) Request for safety data sheets submission
- (2) Request for chemSHERPA submission
- (3) Request for disclosure using the Information Sheet of the Chemical Substances specified by the RIKEN TECHNOS GROUP and assurance of the content

### Stable Supply of Products

Toward becoming a Global One Company, we are promoting the achievement of stable procurement through building partnerships with excellent suppliers that are competitive at the global level and the enhancement of our global procurement structure through further collaboration with our overseas consolidated subsidiaries.

### Supplier Management Using ESG Standards

We undertake supplier evaluation with an emphasis on the environment, society, and governance (ESG) and the SDGs based on the results of replies to our online ESG and SDGs questionnaire. We will work on improvements together with our business partners, taking into consideration the results of the questionnaire. In addition, to reduce CO<sub>2</sub> emissions, we are reviewing each order with our business partners, especially those for raw materials, and are working to reduce the number of transportation trips.

### Actions in Logistics Processes

The issues of manpower shortages and limitations on working hours in Japan's logistics industry have various impacts on logistics. Together with responding to the revised Act on Advancement of Integration and Streamlining of Distribution Business, we are studying the use of relay transportation and establishment of warehouses to maintain stable long-distance transportation. In addition, we are working to reduce CO<sub>2</sub> emissions by improving transportation efficiency.