



Kagome Sustainable Procurement Guideline

Kagome Co., Ltd.

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Since its founding, the Kagome Group has proposed novel approaches to foods and services harnessing the bounty of nature, following its commitment toward manufacturing embodied by the belief that fields are the primary production plant.

In order to pass this approach to business on to the future, the Kagome Group’s “Basic Policy on Sustainability” sets forth our aim to address social issues through the practice of our corporate philosophy—“appreciation,” “nature,” and “corporate openness”—and cooperation with our stakeholders, thereby achieving both sustainable growth of the Kagome Group and the realization of a sustainable society.

Based on the above basic policy, the Kagome Group regard all suppliers who provide raw materials, products, and services in our procurement transactions as indispensable partners in enhancing customer satisfaction and achieving sustainable development in local and global communities.

Accordingly, these Guidelines, premised on compliance with applicable laws and regulations, set forth the initiatives to be undertaken to help realize a better society and environment, together with the Kagome Group’s values and its approach to continuous improvement.

The Kagome Group believe that these efforts represent a “shared foundation” that will enable both parties to continue growing into the future. We ask for your cooperation in implementing the matters described in this Guideline, in collaboration with suppliers, to achieve sustainable procurement and responsible corporate activities.

“Kagome Sustainable Procurement Guideline” consists of the following five key perspectives.

- I. Compliance with Laws, Social Norms, and Fair Transactions
- II. Stable Supply of Safe and Reliable Raw Materials and Products
- III. Respect for Human Rights and Establishment of a Healthy Working Environment
- IV. Environmental Protection and Commitment to Sustainability
- V. Risk Management and Information Security



I. Compliance with Laws, Social Norms, and Fair Transactions

The Kagome Group have established the “Kagome Code of Conduct” as the guiding principles for the daily actions of our employees, reflecting our commitment to being a socially responsible company. By adhering to laws, international standards, and their underlying spirit, we strive to fulfill our social responsibilities with the highest ethical standards.

To foster a fair business environment together, we ask our suppliers to understand and put into practice the items outlined below.

1. Compliance with Domestic and International Laws and Regulations

Suppliers must comply with all relevant laws, regulations, ordinances, and social norms applicable in the countries and regions where they conduct business activities.

In carrying out business activities, suppliers must understand the relevant laws and regulations, and ensure the proper execution of all required matters, including obtaining necessary permits, approvals, and licenses; filing notifications; managing import/export procedures; quality control; labeling management; issuance of documents; submission of periodic reports; and preparation of transaction records.

Suppliers are expected to comply with higher social norms in cases where relevant laws, regulations, or ordinances in the countries or regions where they operate—such as in emerging markets—are undeveloped or insufficient, and such social norms set higher standards.

2. Respect for Fair Competition and Prohibition of Anti-Competitive Practices

Suppliers must respect fair, equitable, transparent, and free competition in accordance with the laws of each country and region, and comply with all relevant laws, including antitrust laws.

In their business activities, suppliers must not engage in any arrangements with competitors regarding product or service prices, quantities, or sales territories (cartels), nor participate in bid rigging or any other activities that hinder competition.

3. Prohibition of Bribery and Corrupt Practices

① Prohibition of Bribery, Corruption, and Illegal Political Contributions

Suppliers must, in compliance with the laws and regulations of each country and region, refrain from engaging in any form of misconduct or unethical behavior, including bribery, corruption, and illegal political contributions.

During business activities, suppliers must not—whether dealing with public officials or private parties—directly or indirectly offer, receive, request, promise, or authorize any improper benefit or thing of value. Clear policies must be established for high-risk functions such as sales, procurement, and logistics, and the same ethical standards must be required of all employees and business partners.



Suppliers are expected to develop and implement policies to prevent bribery and corruption, establish internal reporting channels, conduct regular education and training, maintain accurate books and records, and take immediate corrective action in the event of any violation.

② Prohibition of Offering or Accepting Improper Benefits

Suppliers must maintain sound and transparent relationships with stakeholders, including customers, business partners, and government agencies, in accordance with the laws of each country and region and must not offer or accept any improper benefits.

In conducting business activities, suppliers must refrain from any act that violates the laws or regulations of the relevant countries or regions, or that goes beyond what is socially acceptable, including any inappropriate or excessive offering or receiving of benefits—such as cash, gifts, or entertainment.

4. Elimination of Relationships with Anti-Social Forces

Suppliers must eliminate all relationships with anti-social forces or organizations—including criminal syndicates, terrorist groups, extremist organizations, and any other individuals or groups that pose a threat to the order or safety of civil society—in accordance with the laws of each country and region.

Suppliers must not, in any form, provide benefits or cooperate with anti-social forces.

5. Prohibition of Abuse of Superior Position and Management of Conflicts of Interest

① Prohibition of Abuse of Superior Position

Suppliers must not, in accordance with the laws of each country and region, use a superior position to cause disadvantages to business partners.

Transactions must be conducted sincerely, fairly, and impartially, based on mutual consultation and formal agreements or contracts.

② Management of Conflicts-of-Interest

Suppliers must, in accordance with the laws of each country and region, ensure that employees and business partners do not engage in any conflict-of-interest activities that prioritize personal gain over the interests of the company.

They must give priority to the interests of the company and make fair and impartial decisions.

6. Prevention of Misconduct and Establishment of Reporting Systems

Suppliers must, in compliance with the laws and regulations of each country and region, prevent involvement in any form of misconduct or unethical transactions, including but not limited to bribery, embezzlement, bid-



rigging, fraud, money laundering, and tax evasion.

Suppliers are expected to establish appropriate internal controls and reporting channels, ensure that all employees have access to these systems, and provide necessary communication, education, and training to promote awareness.

7. Information Disclosure

Suppliers must, in accordance with the laws of each country and region, disclose information related to business activities and corporate management accurately and in a timely manner.

Suppliers are expected to, even when not legally required to disclose information, actively and fairly provide and disclose information to stakeholders—including customers, business partners, government agencies, shareholders, investors, employees, local communities, and the media—to ensure transparency and fulfill accountability.

8. Respect and Proper Use of Intellectual Property

Suppliers must, in accordance with the laws of each country and region, respect intellectual property rights—including patents, copyrights, trademarks, breeders' rights, and trade secrets—and must not infringe upon the intellectual property rights of third parties.

In business activities such as the development, production, sale, and provision of products and services, suppliers must conduct prior investigations into relevant intellectual property rights and confirm that no infringement will occur.

Suppliers must, in accordance with the laws of each country and region, strictly manage and protect confidential information related to transactions, business processes, and technologies of our group. Such information must not be disclosed, leaked, or used for purposes other than those intended without prior permission from our group.

Suppliers must also ensure that both internal and external parties are made aware of the importance of confidentiality and must maintain and strengthen information management systems.

In the event of any leakage or unauthorized disclosure, suppliers must promptly report to the relevant parties and take appropriate corrective action.



II. Stable Supply of Safe and Reliable Raw Materials and Products

Guided by our belief that “fields are the primary production plant,” the Kagome Group have established our Quality and Environmental Policy and are committed to providing safe, high-quality products, starting with vegetable seeds and soil preparation.

To ensure the delivery of safe and reliable quality to our customers, we kindly request that our suppliers also understand and implement the following items.

1. Ensuring Safety and Compliance with Laws and Regulations on Food Manufacturing and Sales

Suppliers must, in accordance with the laws and regulations of each country and region, comply with all applicable laws and regulations to ensure food safety and quality.

2. Implementation of Quality Management

Suppliers must establish and operate a quality management system to ensure the quality and safety of products and services.

Note: It is important to clearly define quality policies and objectives, establish organizational structures, responsibilities, procedures, and processes, and regularly review the effectiveness of the quality management system to promote continuous improvement.

In the event of an accident or defect, appropriate measures should be taken, including prompt disclosure of relevant information, reporting to the relevant authorities, and conducting product recalls when necessary.

Representative quality management systems include ISO 9001, an international quality management standard that defines frameworks for continuously improving the quality of products and services.

3. Quality Assurance

Suppliers must comply with the quality agreements established between the Kagome Group companies and the supplier, including manufacturing control standards and delivery product guarantee certificates.

If there are any changes to the contents of the quality agreement, suppliers must promptly notify the Kagome Group and ensure that the latest information is reflected in the agreement.

4. Stable Supply of Raw Materials and Products

Suppliers must establish systems for information disclosure, product recalls, and emergency response in the event of product accidents or defects that could affect the supply to the Kagome Group companies.

Suppliers must monitor and understand the conditions and risks within their own operations and the upstream supply chain and develop supply capacity and flexible response systems in line with demand fluctuations, to address challenges related to ensuring a stable supply of products.



5. Ensuring Accuracy and Transparency of Product Information

Suppliers must provide accurate information regarding products and services, including details on the primary origins of raw materials (including countries of origin).

III. Respect for Human Rights and Establishment of a Healthy Working Environment

Respecting the fundamental human rights of people involved in our business activities, as well as those in the countries and regions where we operate, is a responsibility of the Kagome Group in living out our corporate philosophy.

The Kagome Group has established the Kagome Group Human Rights Policy, which affirms our support for international human rights frameworks—endorsed by the United Nations and recognized as global standards that all states and enterprises should respect—such as the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, and the Children’s Rights and Business Principles, and we are advancing initiatives to respect human rights accordingly.

Specific measures include formulating our Human Rights Policy, implementing human rights due diligence, establishing grievance mechanisms, and providing education and training. We ask our suppliers to likewise recognize the importance of respecting human rights in line with these international standards and to understand and implement the items set out below.

1. Respect for Human Rights

① Prohibition of Discrimination and Provision of Equal Opportunities

Suppliers must comply with the laws and regulations of each country and region regarding the prohibition and elimination of discrimination in recruitment, transfer, promotion, training, and dismissal or retirement, based on factors such as religion, gender, nationality, disability, and other grounds related to human rights.

② Prohibition of Harassment and Abuse

Suppliers must comply with the laws and regulations of each country and region regarding the prohibition of harassment, abuse, and other inhumane treatment, and implementation of preventive measures.

2. Prohibition of Child Labor and Forced Labor

① Prohibition of Child Labor

Suppliers must comply with the laws and regulations of each country and region by not employing children who are below the minimum working age.

Note: Operational controls include verifying age at the time of hiring through effective methods and maintaining records.

② Prohibition of Forced Labor

Suppliers must comply with the laws and regulations of each country and region by not engaging in any form of coercion, confinement, or forced labor of employees.

Note: Examples of forced labor include situations where employees are not free to resign of their own will, are compelled to work overtime without prior consent, or are required to deposit security funds or surrender original identification documents.

3. Freedom of Association and Respect for the Right to Collective Bargaining

Suppliers must comply with the laws and regulations of each country and region by not infringing upon workers' freedom of association or their right to collective bargaining.

Where local laws do not recognize freedom of association or the right to collective bargaining, suppliers are expected to establish alternative means for workers to engage in equivalent activities.

4. Proper Management of Working Hours and Payment of Appropriate Wages

① Proper Management of Working Hours

Suppliers must comply with the laws and regulations of each country and region by properly managing working conditions, including working hours, overtime work, work on holidays, leave, and breaks.

② Payment of Appropriate Wages

Suppliers must comply with the laws and regulations of each country and region by paying all workers, on a regular basis and with transparency, statutory minimum wages, overtime premiums, and other legally required compensation.

Suppliers are expected to, in line with international standards such as those of the ILO, assess any gaps between current wages and a living wage for their workers, develop and implement wage improvement plans aimed at achieving payment of a living wage, and pay wages above the applicable minimum wage to ensure a living wage.

5. Ensuring a Safe and Hygienic Working Environment

Suppliers must comply with the laws and regulations of each country and region by providing all employees with a safe and healthy working environment.

Where laws and regulations in a given country or region do not stipulate such requirements, suppliers are expected to provide all employees with a safe and healthy working environment.

Note: Examples of specific measures to provide a safe and healthy working environment for all employees



include the following.

- Ensuring that workplace operations do not deviate from labor-related laws and regulations.
- Maintaining workplace buildings and facilities, as well as employee accommodations, that meet standards sufficient to ensure safety, have obtained the approvals required under local building codes and regulations—including for the installation of emergency exits, evacuation routes, and signage—and are properly inspected and have passed required inspections.
- Providing necessary protective equipment, clear instructions on work procedures, and training to ensure safe work practices.
- Handling and storing chemicals properly to prevent accidents and minimize damage in the event of an incident.
- Providing all employees with clean toilet facilities and safe drinking water.

6. Establishment of Grievance and Remedy Mechanisms

Suppliers must comply with the laws and regulations of each country and region by establishing both internal and external channels and systems (including whistleblowing mechanisms) through which employees can safely report or seek advice on complaints related to human rights violations. These mechanisms must be easily accessible to all employees, with appropriate awareness-raising, education, and training provided.

Suppliers must ensure that the anonymity and confidentiality of complainants are strictly protected, and that they are not subjected to threats, retaliation, or any other form of disadvantageous treatment. All complaints must be handled fairly and appropriately, with the objective of making improvements based on the issues reported.

Where laws and regulations in a given country or region do not stipulate such requirements, suppliers are expected to implement initiatives to establish grievance and remedy mechanisms in alignment with relevant international guidelines.

Suppliers are also expected to ensure that all employees have access to both internal and external channels and systems for reporting or seeking advice on complaints related to human rights violations, and to provide necessary awareness-raising, education, and training to facilitate their effective use.

Note: Relevant international guidelines include the UN Guiding Principles on Business and Human Rights (UNGP), which set out requirements for effective grievance mechanisms.

7. Respect for Land and Natural Resource Rights

In their business activities, suppliers are expected to respect the rights of local communities and indigenous peoples when using land (including ownership, acquisition, or leasing) and managing or utilizing natural resources, including water. Suppliers are expected to ensure free, prior, and informed consent (FPIC) is obtained



through voluntary agreement based on sufficient prior information.

Note: Key international guidelines related to considerations in the use of land and natural resources in business activities include:

- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests (VGGT)
- ILO Indigenous and Tribal Peoples Convention (No. 169)
- International Finance Corporation (IFC) Performance Standards
- World Bank Environmental and Social Framework – ESS7 (Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities)

IV. Environmental Protection and Commitment to Sustainability

The continuation of the Kagome Group’s business activities depend on sustainable agriculture conducted in a rich natural environment. For this reason, we have established our “Quality and Environmental Policy” and are advancing initiatives aimed at maintaining a sustainable global environment.

In working together to preserve and enhance the richness of our planet’s environment, we kindly request that our suppliers understand and implement the initiatives outlined in the following items.

1. Compliance with Environmental Laws and Pollution Prevention

Suppliers must comply with the laws and regulations of each country and region by preventing pollution of the soil, air, water, and other environmental media.

2. Proper Waste Management and Effective Use of Resources

Suppliers are expected to reduce their own waste and minimize landfill disposal by implementing collection, segregation, and recycling. For plastic containers, packaging, and transportation materials, suppliers are expected to promote reuse, review packaging design, and use materials that are easy to recycle.

Suppliers are expected to establish voluntary targets and plans to prevent waste generation, promote reuse, and advance resource recovery, and to continuously implement such initiatives.

Note: In particular, for plastics, it is important to promote the following initiatives:

- Reducing emissions during the manufacturing, processing, or repair of plastic products by rationalizing the use of raw materials, minimizing offcuts, and reusing offcuts or prototype plastic products as raw materials.
- Reducing emissions from plastic packaging materials used in distribution or sales by promoting simplified packaging and utilizing alternative materials to plastics.

- Reducing emissions from plastic products used in business activities by extending their usage period and avoiding excessive use.
- Utilizing plastic products with innovative designs in terms of components or raw material types.

3. Addressing Climate Change

Suppliers are expected to establish quantitative voluntary targets and plans related to greenhouse gas emissions and energy use, and to work toward their reduction.

Note: Greenhouse gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

4. Conservation of Water Resources

Suppliers are expected to work on improving the efficiency of water use and implementing measures for water conservation in their business activities.

Note: Examples of initiatives to improve water use efficiency include:

- Storing rainwater on company premises and using it as cooling water for factory machinery.
- Treating wastewater generated during product manufacturing processes and reusing it as reclaimed water in production.
- Applying cascade use of water in manufacturing processes, reusing water step-by-step from applications requiring high levels of purity to those with lower purity requirements.
- Implementing systems that manage water usage to save water in manufacturing processes, detect leaks early, and monitor overall water usage.
- Installing water-saving equipment at the facility level.

5. Consideration for Biodiversity

Suppliers must comply with the laws and regulations of each country and region by conducting their business activities with due consideration for biodiversity and by taking appropriate measures to address biodiversity-related impacts.

Suppliers are expected to assess both the direct and indirect impacts of their business activities on biodiversity, and to implement measures such as avoidance, reduction, restoration, and offsetting. Suppliers are expected to eliminate deforestation arising from conversion of forests to agricultural or other non-forest land uses, conversion to tree plantations, or loss of natural forests resulting from severe and sustained degradation.

Note: Specific initiatives include conducting environmental impact assessments, complying with hunting regulations, conserving habitats, and refraining from unauthorized development in designated areas such as nature conservation zones.



Examples of initiative include assessing the impacts of business activities in accordance with the LEAP approach (Locate, Evaluate, Assess, Prepare) defined by the Taskforce on Nature-related Financial Disclosures (TNFD), and implementing measures based on the mitigation hierarchy, including avoidance, reduction, restoration, and offsetting. Regarding deforestation, it is important to evaluate forest impacts arising from land-use change or raw material sourcing, and to promote avoidance of deforestation as well as collaboration in forest regeneration and afforestation activities.

6. Establishment of Environmental Management Systems

Suppliers are expected to establish and operate an Environmental Management System (EMS) to comply with environmental regulations in each country and region, and to continuously work on improvements that reduce the negative impacts of their business activities on the environment.

Note: An Environmental Management System (EMS) is a framework of structures and procedures through which an organization sets environmental policies and objectives and works toward achieving them. Key principles for EMS are defined in international standards such as ISO 14001.

7. Disclosure of Environmental Information

Suppliers are expected to respond to requests from stakeholders for environmental information by providing timely and appropriate disclosures.

Note: The scope of disclosure may include information aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the ISSB IFRS S2 standard, as well as other data related to climate change responses, packaging, agricultural raw materials, water resources, deforestation, biodiversity, pollution, waste, and resource management.

V. Risk Management and Information Security

The Kagome Group have established the “Kagome Group Risk Management Policy” and is promoting initiatives to minimize risks and build a resilient business structure. Furthermore, to provide safety and security to our customers and other stakeholders, we recognize that the proper handling of personal information entrusted to us is both a social responsibility and a fundamental aspect of our business activities. To this end, we have established our Privacy Policy and are ensuring the appropriate management of personal information.

In working together to build a sustainable business environment, we kindly request that our suppliers understand and implement the initiatives outlined in the following items.

1. Preparedness for Disasters and Emergencies (Business Continuity Planning, BCP)

Suppliers are expected to develop a Business Continuity Plan (BCP) that enables the continuation or prompt



recovery of operations, and to review the plan regularly.

Suppliers are expected to ensure the thorough implementation of regular inspections, evacuation drills, and other measures to prepare for emergencies such as disasters.

Furthermore, suppliers are expected to take measures to minimize damage from potential natural disasters, prioritizing the safety of employees and local communities.

2. Protection of Confidential and Personal Information

Suppliers must protect and manage the personal information of customers, third parties, and employees, as well as any confidential information received from customers or third parties, in compliance with the laws and regulations of each country and region.

3. Establishment of Information Security Systems

Suppliers are expected to establish rules and regulations related to information security, provide regular education and training for all employees, implement measures to protect against network threats, and verify and correct information management practices to ensure they are appropriate and effective.

Note: Examples of such measures include installing network firewalls, implementing spam filtering measures, and strengthening passwords linked to user IDs.

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