

# Evaluation and Management of the Supply Chain

## Promoting CSR Procurement to Fulfill Our Responsibility to Society throughout the Supply Chain

Santen established its CSR Procurement Policy and Guidelines in 2020 to fulfill its responsibility to society throughout the supply chain. This document addresses human rights, labor and environmental issues and other matters not just through its own actions but also in cooperation with its business partners.

In fiscal 2020, we made the CSR Procurement Policy and Guidelines available to all primary business partners involved

in product supply and followed up with a questionnaire to check on their compliance with the guidelines. Suppliers responded to requests from procurement managers in Japan, China, EMEA and the United States with a return rate above 90%.

Going forward, we will conduct assessments when commencing transactions with new suppliers or once every three years for current suppliers. We expect suppliers to understand Santen's approach and will work to help achieve compliance if their operations do not meet the Guidelines. Moreover, we will expand the scope of the assessments to cover secondary suppliers or manufacturers further up the chain when our primary supplier is not the manufacturer. We will also include suppliers of indirect materials.

In addition to contributing to society throughout the supply chain by communicating with our suppliers through these assessments, we aim to enhance our own corporate value as well as that of our business partners by promoting responsible procurement.

### Santen Group CSR Procurement Policy (Abridged)

To contribute to the development of a sustainable society by fulfilling its social responsibilities in cooperation with its business partners based on Santen's Values "Tenki ni sanyo suru" in compliance with its CSR Basic Policy, the UNGC Ten Principles, etc., the Santen Group promotes CSR procurement in the following ways:

- I. Compliance with applicable laws and international norms
- II. Ensuring an appropriate level of quality, efficacy and safety, and stable supply
- III. Respect for human rights and prohibition of complicity in human rights abuses
- IV. Protection of the rights, health and safety of workers
- V. Due consideration for environmental conservation
- VI. Contribution to the development of a sustainable society

### VOICE



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By establishing a CSR Procurement Policy, spelling out the process for its implementation and standardizing the Guidelines Compliance Questionnaire for suppliers, the Santen Group has built a system in which all its sites use the same criteria to evaluate and manage CSR procurement. I consider this a key achievement in terms of globalizing supplier management. Through our business partner assessment, we confirmed the status of CSR management at current suppliers and clarified measures for those that do not meet the Guidelines.

In addition, to ensure that our business partners in China fully understand the content of the CSR Procurement Policy and Guidelines and the Guidelines Compliance Questionnaire, we prepared Chinese versions. This has further facilitated activities.

Please see the Santen Group CSR Procurement Policy and Guidelines at

[https://www.santen.com/en/sustainability/assets/pdf/procurement\\_policy\\_e.pdf](https://www.santen.com/en/sustainability/assets/pdf/procurement_policy_e.pdf)

