



APR CORP.

# **SUPPLY CHAIN MANAGEMENT POLICY**

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**Article 1: Purpose**

APR Co., Ltd. and its domestic and overseas subsidiaries (hereinafter referred to as the “Company”) endeavor to practice sustainability management throughout the entire supply chain. The purpose of this Supply Chain Management Policy (hereinafter referred to as this “Policy”) is to establish a framework through which the Company, its suppliers, and other stakeholders can pursue sustainability in areas such as human rights, safety, environment, protection of privacy and intellectual property rights, and ethics, and thereby achieve shared growth.

**Article 2: Scope of Application**

(1) This Policy applies to all executives and employees of the Company’s head office and its domestic and overseas subsidiaries.

(2) This Policy also applies to all types of suppliers that design, sell, manufacture, or provide materials or services used in the development, production, sale, or provision of the Company’s products and services.

(3) The Company encourages all stakeholders who may be affected in the process of producing and distributing the Company’s products and services to users to adopt this Policy.

**Article 3: Sustainable Procurement**

(1) To establish a responsible supply chain management system, the Company shall comprehensively evaluate financial and management status, quality, technology, and other relevant factors when selecting new suppliers and determining whether to maintain supplier relationships.

(2) The Company shall expand the use of raw materials produced in a sustainable manner in order to minimize environmental and social impacts in the procurement of raw materials and minerals, as follows:

1. Palm Oil and Cotton

With respect to key raw materials associated with environmental and human rights issues, such as palm oil and cotton, the Company shall comply with the following principles:

(a) When using palm oil, the Company shall give priority to the use of raw materials produced in a sustainable manner, and shall take into account internationally recognized sustainability standards;

(b) When using cotton, the Company shall seek to use raw materials produced through responsible production methods that take into account environmental and human rights considerations;

(c) The Company shall require suppliers to comply with responsible production principles, including prevention of deforestation, protection of biodiversity, and prohibition of child labor and forced labor; and

(d) The Company shall establish a management system to increase the proportion of sustainable raw materials used for key raw materials going forward.

2. Conflict Minerals

The Company shall verify and manage the use of conflict minerals, including tin, tantalum, tungsten, and gold (3TG), as follows:

(a) The Company may request information from suppliers on whether they use minerals sourced from conflict-affected or high-risk areas;

(b) Where the use of minerals associated with conflict or human rights violations is identified, the Company shall require a review of alternative raw materials or improvements to the supply chain; and

(c) The Company shall continuously promote the establishment of a responsible mineral sourcing system by referring to applicable laws and regulations and international guidelines.

**Article 4: Responsibilities of Suppliers**

The Company’s suppliers shall be responsible for thoroughly understanding the Supplier Code of Conduct for Sustainability Management and making efforts to practice environmental protection, respect for human rights, safety management, quality control, and compliance and business ethics.

**Article 5: Supply Chain Due Diligence**

The Company’s supply chain due diligence is as follows:

1. Pre-screening

Prior to entering into a contract, the Company shall comprehensively evaluate prospective suppliers through its supplier selection process, covering key areas such as financial and management status, quality and technology, environmental, social, and governance matters. The evaluation shall be conducted through step-by-step reviews and on-site due diligence, with the joint participation of relevant departments, including Procurement, Quality, and R&D, and only suppliers that meet the Company’s criteria shall be finally selected. The Company may conduct prior reviews and monitoring of the legality and fairness of transactions in order to implement and manage fair competition practices.

2. Supplier Assessment

The Company shall conduct regular assessments of suppliers based on a checklist covering management, quality control, production capacity, and history of procurement-related issues. The assessment results shall be graded and managed in accordance with applicable criteria, and the Company shall provide guidance on corrective actions and take necessary measures with respect to any identified deficiencies. Based on the assessment results, suppliers requiring a higher level of management shall be prioritized for due diligence.

3. Follow-Up Management

The Company shall update the supplier status survey at least once per year and regularly review changes in suppliers' management, quality, financial status, and ESG management systems.

**Article 6: Communication**

The Company shall continuously communicate with internal and external stakeholders and update its policies in order to manage supply chain sustainability risks. The Company shall also disclose its key activities through sustainability reports and other channels, and shall strive to maintain continuous communication with its suppliers.

**Article 7: Amendment and Repeal**

Any amendment to or repeal of this Policy shall be subject to the approval of the Representative Director.

## ADDENDA

### **ADDENDUM <Ver. 1.0, March 13, 2026>**

Article 1: Enforcement Date

This Policy shall be established and enter into force on March 13, 2026.

### **ADDENDUM <Ver. 2.0, April 20, 2026>**

Article 1: Enforcement Date

This Policy shall be established and enter into force on April 20, 2026.