

# Supply Chain Management

## Basic Policies for Product Procurement and Declaration of Partnership Building

J-POWER is committed to contributing to a sustainable society throughout its supply chain, including its business partners and suppliers. To this end, the Company has established the Basic Policies for Product Procurement and adheres to six guidelines: openness, fairness, economic rationality, long and reliable partnership, law-abiding practices, and respect for human rights and assurance of occupational health and safety. These guidelines are also available on the Company's website. In addition, in March 2022, we announced the Declaration of Partnership Building, aiming to foster cooperation and shared prosperity with our supply chain partners and value-creating businesses.

### Basic Policies for Product Procurement

[https://www.jpower.co.jp/english/company\\_info/material\\_info/s01\\_.html](https://www.jpower.co.jp/english/company_info/material_info/s01_.html)

### Declaration of Partnership Building

[https://www.jpower.co.jp/company\\_info/procurement/partnership.html](https://www.jpower.co.jp/company_info/procurement/partnership.html) (available only in Japanese)

### Basic Policies for Product Procurement

#### 1 | Openness

J-POWER is committed to procuring high-quality, fair-priced products and is open to collaborating with businesses from overseas as well as in Japan. J-Power always welcomes the participation of motivated new business partners and suppliers.

#### 2 | Fairness

J-POWER always endeavors to be fair. Careful and fair selection of suppliers is made based on quality, price, reliability, delivery punctuality and compatibility of products, and technical capabilities, financial position, after-sale service, and environmental protection of the companies.

#### 3 | Economic rationality

J-POWER procures products following the economic rationality underlying J-POWER's principle: "better products, better price."

#### 4 | Long and reliable partnership

J-POWER considers after-sales service an essential component of the transaction once a sales contract is concluded and is willing to develop long and reliable partnerships with suppliers.

#### 5 | Law-abiding practices

J-POWER believes that all business dealings conducted by its suppliers and by itself should comply not only with relevant laws and regulations but also with their spirit.

#### 6 | Respect for human rights and assurance of occupational health and safety

J-POWER is committed to taking responsibility for respecting the human rights of all stakeholders, including those within the supply chain, in accordance with the J-POWER Group Basic Policy on Human Rights.

J-POWER ensures that it and its suppliers fulfill their responsibilities and obligations, with a priority on the safety of the public and relevant parties. Collaboratively, J-POWER works to enhance health and safety awareness, thereby preventing industrial accidents and fostering a comfortable working environment.

The Group communicates the Basic Policies for Product Procurement internally and provides training programs for procurement personnel to ensure proper procurement operations.

Procurement information and procedures are available on the Group's website for interested parties, promoting fair and transparent transactions. Additionally, the Group has established the consultation channels to assist with procurement-related inquiries.

### Product procurement information

[https://www.jpower.co.jp/english/company\\_info/material\\_info/](https://www.jpower.co.jp/english/company_info/material_info/)

## Respect for Human Rights throughout the Supply Chain

In line with the J-POWER Group Basic Policy on Human Rights, we are advancing initiatives to respect human rights across all stakeholders. In April 2025, we started to send a letter of request for initiatives related to respect for human rights to key business partners and suppliers, thereby further encouraging all stakeholders to support this policy. In addition, we have established Compliance Consultation Points, ensuring confidentiality and anonymity, which are also available for use by the employees of the business partners of the J-POWER Group.

[P.75 Initiatives to Respect Human Rights](#)

### Topics

#### Biomass fuel procurement from domestic and overseas sources

The Group is working to reduce CO<sub>2</sub> emissions through the mixed combustion of biomass fuels at coal-fired power plants. From the perspective of sustainably and stably procuring biomass fuel, the Group is also engaged in the business of producing sustainable biomass fuels such as woody fuels employing forest offcuts, which are underutilized resources in Japan. For overseas procurement, we also use third-party certification to ensure sustainability upon receiving certification documents for each transaction. In addition, we visit manufacturing plants and forests where raw materials are sourced, both in Japan and overseas, to exchange opinions with relevant stakeholders.

#### Wood biomass fuel production business in Japan

**Project name** Miyazaki Wood Pellet  
**Location** Kobayashi City, Miyazaki Prefecture  
**Project overview** A business with an integrated system, from setting up companies to manufacture wood pellets from underutilized forest offcuts, and manufacturing wood pellets, to using pellets for mixed combustion in J-POWER's coal-fired thermal power plants  
 (Pellet production capacity: 25,000 tons/year)  
**Equity share** 98.3%  
**Start of operation** 2011



Wood pellets

#### Visits by our employees



Visit to a wood pellet plant (Vietnam)