

PILOT Group Sustainable Procurement Guidelines

The PILOT Group believes that it is essential for the entire supply chain to address the maintenance and improvement of the environment and society in order to realize a society where people can live with peace of mind. The PILOT Group Sustainable Procurement Guidelines summarize the matters we would like all our suppliers to comply with in accordance with the PILOT Group Sustainable Procurement Policy. We expect our suppliers to understand the intent of these Guidelines and actively promote their efforts.

1. Compliance with Laws and Regulations and Respect for International Norms

We will promote fair and equitable procurement activities in compliance with the laws and regulations applicable in the countries and regions where we conduct business activities and with respect for international norms.

(i) Prohibition of Corruption and Bribery

We will not receive or provide any form of bribe.

We will endeavor to establish a transparent and fair relationship with political and administrative organizations in accordance with the laws and regulations of each country and will not make any illegal political contribution, donation, or other similar gifts.

(ii) Prohibition of Abuse of Advantageous Position

We will not put our clients at a disadvantage in abuse of our advantageous position.

(iii) Prohibition of Provision and Receipt of Inappropriate Benefits

We will not provide, promise to provide, request, or receive any inappropriate benefits to or from our stakeholders.

(iv) Prohibition of Acts That Restrict Competition

We will not conduct any act that impedes fair transaction and fair competition.

(v) Respect for Intellectual Properties

We will respect the intellectual properties of others and will not infringe any rights.

(vi) Blocking of Relationship with Antisocial Forces

We will not have any relationship with antisocial forces or other organizations that threaten the order and safety of civil society.

(vii) Information Disclosure

We will actively provide and disclose information to our stakeholders.

2. Respect for Human Rights

We will respect the human rights of each and every person and promote procurement activities that involve no forced labor nor child labor.

(i) Prohibition of Forced Labor

We will not force any form of forced labor or labor against the will of workers.

We will employ persons who spontaneously desire to work and will not restrict the right to resign at their will.

(ii) Prohibition of Child Labor

We will not employ any child who is less than the minimum age for employment prescribed in the treaties and recommendations of the International Labour Organization (ILO).

(iii) Consideration for Working Hours

We will appropriately manage the working hours of our employees in compliance with the laws and regulations of each country and local region.

(iv) Appropriate Payment of Wages

We will appropriately pay salary to our employees in compliance with all laws and regulations relevant to wages including minimum wages, overtime work, and statutory benefits.

(v) Exclusion of Inhumane Treatment

We will respect the human rights of each and every employee and exclude any physical and mental abuse and harassment (such as sexual harassment and power harassment), and will not conduct any inhumane treatment.

(vi) Prohibition of Discrimination

We will not discriminate based on race, ethnic group, nationality, religion, belief, birthplace, sex, age, disability, etc. in the course of hiring and employment.

(vii) Freedom of Association and Respect for Collective Bargaining Rights

We will respect employees' rights to organize and bargain collectively with the management for the purpose of discussion on the work environment, wage levels, and other similar topics.

3. Safety and Health

We will endeavor to maintain and improve the work safety and health environment and prevent the occurrence of any accident or disaster so that all people in the workplace can perform their duties under safe and healthy circumstances.

(i) Safety and Health in the Workplace

We will assess the potential risks in the workplace, take preventive measures, and ensure the safety of workers.

We will identify all dangers in the workplace, inform our employees of them, and implement education and training.

(ii) Preparation for Emergency

We will take measures including the reporting system, notification to our employees, communication about evacuation procedures, installation of fire extinguishing equipment, etc. in preparation for emergencies.

(iii) Management of Workers' Health

We will give consideration regarding physically demanding work, appropriately manage our employees' health so that they can stay healthy, and endeavor to prevent any industrial accident. We will establish an environment where each and every employee can work safely and healthily in compliance with all laws, regulations, and controls on safety and health in the workplace.

4. Ensuring Quality and Safety of Products and Services

We will thoroughly manage the quality and safety of our products and services and endeavor to continuously maintain and improve them. We will establish a business continuity plan and take prior measures for business continuity and early recovery so that we can promptly respond to risks that

impede the business continuity even in the event of an emergency such as a natural disaster.

(i) Quality Control

We will work on the maintenance and improvement of quality not only in compliance with regulatory controls on the quality of products and services but also to satisfy the quality standards of the Company and our customers' demand.

(ii) Ensuring Safety

We will take responsibility as a supplier by conducting design, manufacture, and sales that fully ensure safety.

(iii) Provision of Accurate Information on Products and Services

We will provide accurate information on products and services to our customers.

(iv) Stable Supply

We will identify and assess the risk factors that impede business continuity and maintain measures for the stable supply of products and services even in the event of a natural disaster or similar event.

5. Consideration for Global Environment

We will reduce the burden on the global environment from our business as much as possible and promote procurement activities for the realization of a sound recycling-oriented society.

(i) Compliance with Environmental Laws, Regulations, etc.

We will comply with environmental laws and regulations and other requirements established by the Company.

(ii) Environmental Information Disclosure

Upon request for disclosure of environmental information, we will appropriately disclose the information.

(iii) Energy Consumption and Greenhouse Gas Emissions

We will promote the efficient use of energy and reduction of the amount used and work on the reduction of greenhouse gas emissions.

(iv) Effective Use of Resources and Management of Wastes

We will promote reducing, reusing, and recycling, endeavor to effectively use all resources, and work on the reduction of the amount of waste discharged.

(v) Contamination Control and Management of Hazardous Substances

We will control the discharge of substances that cause hazardous impact on the natural environment, local community, human health, etc.

(vi) Management of Water Resources

We will work on the reduction of the amount of water used through the efficient use of water resources.

(vii) Consideration for Biological Diversity

We will conduct business activities with consideration for the natural environment and reduce the impact on biological diversity.

(viii) Contribution to Environment through Business Activities

We will provide products and services that contribute to the solution of global environmental issues in all business aspects including product planning, design, production, and sales.

6. Management of Information Security

We will take protective measures against threats including cyberattacks, prevent the divulgence of confidential information and personal information, and appropriately manage and protect them.

(i) Protection against Cyberattacks

We will take protective measures against threats including cyberattacks and manage them in order not to cause any damage to the Company and other companies.

(ii) Protection of Personal Information

We will take measures necessary and appropriate for the prevention of divulgence, loss, or damage of personal data and other safe management thereof in compliance with laws and regulations on the protection of personal information.

(iii) Prevention of Divulgence of Confidential Information

We will appropriately manage and protect confidential information received from our customers and third parties.

Shu Itoh, President & Representative Director

PILOT Corporation

Date of Establishment: January 1, 2022