CSR Procurement Assessment Report 2024
(Singapore Business)

Pigeon Corporation

October 1, 2024

Celebrate babies the way they are

Pigeon has established the CSR Procurement Policy and CSR Procurement Guidelines as our basic approach to procurement activities in order to continue contributing to the "development of a sustainable society" as stated in the Pigeon ESG/SDGs Basic Policy. To advance procurement based on this Policy and these Guidelines, we conduct annual assessment surveys of our suppliers. The purpose of this assessment is to grasp the status of environmental, sustainability and governance (ESG) activities among suppliers and to recognize issues occurring in our supply chain.

We look forward to working with suppliers to correct the issues revealed by the assessment. By conducting this assessment and following it with improvement efforts as described above, we believe we can contribute to solutions for a range of social issues in collaboration with suppliers, building stronger relationships with them in the process.

Overview of the Assessment

Assessed Suppliers
All primary suppliers at Pigeon Singapore Pte. Ltd.
Major suppliers in Singapore Business Unit's production subsidiaries

Number of suppliers contacted and response rate
Of 243 companies contacted, 185 companies responded. (Response rate of 76.1%)

Assessment period
April to June, 2024

Assessed items
The questionnaire used for the assessment was the Self-Assessment Questionnaire (SAQ) prepared by UN Global Compact Network Japan (GCNJ), the Japan chapter of the United Nations initiative on corporate sustainability.

A detailed description of the items queried in the questionnaire is provided in the table below. Each intermediate-level item is broken down into five sub items: Legal awareness, Policy, System and responsibilities, Collective actions and Correction. Respondents are asked to rank their own performance in each sub item on a scale of 1 to 3.

| Major items	Intermediate-level items
1.Corporate governance related to CSR	1. Establishment of a CSR promotion system
	2. Establishment of internal controls
	3. Establishment of a business continuity planning (BCP) system
	4. Establishment of a whistle-blower system
	5. Dispatch of CSR-related information inside and outside the company

2. Human rights	1. Basic attitude toward human rights
	2. Respect for human rights and prohibition of discrimination
	3. Avoidance of complicity in (or contribution to) human rights abuses
	4. Respect for indigenous peoples and local communities
3. Labor	1. Basic attitude toward labor practices
	2. Prohibition of discrimination in the workplace
	3. Provision of equal opportunities to employees regarding human resources development and career advancement, etc.
	4. Prohibition of inhumane treatment
	5. Payment of fair wages
	6. Fair application of working hours, time off, and paid time off, etc.
	7. Prohibition of forced labor
	8. Prohibition of child labor
	9. Respect for the religious traditions and customs of the country of operation
	10. Recognition of and respect for freedom of association and the right to collective bargaining
	11. Proper management of employee safety and health
4. Environment	1. Basic attitude toward environmental initiatives
	2. Management of chemical substances indicated in laws and regulations, etc., in production processes, products, and services
	3. Control and reduction of waste water, sludge and air emissions
	4. Sustainable and efficient utilization of resources (energy, water, raw materials, etc.)
	5. Reduction of GHG (greenhouse gases)
	6. Identification, management, reduction, and responsible disposal or recycling of waste
	7. Initiatives related to biodiversity
5. Fair business practices	1. Basic attitude toward fair business practices
	2. Establishment of appropriate relationships with local governments and public officials in and outside countries where business activities are conducted
	3. Prevention of the giving and receiving of improper advantages with customers and trade partners, etc., in sales and purchasing activities, etc.
	4. Prevention of competition law violations in sales activities, etc.
	5. Rejection of relationships with antisocial forces/organizations

	6. Prevention of unauthorized use of a third party's intellectual property and of illegal reproduction of copyrighted works
	7. Services for responding to complaints from outside the company and for consultations
	8. Prohibition of insider trading
	9. Prohibition of acts with conflicting interests
6.Quality and safety	1. Basic attitude toward product and service quality and safety
	2. Ensuring product and service quality and safety
	3. Appropriate response to product and service accidents and the circulation of defective goods
7.Information security	1. Basic attitude toward information security
	2. Defenses against attacks on computer networks
	3. Protection of personal data and privacy
	4. Prevention of misuse of confidential information
8. Supply chain	1. Basic attitude toward the supply chain
	2. Use of raw materials not involved in conflict or crime (initiatives against conflict minerals)
9.Harmonious coexistence with local communities	1. Initiatives to reduce negative effects on local communities
	2. Initiatives with local communities towards sustainable development

Assessment results

The survey coverage was expanded to 243 companies (previous year: 230 companies), including major suppliers of production subsidiaries, and the response rate increased to 76.1% (previous year: 60%). On the other hand, the average score for all items declined from the previous year, with the overall average score dropping 2.9 points to 80.2%.

By item, the average score for "Corporate governance related to CSR," "Supply chain," and "Coexistence with local communities," which were identified as issues in the previous year, did not reach 80%, and will continue to be addressed.
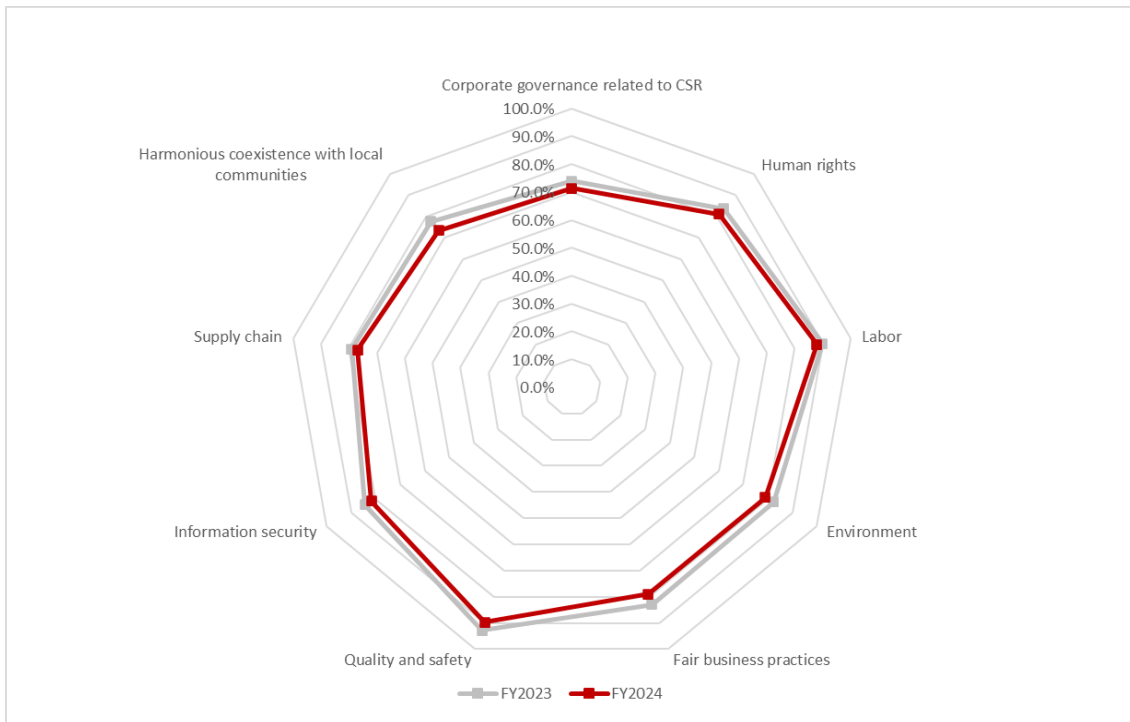
Item	Number of questions	Average score rate		
		FY 2023	FY 2024	Diff.
1. Corporate governance regarding CSR	20	74.0%	71.2%	-2.8 pt.
2. Human rights	9	83.6%	81.0%	-2.6 pt.
3. Labor	23	89.8%	87.9%	-2.1 pt.
4. Environment	15	82.2%	79.0%	-3.2 pt.
5. Fair corporate practice	20	82.9%	79.0%	-3.9 pt.
6. Quality and safety	7	92.9%	89.8%	-3.1 pt.
7. Information security	9	84.4%	81.8%	-2.6 pt.
8. Supply chains	7	79.1%	76.9%	-2.2 pt.
9. Harmonious coexistence with local communities	4	77.5%	73.3%	-4.2 pt.
Total	114	83.1%	80.2%	-2.9 pt.

Note: Questions answered with "Not applicable" are deducted from the denominator when calculating the supplier's score rate.

Efforts Toward Improvement

  We will provide suppliers who responded to the questionnaire with feedback on the following topics:
  ● Their own tabulation results
  ● Average score rates
At the same time, we will encourage efforts to improve items that are determined to be high-risk.

Future Plans

  We will continue to conduct SAQ assessments and redouble our commitment to measures for improvement by providing support, such as conducting audits, interviews and offering advice on improvement, to suppliers considered to be at high risk or judged to need support in improving their conditions.
Going forward, we will intensify our efforts to build strong relationships of trust with suppliers and contribute to solutions to societal issues throughout its supply chain.