

Pigeon Group Human Rights Policy

We, the Pigeon Group¹, conduct business around the world in pursuit of our Purpose: “We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies’ unique needs.” In accordance with our Corporate Philosophy, “Love,” and our Credo, “Only love can foster love,” respect for human rights is the foundation of our business activities. “Respect for human rights” is stipulated in our Corporate Ethics Guidelines, which constitute our fundamental policy on compliance to ensure we adhere to the highest ethical standards and integrity in our business activities, as well as our CSR Procurement Policy and Guidelines, which are based on our Corporate Ethics Guidelines and govern our conduct with respect to business partners in the course of procurement activities.

The Pigeon Group Human Rights Policy (“the Human Rights Policy”) clearly defines our commitment to respecting human rights as stipulated by our Corporate Ethics Guidelines, and describes the concrete ways we implement that commitment.

Scope of the Human Rights Policy

The Human Rights Policy applies to all officers and employees² of the Pigeon Group. We also expect our suppliers and other business partners to uphold and act in accordance with the Human Rights Policy along with our CSR Procurement Guidelines.

All provisions of the Pigeon Group, including provisions set out in employment regulations, shall be interpreted and enacted in accordance with both our Corporate Ethics Guidelines and the Human Rights Policy.

Our Commitment to Respecting Human Rights

We are committed to respecting the internationally recognized human rights of stakeholders affected by our operations, products, and services throughout our value chains, including human rights as set out in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights; the core labor standards³ recognized by the International Labour Organization (ILO)’s Declaration on Fundamental Principles and

¹ “The Pigeon Group” refers to Pigeon Corporation and its subsidiaries

² Employees include fixed-term contract employees, part-time employees, temporary (casual) employees, and workers/persons dispatched by staffing agencies.

³ The ILO’s core labor standards are freedom of association and effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labor; effective abolition of child labor; elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

Rights at Work; and the human rights set out in the UN General Assembly's resolution recognizing the human right to a clean, healthy, and sustainable environment.

As a signatory to the UN Global Compact, we will continue our efforts to realize the Ten Principles of the United Nations Global Compact.

We comply with all applicable laws and regulations and respect internationally recognized human rights wherever we operate. When faced with conflicting requirements, we will seek ways to honor the principles of internationally recognized human rights to the greatest extent possible in the circumstances.

Implementing Our Commitment

We implement our commitment to respecting human rights in ways that accord with the United Nations Guiding Principles on Business and Human Rights in order to avoid causing or contributing to adverse human rights impacts through our own business activities, and address such impacts when they occur. We seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products, or services by our business relationships, even if we have not contributed to those impacts.

Human Rights Governance

Our Board of Directors makes decisions on matters that are central to honoring our commitment to human rights and promotes human rights initiatives accordingly. These human rights initiatives are carried out under the supervision of the Human Rights Owner appointed by the Chair of the Risk Management Committee, with regular progress reports from the Chair of the Risk Management Committee to the Board of Directors. The Board of Directors carries out monitoring and other necessary matters relating to compliance with the Human Rights Policy and human rights due diligence.

Human rights due diligence

We carry out human rights due diligence, including steps to: identify and assess any actual or potential adverse human rights impacts with which we may be involved either through our own activities or as a result of our business relationships; integrate the findings from our impact assessments across relevant internal functions and processes, and take action to prevent and mitigate adverse impact; track and verify the effectiveness of our responses; and communicate how impacts are addressed.

Where it is necessary to prioritize actions to address actual and potential adverse human rights impacts, we strive to first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable.

Remedy

Where we identify that we have caused or contributed to adverse impacts, we are committed to provide for or cooperate in remediation through legitimate processes.

Where adverse impacts have occurred that we have not caused or contributed to, but which are directly linked to our operations, products, or services by a business relationship, we strive to cooperate with the business partner(s) concerned toward remediation.

Grievance mechanisms

We establish effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted by human rights, or participate in grievance mechanisms set up by industry, multi-stakeholder and other collective initiatives.⁴

Officers and employees of the Pigeon Group (including former officers and employees within their first year after leaving the company) can report or discuss violations of the Human Rights Policy via Pigeon's "Speak Up Desk"⁵ (either through an internal contact point at Pigeon or an external contact point), or at other contact point established by a Pigeon Group company.

Our business partners can report or discuss violations of the Human Rights Policy by sending an e-mail or mailing a letter to the "Pigeon Partners Line"⁶ (either through an internal contact point or an external contact point).

Training

We provide the necessary training for our officers and employees to ensure that the Human Rights Policy is understood and effectively implemented.

Dialog

We sincerely engage in dialog with stakeholders affected by our business operations.

Communication and disclosure

We communicate and report on our human rights initiatives through various channels, including the Pigeon Corporation website and the UN Global Compact's Communication on Progress.

High-priority human rights areas

⁴ Regarding grievances against RSPO (the Roundtable on Sustainable Palm Oil) members, the Complaints System is operated by the RSPO. For details, see the following website: <https://rspo.my.site.com/Complaint/s/>

⁵ The Speak Up Desk is available in multiple languages and allows anonymous reporting and discussion.

⁶ For details on the Pigeon Partners Line, see the following website:

https://www.pigeon.com/sustainability/governance_top/compliance/#co002

While we respect all internationally recognized human rights throughout our value chain, we recognize the following human rights as high-priority human rights areas in the context of the Pigeon Group's business operations and business relationships. Our positions with respect to these high-priority areas are described below.

We also expect our business partners, including suppliers and contractors, to act in accordance with these positions.

- **Non-discrimination:** We prohibit discrimination based on race, color, national origin, gender, age, religion, gender identity or sexual orientation, disability, union membership or non-membership, ethnic or social origin, or other personal characteristics in all aspects of employment and the workplace, including recruitment, hiring, assignment and job allocation, promotion, compensation, training, and benefits, and provide equal opportunities to our employees.
- **Prohibition of harassment:** We recognize that harassment⁷ is an affront to a personal dignity and prohibit all forms of harassment in the workplace, verbal or non-verbal, including sexual harassment, power harassment, racial harassment, and physical or mental harassment such as corporal punishment, along with bullying, abuse and any other behavior harmful to personal dignity. We take every possible action to prevent and remedy harassment in the workplace.
- **Prohibition of child labor and protection of young workers:** Child labor deprives children of their childhood, their potential, and their dignity, and is harmful to physical and mental development. Throughout our value chain, including our own operations as well as those of suppliers and contractors, we do not use, and will not be complicit in or tolerate the use of, labor by children under the age of 15.⁸ We also do not engage, and will not be complicit in or tolerate the engagement of, young workers under the age of 18 in hazardous work, night shifts, or overtime work.
- **Prohibition of forced and compulsory labor:** Forced or compulsory labor is any work or service that is exacted from any person under the menace or threat of a penalty, and which the person has not entered into of his or her own free will. Forced labor is a violation of the basic human right to work in freedom and freely choose one's work.

Throughout our value chain, including our own operations as well as suppliers and contractors, we do not use, and will not be complicit in or tolerate the use of, any form of forced

⁷ Harassment is unwelcome or inappropriate conduct based on the personal characteristics specified in "Non-discrimination."

⁸ In countries where the legal minimum working age is 14 or 16 years or older, child labor is defined as work by children below the minimum working age stipulated by the applicable national law. However, if the age for completing compulsory education is higher than the legal minimum working age, child labor is defined as work performed by children below the age for completing compulsory education.

labor, including debt bondage or bonded labor,⁹ forced prison labor, modern slavery, and human trafficking.

- ✧ We employ all workers of their free will and provide a document stating conditions of employment when they start work.
- ✧ We do not charge any fees or related recruitment costs, directly or indirectly, to recruited employees or jobseekers in recruitment and hiring, in accordance with the International Labour Organization (ILO)'s international labor standards.
- ✧ We do not retain deposits, passports, or other identity documents of employees.¹⁰
- **Working conditions, including wages and working hours:** We comply with applicable laws and legal agreements with employees on working conditions, including wages and working hours, in the country where they are employed.
 - ✧ We pay our employees and workers wages that meet legal minimum standards and are sufficient to afford a decent standard of living for the worker and her or his family (living wage).
 - ✧ We do not make unauthorized disciplinary wage deductions that are not based on conditions and within the extent prescribed by national laws, regulations, and labor-management agreements. We pay overtime wages at a premium rate in accordance with national laws or regulations.
 - ✧ Limits on working hours prescribed by laws or regulations of the country where the workers are employed or by a labor-management agreement reached on the basis of the laws or regulations shall not be exceeded.
 - ✧ We will work to reduce and eliminate excessive working hours. Periods of rest shall be granted to workers as prescribed by the laws or regulations of the country where the workers are employed or by a labor-management agreement reached on the basis of the laws or regulations.¹¹
 - ✧ We notify employees and workers in writing of their working conditions.

⁹ Bonded labor or debt bondage is a practice in which people are obliged to work in slave-like conditions to repay debts of their own or their parents or relatives.

¹⁰ If these are retained in exceptional circumstances for reasons of safekeeping, this must only be upon the request and with the consent of the employee, both of which must be genuine, and the employee or worker must be able to use them at any time.

¹¹ For workers in the country or region where no laws on rest periods for workers exist, or to whom the laws on rest periods of the country where they are employed do not apply, a rest period of at least 24 consecutive hours every seven days or at least 4 rest days over a period of 4 weeks shall be granted to workers.

- **Freedom of association and the right to collective bargaining:** We respect the right of all employees to form or join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law.
 - ✧ We prohibit any acts of interference in trade unions and do not discriminate on the basis of trade union organization, membership, or activity in such areas as applications for employment and decisions on advancement, dismissal, or transfer.
 - ✧ Collective bargaining is a voluntary process or activity through which employers and employees discuss and negotiate their relationship, particularly the terms and conditions of work and the regulation of relations between employers and employees. We will facilitate genuine and constructive dialogue and negotiations with trade union representatives or representatives freely designated by employees, and provide them with the information required for meaningful bargaining in the context of bona fide negotiations.
 - ✧ We will respect the right of employees to submit grievances without suffering.
- **Occupational health and safety:** We comply with health and safety laws, regulations, and industry standards applicable to our operations and ensure a safe and healthy workplace for our employees, workers, and contractors. To prevent occupational accidents, injuries and illnesses, we implement an occupational health and safety management system at our production sites and work to continuously improve our occupational health and safety performance.
- **Indigenous peoples and local communities:** We respect the right of indigenous peoples and local communities to lands, territories and resources that they legally or customarily own, occupy, use, or acquire in the agricultural supply chains linked to our business, such as palm oil and pulp. We also respect the cultural heritage, traditional knowledge and practices of indigenous and local communities.
 - ✧ On projects affecting their lands, territories, or resources, we respect good faith consultation and free, prior, and informed consent through indigenous and local communities' own representative bodies.
 - ✧ We will not forcibly remove or relocate indigenous peoples and local communities from their lands or territories without the free, prior, and informed consent of the indigenous peoples and local communities concerned accompanied by agreement on just and fair compensation, nor will we be complicit in such forcible removal or relocation of the indigenous peoples and local communities. We uphold the right of those affected by relocation and resettlement due to our operations to receive adequate compensation.

Supplementary provisions

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