Pacific Engineering Corporation

Timeless Insight, New Mobility

SUSTAINABILITY REPORT

Sustainability Report 2026

Reporting period: FY2025 (April 2025 – March 2026)

Timeless Insight, New Mobility

Environment | Labor and Human Rights | Ethics and Governance | Sustainable Procurement

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This report is structured around the four themes of the EcoVadis sustainability assessment (Environment / Labor & Human Rights / Ethics / Sustainable Procurement).

Editorial Policy

This report describes the sustainability policies, promotion structure, initiatives and performance of Pacific Engineering Corporation for our customers, suppliers, employees, local communities and all our other stakeholders. It covers four areas—Environment, Labor & Human Rights, Ethics & Governance, and Sustainable Procurement—and reports on each in the order “Policy and Targets,” “Promotion Structure,” “Key Initiatives” and “Performance.” The contents of this report were deliberated by the Management Meeting and approved by the President and Representative Director.

Detailed sustainability information is published in this report, while timely updates are posted on the CSR page of our website. Our CSR policy is set out in the PEC CSR Guidelines and our commitment to the SDGs in our SDGs Declaration, both of which are available on our website.

Scope of Reporting

Pacific Engineering Corporation (non-consolidated: two sites, the Head Office Plant and the Ogaki Plant)

For practical reasons, some data include PEC Holdings Co., Ltd. and Group companies. In such cases, the scope is stated for each item.

Reporting Period

FY2025 (April 1, 2025 – March 31, 2026)

Some activities outside this period are also included.

Date of Publication

September 2026

Third-Party Assurance

The data in this report have not received third-party assurance. To improve data reliability, we are documenting our calculation methods and strengthening internal checks, and will consider obtaining third-party assurance or verification for key indicators.

Guidelines Referenced

- United Nations Sustainable Development Goals (SDGs)
- GRI Standards (with reference; the GRI Content Index is provided at the end of this report)
- PEC CSR Guidelines (revised August 2026, 3rd edition)
- GHG Protocol (Scope 1, 2 and 3 calculations)

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Forward-looking statements are based on information available at the time of preparation, and actual results may differ.



Pacific Engineering Corporation
Takahisa Ogawa
President and Representative Director

Passing on a “New Flow” for a sustainable mobility society to the next generation

Since our founding in 1961, we have supported the “safety and comfort” of the automotive society as a specialist manufacturer of automotive fuses. A fuse protects a vehicle’s circuits when an abnormal current flows—it is, in effect, a component entrusted with people’s lives. We believe that delivering these products reliably to our customers around the world is the most fundamental social responsibility we must fulfill.

Today, the automotive society is undergoing a transformation said to come only once in a century. Technological advances, led by electrification, are closely tied to energy and the global environment—challenges shared by all humanity—and as a component manufacturer, we too are expected to contribute to a sustainable society through our business activities themselves. In our SDGs Declaration, we pledged to contribute to the development of a sustainable society by enhancing our corporate value. Alongside environmental initiatives such as reducing carbon dioxide emissions from our production activities, using renewable energy and reducing waste, we will steadily advance the creation of workplaces where every employee can stay healthy, work with peace of mind and make full use of their abilities; responsible procurement in partnership with our suppliers; and contributions to local communities, including Ogaki, the “City of Water,” where our head office is located.

These initiatives are underpinned by the strength of each and every PEC employee working around the world. Taking on challenge after challenge without fear of failure, and growing as we spur one another on—I am convinced that a “New Flow” can only emerge from the accumulation of such efforts. We hope this report helps you understand our stance and initiatives, and we would welcome your candid feedback.

Company Profile

Company name	Taiheiyo Seiko Kabushiki Kaisha (English name: Pacific Engineering Corporation)
Established	October 3, 1961
Head office	450 Hinoki-cho, Ogaki, Gifu 503-0981, Japan
Business	Development and manufacture of automotive fuses; precision metal stamping and die manufacturing
Domestic sites	Head Office Plant, Ogaki Plant
Capital	¥98.4 million
Representative	Takahisa Ogawa, President and Representative Director
Key certifications	ISO 14001 (environment; first certified in 2001; obtained at all domestic sites [two sites]) ISO 9001 (quality; first certified in 1997) / IATF 16949 (automotive industry) ISO/IEC 17025 (laboratory accreditation: fuses and overcurrent protection devices)

Net sales (non-consolidated)
¥26.8 billion
FY ended March 2026

Employees (non-consolidated)
423
365 regular, 58 contract and other
(as of March 31, 2026)

Group total
1,070 employees
As of March 31, 2026



Business Characteristics

We are a specialist component manufacturer handling everything from the development and design to the production of automotive fuses. Through two businesses—fuses and precision metal stamping, which leverages the high-precision die technology we have cultivated in developing fuse components—we contribute to a safe and comfortable automotive society. In 2020, we opened PEC PARK, a new site that integrates our head office and main production departments into a single facility, creating an environment where employees from Japan and overseas can interact and co-create across departmental boundaries.

Overseas Sites

North America: PEC of America Corporation, Detroit Technical Office
Mexico: PEC de México, S.A. de C.V.
Thailand: PEC Manufacturing (Thailand) Ltd.
China: PEC (Shanghai) Corporation
Germany: PEC (Europe) GmbH

Overseas Sales Network

USA / Germany / India / Australia / Thailand / South Korea / China / Taiwan

Corporate Philosophy VISION / MISSION / VALUE

In 2015, our employees themselves formulated our corporate philosophy, “VISION / MISSION / VALUE.” It consists of our aspiration (VISION), our mission (MISSION) and six codes of conduct that every employee keeps in mind (VALUE). In 2018, we launched the corporate slogan “Timeless Insight, New Mobility” to declare to the world that we will continue to evolve as a global brand that helps shape the automotive society of a new era.

CORPORATE SLOGAN

Timeless Insight, New Mobility

VISION	The aspiration we will hold toward the future
MISSION	The mission we must fulfill to realize our VISION
VALUE	The codes of conduct every employee keeps in mind

VISION / MISSION / VALUE describe the “ideal state” we have defined in order to remain a company trusted by customers and society ten years from now, and serve as a watchword expressing our corporate stance.

VISION

We will pursue originality and keep creating a “New Flow” for a safe and comfortable automotive society.

MISSION

1 To society and the industry We will stay sensitive to the changes of the times, constantly stir our imagination and expand our ideas, and keep delivering technologies and products that exceed expectations.

2 To our customers Transcending countries, cultures and fields, we will share the “future” envisioned by customers around the world and strive to make it a reality with our own specialized technologies and know-how.

3 As employees Working together across the PEC Group, we will build an environment that sparks the “free thinking” and “excitement” through which every individual can grow, and a corporate culture of mutual respect.

VALUE — Six codes of conduct every employee keeps in mind —

1. We will proudly pursue new specialized technologies that lead the industry.
2. Through a strong commitment to quality and sincere conduct, we will remain the most trusted partner for all our customers.
3. We will engage closely with customers from the earliest stage of every process, thinking through issues and solving them together.
4. Each of us will grow proactively as a professional, acquire diverse skills and keep taking on challenges.
5. With a global mindset, we will understand and respect our differences and create new things through teamwork that transcends organizational boundaries.
6. Through strong information-gathering skills and flexible thinking, we will keep sharpening our sensitivity to see into the future.

Our Philosophy and Sustainability Framework

Under a framework with our corporate philosophy (VISION / MISSION / VALUE) at its apex, we give concrete form to our aspiration through the Medium-Term Management Plan and annual policies, and consistently promote sustainability management with the SDGs Declaration and the PEC CSR Guidelines as the foundation of our CSR. We put the SDGs Declaration, the PEC CSR Guidelines and our materiality into practice as part of our management stance, and VALUE (six codes of conduct) forms the foundation of every employee's values and conduct. Our corporate slogan, "Timeless Insight, New Mobility," expresses this VISION (aspiration) to the world.



CORPORATE SLOGAN

Timeless Insight, New Mobility

A slogan expressing the aspiration we will hold toward the future as a global brand that helps shape the automotive society of a new era.

Timeless Insight

Drawing on our proven track record and experience, we will keep taking on challenges in every era, with the insight to see the essence of things, an insatiable spirit of inquiry, and the new ideas and originality they give rise to.

New Mobility

And on to the future. In an ever-changing global automotive society, we will play our part, lead the times and keep creating a "New Flow."

Our Medium-Term Management Plan, "2030+Beyond: Progressive and Exciting Challenges," consists of growth targets for the HV, LV and stamping businesses toward 2030 and beyond, and the business strategy "Mission for 2026-2028."

For the full text of our corporate philosophy, see **page 06**; for the SDGs Declaration and CSR Guidelines, see **page 08**.

SDGs Declaration and CSR Guidelines

SDGs Declaration

We support the United Nations Sustainable Development Goals (SDGs) and have published our SDGs Declaration. In this declaration, we, the Colorful Creators, pledge to contribute to the development of a sustainable society by creating a “New Flow” and enhancing our corporate value.



Three priority areas of the SDGs Declaration (established January 2023; revised August 2026)

PEC CSR Guidelines (revised August 2026, 3rd edition)

In July 2023, together with PEC Holdings Co., Ltd., we established the PEC CSR Guidelines (2nd edition: July 2025). The August 2026 revision (3rd edition) added a new chapter on “Responsible Procurement” (to which responsible mineral sourcing was moved), explicitly addressed respect for the human rights of external stakeholders and the prevention of money laundering, and added a section on operation (scope, responsibilities and review). The Guidelines now consist of seven areas. They are published on our website and have also been shared with our suppliers, who have confirmed receipt.

Safety and Quality	**Human Rights and Labor**	**Environment**
Responsible Procurement	**Compliance**	**Information Disclosure**
Operation of These Guidelines		

Our CSR policy, the PEC CSR Guidelines, and our commitment to the SDGs, the SDGs Declaration, are both published on our website. We promote these initiatives across the entire supply chain together with our suppliers.

Materiality (Key Issues)

In FY2024, we conducted a materiality analysis from the perspectives of the SDGs and ESG to identify issues of high importance to both our business and society. The analysis assessed both the impact of our business activities on the environment and society and the impact of each issue on our business, and organized the issues on which we will focus. For each identified materiality, we have set indicators (KPIs) and targets, and we manage progress against them.

Materiality	Related SDGs	KPI (indicator)	Target	FY2025 result	Main section
Climate change mitigation	7, 13	CO_2 emissions (Scope 1+2)	FY2030: 7,025 t-CO_2 Group; 46% reduction vs. FY2018 / carbon neutrality by 2050	9,202 t-CO_2 (Group) Achieved FY2025 target of 9,918 t	Chapter 1 Environment
Water resource conservation	3, 6, 14	Water use	FY2030: 430 thousand m³ Non-consolidated	477 thousand m³ (non-consolidated)	Chapter 1 Environment
Waste reduction	9, 12	Recycling rate	FY2030: 99% Non-consolidated; FY2023 baseline: 95%	95% Non-consolidated, FY2025	Chapter 1 Environment
Promoting employee safety and health	3, 5, 8	Occupational accidents (cases)	FY2030: 0	5 (non-consolidated) / 9 (Group)	Chapter 2 Labor & Human Rights
Stable employment and a comfortable workplace	4, 5, 8, 10	Employee turnover rate	FY2030: 3.0%	3.6% (non-consolidated)	Chapter 2 Labor & Human Rights
Respect for human rights	1, 2, 5, 8, 10	Human rights-related legal violations (cases)	0 every year	0 (Group)	Chapter 2 Labor & Human Rights
Ensuring business ethics and compliance	8, 12, 16, etc.	Training participation rate / serious violations (cases)	100% / 0 every year	99.2% / 0	Chapter 3 Ethics
Community contribution activities	4, 10, 11, 15, 17	Community contribution activities (cases)	FY2030: 60	50 (non-consolidated)	Local communities

Process for Identifying Materiality

STEP 1 **Identifying issues**

Identified candidate issues based on international SDG and ESG frameworks and industry trends

STEP 2 **Assessing importance**

Assessed issues from two perspectives: the impact of our business activities on the environment and society, and the impact of each issue on our business

STEP 3 **Identification by management**

Identified our materiality in FY2024 following deliberation by the Management Meeting

STEP 4 **Management through KPIs and targets**

Assigned a responsible department, KPIs and targets to each issue, reviewed once a year

Engagement with Stakeholders

Our business is built on relationships with a wide range of stakeholders, including customers, suppliers, employees and local communities. Our main methods of communication with key stakeholders are as follows.

Stakeholders	Basic stance	Main methods of communication
Customers	Mindful that we manufacture components entrusted with people's lives, we provide a stable supply of products that ensure safety and quality.	Day-to-day business interactions, technical support and quality meetings, and responses to customers' sustainability requests (EcoVadis, CDP, conflict mineral surveys, etc.)
Suppliers	Together with our suppliers, we promote procurement that takes the environment and society into consideration across the entire supply chain.	Sharing our Purchasing Policy and confirming receipt, conflict mineral surveys, surveys of chemical substances contained in products (REACH, etc.), human rights surveys (SAQ)
Employees	We protect the safety and health of our employees and aim to create a workplace where they can work comfortably, both physically and mentally.	Dialogue with the labor union (collective labor agreement, Article 36 Agreement), Health and Safety Committee, evaluation and career interviews, work engagement survey, stress checks, whistleblowing contact point
Shareholders	We strive to enhance our corporate value sustainably.	General meeting of shareholders, financial results reports, regular management reports to PEC Holdings and sharing of Group management policies
Local communities	As a good corporate citizen, we build bonds with local communities.	Donations to and visiting lessons at local schools, support for Student Formula, registration as a cooperating business in times of disaster and other emergencies (PEC GARDEN), community contribution activities

Participation in External Initiatives and Declarations We are a member of the Japan Auto Parts Industries Association (JAPIA).

Promotion Structure and External Assessments

Promotion Structure

We are a company with Audit & Supervisory Board Members, and we conduct management under a governance structure centered on the Board of Directors and the Management Meeting. Sustainability policies are drafted and their progress is managed by the Corporate Planning Division (secretariat), working with related departments such as environment, health and safety, human resources and purchasing. The status of initiatives is reported to senior management twice a year, at the Budget Meeting and the Revised Budget Meeting, and decisions on important sustainability matters are made by the Management Meeting. This report is prepared by the secretariat and published following approval by the Management Meeting. For the environment, we run the plan-do-check-act cycle through the Environmental Target Action Plan under our ISO 14001-based environmental management system; for occupational health and safety, we do so through the Health and Safety Committee.



External Assessments and External Disclosure

At the request of our business partners, we undergo the EcoVadis sustainability assessment. In 2025, we also responded to the CDP Climate Change Questionnaire, an international disclosure framework for climate change, and we publish the status of our SDG initiatives through this report and our website. These disclosures are based on the policy of timely and appropriate disclosure that values dialogue with stakeholders, as set out under “Information Disclosure” in the PEC CSR Guidelines.

EcoVadis Sustainability Assessment
Assessed at the request of our business partners

CDP Climate Change Questionnaire
2025 score: **B** (Management level; on par with the average for Japanese companies)

Certified Health & Productivity Management Outstanding Organization: Bright 500 (2024, 2025) / Next Bright 1000 (2026)
Also certified as a “Sports Yell Company 2026”

Gifu Decarbonization Excellent Business Operator Certification
The Ogaki Plant was selected as a certified business operator

Solving Social Issues through Our Business

Our products themselves contribute to solving social issues. A fuse is a safety component that protects a vehicle's circuits when an abnormal current flows, helping to keep occupants safe and prevent vehicle fires. With an integrated system covering everything from development and design to production, we contribute to a safe automotive society by providing a stable supply of these products to customers around the world.

Contributing to the Electrification of the Automotive Society

As electrified vehicles (EVs) become more widespread, vehicles operate at ever higher voltages and the risks in the event of an accident also increase, making circuit protection components with even higher safety indispensable. We were among the first to mass-produce the EV fuses that electrified vehicles require, and they have been highly rated by customers in Japan and overseas. We are also developing new products for next-generation circuit protection, such as pyrotechnic disconnect devices (Pyro), and will continue to support "safety and comfort" in the age of electrification.

In our precision metal stamping business, our die manufacturing and stamping of high-tensile steel sheet help make vehicles lighter, improving fuel and electricity efficiency—in other words, reducing CO_2 emissions while driving.



Compact, lightweight high-voltage automotive fuse with excellent vibration resistance

Structure Supporting R&D and Quality

Our head office brings together functions ranging from development and design to testing and production. Under an R&D structure equipped with testing facilities for the high-voltage, high-current range, we are developing the products that the automotive society of the future will need. Our Testing Center is accredited under ISO/IEC 17025, the international standard for testing laboratories.

Chapter 1 Environment

Policy

Located in Ogaki, the “City of Water” blessed with abundant water resources, we believe it is our mission to pass on this rich natural environment to the next generation. Under the slogan “Creating an Earth-Friendly Environment,” we protect the environment in line with the Environmental Policy we established in 2022. The policy sets out our commitments to comply with environmental laws and regulations, reduce greenhouse gas emissions, protect the air, water and soil, use resources efficiently, manage chemical substances, consider biodiversity, and develop environmentally conscious products. It covers energy use and greenhouse gases, water resources, waste and used products, chemical substances, biodiversity and the environmental performance of our products, and applies to all our sites and employees. Specific targets and measures are incorporated into our annual Environmental Target Action Plan and CO_2 Reduction Plan. The policy and each target are reviewed every year in the management review of our environmental management system, and progress is managed by the person responsible for promotion (Environmental Management Representative).

PEC CSR Guidelines “Environment” – Seven Areas of Action

1 Environmental management
2 Reducing greenhouse gas emissions
3 Protecting air, water and soil
4 Efficient use of resources
5 Chemical management
6 Conserving biodiversity
7 Environmentally conscious product development

CO_2 emissions (non-consolidated, FY2025)

4,829 t-CO_2

Approx. 41% reduction vs. FY2021

Renewable energy ratio (Group)

42 %

Up from 0% in FY2021

Medium/Long-Term and Annual Environmental Targets

From the Environmental Target Action Plan and CO_2 Reduction Plan

Carbon neutrality	Achieve carbon neutrality across the Group by FY2050 (Group CO_2 emission targets, set in January 2024)
CO_2 emissions	Reduce Group-wide emissions to 7,025 t-CO_2 by FY2030 (46% reduction vs. FY2018; see table below)
Renewable energy ratio	Raise to 60% by FY2030 (FY2025 result: 42%)
Water resources	Reduce water use to 430 thousand m³ by FY2030 (non-consolidated; FY2025 result: 477 thousand m³)
Waste	Raise the recycling rate to 99% by FY2030 (FY2025 result: 95%)
Chemicals and biodiversity	Maintain zero use of prohibited substances (0 violations) and continue environmental conservation activities around our sites

PEC Group CO_2 Emission Targets (t-CO_2)

Site	FY2018	FY2024	FY2025	FY2030
PEJ	8,874	7,156	6,776	4,792
PEM	2,351	1,904	1,787	1,269
PET	1,785	1,445	1,356	964
Target (vs. FY2018)	**13,010**	**10,505 (81%)**	**9,918 (76%)**	**7,025 (54%)**

For performance trends, see **ESG Data (Environment)**.

Material Balance and Environmental Management

Resource Use and Emissions (Material Balance, FY2025)

INPUT		Business Activities	OUTPUT	
Total energy use (Group)	**179,316 GJ**	Development and manufacture of automotive fuses Precision metal stamping and die making	CO_2 emissions, Scope 1 & 2 (Group)	**9,202 t-CO_2**
of which renewable energy (Group)	**13.4 GWh**		CO_2 emissions (non-consolidated, Japan)	**4,829 t-CO_2**
Water use (non-consolidated)	**477 thousand m³**		Waste generated (non-consolidated)	**159 t**
Raw material input (metals, Group)	**8,144 t**		PRTR-listed substances (non-consolidated)	**0.2 t**

Promotion Structure (Environmental Management)

We have obtained ISO 14001 certification, the international standard for environmental management systems. Both of our sites in Japan (the Head Office Plant and the Ogaki Plant) are within the scope of certification—that is, 100% of our sites. The system is administered by the Quality Management Team. Environmental aspects are evaluated every year, and those assessed as significant are reflected in the Environmental Target Action Plan. The plan is approved by the Environmental Promotion Committee, and day-to-day activities are carried out by the environmental promotion staff in each workplace. This cycle is verified through internal audits and external audits.

Through training and internal communications, we also make sure all employees understand the Environmental Policy and are kept informed of environmental information, and we provide employee education on global warming, raising knowledge and awareness of environmental improvement.

ISO 14001 certification coverage
100%
Sites covered (two sites)

Accidents and legal violations related to environmental pollution
0 cases
FY2025

The unit for total energy use is GJ (confirmed against the source data).

Reducing Energy Use and CO_2 Emissions

Our policy and targets for reducing energy use and greenhouse gas emissions are set out in the Environmental Policy, the CO_2 Reduction Plan and the Environmental Target Action Plan. In January 2024, we set Group-wide CO_2 emission targets of a 46% reduction vs. FY2018 by FY2030 (7,025 t-CO_2 in total for the three plants) and carbon neutrality by FY2050. We are reducing greenhouse gas emissions by improving production efficiency, promoting energy-saving activities and using renewable energy. Our non-consolidated (Japan) CO_2 emissions fell by approximately 41%, from 8,146 t-CO_2 in FY2021 to 4,829 t-CO_2 in FY2025. Energy use is tracked monthly based on billing data from the power company and other sources, and trends in energy consumption are monitored.

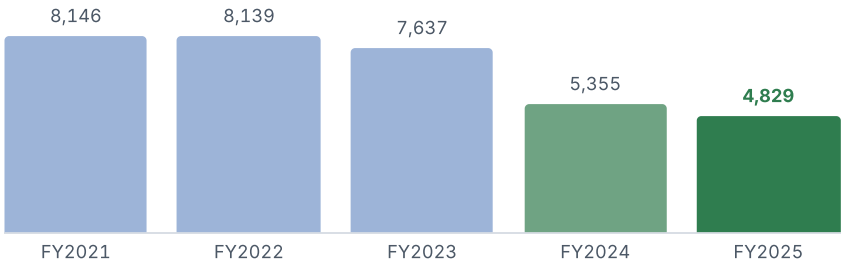
In terms of facilities, the new Head Office Plant completed in 2019 uses metal insulated sandwich panels for its partition walls and gas heat pumps for air conditioning, and a central monitoring system manages energy use and infrastructure equipment in each area of the plant. As a result, CO_2 emissions are more than 30% lower than at the former plant. Since 2023, solar power has been generated on the roof of Plant No. 4 at the Head Office Plant under a PPA model (a scheme under which we purchase electricity from solar power equipment installed by a provider), reducing CO_2 by approximately 121 t per year. Through these measures, the Group's renewable energy ratio has risen from 0% in FY2021 to 42% in FY2025. In addition, the Ogaki Plant has switched all of its electricity to "Green Denki" (Chubu Electric Power Miraiz), which is expected to reduce CO_2 emissions by approximately 3,800 t per year, and we have set a target of a 4,082 t reduction in FY2030, equivalent to 46% vs. FY2018. In recognition of these efforts, the Ogaki Plant has been certified under the Gifu Prefecture Excellent Decarbonization Business Certification program.

In transportation, since FY2023 we have implemented a modal shift, switching part of our product transport from trucks to rail. This covers two routes, to the Hiroshima and Saitama areas. In FY2025, a total of 96 container loads were switched to rail, reducing transport-related CO_2 emissions by approximately 23 t.

Understanding Emissions Across the Supply Chain (Scope 3)

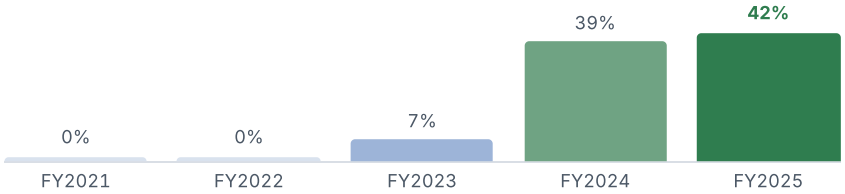
In addition to our direct emissions (Scope 1) and indirect emissions from purchased electricity and other sources (Scope 2), we are conducting screening to identify the categories most relevant to our business activities among supply chain emissions (Scope 3), such as those from raw material procurement and transportation, and are expanding the scope of our calculations. Our climate change initiatives and emissions data are disclosed externally through our response to the CDP Climate Change Questionnaire (2025).

CO_2 Emissions (Non-Consolidated, Japan)



Unit: t-CO_2 (fiscal year)

Renewable Energy Ratio (Group)



* Includes on-site solar consumption, solar PPA and CO_2-free electricity

CO_2 Emission Reduction Targets (Group)

Site	FY2018 (base year)	FY2023	FY2024	FY2030
PEJ (Japan)	8,874	8,198	7,156	4,792
PEM	2,351	2,163	1,904	1,269
PET	1,785	1,642	1,445	964
Target (vs. FY2018)	**13,010**	**12,002** (92%)	**10,505** (81%)	**7,025** (54%)

Unit: t-CO_2. Target: 46% reduction vs. FY2018 by FY2030

Climate-Related Information (Referencing the TCFD Framework)

Our climate-related information, organized according to the four pillars of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), is as follows.

Governance

Environmental issues, including climate change, are managed under our ISO 14001 environmental management system, administered by the Quality Management Team, and the Environmental Target Action Plan is approved by the Environmental Promotion Committee. The status of initiatives is reported to the Management Meeting through the Corporate Planning Division (secretariat), and decisions on important matters are made by the Management Meeting (see **p. 11, Promotion Structure**).

Strategy

Opportunities: Increased sales of fuses for EVs as electrification advances (long term; likelihood of materializing: very high).
Risks: Operational disruptions due to increasingly severe extreme weather (medium term; likelihood: high), and higher production costs, such as increased air-conditioning load due to rising temperatures (long term). In response, we are developing infrastructure such as dual-circuit power receiving, battery storage and backup functions (cost of response: approx. ¥50 million) and adding air-conditioning equipment. We are also monitoring rises in carbon prices, energy prices and raw material prices.

Risk Management

Climate-related risks are identified every year within the framework for identifying and evaluating environmental aspects under ISO 14001, assessed for significance and reflected in the Environmental Target Action Plan (administered by the Quality Management Team, approved by the Environmental Promotion Committee, with day-to-day activities carried out by environmental promotion staff). Physical risks such as storm and flood damage are managed within our business continuity plan (BCP), and significant risks are integrated into our company-wide risk management system, under which they are reported to the Management Meeting through the Corporate Planning Division.

Metrics and Targets

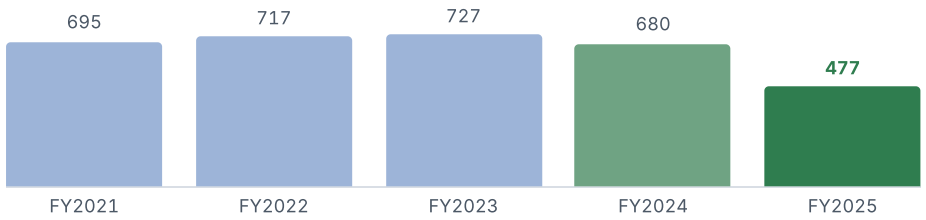
Our metrics are CO_2 emissions (Scope 1 and 2) and the renewable energy ratio. Targets are as shown in the **targets section at the beginning of Chapter 1**.

Water Conservation and Resource Circulation

Water Conservation

Water conservation is one of the priority issues set out in our Environmental Policy, and monitoring and reducing water use and promoting reuse are included in the Environmental Target Action Plan. As a company operating in Ogaki, a region blessed with abundant water, we regard monitoring and reducing our water use as our responsibility. We continuously record and manage the volume of groundwater pumped, and we recycle and reuse water, for example by reusing compressor cooling water in our gray water system. Domestic wastewater is discharged into the public sewer system, and rainwater is discharged into rivers via an oil-water separator tank; effluent standards are managed in accordance with laws, regulations and local ordinances. The volume of water recycled and reused was 18 thousand m³ in FY2025. Our non-consolidated water use was 477 thousand m³ in FY2025, a decrease of approximately 30% from the previous fiscal year (680 thousand m³).

Water Use (Non-Consolidated, Japan)



Unit: thousand m³ (fiscal year)

Resource Circulation and Waste Management

Our Environmental Policy identifies the handling of waste and used products as one of its target issues, and we work to ensure proper waste treatment, promote recycling and use resources effectively. As part of our consideration for used products and packaging, we use returnable containers with our customers, reducing and reusing packaging materials. The number of containers in use increased from 2025 to 2026. We have established internal rules on “Waste Management” and procedures for separating industrial waste, and we are promoting thorough separation and recycling. In our manufacturing processes, we are also working to reduce the amount of raw materials used in the first place by improving yields and optimizing material layouts.

In FY2025, waste generated was 159 t and the recycling rate was 95% (non-consolidated). This consisted of 0 t of hazardous waste and 159 t of non-hazardous waste; 140 t of waste was recovered and reused, and 0 t was sent to landfill.

Water use (FY2025, non-consolidated)

477 thousand m³

Approx. 30% decrease year on year

PRTR-listed substances: releases and transfers

0.2 t

FY2025, non-consolidated

Chemical Management, Biodiversity and Environmental Communication

Chemical Management and Pollution Prevention

For chemical substances that could be environmental pollutants, we have established work standards for items such as die cleaning fluids and hydrochloric acid cleaning to ensure safe handling and management, and we conduct work environment management, including measuring the air velocity of local exhaust ventilation systems.

For our products, under our Regulations for the Management of Substances of Environmental Concern (PES-02-04), we manage substances prohibited under the EU ELV Directive and RoHS Directive (lead, mercury, cadmium, hexavalent chromium, brominated flame retardants, phthalates, etc.) and substances of very high concern (SVHCs) under the REACH Regulation, and we guarantee that our products do not contain chemical substances banned by the laws and regulations of each country and region. Releases and transfers of substances subject to the PRTR system (Pollutant Release and Transfer Register) were 0.2 t in FY2025.

Biodiversity and Environmental Contributions through Our Products

None of our sites are located in or near areas with sensitive biodiversity requiring protection; however, our CSR Guidelines stipulate that we understand the importance of conserving biodiversity and give it the utmost consideration. On the product side, we contribute to the electrification and decarbonization of the automotive society by developing and supplying circuit protection products, including EV fuses, which are essential for electric vehicles (EVs). We are also working from the design stage to reduce the environmental impact of our products during use, for example by making products smaller and lighter and using less material.

Environmental Communication

Through training and internal communications, we keep all employees informed of the Environmental Policy and environmental information, and we also ask our suppliers to understand and cooperate with our environmental conservation activities. In the local community, we work continuously to protect and beautify the local environment through annual community clean-ups by employees (volunteer clean-up activities; see p. 25) and participation in clean-up activities at festivals in Ogaki City.

Chapter 2 Labor and Human Rights

Policy

Our CSR Guidelines stipulate that, in addition to complying with the laws and regulations of each country and region in which we do business, we respect international norms such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The Guidelines explicitly prohibit forced labor and human trafficking, child labor, and discrimination and harassment, and commit us to respecting freedom of association and the right to collective bargaining, properly managing working hours and wages, and ensuring a safe and secure working environment. We also respect the human rights of external parties affected by our business activities, not only our employees but also local residents, the employees of our suppliers and the users of our products.

These policies apply to all our sites (the Head Office Plant and the Ogaki Plant) and to all employees, whether regular or non-regular, and are also rolled out to Group companies. Specific standards for preventing child labor, forced labor and human trafficking are documented in this report, as set out below. Standards for working conditions are documented in internal regulations such as the Rules of Employment, Wage Regulations and Childcare Leave Regulations, which apply to all employees.

Policy on the Prohibition of Child Labor and Forced Labor (Documented)

Scope All our sites and all officers and employees (including regular, non-regular and temporary agency staff). We ask Group companies and suppliers to take the same approach.

Prohibition of child labor We do not employ anyone under the legal minimum age. Age is verified at recruitment using official identification, and no one under 18 is assigned to late-night work or dangerous or hazardous work.

Prohibition of forced labor and human trafficking Employment is based on contracts entered into of the individual's own free will, and the freedom to resign is guaranteed. The Company does not hold or confiscate passports, identification documents or the like, and does not force anyone to work through debt.

Key Targets for Labor and Human Rights

Lost-time injuries	LTIFR of 0.45 or less by FY2030 (below the national average for transportation equipment manufacturing); maintain zero fatal accidents
Rate of men taking childcare leave	70% every year (FY2025 result: 100%)
Paid leave utilization rate	85% or higher (FY2025 result: 87.1%)
Health and productivity management	Maintain certification as a Health & Productivity Management Outstanding Organization (Bright 500 → Next Bright 1000)
Human rights	Maintain zero cases of child labor, forced labor and serious human rights violations; harassment training for all employees
Diversity	Achieve the statutory employment rate for persons with disabilities (2.7%) by FY2027; ratio of women in management positions of 5% by FY2030 (FY2025 result: 4.5%)
Human resource development	Systematic delivery of level-specific training and skills training (based on our In-House Vocational Ability Development Plan)

Labor and human rights policies and targets are reviewed every year through labor-management consultations and deliberations by the Health and Safety Committee.

Lost-time injury frequency rate
0.80
Previous year: 1.64

Men taking childcare leave
100%
20 employees took leave

Paid leave utilization rate
87.1%
Average 14.5 days

Occupational Health and Safety

Promotion Structure and Planning

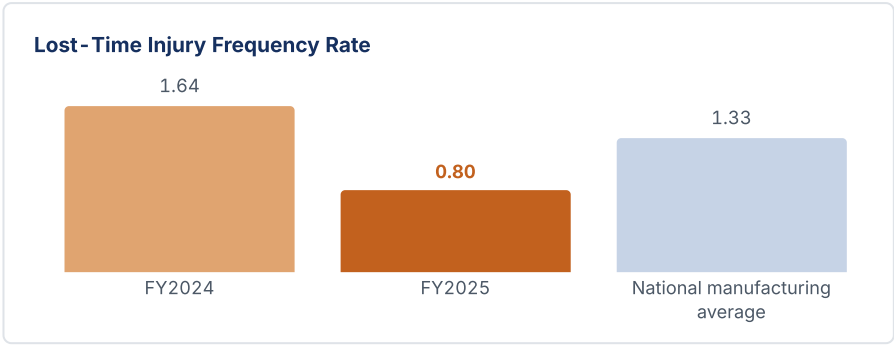
Our policy of giving top priority to ensuring the safety and health of employees is set out in the CSR Guidelines and in the annual Health and Safety Activity Plan. This policy applies to everyone working on our premises, including temporary agency staff. We have established a Health and Safety Committee under the Industrial Safety and Health Act, in which labor and management participate every month to share accident information, deliberate on risks and discuss workplace improvements. Each fiscal year, we formulate an Annual Health and Safety Activity Plan, and the Committee checks the implementation status of activities under the plan.

Risk Assessment and Training

At both the Head Office Plant and the Ogaki Plant, we regularly conduct risk assessments to identify and evaluate the hazards and harmful factors inherent in work, and we manage preventive and corrective measures for the risks identified. Health and safety training is provided to all new employees on joining, including temporary agency staff. We also conduct work environment measurements, such as air velocity measurements of local exhaust ventilation systems and noise measurements, and use the results to improve our facilities.

Performance

In FY2025, the lost-time injury frequency rate was 0.80, a significant improvement from the previous year (1.64) (the national manufacturing industry average was 1.33). There have been no fatal accidents for five consecutive years. Occupational accidents are recorded and analyzed in accident reports, and measures to prevent recurrence are rolled out. The number of occupational accidents was 1 in FY2023, 4 in FY2024 and 5 in FY2025.



Fatal accidents

0 cases

Five consecutive years

Health and safety training on joining

Provided, including temporary agency staff

Health and Productivity Management

We issued our Health Declaration in June 2021 (revised September 2023) and are promoting health and productivity management. We were certified as a Health & Productivity Management Outstanding Organization (Bright 500) for two consecutive years, in 2024 and 2025, and in 2026 we were certified as a Health & Productivity Management Outstanding Organization 2026 (Small and Medium Enterprise Category) – Next Bright 1000. In recognition of our efforts to promote health through sports, we have also been certified as a Sports Yell Company 2026.

We maintain a 100% rate for regular health checkups, encourage employees with abnormal findings to undergo follow-up examinations (FY2025 rate: 73.3%), and provide specific health guidance (initial interview rate: 100%). As part of our mental health measures, we conduct a stress check every year in accordance with our Stress Check Implementation Regulations (FY2025 participation rate: 98.4%), and use the results of group analyses for each workplace to improve working environments.

Certified Health & Productivity Management Outstanding Organization 2026 (Small and Medium Enterprise Category) – Next Bright 1000

Certified as Bright 500 for two consecutive years (2024 and 2025) | Certified as a Sports Yell Company 2026

Regular health checkup rate
100%

Stress check participation rate
98.4%

Follow-up examination rate for employees with findings
73.3%

Specific health guidance: initial interviews
100%

All figures: FY2025, non-consolidated

Health Declaration (established June 2021, revised September 2023)

We, the PEC Group, believe that for us to keep growing as a component manufacturer responsible for “safety and comfort” in the automotive society, nothing is more important than the physical and mental health of each and every employee. We therefore promote health and productivity management by supporting the health of our employees and their families and improving the working environment.

Key initiatives: Strengthening specific health guidance / Follow-up based on analysis of stress check results / Promoting communication through participation in events, volunteer activities, etc. / Improving the working environment through health and safety activities / Thorough measures against secondhand smoke

Working Conditions and Social Dialogue

Fair Wages

Our policy and standards for working conditions (wages, working hours, leave and benefits) are set out in internal regulations such as the Rules of Employment and Wage Regulations, and communicated to all employees. In accordance with our Wage Regulations, we comply with the minimum wage laws and regulations of each country and region, and we are committed to paying employees a living wage (a wage that meets the level necessary for a decent standard of living). Every year, we conduct a living wage benchmark comparison based on the WageIndicator Typical Family methodology, a methodology recognized by IDH (the Sustainable Trade Initiative). The analysis covers all directly employed employees (100%), and on a non-consolidated basis we have confirmed that the wages of all employees, including temporary agency workers, exceeded the living wage level in each year from FY2023 to FY2025. From FY2025, we have extended the analysis to our overseas sites (PET and PEM), and for sites below the benchmark we are drawing up wage revision plans and making corrections.

Working Hours Management

We monitor working hours and overtime through attendance management using our HR system, and we have concluded and comply with an Article 36 Agreement with the labor union under the Labor Standards Act. In FY2025, average monthly overtime per employee was 21.0 hours.

Labor-Management Dialogue

Our policy is to value constructive social dialogue between labor and management, and the framework for this is set out in our collective labor agreement. Our employees are organized in a labor union, and having concluded a collective labor agreement, labor and management engage in constructive dialogue. We respect freedom of association and the right to collective bargaining, and do not interfere with employees' freedom to join the labor union. To understand the views of employees, we also conducted a work engagement survey (an employee survey on job satisfaction) in 2025 and are using the results to improve our workplaces. Personnel changes such as transfers and secondments are made in accordance with the collective labor agreement (Articles 15 to 17) and the Rules of Employment. We have no provisions specifying a minimum notice period for significant operational changes.

Average monthly overtime

21.0 hours

FY2025, per employee

Collective labor agreement and Article 36 Agreement

Concluded with the labor union and observed

Living Wage Benchmark Analysis Results (KPI)

Indicator	FY2023	FY2024	FY2025	Group FY2025
Share of directly employed employees covered by the analysis	100%	100%	100%	**100%**
Share of employees paid below the living wage (incl. temporary agency workers)	0%	0%	0%	**15.7%**

Compared with the WageIndicator Foundation living wage benchmark (lower-bound estimate). FY2023–FY2025 columns: non-consolidated (Head Office Plant and Ogaki Plant; Gifu Prefecture benchmark). Group column: non-consolidated + PHD + PET + PEM (as of end of March 2026; 1,067 direct employees).

How We Listen to Employees

- Work engagement survey (conducted in 2025)
- Regular labor-management dialogue (collective labor agreement, Article 36 Agreement)
- Use of group analysis of stress check results
- Performance evaluation and career interviews; internal whistleblowing contact

Creating a Comfortable Workplace

We are working to create flexible working arrangements and encourage employees to take leave. We have introduced a flextime system, which was used by 168 employees in FY2025. The paid leave utilization rate was 87.1% (average of 14.5 days taken). To help employees balance childcare and work, we have put in place Childcare Leave Regulations. In FY2025, the rate of men taking childcare leave reached 100% (20 employees), and the rate of return from childcare leave remained at 100%.

Flextime users	Men taking childcare leave	Return rate after childcare leave
168 employees	100%	100%

Human Resource Development and Career Support

Our human resource development policy is to support each employee's skill development and career building, as set out in our In-House Vocational Ability Development Plan (formulated in March 2024) and Education and Training Regulations. Training consists of level-specific training, career training, theme-based training and division-specific training. We also offer learning opportunities through e-learning (e-JINZAI) and have an internal job transfer system (which allows employees to apply for a transfer of their own volition through internal job postings).

HR Development Policy (from the In-House Vocational Ability Development Plan)

Policy 1	Make level-specific (grade and position) training the core of our training system, with a view to company-wide, long-term continuity of training
Policy 2	Build mechanisms that support employees in taking the initiative in their own career development
Policy 3	Divide roles and coordinate between company-wide and department-level training programs
Policy 4	Link human resource utilization measures with training measures, and run a PDCA cycle to realize the ideal state of our people and organization

In FY2025, annual training hours per employee were 6.5 hours (excluding OJT), and 100% of employees received appraisals of their work and careers through performance evaluation and competency evaluation interviews. We also held 28 career consulting interviews to support employees' career development. Training records are kept and managed, and used for systematic development.

Annual training hours per employee	Employees receiving appraisals	Career interviews
6.5 hours	100%	28 cases

Respecting Human Rights and Promoting Diversity

Preventing Discrimination and Harassment

Based on the “Human Rights and Labor” section of the PEC CSR Guidelines, we do not tolerate any form of discrimination based on race, gender, sexual orientation or gender identity, age, disability, religion, ethnicity, nationality, place of origin, social origin, marital status, whether or not a person has children, or other grounds, and we prohibit violence, power harassment, sexual harassment and other conduct that threatens individual dignity. Recruitment and selection are conducted based on the principles of fair recruitment and human rights awareness. For employees, we provide training on topics including harassment, followed by a review, for all employees as part of our annual compliance training (participation rate: 98.5% in FY2023, 100% in FY2024 and 99.2% in FY2025). We have established a whistleblowing system (stipulated in the Rules of Employment) as a consultation channel and protect whistleblowers from any detrimental treatment.

Human Rights Due Diligence

As part of our efforts to identify negative impacts on human rights and to prevent or mitigate them (human rights due diligence), since FY2024 we have conducted an annual human rights survey (SAQ: a 35-item questionnaire) covering six Group companies (PEJ, PEA, PEM, PES, PET and PEE), and in FY2025 we again maintained a 100% response rate. The survey covers six areas: prohibition of forced labor and human trafficking; prohibition of child labor; prohibition of discrimination and harassment; respect for freedom of association and the right to collective bargaining; working hours and wages; and a safe and secure working environment. The FY2025 survey identified no issues at any site, and no new issues or changes compared with the previous year’s survey. The results were reported to the Management Meeting in June 2026. Going forward, we will consider conducting audits of overseas sites with a view to strengthening governance.

Consideration for a diverse workforce We provide equal opportunities in recruitment, treatment and training regardless of nationality, ethnicity, place of origin or other factors. We did not accept any foreign technical intern trainees in FY2025. Should we accept them in the future, in addition to complying with the relevant laws and regulations, we will put in place arrangements that take into account the protection of the rights of workers in vulnerable positions, such as explaining working conditions in their native language, ensuring that trainees keep their own passports and residence cards, and providing support in daily life.

Promoting Diversity

We are building an organization in which diverse people can each make full use of their abilities. In FY2025, women accounted for 14.0% of our 365 regular employees, and women’s wages as a percentage of men’s were 70.5% for all workers (71.9% for regular employees); we will continue working to narrow this gap. Women accounted for 4.5% of management positions (FY2025, including employees seconded overseas), and the actual employment rate of persons with disabilities was 0.75% (as of June 1 each year).

Ratio of women among regular employees

14.0%

365 regular employees (FY2025)

Human rights survey (SAQ) response rate

100%

Group; two consecutive years

External Recognition

At the 42nd Gifu Prefecture Conference for the Promotion of Education and Welfare for Children and Persons with Disabilities and Gifu Prefecture Special Needs School PTA Training Session (FY2025), we were commended as a promoting company of “Hatarakitai! Oendan Gifu” (Gifu “We Want to Work!” Support Network).

Quality & Responsibility to Customers / Community Contribution

Quality and Responsibility to Customers

Aware that we manufacture components entrusted with people's lives, we strive to ensure safety and quality. Our commitment to product safety, which concerns the health and safety of our customers, is set out in the "Safety and Quality" section of the PEC CSR Guidelines and is ensured through design reviews, process control and traceability systems under our IATF 16949 and ISO 9001 certifications. The Testing Center at our Head Office has ISO/IEC 17025 laboratory accreditation (electrical testing: fuses and overcurrent protection devices).

Systems to Protect Customer Health and Safety

Information provision Product instruction manuals and fuse selection criteria documents provide customers with guidance on correct selection and safe use

Emergency response Our Corrective Action Management Rules and Nonconforming Product Control Rules set out a procedure of containment → why-why analysis → horizontal deployment → effectiveness review

Feedback collection Accepting customer audits (second-party audits), handling defects in line with our Quality Complaint Handling Procedures, and investigating and analyzing field returns

PEC CSR Guidelines "Safety and Quality" (Excerpt)

1 Providing products and services that meet consumer and customer needs – We will continue to provide them with a strong quality mindset and sincere conduct

2 Thorough safety and quality governance – We produce and provide products and services that meet safety and quality laws and regulations

3 Ensuring safety and quality – Aware that we manufacture components entrusted with people's lives, we strive to ensure safety and quality

Number of recalls

0 cases

Five consecutive years

Certifications

IATF 16949 / ISO 9001

Quality management system + ISO/IEC 17025 laboratory accreditation

Contribution to Local Communities

As a corporate citizen, we engage in community contribution activities that support human resource development, environmental conservation and beautification, and disaster preparedness. In FY2025, we carried out 50 social contribution activities. To develop future manufacturing talent, we donate goods to local elementary, junior high and high schools, provide fuses free of charge to teams competing in Student Formula competitions, and hold exchanges between employees and students by displaying competition vehicles at the Head Office Plant.

We have also registered "PEC GARDEN," the front garden of the Head Office Plant, under Ogaki City's registration system for cooperating businesses in disasters, so that it can be used as a storage area for relief supplies and as a temporary evacuation site in the event of a disaster. In addition, employees continue to carry out volunteer cleanup activities every year and also take part in cleanups at festivals in Ogaki, contributing to environmental conservation and beautification in the community. Donations in FY2025 totaled ¥6,283 thousand (FY2024: ¥2,132 thousand; the FY2025 figure includes a donation commemorating cumulative sales of 70 billion fuses).

Social contribution activities

50 activities

FY2025 (previous year: 47)





Chapter 3 Ethics and Governance

Corporate Governance / Anti-Corruption / Whistleblowing / Fair Competition / Information Security / BCP

Policy

We view compliance broadly as a "social responsibility." Our CSR Guidelines set out compliance with laws and regulations, compliance with competition law, anti-corruption, prevention of money laundering, prohibition of conflicts of interest, management and protection of confidential information, whistleblower protection, export control, and protection of intellectual property. We ensure that officers and employees not only comply with laws, regulations and social norms but also perform their work in accordance with internal rules. We also strictly prohibit all misconduct, including fraudulent accounting and embezzlement. These ethics policies apply to all our sites and to all officers and employees, and have also been rolled out to Group companies. Violations of the policies are dealt with strictly under the disciplinary provisions of the Rules of Employment, and the policies are reviewed regularly by the Corporate Planning Division as the responsible department.

PEC CSR Guidelines "Compliance" – Nine Items

1 Compliance with laws and regulations
2 Compliance with competition law
3 Anti-corruption (no gifts, entertainment or money transfers)
4 Prevention of money laundering
5 Prohibition of conflicts of interest
6 Management and protection of confidential information
7 Whistleblower protection
8 Export control
9 Protection of intellectual property

Corporate Governance

We strive to strengthen governance and improve internal controls in order to enhance corporate value sustainably. Under our management structure, led by the Board of Directors, we make appropriate and timely decisions and supervise business execution, and the Corporate Planning Division is responsible for promoting corporate governance. Directors are elected by resolution of the General Meeting of Shareholders (we do not have a nomination committee or similar body), and we seek to enhance management's supervisory function and expertise by evaluating the effectiveness of the Board of Directors and providing sustainability training and information to officers.

Directors	Audit & Supervisory Board Member	Executive Officers
6 persons	1 person	2 persons

* As of the end of FY2025 (the Board of Directors met five times during the year; see p. 32)

Anti-Corruption

Political contributions and donations are made in accordance with the laws and regulations of each country and region, and we strive to build transparent and fair relationships with political and government bodies. We made no political contributions in FY2024 or FY2025. We do not give or receive entertainment, gifts or money to or from business partners for the purpose of obtaining or retaining improper benefits or preferential treatment. For expenditure on entertainment, gifts and the like, we have established a procedure requiring prior application and approval using an entertainment and meeting expense application form, ensuring the transparency of such spending. In August 2026, we conducted an anti-corruption risk assessment covering nine business situations, including purchasing, sales, overseas transactions and accounting (reviewed once a year). Residual risk was assessed as low owing to existing measures such as our *ringi* approval system, competitive quotations from multiple companies and training, and we plan to add anti-corruption education to pre-assignment training for overseas postings in the second half of FY2026.

As compliance education, we hold compliance training annually with lawyers as instructors, as well as study sessions on the SDGs and group readings of internal rules. The prevention of corruption and bribery is also included as a training theme, and attendance records are maintained.

Compliance Training by Lawyers – Themes by Year

2023 Sexual harassment
2024 Power harassment
2025 Compliance in general (legal compliance)
2026 Excessive entertainment and unreasonable demands

Serious compliance violations	Legal actions for anti-competitive behavior
0 cases	0 cases
Five consecutive years (Group)	Five consecutive years (Group)

Whistleblowing, Fair Competition, Information Security & Business Continuity

Whistleblowing System

PEC Holdings and Pacific Engineering Corporation have established a whistleblowing hotline in accordance with the Whistleblower Protection Act. Reports may cover violations of laws and regulations, violations of internal rules, unethical conduct and human rights violations, and can be made anonymously by telephone, email or in writing (using the designated form) by officers, employees (including contract and staff employees), temporary agency workers, and former officers and employees within one year of leaving the Company. No one is treated disadvantageously for making a report; confirmed cases are addressed with measures that include disciplinary action, and follow-up is conducted as necessary after a case is closed. In addition, we accept opinions and complaints through contact points for customers (Sales and Quality), suppliers (Purchasing) and local communities (General Affairs).

Fair Competition

We comply with the competition laws of each country and region, and do not engage in private monopolization, unreasonable restraint of trade (cartels, bid rigging, etc.), unfair trade practices, abuse of a superior bargaining position or similar conduct. The number of serious compliance violations and the number of legal actions taken against us for anti-competitive behavior have both been zero for five consecutive years.

Risk Management and Business Continuity

We have drawn up a Business Continuity Plan (BCP; first edition 2018, revised December 2023) to prepare for four threats: major earthquakes, infectious diseases, storm and flood damage, and cyber risks. Our basic policy puts human life first and aims to ensure the safety of employees and their families, contribute to the recovery of the local community, and resume business at an early stage. Under the BCM Manager (President and Representative Director), issues identified in disaster drills and disaster response simulation exercises are used to improve the plan.

Target Recovery Times (Scenario: Nankai Trough Megaquake, Seismic Intensity Upper 6)

Within 6 hours Safety confirmation

Within 24 hours First report to customers and partner companies

Within 48 hours Decision on continuity strategy

Within 72 hours Support for local recovery

Production restart within 2 weeks and supply to customers within 1 month (using local recovery, alternative production at overseas sites and other strategies as appropriate)

Information Security

We have established an Information Security Policy and Information Security Regulations, revised in 2024, and strive to prevent leaks of personal and confidential information while complying with the Act on the Protection of Personal Information and other laws and regulations. To assess information security risks, we conduct a self-assessment once a year (every January) using a checklist based on the Automotive Industry Cybersecurity Guidelines, and take measures such as updating our UTM based on the results. For intellectual property, technologies and other information disclosed to us in the course of business, we conclude non-disclosure agreements, and all officers and employees handle and manage such information appropriately. In FY2025, there was one information security incident, with no serious information leaks or personal information leaks (p. 32).

Key Measures

- Information security education for employees
- Technical measures, such as introducing and updating UTM (unified threat management) appliances
- Checks on compliance with rules through internal audits
- Self-assessment using a checklist based on the Automotive Industry Cybersecurity Guidelines

Chapter 4 Sustainable Procurement

Policy

To promote procurement that takes the environment and society into consideration across the entire supply chain, we have established a Purchasing Policy and ask our suppliers to cooperate in environmental conservation (reducing greenhouse gas emissions, chemical management, etc.), respecting human rights and ensuring appropriate working conditions, legal compliance and other areas. We also share our CSR Guidelines with suppliers to foster a common understanding of our approach to sustainability. Our targets are to **maintain a 100% rate of receipt and acknowledgment of the Purchasing Policy by major suppliers** and, as quantitative targets, **to obtain acknowledgment of receipt of the CSR Guidelines from 100% of relevant suppliers and to incorporate clauses on the environment, labor and human rights into our basic transaction agreements by FY2026**. The Purchasing Policy is reviewed every year by the purchasing department as the responsible department.

PEC CSR Guidelines "Responsible Procurement and Responsible Mineral Sourcing" (Full Text)

We will conduct procurement activities that take into account the impact on local communities of using mineral resources that may cause social problems involving human rights, the environment and other issues (conflict minerals (tin, tantalum, tungsten and gold), cobalt, etc.), and where minerals of concern are used, we will take steps to eliminate their use.

Rollout and Confirmation of the Purchasing Policy

In FY2025, we rolled out our Purchasing Policy to suppliers, asked them to confirm its contents by returning an acknowledgment of receipt, and checked their compliance with the policy. In terms of quality, we support suppliers in maintaining and improving their quality management systems based on our Partner Company Quality Assurance Manual. We also conducted a human rights survey (SAQ), including Group companies, to identify human rights risks in the supply chain. Suppliers subject to evaluation and audits are selected through a prior sustainability risk analysis. In FY2025, 100% of the targeted suppliers underwent a sustainability assessment (SAQ, etc.), and we provided corrective action and capacity-building support to one company. We will expand on-site audits in a planned manner going forward.

Chemical Management (Compliance with REACH, etc.)

Chemical substances contained in our products are managed through a system of internal rules based on "Compliance with Laws and Regulations" in our Purchasing Management Rules. In addition, we evaluate and confirm, based on questionnaires, how suppliers are responding to the requirements of the EU REACH Regulation and other regulations, ensuring across the entire supply chain that prohibited substances are not used and that information on contained chemical substances is properly communicated.

Purchasing Management Rules "Compliance with Laws and Regulations" (Summary)

1 For all purchased items used in products and manufacturing processes, ensure that none of the substances prohibited by the Environmentally Hazardous Substances Control Rules (PES-02-04) are used

2 Verify the above in accordance with the procedures set out in Section 5.7 of the Inspection and Testing Control Rules (PES-10-01)

3 At the time of purchase, confirm the necessary actions in accordance with the Risk Assessment Management Rules and the Environmental Operation Monitoring and Measurement Rules (EM-451-01); matters not otherwise specified are subject to the relevant laws and regulations

Key Initiatives with Suppliers

- Rollout of the Purchasing Policy and confirmation of receipt and compliance status
- Quality support based on the Partner Company Quality Assurance Manual
- Identifying risks through a human rights survey (SAQ)
- Surveys of contained chemical substances (REACH, etc.)
- Conflict minerals survey (CMRT)

Fair Transactions and Responsible Mineral Sourcing

Fair Transactions

On the basis of equal and fair relationships with our suppliers, we comply with the Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors; amended in January 2026 as the Act on Proper Transactions with Small and Medium-sized Entrusted Businesses) and other transaction-related laws and regulations, and conduct business appropriately. For employees in the purchasing department, we provided in-house training on the Subcontract Act in FY2024 and on the Subcontract Act and the amended act in FY2025 (attendance rate: 100%), working to ensure fair transactions, including responding to the legal amendment.

Sustainable Procurement Targets (Qualitative Objectives and Quantitative Targets)

Qualitative objective	Indicator	Baseline	Target
Roll out the Purchasing Policy and CSR Guidelines and continue to obtain acknowledgment of receipt	Purchasing Policy acknowledgment rate	100% (FY2025)	**100% every year**
Procure 3TG and cobalt without contributing to conflict or human rights abuses	Conflict minerals survey (CMRT) response rate	100% (FY2025)	**100% by FY2027**
Assess suppliers' human rights and labor practices through self-assessment (SAQ) and request improvements	Number of companies completing the SAQ	50 (FY2025)	**62 companies by FY2030**
Incorporate clauses on the environment, labor and human rights into basic transaction agreements	Percentage of agreements containing these clauses	89% (FY2025)	**100% by FY2026**
Systematically expand sustainability assessments and on-site audits	Percentage of suppliers assessed or audited*	0% (FY2025)	**80% by FY2030**
Provide sustainable procurement training to all employees in the purchasing department	Percentage of purchasing department employees trained	100% (FY2025)	**100% continuously from FY2027**
Include GHG emissions and reduction efforts as criteria in supplier selection	Incorporation into selection criteria	Selection table completed (FY2025)	**Stated in selection criteria by FY2030**
Work with suppliers to reduce emissions	Number of joint initiatives	1 (FY2025)	**5 by FY2030**
Collect Scope 3 calculation data from major suppliers	Number of suppliers providing data	38 (FY2025)	**52 companies by FY2030**

* "Percentage of suppliers assessed or audited" covers assessments and on-site audits conducted by the Company or a third party, and does not include self-assessments by SAQ (number of companies completing the SAQ).

Responsible Mineral Sourcing

For mineral resources that may cause social problems involving human rights, the environment and other issues (the conflict minerals tin, tantalum, tungsten and gold, as well as cobalt, etc.), we have set out a procurement policy in our CSR Guidelines and conduct procurement activities that take into account the impact on local communities.

Specifically, we conduct conflict minerals surveys of our suppliers using the CMRT (Conflict Minerals Reporting Template), the industry-standard survey format, to identify smelter information, and report the Company's survey results to customers upon request. If the use of minerals of concern is confirmed, we take steps to eliminate their use.

Tin	Tantalum	Tungsten	Gold	Cobalt
Sn	Ta	W	Au	Co

Environmental Data

Item	Unit	Scope	FY2023	FY2024	FY2025
CO_2 emissions	t-CO_2	Group	11,339	9,750	**9,202**
of which Scope 1	t-CO_2	Group	989	1,164	1,241
of which Scope 2	t-CO_2	Group	10,350	8,586	7,961
CO_2 emissions (Scope 3)	t-CO_2	Non-consolidated	75,522	101,315	111,823
CO_2 emissions (Japan)	t-CO_2	Non-consolidated	7,637	5,355	**4,829**
CO_2 emission intensity (per net sales, Japan)	t-CO_2/¥100 million	Non-consolidated	30.4	20.0	18.0
Total energy consumption	GJ	Group	249,934	185,416	179,316
Energy consumption intensity (per net sales)	GJ/¥100 million	Group	995.7	691.8	669.1
Total renewable energy consumption	GWh	Group	2.0	12.0	13.4
Renewable energy ratio	%	Group	7	39	**42**
Water use (Japan)	thousand m³	Non-consolidated	727	680	**477**
of which water recycled/reused	thousand m³	Non-consolidated	16	16	18
Water use (Group)	thousand m³	Group	–	–	496
Raw material input (metal materials)	t	Group	49,940	8,001	8,144
Raw material input (organic and inorganic materials)	t	Group	1,470	22,279	25,721
Waste generated	t	Non-consolidated	137	166	159
Waste generated (Group)	t	Group	–	–	6,584
of which landfilled	t	Non-consolidated	0	0	0
Recycling rate	%	Non-consolidated	95	95	95
Recycling rate (Group, provisional)	%	Group	–	–	96.0
VOC emissions	t	Non-consolidated	0	0	0
Releases and transfers of PRTR-listed chemical substances	t	Non-consolidated	0.2	0.2	0.2
Environmental pollution incidents	incidents	Group	0	0	0

* Scope 1 refers to direct emissions from our own operations, such as fuel use; Scope 2 refers to indirect emissions from the use of purchased electricity, etc. Scope 3 is calculated for the non-consolidated scope across the main categories; the FY2025 breakdown (t-CO_2) is: Category 1 (purchased goods and services) 98,486; 2 (capital goods) 6,662; 3 (fuel- and energy-related activities) 1,414; 4 (upstream transportation and distribution) 4,941; 5 (waste) 109; 6 (business travel) 0.07; 7 (employee commuting) 211. Categories 9 (downstream transportation and distribution) and 12 (end-of-life treatment of sold products) were calculated to be zero. Because the calculation method for some Scope 3 categories (business travel, commuting, etc.) was changed in FY2025, values are not continuous with those for FY2024 and earlier. * Renewable energy includes on-site solar self-consumption, solar PPAs and CO_2-free electricity. * In the Scope column, "Non-consolidated" refers to Pacific Engineering Corporation and "Group" to PEC Holdings Co., Ltd. and its Group companies. "–" indicates not compiled or not applicable. This data section covers the most recent three years (FY2023–FY2025); five-year trends are managed in a control sheet (ESG Data). * The emission factors used to calculate CO_2 emissions are based on IDEA Ver. 3.51 (National Institute of Advanced Industrial Science and Technology). * The unit for total energy consumption follows the notation of the source data. * FY2025 values in the "(Group)" rows are the sum of non-consolidated + PET (Thailand) + PEM (Mexico) (PET and PEM aggregated for calendar year 2025): water 496 thousand m³ = 477.0 + 14.4 + 4.4; waste 6,584 t = 159 + 2,220 + 4,205. The Group recycling rate of 96.0% is a provisional value pending standardization of calculation definitions across sites (treatment of valuables and thermal recovery).

Labor and Human Rights Data

Item	Unit	Scope	FY2023	FY2024	FY2025
Employees (regular)	persons	Group	995	1,054	1,070
of which Pacific Engineering (non-consol.)	persons	Non-consol.	343	358	365
of which percentage of women	%	Non-consol.	15.5	14.2	14.0
of which percentage of women (Group, provisional)	%	Group	–	–	36.4
Average age	years	Non-consol.	39.8	39.6	40.0
Average length of service	years	Non-consol.	13.9	13.6	13.8
Turnover rate	%	Non-consol.	3.5	2.9	3.6
Rate of men taking childcare leave	%	Non-consol.	70	86.6	100
Childcare leave uptake and return rate	%	Non-consol.	100	100	100
Paid leave utilization rate	%	Non-consol.	82.6	86.9	87.1
Average monthly overtime per employee	hours	Non-consol.	22.3	21.1	21.0
Employees using flextime	persons	Non-consol.	153	162	168
Lost-time injury frequency rate (LTIFR)	–	Non-consol.	0.90	1.64	0.80
Reference: national manufacturing average (calendar year)	–	–	1.29	1.30	1.33
Lost-time injury severity rate	–	Non-consol.	0	0.01	0.01
Occupational accidents (actual number)	cases	Non-consol.	1	4	5
of which Group (non-consol. + PET + PEM)	cases	Group	–	–	9
Occupational illnesses	cases	Non-consol.	0	0	0
Lost workdays	days	Non-consol.	0	15	19
of which Group (non-consol. + PET + PEM)	days	Group	–	–	45
Fatal accidents	cases	Group	0	0	0
Health checkup rate	%	Non-consol.	100	100	100
Follow-up examination rate for employees with findings	%	Non-consol.	74.5	61.9	73.3

Item	Unit	Scope	FY2023	FY2024	FY2025
Stress check participation rate	%	Non-consol.	97.8	99.0	98.4
Annual training hours per employee	hours	Non-consol.	4.48	7.73	6.5
of which Group (weighted average)	hours	Group	–	–	6.3
Employees receiving performance and career reviews	%	Non-consol.	100	100	100
Career consultation interviews held	cases	Non-consol.	0	28	28
Employees (non-regular, contract, etc.)	persons	Non-consol.	45	48	58
Temporary agency workers	persons	Non-consol.	156	185	170
New hires	persons	Non-consol.	46	37	27
of which women	persons	Non-consol.	5	2	4
Rate of women taking childcare leave	%	Non-consol.	100	0	50
Percentage of women in management positions	%	Non-consol.	2.9	5.1	4.5
Employment rate of persons with disabilities	%	Non-consol.	1.64	1.52	0.75
Employees from minority and vulnerable groups	%	Non-consol.	7.0	7.4	8.3
of which managers	%	Non-consol.	0.3	0.9	1.3
Re-employed older employees	persons	Non-consol.	22	25	31
Non-regular employees promoted to regular status	persons	Non-consol.	0	1	1
Percentage of employees in a labor union	%	Non-consol.	100	100	100
Employees paid below a living wage (incl. agency workers)	%	Non-consol.	0	0	0
of which Group (non-consol. + PHD + PET + PEM)	%	Group	–	–	15.7
Average wage gap of direct employees paid below a living wage	%	Non-consol.	0	0	0
Gender pay ratio, women to men (all workers)	%	Non-consol.	64.5	69.9	70.5
Average unremediated gender pay gap (regular employees)	¥	Non-consol.	126,932	132,629	158,655
Work engagement score	points	Group	2.41	2.39	2.46
Human rights survey (SAQ) implementation rate	%	Group	0	100	100
Recalls	cases	Group	0	0	0
Social contribution activities	cases	Non-consol.	50	47	50

* The management ratio is calculated using heads of departments and teams as the denominator (including those seconded overseas). * The labor union membership rate is calculated using regular employees as the denominator. * The childcare leave uptake rate is calculated in accordance with Article 71-4, item (i) of the Ordinance for Enforcement of the Child Care and Family Care Leave Act. * The work engagement score is on a four-point scale (PEJ and PHD combined). * Living wage status is determined using the Gifu Prefecture benchmark (lower-bound estimate) under the IDH-recognized methodology (WageIndicator). Overseas sites are assessed against local benchmarks, and sites that fall short are being addressed through wage revision plans. The Group ratio of 15.7% is the percentage of 1,067 direct employees, including those at overseas sites. * "(Group)" rows are the 2025 totals for non-consolidated + PET + PEM (the percentage of women is a provisional value based on regular employees at PEJ, PHD and PET). * The number of employees is the total of regular employees. * The minority and vulnerable groups ratio is the percentage of foreign nationals, persons with disabilities and persons aged 60 or over. * The average gender pay gap is the unremediated amount (regular employees). * "Non-consol." (non-consolidated) refers to Pacific Engineering Corporation (FY2025: 365 regular employees, 58 contract and other employees, 170 temporary agency workers), and "Group" refers to PEC Holdings and its Group companies (FY2025: 1,070 regular employees).

Governance and Procurement Data

Item	Unit	Scope	FY2023	FY2024	FY2025
Directors	persons	Non-consol.	4	6	6
of which Outside Directors	persons	Non-consol.	0	0	0
Audit & Supervisory Board Members	persons	Non-consol.	1	1	1
Executive Officers (excluding those who are also Directors)	persons	Non-consol.	2	1	2
Board of Directors meetings held	times	Non-consol.	5	5	5
Consultations with the whistleblowing hotline	cases	Non-consol.	0	1	0
Compliance training attendance rate (including harassment training)	%	Non-consol.	98.5	100	99.2
Information security education attendance rate	%	Non-consol.	100	92	91
Information security incidents	cases	Non-consol.	1	2	1
Percentage of suppliers that confirmed the Purchasing Policy	%	Non-consol.	–	–	100
Conflict minerals survey (CMRT) response rate	%	Targeted suppliers	70	80	100
Percentage of suppliers that underwent a sustainability assessment (SAQ, etc.)	%	Targeted suppliers	0	0	100
Percentage of suppliers that underwent an on-site audit	%	Targeted suppliers	0	0	0
Suppliers engaged in corrective action and capacity building	companies	Targeted suppliers	3	1	1
Percentage of agreements containing environmental, labor and human rights clauses	%	Targeted suppliers	0	0	89
Percentage of purchasing department employees trained in sustainable procurement	%	Purchasing dept.	0	100	100
Political contributions	¥	Non-consol.	0	0	0

* Numbers of officers are as of the end of each fiscal year. The number of Audit & Supervisory Board Members does not include outside members. The Board of Directors meets five times a year.
* “Targeted suppliers” = suppliers selected through a prior sustainability risk analysis (58 companies in FY2025). Corrective action and capacity building: FY2023, 3 of 57 companies; FY2024, 1 of 57; FY2025, 1 of 58. Procurement training: FY2024, Subcontract Act; FY2025, Subcontract Act and the amended act (Group purchasing department).
* “Non-consol.” = non-consolidated (Pacific Engineering Corporation).

Item	Scope	2021	2022	2023	2024	2025
Serious compliance violations	Group	0	0	0	0	0
Legal actions for anti-competitive behavior	Group	0	0	0	0	0

Years shown without a unit are fiscal years. There have been zero serious compliance violations and zero legal actions for anti-competitive behavior **for five consecutive years**.

GRI Content Index (1) General Disclosures

Statement of use

Pacific Engineering Corporation has reported **with reference to the GRI Standards** for the period from April 1, 2025 to March 31, 2026.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): None has been published for our sector at present

No.	Disclosure	Page reference
GRI 2: General Disclosures 2021		
2-1	Organizational details	P5
2-2	Entities included in the organization's sustainability reporting	P3
2-3	Reporting period, frequency and contact point	P3
2-4	Restatements of information	Omitted: Not applicable
2-5	External assurance	P3
2-6	Activities, value chain and other business relationships	P5, 12, 28
2-7	Employees	P5, 31
2-8	Workers who are not employees	P20, 31
2-9	Governance structure and composition	P26
2-10	Nomination and selection of the highest governance body	P26
2-11	Chair of the highest governance body	P4, 5
2-12	Role of the highest governance body in overseeing the management of impacts	P11
2-13	Delegation of responsibility for managing impacts	P11
2-14	Role of the highest governance body in sustainability reporting	P3
2-15	Conflicts of interest	P26

No.	Disclosure	Page reference
GRI 2: General Disclosures 2021 (continued)		
2-16	Communication of critical concerns	P27
2-17	Collective knowledge of the highest governance body	P26
2-18	Evaluation of the performance of the highest governance body	P26
2-19	Remuneration policies	Omitted: Confidentiality constraints
2-20	Process to determine remuneration	Omitted: Confidentiality constraints
2-21	Annual total compensation ratio	Omitted: Confidentiality constraints
2-22	Statement on sustainable development strategy	P4
2-23	Policy commitments	P8, 13, 19, 26, 28
2-24	Embedding policy commitments	P8, 11, 19, 26, 28
2-25	Processes to remediate negative impacts	P24, 27
2-26	Mechanisms for seeking advice and raising concerns	P27
2-27	Compliance with laws and regulations	P14, 26, 27, 32
2-28	Membership associations	P10
2-29	Approach to stakeholder engagement	P10
2-30	Collective bargaining agreements	P22, 31

Page references (P) refer to pages in this report. Reasons for omission – "Confidentiality constraints": As an unlisted company, we do not disclose information on officer remuneration. "Not applicable": As this is the first edition of the report, there are no restatements of information (2-4).

GRI Content Index (2) Material Topics, Economic and Environmental

No.	Disclosure	Page reference
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	P9
3-2	List of material topics	P9
3-3	Management of material topics	P9, each chapter
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	P5
201-2	Financial implications and other risks and opportunities due to climate change	P16
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	P22, 31
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	P25
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	P26
205-2	Communication and training about anti-corruption policies and procedures	P26
205-3	Confirmed incidents of corruption and actions taken	P26, 32
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P27, 32
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	P14, 30
301-2	Recycled input materials used	P17, 30
301-3	Reclaimed products and their packaging materials	P17
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	P14, 30
302-3	Energy intensity	P30
302-4	Reduction of energy consumption	P15
302-5	Reductions in energy requirements of products and services	P12, 18

No.	Disclosure	Page reference
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	P17
303-2	Management of water discharge-related impacts	P17
303-3	Water withdrawal	P17, 30
303-4	Water discharge	Omitted: Information unavailable/incomplete
303-5	Water consumption	P17, 30
GRI 101: Biodiversity 2024		
101-1	Policies to halt and reverse biodiversity loss	P13, 18
101-5	Locations with biodiversity impacts	P18
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P30
305-2	Energy indirect (Scope 2) GHG emissions	P30
305-3	Other indirect (Scope 3) GHG emissions	P15, 30
305-4	GHG emissions intensity	P30
305-5	Reduction of GHG emissions	P13, 15
305-7	Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	P18, 30
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	P17
306-2	Management of significant waste-related impacts	P17
306-3	Waste generated	P17, 30
306-4	Waste diverted from disposal	P30
306-5	Waste directed to disposal	P17, 30
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	P28
308-2	Negative environmental impacts in the supply chain and actions taken	P28

Biodiversity is reported in accordance with GRI 101: Biodiversity 2024, which took effect on January 1, 2026, replacing GRI 304: Biodiversity 2016. “Omitted: Information unavailable/incomplete” indicates that our data collection system is still being developed; we will progressively expand disclosure in line with our action plan.

GRI Content Index (3) Social

No.	Disclosure	Page reference
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	P31
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P22, 23
401-3	Parental leave	P23, 31
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	P22
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	P20
403-2	Hazard identification, risk assessment, and incident investigation	P20
403-3	Occupational health services	P21
403-4	Worker participation, consultation, and communication on occupational health and safety	P20
403-5	Worker training on occupational health and safety	P20
403-6	Promotion of worker health	P21
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P18, 20
403-8	Workers covered by an occupational health and safety management system	P20
403-9	Work-related injuries	P20, 31
403-10	Work-related ill health	P31
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	P23, 31
404-2	Programs for upgrading employee skills and transition assistance programs	P23
404-3	Percentage of employees receiving regular performance and career development reviews	P23, 31
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	P24, 26, 31, 32
405-2	Ratio of basic salary and remuneration of women to men	P24, 31

No.	Disclosure	Page reference
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	P24, 32
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P22, 28
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	P19, 28
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P19, 28
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	P24
412-2	Employee training on human rights policies or procedures	P24, 32
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P25
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	P28
414-2	Negative social impacts in the supply chain and actions taken	P28
GRI 415: Public Policy 2016		
415-1	Political contributions	P26, 32
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	P25
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P25, 31
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	P18, 28
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P27, 32

Disclosure numbers and titles are based on the GRI Standards.



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