

【Human Rights】**<Piolax Group Basic Policy on Human Rights and Labor>**

The Piolax Group supports and respects human rights-related international norms such as the Universal Declaration of Human Rights.

The Piolax Group stipulates as follows the basic policy on human rights and labor based on the “Piolax Group Codes of Conduct”. This policy applies to all directors, officers, and employees of the Group.

1) Respect for human rights

The Piolax Group respects fundamental human rights of all people and does not tolerate any harassment.

2) Elimination of discrimination

The Piolax Group does not discriminate on the basis of race, ethnicity, national origin, religion, gender, disability, sexual orientation, gender identity and so on. The Group makes efforts to build a workplace where diverse human resources play active roles respecting one another as important partners.

3) Prohibition of child labor

The Piolax Group prohibits labor of children under the legal working age in its business activities.

4) Prohibition of forced labor

The Piolax Group ensures that all work is voluntary. Employees shall not be engaged in forced labor and are free to terminate their employment.

5) Wages

The Piolax Group complies with laws and regulations of individual countries and regions relating to minimum wages, overtime hours, payroll deduction, and benefits.

6) Working hours

The Piolax Group complies with laws and regulations of individual countries and regions in the decision of employees' working hours (including overtime hours) and the grant of holidays, annual paid leave, etc.

7) Communication and consultation with employees

The Piolax Group communicates and consults with employees or their representatives in good faith to develop a sound relationship and solve problems. The Group recognizes the right of employees to freely associate or not to associate based on laws and regulations of individual countries and regions.

8) Safe and healthy work environment

The Piolax Group prioritizes the safety and health of employees and prevents labor accidents and disasters.

9) Responsible procurement of materials

The Piolax Group strives not to use conflict minerals and other raw materials that may relate to social issues or inhuman acts.

[Human Resources]

<Health Management>

Piolax established the “Heath Management Declaration” in June 2021. We consider the health care of our employees from a management perspective and are working on “health management” that strategically implements health care.

<Piolax Health Management Declaration>

Since our founding in 1933, we have expanded our business globally based on the corporate philosophy “Pioneer in Creating Elasticity”. Toward the 100th anniversary in 2033, we will continue to strive to create the business environment that will realize sustainable development and growth under the slogan “ONE PIOLAX”.

The source of vitality that supports the business environment is “human assets”, that is employees and their families. Promoting the mental and physical health of all employees and securing a work-life balance is one of our most important management objectives.

Under the leadership of top management, we value internal communication and, with the support of medical institutions, health insurance association and others, declare the implementation of specific and achievable health management measures in the following eight items so that each employee can feel the significance of participation.

1. Believing that protecting the health of our employees and their families is our corporate mission, we will disseminate our Health Management Declaration both internally and externally.
2. Each employee will have a health management mindset and make his/her own health declaration to improve physical and mental health.
3. We will comply with laws and regulations.
4. We will assign staff in charge of health promotion to promote physical and mental health of our employees.
5. We will ensure 100% regular health checkup rate and provide health checkup data to each employee as needed.
6. We will identify health issues faced by our employees and examine necessary measures.
7. We will establish and improve systems for implementing health management.
8. We will maintain, strengthen and improve the telecommuting system with an awareness of the ideal work style and our vision for the future.

<Employee Treatment and Evaluation>

We, at the Piolax Group companies, respect human rights at all times and do not allow any act that may lead to discrimination based on race, ethnicity, national origin, religion, gender, disability, sexual orientation, gender identity and so on. We have not set any discriminatory recruitment or employment conditions based on gender, age, etc.

In personnel evaluation, Piolax objectively and correctly evaluates each employee as to the exercise of their abilities, outcomes, etc., to promote the development and effective use of their abilities and ensure fair treatment. There is no difference in the basic salary and total remuneration given to employees with the same job grade, due to gender. We comply with a policy of equal pay for equal work in accordance with the revised laws.

<Conducting Employee Awareness Survey>

In the Piolax Group in Japan, interviews with employees are held to understand their desire for jobs and problems relating to their workplace environments, etc., thereby leading to improvement. The survey results are fed back to the department heads.

Conducting the survey every year allows the department heads to identify issues within the departments, to take approach to solving these issues, and to increase the department members' satisfaction and their motivation for working.

<Promotion of Diversity>

With its basic policies for human rights and labor, "elimination of discrimination" and "respect for human rights," the Piolax Group will, in any situation of employment, perform activities without discrimination based on race, ethnicity, national origin, religion, gender, disability, sexual orientation, gender identity and so on and positively respond to diversity.

<Employment of Persons with Disabilities>

The employment rate of persons with disabilities in Piolax was 2.0% in FY2020. We will try to actively hire these persons to increase the employment rate.

	FY2018	FY2019	FY2020
Legally mandated rate of employees with disabilities	2.2%	2.2%	2.2%
Piolax's rate	2.15%	1.88%	2.00%

* Scope: PIOLAX, INC.

< Work style reform >

We have introduced remote working as a measure to prevent coronavirus infection. We studied and prepared for a remote working system in FY2020 and put it into operation in FY2021.

<Promoting Women’s Participation>

Based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we are working to create an environment where female employees can play active roles by reviewing childcare-related systems and promoting measures to increase understanding of superiors and colleagues. On January 29, 2021, we were awarded the highest rank (three-star) of Eruboshi (L Star), which is the excellent company certification system under the Act.



The ratio of female employees in FY2020 is shown in the table below. Our action plan based on the Act aims to raise the ratio of female employees in managerial positions to 3% or higher by FY2023.

	FY2018	FY2019	FY2020
Female ratio in hired employees	9.6%	17.0%	28.9%
Female ratio in employees	17.4%	17.4%	18.1%
Female ratio in managerial positions	2.2%	2.9%	2.8%
Female ratio in director positions	0.0%	0.0%	11.1%
Average years of service: men	15.5	15.2	15.1
Average years of service: women	17.6	18.1	17.6

* Scope: PIOLAX, INC. The figures are as of the end of each fiscal year. The above figures exclude directors, advisors, and temporary employees (contract employees, employees on a short-term contract and part-timers) and include loaned employees from the outside to the company.

<Return to Work after Childcare Leave>

In FY2019, 100% of our employees who took childcare leave returned to work. We will maintain and improve the work environment which encourages return to work.

<Post-retirement Re-employment>

With the introduction of a continued employment system, Piolax has re-employed all employees who wish to work after the retirement age of 60 (they can continue working until age 65). We are striving to create a workplace where re-employed employees can play active roles.

<Human Resource Development>

Piolax is making efforts to develop the potentials of individual employees by providing knowledge and skills. We focus on the development of global human resources who can respond to changes in the business environment and contribute to society through language and other education programs in addition to stratified education tailored to different roles.

In FY2020, we provided about 800 hours 800 hours of education programs (including web-based training).



Management training

Educational system

We conduct stratified education, new employee education (including practical training at a plant) and follow-up, QC education, language education, and education for preventing harassment.

Level-specific education

Training is provided for each managerial position, including the top management, managers, assistant managers, and assistant chiefs, for the purpose of learning necessary knowledge and skills.

**Language education**

Higher language skills are required in line with the global expansion of our business, and we provide English language training as well as local language before overseas assignment. For those who wish to do so, language training is provided even after they are posted overseas.

Other education

We also provide education for eliminating harassment (power harassment, sexual harassment, maternity harassment, LGBT discrimination, etc.). In FY2020, 326 employees at the rank of assistant manager or above (including those of domestic subsidiaries) took the course.

<Employee Health Management>

To examine employees' health conditions, we conduct regular medical checkups and stress checks according to the laws and regulations. We also conduct special health checkups depending on the type of work. Those who wish to do so can have an interview with an industrial physician.

<Labor-management Relations>

Piolax employees join the Piolax Labor Union that belongs to the Federation of All Nissan and General Workers Unions. The Piolax Labor Union applies a union shop system, and all employees (excluding managers and rehired workers) are the members of the union.

Piolax and its labor union have concluded a collective agreement and established a sound labor-management relation in which labor and management are on an equal footing and fulfil their own responsibilities to cooperate for higher productivity, sustainable development of the company, stable employment, and maintenance and improvement of life of all employees.

The collective agreement is automatically renewed every year, and a request to revise or terminate the agreement if any is to be given at least three months prior to the expiration date.

【Procurement】

The Piolax Group has established the “Piolax Group Procurement Policy” based on the “fair and free competition and transparent relation” as specified in the Piolax Code of Conduct. In line with this Procurement Policy, we perform procurement activities in cooperation with our suppliers to pursue high-quality manufacturing and realize sustainable society.

< Piolax Group Procurement Policy >

In its all procurement activities, the Piolax Group complies with applicable laws and regulations in Japan and abroad and makes fair and open transactions considering the impact on the environment and society. The Piolax Group also builds trust relationships with its suppliers and vendors aiming for mutual prosperity.

1) Conduct fair and open transactions

The Piolax Group provides fair and open opportunities to all suppliers and vendors based on the principle of free competition.

2) Build mutual trust with business partners

The Piolax Group establishes trust relationships with its suppliers and vendors and strives for mutual development.

3) Operate CSR procurement

The Piolax Group promotes CSR procurement in view of compliance with laws, occupational safety and health, respect for human rights, environmental conservation, and corporate ethics.

In order to fulfill its social responsibilities with its suppliers, the Piolax Group is working to establish “Supplier CSR Guidelines” and “Green Procurement Guidelines” as an important issue.

[Contribution to Society]

The Piolax Group aims to contribute to society through a variety of activities. We are engaged in social contribution in various organizational forms, including the head office, domestic plants and branches, and overseas bases. We encourage employees to think about what they can do and take the initiative in social contribution activities.

<Activities in Japan>

Support for the employment of the disabled at the Moka Plant

Through employment support organizations, we cooperate in support activities outside facilities for general employment of personnel with disabilities. In FY2020, we commissioned greening work of the Moka Plant.

Investment in Japanese student aid bonds (social bonds)

Our investments in the Japan Student Services Organization (JASSO) are used as a source of funds for scholarship loans. In this way, we support equal opportunities in education and contribute to solving social issues. We hope our activities will help students in financial difficulties.

Support to the Kanagawa Philharmonic Orchestra

We have been sponsoring the orchestra every year since 2017 as a contribution to the local culture.

<Overseas Activities>

Donation to the elderly in poverty (Mexico)

Following 2019, we donated presents to the elderly in poverty in 2020. While we were not allowed to enter the building except one representative due to the coronavirus pandemic, we were able to pass many presents in the Christmas season.



Mexico



India