

**Penta-Ocean Construction Group**  
**Sustainable Supply Chain Policy and Guidelines**

Established on 21 November, 2023

**Penta-Ocean Construction Group Sustainable Supply Chain Policy**

At Penta-Ocean Construction Group, we will conduct fair and equal transactions with our business partners on an equal footing and promote partnerships aiming for cooperation, coexistence and co-prosperity.

Together with our business partners, we will strive to comply with laws and regulations, respect human rights, and incorporate environmental consideration to build a sustainable supply chain.

Penta-Ocean Construction Group practices sustainable management to embody its management philosophy of "Affiliating with society", "Creating a nature-rich environment" and "Cherishing a pioneering spirit".

Furthermore, "Penta-Ocean Construction Group Code of Conduct" stipulates promotion of partnerships with its business partners and establishment of a sustainable supply chain. In tandem with the business partners, the company will strive to contribute to the development of a sustainable society and continue to grow.

In order to work collaboratively with you, our business partners, to promote the concept, we have established the "Sustainable Supply Chain Policy" and the "Sustainable Supply Chain Guidelines".

We ask you to administer business activities in accordance with the policy and the guidelines and encourage your own business partners to do the same.

## **Penta-Ocean Construction Group Sustainable Supply Chain Guidelines**

### **1. Integrity in corporate activities**

#### **(1) Compliance with laws and regulations**

- Ensure strict compliance with laws, regulations, and international rules in all countries and regions where business is conducted. Engage in sensible corporate practices with high ethical standards, in accordance with social norms and ethical principles.

#### **(2) Fair competition and appropriate transactions**

- Promote fair, transparent and free competition as well as appropriate transactions in strict compliance with laws and regulations.

#### **(3) Promotion of partnerships with business partners and establishment of sustainable supply chains**

- Conduct fair and equal business transactions with business partners and promote partnerships aiming for cooperation, coexistence and co-prosperity.
- Do not engage in unjust behavior such as abuse of dominant position towards business partners.
- Encourage business partners to practice initiatives in accordance with the Penta-Ocean Construction Group Sustainable Supply Chain Policy and Guidelines and develop a sustainable supply chain in tandem with business partners.

#### **(4) Appropriate accounting procedures and tax payment**

- Conduct appropriate accounting procedures, strictly comply with tax-related laws and regulations, file appropriate tax forms and ensure correct tax payment.

#### **(5) Proper management and use of information and assets**

- Appropriately manage or protect confidential information, personal information and intellectual property rights, etc.

#### **(6) Anti-bribery and anti-corruption**

- When involved with other individuals including political and administrative authorities, strictly comply with the relevant laws and regulations of each country and region and maintain sound and normal relationships with them. In addition,

do not engage in any form of corrupt practices, including any conduct that may constitute bribery.

#### **(7) Eradication of antisocial activities**

- Do not engage in any antisocial activities including responding to unreasonable demands from antisocial forces or groups or dealing with them.

#### **(8) Risk Management**

- Even at ordinary times, identify various risks including natural disasters that may be assumed to occur in the course of business activities. Take appropriate measures including planning of emergency structures and practicing emergency drills to ensure business continuity and early resumption of business in the event that such risks do occur.

### **2. Respect for individuals and human rights, Living in harmony with society and the environment**

#### **(1) Respect for human rights**

- Observe international human rights norms and respect the human rights of each individual. Do not tolerate any inhuman act or harassment that leads to discrimination or infringes on human rights and dignity of others.
- Strictly comply with all applicable laws and regulations, properly manage working hours and holiday acquisition of employees. Strive to pay appropriate wages, including extra wages for overtime work, and the level of wages should be above the living wage (a pay considered sufficient to afford a decent standard of living), let alone the statutory minimum wage.
- Do not engage in any form of forced labor or child labor.
- Respect the freedom of association and the right to collective bargaining of employees.
- Give due consideration to the human rights of foreign workers and do not engage in any unjust behavior.
- Give full consideration to the human rights of indigenous and local residents and conduct business activities in a responsible manner.

## **(2) Promotion of DE&I (Diversity, Equity & Inclusion)**

- Embrace diversity and strive to create a pleasant and rewarding work environment so that each employee can demonstrate their abilities to the fullest.

## **(3) Creation of a safe and secure work environment**

- Make safety a top priority and take safety measures to prevent occupational accidents in close cooperation with business partners.
- Strive to create a comfortable and safe work environment.
- In the event of an occupational accident, ensure prompt response and timely reporting.

## **(4) Construction of high-quality social infrastructure and buildings**

- Provide high-quality social infrastructure, buildings and related services, backed by engineering expertise.
- Strive to develop and improve technical capabilities aiming for resolving diverse social issues.
- In the event of quality-related troubles, etc., ensure prompt responses and timely reporting.

## **(5) Tackling the issue of climate change**

- To tackle climate change issues, undertake efforts to reduce greenhouse gas emissions in business activities.

## **(6) Conservation and creation of the environment**

- In order to preserve the global environment and biodiversity, pursue prevention of environmental pollution, promotion of resource recycling and effective use of water resources. Contribute to living in harmony with the environment through business activities, including creation of rich aquatic environments in seas, rivers and lakes.

## **(7) Communication with stakeholders and appropriate disclosure of corporate information**

- Strive to effectively communicate with a wide range of stakeholders and disclose information in a timely and appropriate manner.

#### **(8) Contribution to local communities**

- Work side by side with local communities by respecting local culture and customs, ensuring safety and minimizing impact on the environment during construction (prevention of public and environmental accidents), and conducting sincere construction activities.
- In the event of a natural disaster, promptly provide disaster relief assistance.

#### **Thorough implementation of these Guidelines**

- In order to promote initiatives in accordance with these guidelines, we ask you, our business partners, to implement awareness-raising and education measures targeting your employees internally. We encourage you to proactively participate in training programs etc. organized by Penta-Ocean Construction.
- In order to keep track of the implementation progress of initiatives in accordance with these guidelines, we will conduct a follow up assessment on you by means of questionnaires and interviews, etc. Once our assessment team finds it necessary, we will provide the required guidance and support. We will appreciate your full cooperation in this regard.
- If you witness, or receive information of, any possible violation of laws and regulations or misconduct in the business activities of Penta-Ocean Construction Group or those of our business partners, please report it to the Compliance Consultation Desk, the Human Rights Consultation Desk, or the Harassment Consultation Desk of our group.