

GALILEI GROUP Sustainable Procurement Guidelines

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First issued: November 2023

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1. Introduction

We at the GALILEI Group are committed to addressing social issues through our business activities, contributing to a sustainable society, and enhancing our medium- to long-term company value in line with our corporate philosophy.

As interest and expectations surrounding sustainability initiatives continue to grow, particularly in response to the United Nations' Sustainable Development Goals (SDGs), businesses are increasingly expected to fulfill their social responsibilities throughout their supply chains in the course of their procurement activities.

In 2022, the GALILEI Group launched the GALILEI Supplier Hub and GALILEI Contractor Hub to meet supply obligations with our business partners and foster mutual growth and prosperity.

To more effectively address societal expectations, we have recently established our Sustainable Procurement Guidelines. These Guidelines contain the GALILEI Group's corporate philosophy, procurement policies, and expectations of our business partners.

We ask that our business partners familiarize themselves with the Guidelines and ensure that their supply chain partners, including suppliers, subcontractors, and sub-subcontractors, are also well-informed and compliant.

Additionally, we may ask our business partners to participate in periodic surveys to assess compliance with the Guidelines.

2. THE GALILEI Group's Corporate Philosophy

Our goal is to be a “Happiness Creation Company,”
with the themes of the environment, safety and peace of mind.

1. Consumer Happiness	With a focus on the environment, safety, and peace of mind, we aim to work with our customers to contribute to the happiness of the consumer.
2. Customer Happiness	Through the use of original technology and systems, we aim to add new value to the food industry and contribute to the happiness of our customers.
3. Employee Happiness	We aim to foster both material and emotional happiness by strengthening individual responsibility, and by promoting growth at the employee and corporate levels.
4. Stakeholder Happiness	We work toward common goals, continuously improving company performance and contributing to the happiness of our shareholders and trading partners.

3. The GALILEI Group's Procurement Policies

◆ Sustainability Policy

The corporate philosophy of the GALILEI Group is centered on the Four Rules of Happiness: consumer happiness, customer happiness, employee happiness, and stakeholder happiness. In line with this philosophy, we are committed to addressing social issues through our business activities, contributing to a sustainable society, and enhancing our medium- to long-term corporate value.

◆ Purchasing Policy

We promote fair and free transactions in accordance with our Charter of Corporate Behavior when conducting purchasing activities. Additionally, we consider social issues such as environmental and human rights issues to ensure a sustainable supply chain.

1. Legal compliance

In all purchasing activities, we comply with laws and regulations as well as internal rules, acting with integrity and responsibility while upholding social norms and ethical principles.

2. Fair and transparent transactions

We select business partners fairly and impartially, evaluating their business conditions, product quality, technical capabilities, pricing, delivery schedules, and commitment to social issues. Under no circumstances we accept cash, cash equivalents including gift vouchers, or gifts or hospitality beyond socially acceptable norms.

3. Partnership

We strive to build strong relationships of trust with our business partners and work toward mutual prosperity. Also, we collaborate with business partners to manufacture and develop products, systems and services that deliver value.

4. Environmental considerations

We conduct purchasing activities that minimize environmental impact in accordance with our Environmental Policy.

5. Respect for human rights

We ensure that our purchasing activities uphold human rights in accordance with our Human Rights Policy.

◆ Environmental Policy

At the GALILEI Group, we recognize that environmental responsibility is a crucial aspect of our operations. We are committed to continuously and proactively implementing initiatives that minimize our environmental impact.

1. We offer and recommend products, systems, and services designed to minimize environmental impact throughout the manufacturing, sales, installation, and maintenance processes.
2. As part of our commitment to environmental protection, we closely monitor the environmental impact of our business activities and continuously improve our environmental management systems.
3. We protect the environment by complying with all relevant laws, regulations, and codes of industry associations to which our group belongs, and community rules.
4. In the course of our business activities, we identify, address, and manage key environmental issues by:
 - (1) Promoting the development, manufacture, and sale of environmentally friendly products, systems, and services.
 - (2) Reducing the use of environmentally harmful chemicals and strengthening control measures for such substances.
 - (3) Promoting the effective use of resources.
 - (4) Taking action to combat climate change.
 - (5) Protecting the environment.
5. We establish environmental targets, formulate and implement action plans, and regularly review both targets and plans to ensure continuous improvement.
6. We document, implement, and maintain an effective environmental management system.
7. We ensure all employees understand the Environmental Policy and provide training to raise awareness of the importance of environmental protection. Additionally, we communicate our Environmental Policy to business partners and encourage their participation in environmental protection efforts.
8. We regularly disclose our environmental protection initiatives on our website and other communication channels.

◆ Human Rights Policy

Human rights are fundamental rights of all people. The GALILEI Group is committed to upholding our responsibility to respect human rights in all aspects of our business activities.

1. Respect for human rights

(1) Discrimination

We do not engage in or tolerate discrimination based on nationality, race, creed, gender, disability, or any other characteristic in employment, treatment, or performance evaluation. We aim to build an equitable and inclusive society that encourages participation from people of diverse backgrounds.

(2) Harassment

We do not tolerate sexual harassment, power harassment, or any other behavior that damages the dignity of individuals or creates fear or discomfort.

(3) Child labor and forced labor

We maintain a zero-tolerance policy for child labor or forced labor, and require our business partners to uphold the same standard.

(4) Safe and supportive work environment

We implement workplace health and safety measures to prevent accidents and injuries. We also support employees in maintaining and improving their mental and physical well-being, and strive to create a safe, healthy, and positive work environment for all.

2. Human rights due diligence

We conduct human rights due diligence in accordance with this policy to fulfill our responsibility to respect human rights. We assess potential human rights impacts within our operations, take steps to prevent or mitigate any negative effects, and implement appropriate corrective measures as needed.

3. Training

We provide regular training to ensure employee awareness and understanding of this policy. In addition, we encourage our business partners to familiarize themselves with the policy and to apply it in their business operations.

4. Information disclosure

We regularly disclose updates on our human rights initiatives on our website and other communication channels.

4. Requests for our Business Partners

1) Compliance with laws, regulations, and social norms

- (1) To be fully aware of laws, regulations, social norms, and ethical principles, and to conduct business with integrity and responsibility.
- (2) To comply with both international standards and local laws and regulations, promoting transparent business practices as responsible members of the international community when conducting business overseas.
- (3) To respect intellectual property rights and take necessary measures to ensure their legal protection.

2) Environmental protection

- (1) To offer and/or propose products that minimize environmental impact when selling, marketing, installing, and maintaining products.
- (2) To closely monitor the environmental impact of their business activities and actively protect the environment.
- (3) To protect the environment by complying with all relevant laws, regulations, industry association codes, and community rules.

3) Respect for human rights

- (1) To ensure fair and equal treatment by prohibiting discrimination based on nationality, race, creed, gender, disability, or other characteristics in employment, treatment, and performance evaluation. To foster an equitable and inclusive society that welcomes participation from people of diverse backgrounds.
- (2) To prohibit and prevent sexual harassment, power harassment, or any other behavior that harms the dignity of individuals or creates fear or discomfort.
- (3) To maintain a zero-tolerance policy for child labor and forced labor, and to require business partners to uphold the same standard.
- (4) To implement workplace health and safety measures and prevent accidents and injuries, support employees in maintaining and improving their mental and physical well-being, and create a safe, healthy, and positive work environment for all.

4) Ensuring product quality and safety

- (1) To develop and provide products of consistent safety and quality that consumers can trust. To continuously strive for product improvement.
- (2) To provide consumers with essential information for safe and proper use by supplying appropriate product labeling and clear explanations.

- (3) To promptly investigate the cause of any potential product safety incident and take appropriate corrective action. To disclose any necessary information to ensure consumer safety and to prevent the concealment of product safety issues under any circumstances.
- 5) Fair and free transactions
 - (1) To understand and comply with antitrust and anti-monopoly laws, engaging in fair and transparent competition.
 - (2) To establish a purchasing policy and promote fair procurement practices in accordance with that policy.
- 6) Information management
 - (1) To strictly manage confidential business information, including that of other companies. To prevent external disclosure and ensure that such information is not used for any purpose other than legitimate business operations.
 - (2) To establish a system that protects the personal information of customers and employees. To ensure that personal information is not disclosed without permission or used for non-business purposes.
- 7) Eradication of relationships with antisocial organizations

To take a firm stance against antisocial organizations and refrain from engaging in any relationships with them. To firmly reject unreasonable demands from such organizations, avoiding any backdoor dealings or concealment of facts.
- 8) Business continuity

To identify and assess risks associated with business operations and implement necessary measures to mitigate them, ensuring business continuity.