

Sustainability Management









Basic Policy

Artner’s basic approach to promoting sustainability activities is to support the growth and self-actualization of our engineers based on our management philosophy of being an “Engineer Support Company that supports our engineers’ dreams,” while seeking to maximize enterprise value, contribute to the resolution of social issues through our business activities, and build a foundation for sustainable growth and growth for the next generation. Based on this approach, we have established the following Basic Sustainability Policy as well as a human rights policy, procurement policy, and other policies to clarify the principles and direction of our corporate activities. In

addition, considering stakeholder interests and social issues, as well as their impact on our business management, we have identified eight materiality topics (material issues) that should be prioritized and are engaging in effective management practices and business activities to resolve these issues. To ensure that our sustainability initiatives are accessible to all stakeholders, we provide information in our Annual Report, on our sustainability website, and through other means.

< Basic Sustainability Policy >

Cultivating people	To foster engineers to support manufacturing industries.
Employee happiness	To provide a workplace environment that makes the work of all employees meaningful and fulfilling.
Corporate governance	To sustain and develop positive relationships with all stakeholders, while strictly abiding by all applicable laws and regulations.
Contributing to society	To make a positive contribution to society through business, to help build a better and more prosperous world.

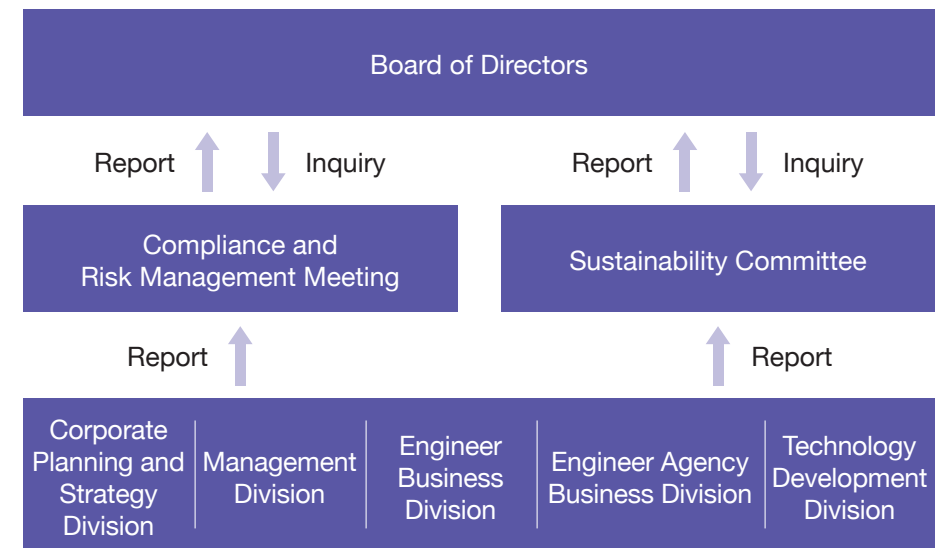
ESG	Basic policy	Related SDGs	Measures
Environmental		 	Providing personnel for technical development of eco cars
Social	Cultivating people	 	Providing personnel to support technical development of medical equipment
			Programming classes for elementary school students
			Helping employees to upgrade their skills through training and education
			New employee training to support career development
			Support system for earning qualifications
	Employee happiness	 	Mental health care for employees
			Improving the employment environment to promote active participation of women
			Diversity and LGBTQ+ initiatives
			Establishing a diversity promotion office
			Ensuring diversity and equal opportunity in employment
Governance	Corporate governance	 	Active hiring of people with disabilities
			Initiatives to clean public spaces
			Elimination of anti-social forces and measures to combat organized crime groups

Governance

Artner sees sustainability issues, including social and environmental issues such as the recent SDGs and ESG, as key management issues, and has established the Sustainability Committee to serve as a structure to promote sustainability management. Under the direct supervision of the Board of Directors, the Committee is responsible for establishing sustainability policies, targets, and action plans, managing and

evaluating progress toward these targets, deliberating on individual measures, and reporting to the Board of Directors. The Committee, chaired by the President and CEO, is composed mainly of Directors who are not members of the Audit and Supervisory Committee, Directors who are members of the Audit and Supervisory Committee, and division heads and managers, and is held four times a year.

< Structure for Promoting Sustainability >



Strategy

Considering stakeholder interests and social issues, as well as their impact on our business management, we have identified eight materiality topics (material issues) that should be prioritized. Based on our understanding of the importance of the materiality topics we have identified, we will engage in effective management practices and business activities to resolve these issues.

Risk Management

In addition to clarifying the system for the overall management of various risks, we classify and define each business risk by type and have the department in charge of each type of risk monitor and analyze the risk situation. We also have a system in place for the overall management of various types of risks through the Compliance and Risk Management Meeting, where we clarify and monitor the management and countermeasures for each type of risk.

Indicators and Targets

We have categorized the eight materiality topics (material issues) into three areas (Environment, Social, and Governance), and set and monitor KPIs and targets for each issue. These indicators and targets are deliberated on and evaluated by the Sustainability Committee, then reported to the Board of Directors by the President and CEO, who chairs the Sustainability Committee. We review these materiality topics (material issues), indicators, and targets as necessary, based on the business environment and awareness of the issues.

*For materiality (material issues) KPIs, targets, and results, see “Non-financial Data (KPIs, Targets, and Results)” on pages 61 and 62.

Climate Change (Information Disclosure Based on TCFD Recommendations)

We disclose information in accordance with the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB).



Basic Policy

In recent years, our social environment has continued to change on a global scale, and addressing social issues, such as initiatives based on the recommendations of the TCFD, has become an important item on the management agenda. We regard addressing climate change as a material issue and have made carbon neutrality a pillar of our business activities in our new Medium-Term Business Plan (FY2023–FY2025). We will continue to strategically prioritize markets linked to carbon neutrality, such as electric vehicle (EV), fuel cell vehicle (FCV), automated driving, and semiconductor-related markets, and will focus on recruitment, education, and sales for these markets. Moreover, by having our engineers participate in carbon neutrality-related technology development projects such as these, we will advance the development of these technologies and support their widespread use in the market, thereby contributing to the realization of carbon neutrality. In July 2022, we announced our support for the recommendations from the TCFD. We will disclose information in a manner consistent with the recommendations published by the TCFD, with the aim of achieving a sustainable society.

Governance

As we have rated climate change as a high-priority issue, we have established the Sustainability Committee as a special committee for discussing sustainability-related issues including climate change. This Committee is established directly under the Board of Directors, and reports and submits the topics it discusses to the Board, which then deliberates and makes decisions on them. The content of such discussions will be disclosed externally and reflected in the Company’s management policies and various initiatives. The main members of the Committee consist of Directors who are not members of the Audit and Supervisory Committee (including the President and CEO), Directors who are Audit and Supervisory Committee members, as well as division heads and managers. The Committee is held four times a year. The Committee promotes and manages the status of sustainability issues and initiatives, including those related to climate change. The topics deliberated in the Committee are reported to the Board of Directors. The Board then deliberates and adopts the resolutions on important risks and opportunities related to

climate change, gives instructions on how to deal with them, and supervises the progress of such initiatives.

Strategy

As our social environment continues to change on a global scale, we believe that dealing with social issues, such as initiatives based on the recommendations from the TCFD, is an important managerial agenda.

Risk Management

At the Compliance and Risk Management Meeting, we identify risks that need to be addressed among various risks such as climate change, set priorities for responding to such risks, and manage progress on an ongoing basis. The topics discussed in the Meeting are reported and submitted to the Board of Directors, which then deliberates and makes decisions on such topics.

Indicators and Targets

We calculate our greenhouse gas (GHG) emissions as shown below. Our goal for FY2051 is to achieve net zero GHG emissions. (Reduce CO2 emissions by 22.6t by FY2025, compared with FY2021 levels)

Greenhouse gas (GHG) emissions (Scope 1 and Scope 2) Unit: tCO2						
Description	Target		Result			
	FY2051	FY2025	FY2021	FY2022	FY2023	FY2024
Scope 1 Use of fuel for rental cars	Net zero	86.0	26.1	18.0	11.4	7.5
Scope 2 Use of electricity at our locations			82.5	79.3	79.9	91.2
Total			108.6	97.3	91.3	98.7

*Scope 3 emissions are currently being calculated.

<Our Response to Risks and Opportunities>

Artner conducts scenario analysis by identifying key risks and opportunities related to climate change and carrying out qualitative assessments of their impacts. We included our main business area of engineer dispatching while using two scenarios (4°C scenario and combined 1.5°C and 2°C scenarios) to examine the impact of climate change in the year 2030. We extracted risks and opportunities, and the degree of impact on our business activities was evaluated on a three-point scale of large, medium, and small. Regarding the financial impact of climate change on our business, we consider the risk of climate change to be low, as we are primarily engaged in engineer dispatching services in Japan and do not need to own production facilities or other equipment.

<Timeframe> Short-term: Impact is apparent in less than 3 years; Medium-term: Impact is apparent in 3 years to less than 10 years (up to around 2030); Long-term: Impact is apparent in 10 years or later
<Evaluation> Based on financial impact - Large: Impact is clearly large; Medium: Degree of impact is unknown; Small: Impact is clearly small; Gray: Assumed to have no impact

Risk item			Business impact		Business impact		Response	
Large category	Medium category	Small category	Consideration: risks	Evaluation (risks)	Consideration: opportunities	Evaluation (opportunities)	Ongoing efforts	Examples of our response to risks
Transition (1.5°C and 2°C scenarios)	Technology	Advances in low-carbon technologies	Our main customers are in the automotive industry, which requires us to provide engineers who can develop products related to low-carbon technologies. If we are slower than our competitors to respond to these technologies, our engineers' skills may be considered obsolete and the demand for the dispatch of engineers may shrink, resulting in decreased sales. If new technologies need to be incorporated, costs for information gathering and training may increase.	Large	A low-carbon society may be promoted, which will lead to an increase in the demand for products using low-carbon technologies. In such a case, our sales may increase due to an increased demand for the dispatch of engineers to our existing clients and new clients.	Large	Disclosed in Medium-Term Business Plan Participate in the automotive industry, etc., our main customers	Capture demand for the development of low-carbon products such as EVs and other low-carbon vehicles, as well as energy-saving and renewable energy equipment, etc.
	Market	Change in demand for important products	Our main customers are in the automotive industry, which requires us to provide engineers who can develop products related to low-carbon technologies. If we are slower than our competitors to respond to these technologies, our engineers' skills may be considered obsolete and the demand for the dispatch of engineers may shrink, resulting in decreased sales. If new technologies need to be incorporated, costs for information gathering and training may increase.	Medium	Since the Company's main customers belong to the automotive industry, actively attracting engineers who can deal with the design and development processes that support the shift to zero-emission vehicles (ZEVs) may lead to increased demand for the dispatch of engineers, which could result in higher sales. The advancement of low-carbon technologies has accelerated the speed of development of the low-carbon business. Enhancing our recruitment and training systems as well as our services to meet the increasing number of requests from clients could lead to increased sales. If extreme weather conditions increase, along with a rising demand for seasonal products such as air conditioning products that can deal with higher/lower outdoor temperatures, this may lead to the manufacturers' increased demand for the development of HVAC equipment, resulting in growing demands for the dispatching of engineers and increased sales.	Large	Disclosed in Medium-Term Business Plan Participate in the automotive industry, etc., our main customers	
	Reputation	Change in reputation from customers	The momentum for decarbonization is growing throughout the supply chain. Clients may require their suppliers to reduce emissions and disclose relevant information. In particular, the automotive industry, which accounts for a major part of our customer base, is making much progress in this area than other industries. If our efforts are deemed insufficient, there is a risk that our reputation will be damaged, leading to a decrease in sales. In addition, significant costs may be required to address these issues.	Large	As the entire supply chain of the automotive industry is making an effort to reduce emissions, if we become recognized as a leader in addressing climate change issues, this could lead to increased sales.	Large	Disclosed in Medium-Term Business Plan Participate in the automotive industry, etc., our main customers	Contribute to the development of customers' low-carbon products by dispatching engineers with low-carbon skills Acquire new clients by strengthening the low-carbon skillsets of our engineers
Physical impact (4°C scenario)	Acute	Intensifying extreme weather events (typhoons, torrential rains, landslides, storm surges, etc.)	If our clients are adversely affected by increased natural disasters causing operation downtime, etc., our sales may decrease due to reduced demand for engineers as a result of R&D budget cutbacks. Also, in the event that our offices and training facilities are affected by such disasters, costs for recovery and relocation may be incurred.	Large		—	Disaster Prevention Manual	Formulate a BCP in preparation for the potential occurrence of natural disasters
	Chronic	Increased average temperature	Rising average temperatures will increase the use of air conditioning, which may increase costs at all our business and training facilities.	Small	If rising outdoor temperatures increase the need for safer and more comfortable indoor temperatures, the manufacturers' demand for developing HVAC equipment will increase, which may result in an increased demand for the dispatching of our engineers and increased sales.	Medium	Disclosed in Medium-Term Business Plan Participation in the automotive industry, etc., for major customers	Respond to the growing demand for the development of air conditioning products

Human Capital

Basic Policy

Artner's Management Philosophy is "Engineer Support Company: We support our engineers' dreams," and our Purpose is to "support the growth and self-actualization of engineers, who are Japan's world-class assets." As they embody, we have promoted our business as a corporation that exists for the sake of engineers' growth while always asking ourselves what we can do for them. We believe that creating value for the engineers themselves will, in turn, create value for Artner. We also believe that talent is our greatest business asset, and that talent development and organizational development are key areas essential to the Company's growth.

Governance

Artner has established a Sustainability Committee to maximize the value of our human capital. The Committee is composed mainly of Directors who are not members of the Audit and Supervisory Committee (including the President and CEO), Directors who are Audit and Supervisory Committee members, as well as division heads and managers. The Committee is held four times a year. At each meeting, the members hold discussions to promote and manage the progress of issues and initiatives related to human capital. The Director/Head of the Management Division serves as the overall supervisor and the Management Division's General Affairs and Human Resources Group functions as the Health and Productivity Management Promotion Office to plan, operate, and promote different health-related initiatives. The Board of Directors oversees sustainability matters, including occupational health and safety,

and deliberates on key issues such as respect for human rights, the promotion of diversity and inclusion, and talent development and retention.

Strategy

We believe that supporting the growth and self-actualization of engineers, who are Japan's world-class assets, and creating value for the engineers themselves will, in turn, create value for Artner. We consider our engineers to be not only assets of Artner, but also shared assets of Japan, and we nurture engineers as a platform to support their growth and self-actualization based on our policy on talent development. Amid a rapidly changing work environment and mindset, driven by talent mobility and diversity, we will strive to promote the happiness of working engineers and create a new model for "life as an engineer." We are also committed to providing a satisfying work environment and supporting the growth and self-actualization of each and every one of our staff members, as stated in our basic sustainability policy: "aiming for the happiness of all employees."

Risk Management

At Artner, the Compliance and Risk Management Meeting identifies human capital risks and Opportunities and monitors their progress. Risks that may have a significant impact on investors' decisions include the following.

	Risk	Opportunity
Effectiveness of education and training	There is a risk that the training does not turn out to be as effective as expected and the unit price of engineers does not increase due to low client satisfaction, as well as the risk that we fail to satisfy the requests from clients, and they start to make complaints.	If engineers' skills improvement raises client satisfaction and client ratings, the unit price of engineers may increase and our competitiveness in the industry may elevate, creating opportunities for corporate growth.
Securing science and engineering graduates	We consider science and engineering graduates to be an important managerial resource. There is a risk that the population of science and engineering graduates may decrease due to the declining birth rate and other factors, making it significantly more difficult to hire talented graduates.	We hope to resonate with students by highlighting our recruitment method (we hire talent who meet the requirements of their intended destination, provide them with education and training as engineers, and only then assign them to projects), as well as the fact that Artner is a job-based employment company that emphasizes their skills and they will be able to quickly advance their careers while gaining experience in a variety of projects. By acquiring and training outstanding talent, we can expect to maintain and strengthen a stable earnings base.
Securing career engineers	We consider engineers with work experience to be an important managerial resource. There is a risk that the competition to secure career hires may intensify due to a shortage of engineers who wish to change jobs as a result of booming design and development activities in the manufacturing industry, making it significantly more difficult to hire talented career engineers.	We hope to resonate with job seekers by highlighting our recruitment method (we hire talent who meet the requirements of their intended destination, provide them with education and training as engineers, and only then assign them to projects), as well as the fact that Artner is a job-based employment company that emphasizes their skills and they will be able to quickly advance their careers while gaining experience in a variety of projects. By acquiring and training outstanding talent, we can expect to maintain and strengthen a stable earnings base.

Indicators and Targets

The Company has established indicators and targets to evaluate the effectiveness of human capital initiatives in line with our Medium-Term Business Plan. The targets we set are reviewed

according to changes in the external environment and our progress made on human capital measures.
*For human capital KPIs, targets, and results, see "Non-Financial Data (KPIs, Targets, and Results)" on pages 61 and 62.

Health and Productivity Management / Occupational Health and Safety

Declaration for Health and Productivity Management

Based on Artner's management philosophy of being an Engineer Support Company, we at Artner believe that ensuring the health and peace of mind of employees at work will eventually result in achieving the happiness of all the employees and reflection within the company. Under our mission to promote human resource development and the happiness of all the employees, we declare that we will work to create a workplace environment where each and every employee can work vigorously and in good mental and physical health.

Organization

The Director/Head of the Management Division will serve as the overall supervisor and the Management Division's General Affairs and Human Resources Group will function as the Health

and Productivity Management Promotion Office to plan, operate, and promote different initiatives. In promoting the initiatives, these stakeholders will collaborate with the Health and Safety Committee, industrial physicians, and health insurance societies, and report on the progress at the Sustainability Committee meeting.



Health Management Results

KPI	Target	FY2022	FY2023	FY2024
Periodic health checkup, consultation rate	100.0%	100.0%	100.0%	100.0%
Stress check, consultation rate	100.0%	82.8%	78.9%	82.6%
Annual paid leave, acquisition rate (overall)	80.0% or more	76.5%	85.0%	84.9%
Annual paid leave, acquisition rate (engineers)	80.0% or more	76.5%	85.2%	85.7%
Improving health literacy (through training), attendance rate	100.0%	100.0%	100.0%	100.0%
BMI below 25, ratio	75.0%	-	69.9%	71.1%
Improving productivity (eliminating presenteeism): Assessment of work-related functionality ^{*1}	100.0%	-	92.3%	92.1%
Average age	-	30.2 years old	30.3 years old	30.4 years old
Average years of service	-	6.3 years	6.5 years	6.6 years
Absenteeism: Absence rate	0.00%	0.68%	1.17%	0.98%
Number of occupational accidents	None	3	10	6
Occupational accident-related fatality rate	0.0%	0.0%	0.0%	0.0%
Downtime due to occupational accidents	0.00 hours	76.00 hours	34.17 hours	52.50 hours
Percentage that received health and safety training, attendance rate	100.0%	100.0%	100.0%	100.0%
Percentage of employees who have received training on diseases unique to women	100.0%	-	-	87.8%
Work engagement score ^{*2}	2.7	-	-	2.6

^{*1} Measurement method: Wfun (a survey developed by University of Occupational and Environmental Health, Japan to measure the extent of work-related functional impairment caused by health issues)
^{*2} Measurement method: New Brief Job Stress Questionnaire (work engagement is a state where employees feel vigor, dedication, and absorption toward their work)

Mental Health Care for Employees

To support the mental and physical health of our employees, we provide them with mental health care from professional counselors, thereby helping in the prevention and early detection of mental health issues.

Occupational Health and Safety

By considering the occupational health and safety of our employees, Artner strives to enhance enterprise value and create an organization where all the employees can work safely and with peace of mind. In addition, because we believe that

the ability of our employees to work in good health and with peace of mind will result in the well-being of all the employees and reflection within the company, we promote employee health management and health promotion initiatives.

Risks Related to Potential Hazards Involved in Labor

We strive to prevent accidents and reduce the risk of accidents occurring by providing health and safety education for employees when they join the company and when they are assigned to clients.

Diversity and Inclusion

Improving the Employment Environment to Promote Active Participation of Women

To help establish an employment environment that enables the active participation of women and permits employees to achieve a better work-life balance, Artner has formulated a General Employers Action Plan, based on the Act on Promotion of Women’s Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children. We also strive to increase the number of female executives and improve the rate of childcare and nursing leave utilization.

Diversity and LGBTQ+ Initiatives

At Artner, we believe that promoting workplace diversity and giving all employees the opportunity to demonstrate their full potential lead to innovation and value creation. For this purpose, we strive to foster an inclusive company culture, through

measures such as diversity training, LGBTQ+ study meetings, and activities to promote an understanding of gender equality by all employees.

Establishing a Diversity Promotion Office

In September 2011, Artner set up a Diversity Promotion Office (now Diversity Team), centered around people with disabilities. In addition to promoting the employment of people with disabilities, we also aim to create a workplace that enables all employees to feel fulfilled by their work.

Active Hiring of People with Disabilities

Artner actively hires people with disabilities. In 2018, Artner was officially recognized by Osaka Prefecture for its outstanding company efforts in support of people with disabilities. (This award is part of the prefecture’s initiatives to actively support the employment of people with disabilities.)

KPI	Target	FY2022	FY2023	FY2024
Share of female employees (engineers)	Increase on an ongoing basis	3.7%	4.1%	3.7%
Share of female employees (administration)	Increase on an ongoing basis	31.4%	27.6%	33.8%
Share of female employees (engineers) among new employees	Increase on an ongoing basis	3.0%	6.4%	5.2%
Share of female employees (administration) among new employees	Increase on an ongoing basis	66.7%	27.3%	47.1%
Appointment of female employees (engineers) to managerial positions	3 or more	2	2	2
Appointment of female employees to managerial positions	10 or more	6	10	10
Share of female employees in managerial positions	Increase on an ongoing basis	3.7%	3.4%	3.1%
Share of female executive officers	30.0% or more (FY2031)	0.0%	0.0%	0.0%
Additional appointment of female employees to managerial or higher positions	1 or more (FY2029)	1	1	1
Additional appointment of females in positions one rank below managerial positions as executives	1 or more (FY2029)	None	1	3
Wage difference between male and female employees (overall)	Narrow the difference	Male100.0%; Female92.8%	Male100.0%; Female94.5%	Male100.0%; Female89.2%
Wage difference between male and female employees (engineers)	Narrow the difference	Male100.0%; Female99.2%	Male100.0%; Female96.5%	Male100.0%; Female95.8%
Wage difference between male and female employees (administration)	Narrow the difference	Male100.0%; Female71.0%	Male100.0%; Female71.0%	Male100.0%; Female71.9%
Average years of service of male employees (engineers)	Increase on an ongoing basis	5.91 years	6.15 years	6.50 years
Average years of service of male employees (administration)	Increase on an ongoing basis	10.69 years	10.60 years	10.95 years
Average years of service of female employees (engineers)	Increase on an ongoing basis	3.41 years	3.37 years	4.03 years
Average years of service of female employees (administration)	Increase on an ongoing basis	7.56 years	8.34 years	7.12 years
Number of childcare leave days taken by male employees (average)	—	44.0 days	79.5 days	42.5 days
Usage rate of childcare leave (male employees)	30.0% or more (FY2029)	12.5%	30.8%	50.0%
Usage rate of childcare leave (female employees)	80.0% or more (FY2029)	100.0%	100.0%	66.7%
Usage rate of nursing care leave (male and female employees)	15.0% or more (FY2029)	1.2%	7.4%	13.7%
Share of non-Japanese talents	Recruitment on an ongoing basis	1.4%	1.0%	1.4%
Share of elderly employees (60 years of age and older)	Recruitment on an ongoing basis	1.4%	1.4%	1.3%
Employment rate of employees with disabilities	2.30% or more (legally required employment rate)	2.40% (as of June 1, 2021)	2.42% (as of June 1, 2022)	2.67% (as of June 1, 2023)

Talent Development

Policy on Talent Development

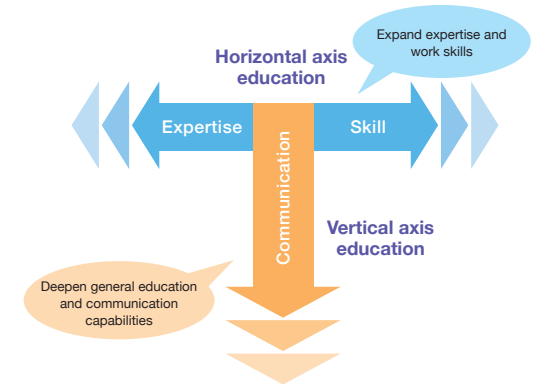
Education and Training Policy

The concept of Artner’s education and training programs is to provide all employees not only with knowledge and skills but also with confidence and practical capabilities.

T-shaped Specialist Education System

We are building a “T-shaped specialist education system,” a system for improving the skills of each and every engineer, in which the horizontal axis represents specialized knowledge and work skills, and the vertical axis represents general education and communication capabilities. Through this system, we will strive to enable new employees and workers with little or no

experience to participate in cutting-edge projects at an early stage and shift their careers to growing industry fields.



Training and Support Programs

We provide a wide range of training and support programs to help employees improve their skills and develop their careers.

Support for Employee Skill Improvement through Education and Training

To improve our employees’ skills as engineers, we are enhancing our education and training programs, including skill development seminars, career support courses, and manager training.

New Employee Training to Support Career Development

Based on the concept of “acquiring practical skills,” we provide each engineer with new employee training that enables them to

acquire a wide range of technical skills, from the basics to practical applications, to support their career development.

Qualification Acquisition Assistance Program

We help our engineers improve their skills through our qualification acquisition assistance program, under which we pay employees who possess qualifications we recommend an allowance in accordance with our rules, and cover all examination fees for relevant qualifications.

Skill Development Seminars

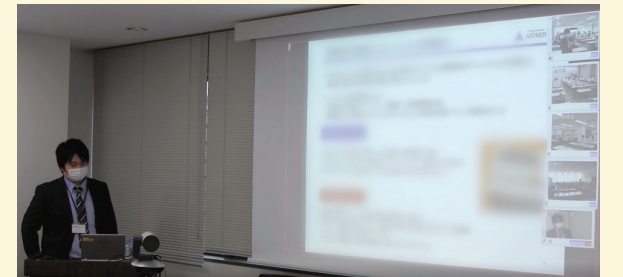
Seminars are held by inviting lecturers from various fields to help engineers acquire a wide range of knowledge and develop their human skills, not limited to specific technical areas.



Around 10 times a year, outside lecturers share technical information on various topics for our engineers’ personal growth. The seminars especially help those with practical experience to develop criteria for making effective use of their experience.

Career Support Courses

To meet the skill requirements of the manufacturers to which our engineers are dispatched, courses for different jobs and career levels are offered.



Even after being placed into a department, engineers receive both on-the-job and off-the-job team training concerning technology and products in high demand, conducted by employees actually participating in a manufacturer’s project.

Personnel Evaluation System

At Artner, we have established grades (ranks) that represent the job level of each engineer and administrative position, and conduct a fair and impartial annual evaluation based on work performance and other factors for each grade, which is reflected in pay raises.

Human Rights Policy

1. Basic view on human rights

As a company that supports the United Nations Global Compact, we recognize that respecting human rights is a social responsibility that a company must fulfill and establish this human rights policy.

2. Key international human rights norms that this policy complies with

We support and respect the following international human rights norms:

- International Bill of Human Rights (Universal Declaration of Human Rights)
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Guiding Principles on Business and Human Rights United Nations Global Compact's Ten Principles across four areas
- Children's Rights and Business Principles

3. Scope

This policy applies to all officers and employees of Artner. Furthermore, we request all clients affiliated with our businesses and services to understand and support this policy.

4. Initiatives to ensure human rights are respected in our business activities

In all of our business activities

- We will respect basic human rights without discrimination based on gender, age, place of origin, nationality, race, ethnicity, creed, religion, disease, disability, and/or other factors.
- We will create a healthy work environment, and will not engage in harassment (workplace bullying, sexual harassment, pregnancy discrimination, or any other form of harassment by any name) or any other treatment that would be recognized as inhumane by global standards.
- We will make reasonable accommodations for employees' religious practices and document the details of such accommodations.
- We will not require employees to undergo medical examinations that are not reasonably and objectively necessary in the hiring process.
- We will respect the rights of employees to form and join labor unions, to bargain collectively, and to participate in peaceful assembly of their own volition, as well as their rights to withhold such participation.
- We will prohibit forced labor and child labor.
- We will adhere to the Minimum Wage Act and pay wages exceeding the minimum wage.
- We will prohibit unreasonable treatment in accordance with the principle of equal pay for equal work.

5. Governance

Our initiatives under this policy will be regularly reported to and managed by the Compliance and Risk Management Meeting and the Sustainability Committee. The Board of Directors will be informed of its details and provide supervision.

6. Human rights due diligence

We will establish a mechanism for human rights due diligence in line with the United Nations' Guiding Principles on Business and Human Rights. We will identify and work toward preventing and mitigating negative impacts on human rights, continuously assess the effectiveness of our efforts, and make appropriate disclosures.

7. Remediation and relief

If it becomes known that our business activities caused or facilitated negative impacts on human rights, we will take appropriate measures to remedy them.

If it becomes known that our clients caused or facilitated negative impacts on human rights, we will urge the clients to take remedial actions.

We will establish a helpline to receive any reports on compliance violations related to human rights and any inquiries, and take steps for relief and remediation upon investigation. We will ensure the confidentiality and the protection of personal information of whistleblowers, and will not treat them disadvantageously based on their reports.

8. Education and training

We will continuously provide appropriate education and training to all officers and employees to ensure that this policy is integrated into all business activities and is implemented effectively. In addition, we will share this policy with all clients affiliated with our businesses and services, and hold dialogues and discussions with them on a continuous basis.

9. Information disclosure

We will appropriately disclose the progress of our initiatives for respecting human rights through our website and other means.

10. Dialogue and discussion with stakeholders

We will carry out continuous dialogues and discussions with relevant internal and external stakeholders regarding our initiatives under this policy, and strive to improve and enhance our initiatives for respecting human rights.

Initiatives

Artner has established a human rights policy in line with the United Nations Global Compact, which prohibits forced labor, slavery or labor trafficking, and child labor. In addition, we have established a mechanism for human rights due diligence in line with the United Nations' Guiding Principles on Business and Human Rights, and will identify negative impacts on human rights and work toward preventing and mitigating them, continuously assess the effectiveness of our efforts, and make appropriate disclosures.

There have been zero consultations about discrimination during the current fiscal year.

< Human Rights Training >

	Training theme	Description
2023	Human rights	(1) What are human rights? (2) Increasing attention on how companies are addressing human rights (3) Subjects (rights holders) whom companies should respect (4) Human rights risks (5) Human rights fields that companies should respect (6) Main impacts of adequate/inadequate human rights efforts (7) Artner's human rights policy
2022	Diversity measures (promoting understanding of LGBTQ+)	(1) Basics of diversity management (diversity and inclusion management) (2) Basics of LGBTQ+ (3) Panel discussion (on personal experiences)
2021	Diversity measures (promoting understanding of LGBTQ+)	(1) Basics of diversity management (2) Basics of LGBTQ+ and SOGI (3) What we can do: specific actions by allies

Supply Chain Management

Artner recognizes that human rights initiatives are required not only by the Company, but also by our supply chain. We have therefore established a procurement policy and will comply with laws and regulations and respect basic human rights as a responsible member of society. We share our approach to human rights with our suppliers and strive to identify human rights risks in the supply chain as part of our procurement process.

Procurement Policy

- As a responsible member of society, we will comply with laws and regulations and respect social justice and basic human

rights.

- We will establish equal and fair business relationships and procure the best and most appropriate resources.
- We will conduct fair transactions and act by putting ourselves in our customers' shoes.
- We will meet customer needs by providing products that offer value in all aspects of price, quality, safety, and the environment.
- We will strive to use environmentally friendly products.
- We will strive to properly manage documents and information.
- We will strictly manage information that should be kept confidential.

Regional Contribution

As a member of the local community, we are involved in community outreach activities such as supporting the education of the next generation of manufacturing professionals and beautifying the environment.

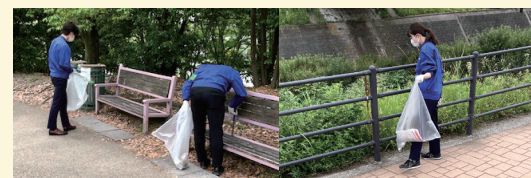
Programming classes for elementary school students

We run computer programming classes led by Artner employees for children in grades four to six at local elementary schools. Like this, we provide opportunities for children to learn how to think like a programmer.



Initiatives to clean public spaces

As part of its community service activities, Artner organizes a cleanup of Esaka Park, located near our learning centers in West Japan, and of Shin-Yokohama Ekimae Park, located near our Tokyo headquarters and learning centers in East Japan, inviting the participation of all of our directors, managers, and employees.



Donations and Support

We donate to various organizations to contribute to the achievement of the SDGs.

Support for areas affected by the 2024 Noto Peninsula Earthquake

We made donations to the 2024 Noto Peninsula Earthquake Disaster Relief Fund through the Central Community Chest of Japan. Our deepest sympathies go out to everyone in the affected areas, and we sincerely hope for the swiftest possible recovery.

Support for Akai Hane Central Community Chest of Japan (donations)

We support the Central Community Chest of Japan, an organization engaged in support and assistance for local social welfare issues around Japan (e.g., child poverty, hikikomori, elderly support, disabled support).

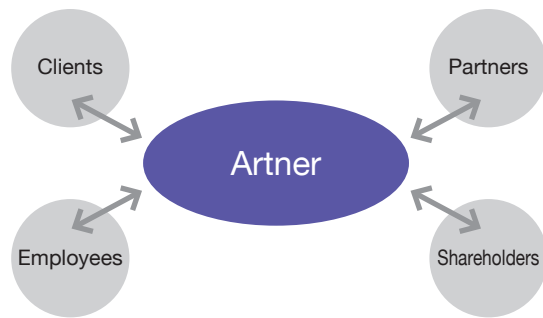
Support for the United Nations World Food Programme (WFP) (donations)

Artner endorses and donates to support the activities of the United Nations World Food Programme (WFP), which delivers food support in 83 countries and school meal support in more than 30 countries around the world, to save children in poverty from starvation and to help children grow up in good health. The UNWFP also works to promote school attendance and expand educational opportunities for children.

Stakeholder Engagement

Stakeholder Engagement

To ensure that our company runs sustainably, it is important that we hold dialogues with stakeholders and integrate their expectations and demands into our business strategy and activities. While creating more opportunities for communication, we will strive to further reflect stakeholder perspectives into our corporate management.



Stakeholder	Approach	Engagement	Frequency	Values provided
Clients	We will become a group of ambitious and highly motivated engineers that live up to the trust of our clients and grow together, building on dialogues with clients in diverse industries as their trusted technical partner.	<ul style="list-style-type: none">●Information provision through our Annual Report, IR Reports, and official website●Dialogues and hearings with clients●Talent education and training●Job change assistance program	Regularly Any time	<ul style="list-style-type: none">●Placement of engineers with high added value
Partners	We will aim to build good partnerships based on mutual trust through equitable and fair transactions.	<ul style="list-style-type: none">●Information provision through our Annual Report, IR Reports, and official website●Dialogues using online conferencing tools●Improve energy efficiency and reduce energy usage●Contribute to carbon neutrality through business activities	Regularly Any time	<ul style="list-style-type: none">●Co-creation of value
Employees	We will aim for the happiness of all employees and reflection within the company, believing that talent is our greatest business asset, and that talent development and organizational development are key areas essential to the Company's growth.	<ul style="list-style-type: none">●Provision of skill development opportunities through training and seminars●Employee Stock Ownership Association●Health and productivity management●Mental health care●Labor union●Social gatherings●A range of salary systems●Limited area system●Internal recruitment program●Job change assistance program	Regularly Any time	<ul style="list-style-type: none">●Happiness of all the employees and reflection within the company●Retention of employment
Shareholders	Artner's No.1 business challenge is steadily improving shareholder value over the long term. In addition to expanding our business and ensuring profitability, we will aim to build trustful relationships through faithful and fair information disclosures and active communication.	<ul style="list-style-type: none">●General Meeting of Shareholders●Briefing for analysts and institutional investors●Briefing for individual investors●Information provision through our Annual Report, IR Reports, and official website●One-on-one meetings●Inquiry form and telephone	Regularly Any time	<ul style="list-style-type: none">●Sustainable growth●Profit distribution

Outside Evaluation

Participation in Initiatives

United Nations Global Compact

Artner signed the “United Nations Global Compact” (hereinafter UNGC) proposed by the United Nations and was registered as a business participant on January 16, 2024. In addition, Artner joined the “Global Compact Network Japan,” which comprises Japanese UNGC signatory companies and organizations, on the same date.



External Evaluation

CDP

Artner received a “B-” score, the fourth highest score among eight scores (A, A-, B, B-, C, C-, D, D-), based on data reported through CDP’s Climate Change 2023 Questionnaire. CDP is an international environmental NGO established in 2000 in the United Kingdom. It runs the global disclosure system for investors, companies, states, regions, and cities to manage their environmental impacts, and assesses companies’ actions toward making a positive environmental impact. Artner received a “B-” score, which indicates that the Company demonstrates environmental management. It exceeds the average “C” score received by companies in Asia and companies in the IT and software development sector.



The Task Force on Climate-related Financial Disclosures (TCFD)

In July 2022, Artner announced its support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), and has rated climate change as a high-priority issue. With an aim to achieve a more sustainable society, we are committed to taking necessary actions and initiatives based on the environmental activity policy.



S&P/JPX Carbon Efficient Index

Artner has been selected as a constituent of the S&P/JPX Carbon Efficient Index.



Certified Health and Productivity Management Outstanding Organizations

Artner was recognized for the second consecutive year as one of the Certified Health and Productivity Management Outstanding Organizations (2024, large enterprise category) under the Certified Health and Productivity Management Outstanding Organizations Recognition Program, operated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The recognition program recognizes corporations, including large companies and small- and medium-sized enterprises, that practice particularly excellent health and productivity management, based on their efforts to address local health issues and cooperate with the health initiatives conducted by Nippon Kenko Kaigi. Artner has been promoting health and productivity management based on its declaration, and its efforts have been recognized by external organizations.

