

Respect for Human Rights

Basic Approach

Considering that respecting human rights is the foundation of sustainability management, our group has endorsed and respects the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO) and has established the Kumiai Chemical Group Basic Policy on Human Rights. Moreover, we conduct human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, and collaborate with all officers and employees of our group and other stakeholders to promote respect for human rights.

Our group's Code of Conduct and Basic Policy on Human Rights state that our group prohibits discrimination based on gender, age, nationality, race, ethnicity, religion, creed, culture, customs, lifestyle, values, educational background, social status, disability, or sexual orientation/gender identity in its business activities, and respects basic human rights.

Specific Initiatives concerning Respect for Human Rights: Indicators and Targets

Based on the Kumiai Chemical Group Basic Policy on Human Rights, our group has established the Guidelines for Human Rights Due Diligence (human rights DD) to address human rights issues. Based on the guidelines, from a wide range of human rights issues (risks) we identified those that could have a negative impact on our group's business activities. As a result, upstream in the supply chain, risks that our group may contribute to negative impacts and risks that our group's business, products, and services may be related to negative impacts were assumed. Consequently, we recognize that human rights DD initiatives upstream in the supply chain should be prioritized.

A survey of our major suppliers conducted in 2023 (which included not only human rights issues, but also employment, the environment, bribery, consumer interests, and disclosure) identified no human rights risks that could have negative impacts on the supply chain. We will continue to conduct human rights DD in consideration of the best implementation method and scope of coverage.

Our group conducts a periodic compliance awareness survey covering all employees. In addition to checking the level of understanding of human rights issues, we identify the actual status of harassment, such as abuse of authority and sexual harassment, and the issues faced by each department or office, and promote awareness-raising activities. Moreover, the Kumiai Chemical Group external consultation desk has been established as an internal reporting system for early detection and early resolution of issues.

Participation in the United Nations Global Compact

In order to further enhance sustainability management, we have signed the United Nations Global Compact (UNGC) and registered as a participant as of September 18, 2023. The UNGC is a voluntary initiative in which companies and organizations participate in the creation of a global framework to achieve sustainable growth by acting as good corporate citizens, exercising responsible and creative leadership.

We support and practices the UNGC's Ten Principles, in the four areas of human rights, labor, environment, and anti-corruption, to realize a sustainable society as a global company.

Ten Principles of the United Nations Global Compact in Four Areas

| | | |
|-----------------|--------------|--|
| Human rights | Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights; and |
| | Principle 2 | make sure that they are not complicit in human rights abuses. |
| Labor | Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
| | Principle 4 | the elimination of all forms of forced and compulsory labor; |
| | Principle 5 | the effective abolition of child labor; and |
| | Principle 6 | the elimination of discrimination in respect of employment and occupation. |
| Environment | Principle 7 | Businesses should support a precautionary approach to environmental challenges; |
| | Principle 8 | undertake initiatives to promote greater environmental responsibility; and |
| | Principle 9 | encourage the development and diffusion of environmentally-friendly technologies. |
| Anti-Corruption | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery. |

