



NOF Group Human Rights Policy

1. Principles and Purpose

With the profound awareness that human rights are essential to the pursuit of happiness and affluent life for all people, and guided by the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the Japanese Government's National Action Plan on Business and Human Rights (2020–2025), and other international standards, the NOF Group will clarify its attitude to commit to its initiatives for respecting human rights, going beyond compliance with national and regional laws and regulations.

2. Scope of Policy

This policy shall apply to all officers and employees of the NOF Group. The NOF Group will also continue to encourage its business partners and suppliers with the expectation that they will support this policy and participate in similar initiatives, and work together to promote initiatives for respecting human rights.

3. Responsibility for Respecting Human Rights

The NOF Group will fulfill its responsibility for respecting human rights by ensuring that it does not violate the human rights of people who are affected by the Group's own business activities and also by taking appropriate actions to remedy issues in the event of adverse impacts on human rights being inflicted by the Group's own business activities. In the event where adverse impacts on human rights are being inflicted by business partners or suppliers, or in the process of supplying products, the NOF Group will require that they take appropriate actions.

4. Human Rights Due Diligence

The NOF Group will build mechanisms for human rights due diligence, investigate and identify issues in a preventive manner and remedy them through appropriate means, and strive continuously to prevent or mitigate adverse impacts on human rights.

5. Remedy

In the event where it is revealed that the NOF Group has caused or furthered adverse impacts on human rights, it will remedy the situation through appropriate procedures.

6. Dialogue and Consultation

The NOF Group will conduct dialogue and consultation with relevant stakeholders in the event where adverse impacts on human rights are being inflicted or if there is a risk of such impacts.

7. Education

The NOF Group will continue to provide appropriate education to ensure that correct understanding of this policy is instilled both within and outside the Group and that the policy is put into practice effectively.

8. Information Disclosure

The NOF Group will disclose the status of its initiatives on respecting human rights.

Established on November 1, 2021
Takeo Miyaji
President & Chief Executive Officer
NOF Corporation

Policy (our fundamental view)

Based on our Corporate Philosophy of “Contributing to humanity and society as a corporate group that creates new value through the power of chemistry, from the biosphere to outer space,” we have clearly stated “respect for human rights” in our Basic CSR Policy and Code of Ethical Conduct and are promoting initiatives to respect human rights. In fiscal 2021, the NOF Group established the NOF Group Human Rights Policy, which applies to all executives and employees of the Group. As we expand our business globally, the aim of the Human Rights Policy is to support and respect international norms set forth by the International Bill of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, the

Government of Japan’s National Action Plan on Business and Human Rights (2020-2025), and the like. The aim is also to fulfill our responsibility to respect human rights, including the prohibition of child labor, forced labor, and trafficking in persons, and the exercise of freedom of association and the right to collective bargaining, in all of our corporate activities. For this, we respect not only the international norms listed above, but also the culture, customs, history, and labor-related laws and regulations of the countries and regions in which we do business.

We also consider and implement initiatives to address human rights risks that could arise in our business activities. Examples of specific activities include: conducting an engagement survey of our own employees to check the status of human rights compliance within the company, implementing corrective measures for identified issues, and

conducting a CSR questionnaire for all our suppliers to study the status of respect for internationally recognized human rights throughout the supply chain.

Furthermore, during the current fiscal year, as part of an education program for all employees regarding the spread of the values of the “Revised Corporate Philosophy and Guiding Framework” revised in April 2023, we provided education on “The NOF Group’s Values and Human Rights & Compliance.” We are also developing responses within the company to the revised Act for Eliminating Discrimination against Persons with Disabilities, which entered into force in April 2024. We will continue to work to reduce human rights risks by further deepening our human rights due diligence efforts through enhanced employee education, dialogue with stakeholders, and other means.









Risks and opportunities for human rights

Major risk	Risk description	Opportunities	Major activities
Harassment	<ul style="list-style-type: none">● Loss of trust from society and damage to corporate value due to lawsuits filed regarding harassment	<ul style="list-style-type: none">● Elimination of harassment by instilling the Corporate Philosophy, values, and Code of Ethical Conduct● Increase employee engagement and social recognition of corporate value	<p>[Shared activities]</p> <ul style="list-style-type: none">● Revision of the Code of Ethical Conduct FY2023 results: Formulation of proposed revisions FY2024 plan: Roll out to Group companies (including overseas)● Development of compliance education with video materials FY2023 results: Selection and acquisition of video materials, consideration of platforms for release FY2024 plan: Promote internal disclosure and utilization, and confirm status● Rolling out of an education program for Corporate Philosophy, values, and compliance FY2023 results: Implemented for all employees FY2024 plan: Incorporate into education at the organizational level● Continuous awareness-raising activities utilizing in-house newsletters FY2023 results: Focused publication of articles related to abuse of authority FY2024 results: Selection of themes in line with actual internal conditions and social conditions <p>[Harassment]</p> <ul style="list-style-type: none">● Creation of a guide for responding to reports FY2023 results: Creation of a guide to reflect actual internal conditions FY2024 plan: Hold briefing sessions for managers
Human rights abuses	<ul style="list-style-type: none">● Reputation damage and economic losses such as suspension of transactions due to the occurrence of human rights issues in the supply chain, both internally and externally	<ul style="list-style-type: none">● Strengthening of cooperation with business partners and enhancement of trust from society● Enhancement of employee engagement	<p>[Human rights]</p> <ul style="list-style-type: none">● Implementation of human rights education FY2023 results: Educational content, target personnel selection FY2024 plan: Implementation of human rights education for management● Continued implementation of employee engagement surveys FY2023 results: Open-ended responses were classified and aggregated for internal disclosure consideration FY2024 plan: Implementation of improvement measures and understanding of evaluations based on open-ended responses



Responses to priority risks (harassment and human rights abuses)

The NOF Group comprehensively identifies business risks surrounding its operations and selects “priority risk” items that should be addressed to enhance resilience. In the area of “Harassment and Human Rights Abuses,” which was selected as a “priority risk” in the fiscal 2022 risk assessment, we are implementing measures focusing on four themes. The results of activities and plans for each measure are as follows.

	Results of activities in FY2023	FY2024 activities plan
1  Revision of the Code of Ethical Conduct	Drafted a revision based on the new Corporate Philosophy and three values in light of changes in social conditions and awareness surrounding corporate compliance	Finalize the contents and disseminate to the Domestic Group in a special issue of the in-house newsletter. In addition to disclosing the Japanese and English versions on our website, consider planning in-house training programs to make it clear that our Code of Ethical Conduct is synonymous with our values
2  Establishment of a guide for responding to harassment	Prepared the “Guide to Handling Whistle-blowing Cases” that summarizes points to keep in mind, focusing on initial response to harassment cases, preparedness of managers, and prevention of secondary damage to victims due to investigations	Hold briefing sessions for managers, who are key for preventing and dealing with harassment. Improve awareness and encourage proactive engagement by making people feel it is a personal responsibility
3  Strengthening of awareness of human rights and compliance <div> Introduction of compliance education videos Implementation of education on values, human rights, and compliance </div>	Purchased educational videos on the themes of prevention of harassment and raising human rights awareness. Also considered introducing a video platform to make videos available internally Created original content and held in-house lectures on “The NOF Group’s Values and Human Rights & Compliance” as a training program for developing human resources with a sense of values and autonomy	Establish an environment that is easily accessible to all employees, and make educational videos available internally. Announce video themes during awareness months and weeks to encourage individuals and groups to actively use the videos The Legal Department and the Human Resources & General Affairs Department collaborate to provide compliance education focusing on harassment as well as education on specific laws and regulations, such as the Subcontract Act, within training at the organizational level
4  Implementation of employee engagement surveys (human rights DD for employees)	Open-ended responses from the employee engagement survey were classified and aggregated, and information was extracted toward improving systems and resolving human rights risks. Internal disclosures on this were also considered	Conduct similar surveys to understand trends toward spread and improvement of measures. Publish an overview of the results in the in-house newsletter to communicate that the employee engagement survey is the basis for each measure



Respect for the human rights of Company and Group employees

Initiatives to safeguard occupational safety and health in the workplace

The whole NOF Group, including the staff of cooperating companies assigned to NOF's works, is making all-out efforts to eradicate occupational accidents. In order to clearly express the Group's determination to make its workplaces secure and safe for all the workers involved in its activities and to realize this ideal, NOF set forth its Occupational Safety and Health Policy in April 2006. The major activities are as follows. Please refer to page 186 of the Sustainability Report for information on the occurrence of occupational accidents.

(1) Development of OSHMS* (Occupational Safety and Health Management System)

The NOF Group, under its Occupational Safety and Health Policy, is undertaking buildup of the Occupational Safety and Health Management System. Referencing the guidelines of the International Labor Organization and the Ministry of Health, Labor and Welfare, we are building up our own system and promoting activities. The Risk Assessment program, which started in fiscal 2008 at every works of the NOF Group, is now adopted by domestic member-companies of the NOF Group as well.

(2) Implementation of various training and drills
The NOF Group conducts various training programs, including on forklift operation, handling of hazardous materials and chemicals, fall prevention in the workplace, and heat stroke prevention, as well as disaster prevention drills and BCP training.

Diversity promotion initiatives

The NOF Group implements various training programs to promote the advancement of women. To date, we have conducted training on diversity promotion and gender bias for managers who have female employees under their supervision, and training on diversity promotion and leadership development for female employees.

Management of work hours

The NOF Group is working to ensure proper labor management with a view to reducing work hours by improving operational efficiency and productivity and promoting fulfilling lifestyles outside of work, while making efforts to reduce work hours mainly through restricting work after the designated time and introducing a work interval system.

Establishment of internal whistle-blowing contact points

The NOF Group has set up consultation desks in Japanese, English, Chinese (Simplified Chinese), Korean, Indonesian, and Portuguese at external third-party institutions as contact points for whistle-blowing / consultation in overseas countries where NOF's business bases are located. Employees can contact the desks if they become aware of a violation or potential violation of compliance rules.

In fiscal 2023, 15 reports were received, mainly for harassment. We carefully investigated the facts of each report promptly and without searching for the whistleblower, and took necessary corrective actions and measures to prevent recurrence. For example, in harassment-related reports, we issued guidance to the reported individuals or imposed disciplinary actions.

Results of survey on awareness of whistle-blowing contact points

Options	Do you know that there are contact points for reporting and consulting about illegal or improper activities in the workplace?
I know about the contact points, including how to reach them	50.1%
I know about the contact points, but don't know how to reach them	40.3%
I don't know about the contact points	9.6%

* Acronym for Occupational Safety and Health Management System. A management system that determines the organization, responsibilities, practices, processes, and management resources required for an operator to continuously mitigate potential occupational safety and health risks.



Implementation of employee engagement surveys

Since fiscal year 2022, NOF has conducted an employee engagement survey for Company employees to investigate the occurrence of harassment within the Company, respect for privacy, treatment and evaluation of women and non-Japanese employees, occupational safety and health in the workplace, and awareness of reporting contact points and disadvantageous treatment. Responses were received from 1,785 employees in fiscal 2023.

Some of the results of the survey are as follows. 90.4% of all respondents indicated that they were aware of the reporting contact points, showing that there is a high rate of awareness. On the other hand, about 20% of respondents indicated “There is not well-established awareness in the workplace that discrimination and harassment are not tolerated.”

As a response to the above issue, from January to March 2024, a section on “The NOF Group’s Values and Human Rights & Compliance” was established in NOF’s values training program to roll out education on harassment prevention at sites nationwide.

Results of the survey on well-established awareness of preventing harassment

Options	Is there well-established awareness in the workplace that discrimination and harassment are not tolerated?
There is well-established awareness	33.3%
There is semi-established awareness	45.6%
Awareness is not really established	17.0%
Awareness is mostly not established	4.1%



Respecting the human rights of stakeholders through business transactions

Formulation of the CSR Procurement Policy and CSR Procurement Guidelines, and incorporating CSR-related clauses in basic purchasing contracts

The NOF Group established the CSR Procurement Policy for stable, sustainable procurement. In addition, we created the CSR Procurement Guidelines that compile measures the NOF Group implements and requests its suppliers to implement.

Furthermore, when signing a new basic purchasing contract with a business partner, we decided to add a clause stating efforts to comply with the NOF Group's CSR Procurement Policy and CSR Procurement Guidelines. We will also gradually revise our basic purchasing contracts that have already been concluded.

Implementation of the CSR questionnaire

In the procurement unit, we provide our main suppliers with necessary explanations on the NOF Group's CSR Procurement Policy and conduct questionnaires on the status of CSR activities at our main suppliers, using the CSR/Sustainable Procurement Self-assessment Questionnaire created by the Global Compact Network Japan (GCNJ) to improve the objectivity of the questionnaire.

Most recently, we surveyed our major suppliers

from fiscal 2020 to 2021 and achieved a coverage rate of 84% based on purchase amount. The questions related to human rights and labor as well as the average score for each item are as follows. For suppliers whose efforts were deemed insufficient, we interviewed them in fiscal 2022 and encouraged them to make improvements.

Procurement of sustainable palm oil

The existence of human rights and labor problems has long been noted in the oil palm plantations

where palm oil is produced. The NOF Group has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2012, obtained supply chain certification in 2014, and is a founding member of the Sustainable Palm Oil Network (JaSPON) launched in Japan in 2019, committing to efforts for sustainable sourcing of palm oil.

CSR questionnaire results

Category	Question	Average score (out of 5)
I. Corporate governance concerning CSR	Establishment of an internal whistle-blowing system	4.27
	1. Respect for human rights and prohibition of discrimination	4.12
	2. Avoidance of complicity (unintentional facilitation) in human rights abuses	3.99
II. Human rights	3. Respect for indigenous peoples' livelihoods and communities	3.51
	1. Prohibition of discrimination in employment	4.40
	2. Provision of equal opportunities to employees regarding human resources development, career advancement, etc.	4.49
III. Labor	3. Prohibition of inhumane treatment	4.56
	4. Payment of proper wages	4.79
	5. Fair application of working hours, leave/paid holidays, etc.	4.85
	6. Prohibition of forced labor	4.66
	7. Prohibition of child labor	4.64
	8. Respect for the religious traditions and customs of the countries and regions in which business operations are conducted	4.19
	9. Recognition and respect for freedom of association and the right to collective bargaining	4.31
	10. Proper management of employee safety and health	4.85



Response to responsible mineral procurement

With regard to conflict minerals that may have an impact on human rights and other issues (four minerals of tin, tantalum, tungsten, and gold extracted in the Democratic Republic of Congo and neighboring countries), we use the Responsible Minerals Initiative (RMI)- prescribed Conflict Minerals Reporting Template (CMRT) and conduct questionnaire surveys of all key business partners. Furthermore, starting from fiscal year 2023, we have initiated a survey using the unified format for target minerals, including cobalt and natural mica (EMRT), with our key business partners.

Establishment of external whistle-blowing contact points

The NOF Group recognizes compliance as a foundation that supports the company and believes it is crucial to prevent or promptly correct incidents that violate laws, regulations, and the Code of Ethical Conduct, or involve human rights abuses, to avoid them becoming severe or prolonged. To this end, we have established whistle-blowing contact points for external parties, including our business partners.

Respect for customers' human rights

The aforementioned external whistle-blowing contact points accept reports not only from suppliers but also from NOF customers. To date, we have not received any reports through the Compliance Hotline.