



## 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.