



## 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