

Compliance

Our fundamental view

The NOF Group has developed an internal control system for ensuring adherence to laws and regulations, the Articles of Incorporation, and various internal rules of the Company and appropriateness of business operations. Regarding

Basic CSR Policy

We will fulfill our corporate social responsibility and conduct sustainable business activities.

- 1. We will, each and all, act in accordance with the highest standards of corporate ethics.**
- 2. We will respect human rights, and enable a diversity of personnel to demonstrate their abilities.**
- 3. We will promote responsible care activities, based on the five kinds of safety.**
- 4. We will consider the interests of all our stakeholders.**
- 5. We will contribute to society in cooperation with local communities.**

observance of social norms and laws and regulations, the Company has formulated its NOF Basic CSR Policy as well as its code of conduct known as the NOF Code of Ethical Conduct based on the Policy. The Compliance Committee is established to ensure thorough adherence to the Policy and Code.

Basic Anti-Bribery Policy

In today's society, preventing corruption related to business activities is recognized as one of the major issues for companies. NOF set forth the NOF Group's basic Anti-Bribery Policy and announced it in the name of the President. We have also promoted its adoption at the Group companies in each country. We will ensure adherence to anti-bribery and corruption regulations in each country and region that have become increasingly strict in recent years.

As a result of these activities, there have been no cases of bribery offenses in the past five years.

Prevention of unfair competition

NOF prohibits acts of unfair competition such as improper acquisition of trade secrets, actions that could lead to factual errors, and infringement of intellectual property rights, and ensures compli-

ance with the Unfair Competition Prevention Act by providing detailed information in the Compliance Manual and making it thoroughly known. As a result of these activities, there have been no cases of violations of the Unfair Competition Prevention Act during the past five years.

Organizational setup

Regular meetings of the Compliance Committee are held three times every year. The Committee also meets as required when a compliance issues arises, identifies issues, and devises and follows up on countermeasures. The results are reported to the Board of Directors and deliberated as necessary.

Operations and management

Compliance Manual

In order to instill a sense of compliance in its executives and employees, the NOF Group has prepared a Compliance Manual, which explains the Code of Ethical Conduct in detail and in easily understood terms. The universal Global Compliance Manual has been published in eleven different languages.

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Country-specific compliance manuals

The NOF Group is preparing country-specific compliance manuals based on the legal systems of each country. Following the publication of versions for the U.S.A., China, Indonesia, France, Germany, Belgium, Italy, South Korea, and Brazil where the Group has a large number of employees, the manuals are being utilized in Group companies.

Compliance-related training

The NOF Group regularly holds compliance-related training sessions for employees. In fiscal 2022, we continued compliance training for new employees and mid-career hires, as well as ensuring awareness of precautions related to the Act against Delay in Payment of Subcontract Proceeds, Etc. for Subcontractors. In addition, we implemented training on the subcontract act for materials-related personnel of affiliates.

Obtaining information on the enactment and revision of laws and regulations

We have obtained information on the enactment and revision of laws and regulations by utilizing

various sources on a continual basis while taking appropriate actions. In order to reduce risk of overlooking information on the enactment and revision of laws and regulations, the whole Group has introduced a system that enables us to automatically receive information on the enactment and revision of laws and regulations by email.

Raising awareness by internal magazine

NOF uses its quarterly internal magazine to help raise employees' awareness of compliance. NOF continues activities to raise awareness through relatable articles using cartoon characters.



Whistle-blowing system

Consultation desks in Japanese, English, Chinese (Simplified Chinese), Korean, Indonesian, and

Portuguese have been set up 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. Persons who report or consult on a violation or potential violation of compliance rules will not be treated disadvantageously because of the report or consultation, and the report or consultation will be handled with confidentiality. This system and contact points are communicated to executives and employees of the Group companies worldwide on a regular basis.

In FY2022, there were 20 cases of reports or consultations, which were mainly about harassment, which was a significant increase compared to before. This is presumed to have been a result of the revision of our internal rules in response to the amendment of the Whistleblower Protection Act in June 2022, as well as careful explanation of the aim of the amended act (search for whistle-blowers, prohibition of disadvantageous treatment, etc.) and making the whistleblower contact points widely known. In addition, we carefully investigated the facts of any report promptly and without searching for the whistleblower, and took necessary corrective actions and measures to prevent recurrence.