

SEKISUI CHEMICAL Group's various Policies

SEKISUI CHEMICAL Group Human Rights Policy

SEKISUI CHEMICAL Group recognizes that it is our responsibility to protect human rights of all individuals affected by our business activities.

In order to advance efforts to promote respect for human rights, we hereby announce the adoption of SEKISUI CHEMICAL Group Human Rights Policy (Policy), based on the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council in June 2011.

SEKISUI CHEMICAL Group contributes to society through its business activities under its Corporate Philosophy, the 3S Principles (Service, Speed, and Superiority), in order to meet the expectations of its stakeholders. As part of our Group Vision, residential and social infrastructure creation and chemical solutions are designated as the business domains that should be pursued, through which we are working to improve the lives of the people of the world and the Earth's environment.

For the SEKISUI CHEMICAL Group to truly contribute to the achievement of a sustainable world, we understand that the human rights of all individuals within our sphere of influence must be respected.

1. Basic principles on human rights

The Policy is our promise to respect human rights, in order to fulfill our responsibilities to all stakeholders, based on our Corporate Philosophy and Group Vision. To that end we support and respect the United Nations International Bill of Human Rights (specifically the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), which sets out the basic human rights of every individual. Furthermore, in addition to the Declaration on Fundamental Principles and Rights at Work from the International Labour Organization (ILO), which sets out people's fundamental rights at work, we also support and respect international human rights standards for workers adopted in conventions on such matters as wages and working hours, and the United Nations Declaration on the Rights of Indigenous Peoples. Lastly, as a company that has signed up to the United Nations Global Compact (GC), we support and respect the GC Ten Principles.

2. Scope

The Policy is applicable to all employees and executive officers of SEKISUI CHEMICAL Group. Our Group also expects all of our business partners to comply with the Policy in connection with our products and services.

3. Responsibility to respect human rights

SEKISUI CHEMICAL Group is aware that it is not possible to completely eliminate every possibility of an adverse impact from its business activities. That said, we aim to fulfill our responsibility of promoting respect for human rights by building a responsible supply chain that avoids infringing the human rights of the people affected by our business activities, and, if our business activities do have an adverse impact on someone's human rights, appropriate action will be taken in an effort to rectify that situation.

4. Human rights due diligence

SEKISUI CHEMICAL Group will establish a system of human rights due diligence to identify, prevent and mitigate any adverse impacts on human rights that our Group causes in society.

5. Dialogue and consultation

In its implementation of the Policy, SEKISUI CHEMICAL Group will engage in earnest dialogue and consultation with our stakeholders, and will apply expert human rights knowledge from independent third parties.

6. Education and training

SEKISUI CHEMICAL Group will provide education and training as is appropriate to ensure that the Policy becomes an incorporated part of all of our business activities and is implemented effectively.

7. Remediation

If it emerges that SEKISUI CHEMICAL Group's business activities have had adverse impact on someone's human rights, or if our involvement in the same through for example one of our business relationships emerges or is suspected, we will work to remedy the same through dialog and the appropriate processes in line with international standards.

8. Responsible executive officer(s)

SEKISUI CHEMICAL Group will entrust an executive officer or officers with the responsibilities for execution of the Policy, who will supervise its progress and status.

9. Information disclosure

SEKISUI CHEMICAL Group will disclose the progress and the results of our efforts to promote respect for human rights, on its website and through other media.

10. Applicable laws and regulations

SEKISUI CHEMICAL Group will comply with the laws and regulations of each of the countries and regions in which our business activities are conducted. Where there is a conflict between a country's laws or regulations and internationally recognized human rights standards, our Group will pursue ways to respect international human rights principles to the maximum extent possible.

The Policy has received the approval of our board of directors and the signature of our President and Representative Director.

Date of Enactment: May 15, 2019

Date of Revision: March 1, 2020

SEKISUI CHEMICAL CO., LTD.
President and Representative Director



SEKISUI CHEMICAL Group Environmental Management Policy

Mission

We, SEKISUI CHEMICAL Group, aim to be a Global Environmental Top Runner that contributes to the realization of a sustainable society by enabling the continuous growth and co-existence of ecology and the economy.

Basic Policy

Each company in SEKISUI CHEMICAL Group advances approaches that contribute to the prevention of global warming, the preservation of biological diversity and the construction of a recycling-based society in all countries and regions where they have operations, in order to leave this beautiful earth for our children in the future.

1. We contribute to the environment through our products and services, with consideration given to the environment in all stages of the product life cycle from research to procurement, production, sales, use, and disposal as waste.
2. We carry out environmentally conscious business activities in all our workplaces and offices, and promote our approach to the environment through cooperation with our customers and business partners.
3. We make efforts to reduce the environmental impact of greenhouse gas emissions and hazardous chemicals, etc., and to prevent pollution by promoting the effective use of limited resources and energy.
4. We observe the related laws, regulations, international rules, etc.
5. We make efforts to improve environmental consciousness through education, and advance continual improvements by setting our own objectives and targets.
6. We enhance confidence through close communications with society.
7. We aggressively work on social contribution activities such as nature conservation activities in each region.

Please refer to Biodiversity Guidelines on p. 180.

SEKISUI CHEMICAL Group CS & Quality Management Policy

Mission

We, SEKISUI CHEMICAL Group, consider CS & Quality as our central concept of management and will consistently innovate to maintain the quality of products throughout all our activities, continuously provide values (goods and services) that meet customer expectations, strive for selection by our customers on an ongoing basis, and develop and grow with the customer over the long time.

Basic Policy

We, SEKISUI CHEMICAL Group, consider Customer's Feedback as precious resources for management and strive to innovate about Quality of Products, Quality of People and Quality of Systems based on the motto: We consider customer's feedback as the beginning of our manufacturing. Furthermore, we contribute to the realization of a safe and affluent society by continuously providing our customers and their communities with new value.

1. Ensuring basic qualities

To ensure the reliability and safety of our manufactured products, which form the basis of Product Quality, we effectively leverage customer's feedback and dedicate ourselves with a strong belief in forestalling any potential trouble and preventing any future recurrence throughout our entire value chain.

2. Creating attractive qualities

We aim to share the excitement of our customers by thoroughly pursuing what the customer values and constantly creating attractive products and services that should realize such customer values.

3. Upgrading technological capabilities

For the sake of ensuring Basic Qualities and for creating Attractive Qualities, we are upgrading our technological capabilities in all fields in order to achieve superb manufacturing development.

4. Enhancing communication

We value communication with our customers and the community and make sincere efforts when dealing with them as well as complying with the relevant laws and regulations in each country and region. We place special emphasis on resolving customer complaints or claims at an early stage by responding promptly and empathetically.

5. Providing thorough employee education

To gain and maintain the full trust and impression of our customers, we provide employees with continuous CS & Quality education as well as motivating our employees to achieve self-realization through customer satisfaction.

SEKISUI CHEMICAL Group Compliance Policy

1. SEKISUI CHEMICAL Group Compliance

We believe in integrity, and will raise compliance awareness and conduct ourselves in a compliance-oriented manner to ensure that SEKISUI CHEMICAL Group can be trusted by society at large.

2. Relationship with Society

1) Accounting Processing

We will carry out the proper accounting process based on facts and prepare financial statements properly.

2) Government Laws and Regulations

When undertaking sales activities, we will obtain any necessary permits and licenses, and will ensure that we always undertake renewal procedures and other such procedures in order to comply with administrative laws and regulations.

3) Security Export Control

We will not export any arms, weapons, and related technologies that may harm international peace and security.

4) Political Donations

We will not give illegal political donations.

5) Rejection of Association with Antisocial Forces

We will take a firm stance toward antisocial forces, and will not associate with such forces in any way.

6) Prohibition on Insider Dealings

If we become aware of insider information of SEKISUI CHEMICAL Group or any of its business partners in the course of our work, we will not divulge it to any third party or trade in their shares until such information is made public.

7) Disclosure of Corporate Information

On the basis of our Principle of Corporate Information Disclosure we will disclose corporate information in a fair, timely, and appropriate fashion.

8) Conservation of the Global Environment

We are fully aware of the importance of environmental protection, and will endeavor to reduce our environmental impacts in all stages of our business activities ranging from product research and development to the procurement of raw materials, production, sales, and transportation and to contribute to environmental protection through Sekisui products.

9) Respect for Human Rights and Prohibition of Discrimination

On the basis of the SEKISUI CHEMICAL Group Human Rights Policy, we will respect the human rights of each and every person who is affected by our group's business activities, and will strive to ensure we do not violate human rights.

3. Relationship with Customers, Business Partners, and Competitors

1) Product Safety

For the manufacture, development, sale, transport, maintenance, and repair of products, we will always pay attention to safety, fully understand laws and safety standards related to the safety of products, and observe them, to supply better products to customers.

2) Ensuring Sound Quality

We will not engage in misconduct regarding quality that leads to quality scandals, such as concealing product safety defects, misrepresenting performance, failing to comply with product-specific laws and regulations or official certification requirements, fraudulent labeling, and falsifying or fabricating quality data.

3) Marketing and Sales Activities in Good Faith

We will conduct marketing and sales activities with consideration given to the interests of customers and in compliance with applicable laws and regulations, including the Consumer Contract Act, the Act on Specified Commercial Transactions, and the Act against Unjustifiable Premiums and Misleading Representations.

4) Compliance with Antitrust and Competition Laws

We will not, under any circumstances, engage in conduct that constitutes a violation of antitrust and competition laws such as cartels, bid-rigging, constraints on resale price, or transactions with constraint conditions, and always strive to engage in fair and free business competition.

5) Fair Trading with Business Partners, Compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors

We will respect the rights of our business partners, deal with them honestly and in good faith, and treat them fairly and equitably.

6) Corruption Prevention

We will never engage in conduct that is considered or could be construed as bribery. We will also take care so as not to be complicit in money laundering.

7) Conflicts of Interest

If there is a conflict of interest between the company's interests and the interests of an individual in our dealings, we will consider the matter from the perspective of whether our actions are beneficial for the company, and ensure that we do not cause any damage to the company.

4. Relationship with Employees

1) Power Harassment

We will not abuse our power or engage in any acts equivalent to an abuse of power toward others.

2) Sexual Harassment

We will not engage in sexual harassment or any acts that are equivalent to sexual harassment.

3) Compliance with Labor Relations Laws

We will comply with the labor relations laws to commit ourselves to maintaining a healthy and safe work environment.

5. Relationship with the Company's Property

1) Proper Management and Protection of the Company's Property

We will ensure adequate management of the company's property, whether tangible or intangible, and prevent assets from being damaged or stolen, or trade secrets from being divulged.

2) Proper Use of Intellectual Property

We will use intellectual property, which is the company's valuable assets, in an appropriate manner and ensure the protection of the intellectual property rights.

3) Proper Management and Protection of Personal Information

We will specify the purpose of use of personal information to the extent possible, clearly state this prior to obtaining such information in a fair manner, and use it only within the scope of the stated purpose. We will also handle personal information appropriately in accordance with the relevant laws.

SEKISUI CHEMICAL Group Human Resources Policy

Mission

Based on our belief that employees are precious assets bestowed on us by society, we, SEKISUI CHEMICAL Group, are committed to developing an environment where employees can work enthusiastically. We also offer various opportunities through which we help individual employees enhance their specialties and support growth through challenges.

With the recognition that it is our social responsibility to protect individual human rights, we respect the diversity, personality and individuality of each person, and promote various working styles as well as creating safe and secure working environments in response to conditions in each country and region.

Basic Policy on Human Resources

Goal: Everyone's challenge is linked to efforts aimed at solving social issues

(1) Promote Diversity

SEKISUI CHEMICAL Group will foster an organizational culture in which all employees are able to work dynamically and make the most of their unique characteristics and talents.

(2) Encourage Challenge

Support personnel who take the initiative and continue to take on challenges.

(3) Nurture Prominent Human Resources

Support human resources who have their own unique skills to learn and grow on their own.

(4) Promote Teamwork

We create workplace cultures that facilitate open communication on an equal footing, and in which members cooperate and respect each other

(5) Create safe and secure working environments

We create working environments that ensure employees are both physically and mentally healthy, and that allow them to work safely

Note: Developed (1), (2), and (3) as the Human Resource Development Policy.

Harassment Prevention Guidelines

We never commit sexual harassment or other actions that stain personal character.

1. We do not commit sexual harassment or any conduct that might be misunderstood as sexual harassment.
2. We do not misuse the power of a superior position nor use any language or conduct that could sexually annoy any person. In addition, we prevent other employees from using such offensive language or conduct.

Diversity Management Policy

Diversity is essential to maintain our strong corporate presence for 100 years and beyond. We understand and recognize that every employee's orientation to work and life, and their personal strengths are different and thus we use this to our advantage. Through employee dialogue, we will strengthen our organizational culture by providing employment, opportunities for development and an enhanced working environment to support growth.

Note: Developed the same policy as the Internal Environment Improvement Policy.

Statement of Work Style Reforms

We determine work methods that promote growth over time to enable each and every individual employee to manifest their personal characteristics, and pursue highly productive work methods that maximize success.

In order to improve productivity, the Company actively invests in management resources, and unifies managers and workers to coalesce their wisdom Companywide. We nurture work worth doing by improving the quality of the job, and promote workers' diverse activities by returning the success of reforms to them.

Declaration of Health

SEKISUI CHEMICAL Group has been engaged in health management initiatives for our employees based on our belief that employees are precious assets bestowed on us by society. SEKISUI CHEMICAL endeavors to take these initiatives to the next level by treating the promotion of the health of our employees as a management strategy that is aimed at achieving the physical, mental, and social well-being of all employees.

Basic Policy for Health and Productivity Management

Strive to achieve the well-being of all employees, and create workplaces where diverse personnel can play an active role with vitality.

- Practice a comprehensive health promotion program that encompasses everything from health management (protecting health) to improving (actively enhancing health) the fulfillment and rewards of working.
- Focus on improving productivity by advancing the awareness and behavior of each and every employee.
- Encourage employees to make a proactive and ongoing effort to strive for well-being now and in the future.
- Strive to contribute to society by realizing the happiness of employees and their families, and our customers through the well-being of our employees.

SEKISUI CHEMICAL Group Safety Policy

Mission

We, SEKISUI CHEMICAL Group, recognize that the safety of our employees and those who work together with us, is essential to achieving sustainable growth. We aim to be a Safe and Secure enterprise that establishes safe and secure working environments and has the full trust of not only by all those who work together with us, but also our customers, our communities.

Basic Policy

Based on the concept of human dignity that everyone is invaluable, we prioritize safety over anything else as a basic rule in all of our business activities from development, production, construction to servicing. We are committed to promoting comprehensive safety activities with the aim of achieving zero occupational injuries, equipment-related accidents, commuting-related accidents or extended sick leave.

1. We strive to develop a safe and comfortable workplace where everyone is taken care of both mentally and physically, which should lead to good health for our employees and those who work together with us, whom we highly value.
2. We thoroughly disseminate the legal requirements concerning health and safety/disaster prevention to our employees to ensure compliance.
3. We carry out risk assessment and promote risk reduction measures in a systematic way to eliminate hazardous factors that compromise health and safety/disaster prevention.
4. We strive to raise awareness regarding health and safety/disaster prevention through employee education/training and promote continuous improvements by setting voluntary objectives/goals.
5. We proactively disclose any necessary information as well as gain a higher level of trust by having close communication with public administrations and local communities.

SEKISUI CHEMICAL Group Cyber Security Policy

Mission

We, SEKISUI CHEMICAL Group, recognize that cyber assets —information received from a wide range of parties, confidential corporate information, and systems for managing this information —are an increasingly important management resource and a source of our competitiveness.

We believe that preparations against cyber-attacks threatening these assets are an important management responsibility, and strive to continually undertake cyber security measures as defined in the basic policy, to ensure a stable management foundation.

Basic Policy

1.Compliance with laws and regulations

We comply with laws, regulations, contractual requirements, and other social norms related to cyber security.

2.Maintenance of the cyber security management system

We have established a cyber security management system across the entire SEKISUI CHEMICAL Group, positioning cyber security as essential to management policies and investments, and always strive for continuous improvement under the responsibility of management.

3.Implementation of cyber security measures

We identify cyber security risks, and undertake measures to prevent cyber security incidents.

4.Ensuring business continuity

We formulate business continuity plans (BCPs) and recovery plans in preparation for the occurrence of cyber security incidents, and strive to quickly recover and prevent reoccurrence should any incident occur.

5.Education of employees

We continually perform education and awareness activities with regard to the appropriate use, management, and maintenance of cyber assets, so as to develop the cyber security literacy of our employees.

SEKISUI CHEMICAL Group Social Contribution Activities Policy

As a good corporate citizen, we, SEKISUI CHEMICAL Group, engage in activities that focus on the Environment, the Next Generation, and Local Communities, and contribute not only to business activities but also to society. All employees working for SEKISUI CHEMICAL Group are proactively involved in the society and act so that they can serve as prominent human resources in society as well. In addition, their activities are supported by each company of the Group in order to generate synergistic effects.

SEKISUI CHEMICAL Group Basic Procurement Policy

SEKISUI CHEMICAL Group supports the basis of LIFE and continues to create peace of mind for the future in line with its vision statement Innovation for the Earth, which aims to realize a sustainable society. In order to realize a sustainable society through innovation and creativity with a focus on ESG management, SEKISUI CHEMICAL Group will build its supply chain and conduct procurement activities based on the following purchasing policy.

• Open

For purchasing transactions, we open our doors to a wide range of national and international companies in order to receive better proposals.

• Fairness and impartiality

Business partners are selected on the basis of their sound management, quality, price, delivery time, and service, and in a fair and impartial manner, also taking into consideration the realization of a sustainable society.

• Compliance with laws, regulations, and social norms

When conducting purchasing transactions, the company complies with national and international laws and regulations. We equally comply not only with laws and regulations, but also with social norms as a discipline that must be observed in social life.

• Mutual trust

We recognize that all our business partners are partners in the conduct of our business, and we build relationships of trust by exchanging the necessary information and deepening mutual understanding. We also aim to build genuine partnerships to achieve a sustainable society.

• Environmental friendliness

In conducting purchasing transactions, we collaborate with our business partners to help solve environmental challenges such as climate change and resource depletion. In addition, we give due consideration to chemical substance management.

• Prevention of corruption

In conducting purchasing transactions, we work across the entire supply chain to ensure that there is no corruption whatsoever.

• Human rights

In conducting purchasing transactions, we respect human rights in cooperation with our business partners. Particular attention will be paid to the prohibition of child and forced labor, recognition of freedom of association and the right to collective bargaining, and prohibition of discrimination.

[Requests to business partners on sustainable procurement]

In order to promote more socially and environmentally friendly procurement activities, SEKISUI CHEMICAL Group has formulated the "Sustainable Procurement Guidelines (Supplier Code of Conduct)" for the Company and all business partners involved in the production of our products, which sets out standards to be observed based on its basic procurement policy. We ask our business partners to cooperate with us in aiming to understand and comply with the aims and content of this Code of Conduct, so that together we can work toward the realization of a sustainable society. The Code of Conduct applies to the entire SEKISUI CHEMICAL Group.

SEKISUI CHEMICAL Group Guidelines for Sustainable Procurement (Code of Conduct for Suppliers)

https://www.sekisuichemical.com/about/assets/pdf/GuidelinesForSustainableProcurement_20230303.pdf

[About sustainable timber procurement]

In the course of our business activities, the company procures wood itself or wood-based raw materials and recognizes that this may have negative impacts with regard to human rights and the environment.

In addition, at COP26 in November 2021, leaders from over 100 countries, including Japan, signed a document committing to end deforestation by 2030.

In response to this, we have set a new target of "2030: Zero Deforestation" and revised our "Timber procurement policy" to achieve this goal. And in order to realize procurement in line with this policy, we have established new "Sustainable Timber Procurement Guidelines", and are working to further reduce the negative impact of deforestation on the human rights and environment of indigenous peoples, performing legal timber procurement to date as a matter of course.

[Timber procurement policy]

(1) Environmental considerations for timber procurement

- Promote the procurement of timber from forests that are properly managed for sustainable use.
- Promote the procurement of timber that does not lead to natural forests being converted to other uses.
- Procure timber from forests other than those with high conservation value, such as biodiversity conservation.
- Procure timber from non-threatened tree species.
- Procure wood materials that contribute to resource circulation, such as recycled materials and unused thinned wood.
- Proactively employ suppliers that are implementing activities that lead to an increase in forests.

(2) Social considerations for timber procurement

- Promote procurement in a manner that does not have a negative impact on local communities and respects local cultures, traditions, and economies in the sales channels, including logging and processing of timber products.
- Promote procurement that respects the rights of indigenous peoples.
- Promote procurement that respects the rights of all workers.

(3) Governance initiatives

- Comply with all laws and regulations relating to forest procurement.
- Ensure traceability of timber and timber products, and promote clear place of origin and problem-free procurement of timber and timber products.

[About responsible mineral procurement]

At SEKISUI CHEMICAL Group we strive to avoid human rights violations, the use of conflict minerals that fund armed groups, and other such risks related to minerals and mining. We comply with regulations such as the Dodd-Frank Act (USA) and EU Conflict Minerals Regulation, and take pains to eliminate any minerals connected to OECD Annex II risks in Conflict Affected and High-Risk Areas (CAHRAs), including the Democratic Republic of the Congo and surrounding countries. In order to promote sustainable and responsible mineral procurement, if any minerals are discovered that are determined to be applicable to the above items, we will work with business partners to take appropriate measures.