



## TOPICS

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# SEKISUI CHEMICAL Group's Policies

We have defined various policies on which our ESG management is based.

## 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 page 230.

## 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 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 grow personally.

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

#### **1. Creating opportunities for employees to take on new challenges**

We encourage employees to exceed their performance goals and actively take on new challenges.

#### **2. Corporate culture fostering individual learning and growth**

We strive to enrich our education/training programs and develop a corporate culture that fosters individual learning and growth.

#### **3. Continuous enhancement of performance and remuneration systems**

We recognize our employees' personal commitment and strive to constantly improve the fairness and acceptance of our assessment systems regarding performance and processes.

#### **4. Understanding and inclusivity of diverse working styles**

We respect diverse values and working styles and strive to provide an environment where every employee can work with enthusiasm and achieve a balance between life and work.

#### **5. Creating safe and secure working environments**

We ensure that our employees work in a safe environment.

## 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.

## 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 a 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 will perform its procurement of goods according to the following five basic ideas (openness, impartiality and fairness, compliance with laws and regulations, mutual trust, and environmental considerations). We will strengthen our harmonious and mutually beneficial partnership with our business partners through fair transactions. Also, SEKISUI CHEMICAL Group will engage in the promotion of CSR activities through the cooperation of business partners in the Group's procurement activities.

### 1-1. Basic Principles of Procurement

#### Openness

SEKISUI CHEMICAL Group opens its doors not only to domestic companies but also widely to overseas companies.

#### Impartiality and fairness

SEKISUI CHEMICAL Group selects business partners based on impartial and fair evaluation standards with emphasis on quality, price and delivery lead-time, services, etc., as well as environmental considerations.

#### Compliance with laws and regulations

When engaging in purchasing transactions, SEKISUI CHEMICAL Group will comply with relevant laws, regulations and administrative instructions in Japan and overseas.

#### Mutual trust

SEKISUI CHEMICAL Group will establish and maintain mutually beneficial relationships with its business partners, as well as sincerely fulfill all contractual obligations.

#### Environmental considerations

SEKISUI CHEMICAL Group will further promote the purchase of raw materials and goods that have minimal negative impact on the environment (Green Procurement), and strive to establish a resource-recycling society through concerted efforts with business partners.

## 1-2. Requesting Cooperation from Business Partners Concerning Procurement

SEKISUI CHEMICAL Group, with its sincere attitude, aims to become a company trusted by society. The Company is aware of CSR in all spheres of its business operations based on its philosophy of contributing to society through its business activities. In order to achieve the above aim, it is absolutely necessary to engage in activities through mutual cooperation with business partners. Proactive cooperation from all business partners is requested on the following activities.

### (1) Securing Superior Product Quality

Establish and operate a quality assurance system to improve and maintain the quality of products offered to customers.

- Establish a quality assurance system in conformity with ISO 9000

### (2) Environmental Considerations

SEKISUI CHEMICAL Group is working to reduce negative impact of its products on the environment from the development and production stages to disposal. To do so, the environmental consideration of our suppliers concerning raw materials and goods is essential.

- Establish environmental management system in conformity with ISO 14001
- The procurement of parts and raw materials with minimal negative environmental impact, such as reduction of potentially hazardous chemicals
- Initiatives to reduce greenhouse gas (GHG) emissions, such as promoting the effective use of energy
- Initiatives to preserve water resources and biodiversity

### (3) Compliance with Laws, Regulations and Social Customs

Business partners are requested to ensure compliance with relevant laws, regulations and appropriate social norms of the countries and regions where their business operations are conducted.

- Comply with relevant laws and regulations in the business operations
- Prohibit forced labor
- Prohibit child labor
- Prohibit discrimination against employees

### (4) Safety and Hygiene

Quality is built through human resources and facilities. The safety management of these resources is the basis of production. Business partners are requested to perform the following.

- Safety and hygiene management of the workplace and maintenance of employee health
- Machine safeguarding and safety and hygiene management of facilities
- Appropriate response to occupational injuries, equipment-related accidents, other accidents, etc.

### Timber Procurement

At SEKISUI CHEMICAL Group, in order to contribute to the elimination of deforestation as well as the sustainable use of timber resources, we make every effort to ensure that the timber used in products is logged in accordance with statutory and regulatory requirements. Therefore, in cooperation with our suppliers, we implement investigations on commercial distribution with regard to the logging area, tree species, and quantity of timber materials, in order to ensure traceability. For recycled materials, we use timber and wood-based materials that are already used in markets, as well as unused thinnings and branches.

In those cases where we find timber that we have concerns about in terms of legitimacy while investigating our distribution channels, we take appropriate measures in cooperation with our suppliers to promote responsible procurement.

### Conflict Minerals

SEKISUI CHEMICAL Group is working in compliance with the Dodd-Frank Act in the U.S. to eliminate conflict minerals (gold (Au), tantalum (Ta), tungsten (W) and tin (Sn)) connected with inhumane acts by local armed groups in the Democratic Republic of the Congo and neighboring countries. If we find minerals that we have concerns about while investigating our distribution channels, we take appropriate measures in cooperation with our suppliers to promote responsible procurement.