

# Human Rights Initiatives

SEKISUI CHEMICAL Group recognizes that it is our responsibility to protect human rights of all individuals affected by our business activities and is promoting global-scale measures aimed at protecting the human rights of all stakeholders who are impacted by our business activities.

## ► SEKISUI CHEMICAL Group "Human Rights Policy"

[https://www.sekisuichechemical.com/csr/csr\\_manage/humanrights/index.html](https://www.sekisuichechemical.com/csr/csr_manage/humanrights/index.html)

## Actions in regard to the UK Modern Slavery Act

We released the SEKISUI CHEMICAL Group Modern Slavery Statement in September 2019 in recognition of the need of the Group as a whole to take action in regard to human rights issues. This statement is pursuant to section 54 (1) of the UK Modern Slavery Act 2015 and sets out the actions taken by SEKISUI CHEMICAL Group to prevent any form of modern slavery or human trafficking in any part of the Group's business or within its supply chains. Going forward, the Group will take appropriate measures regarding human rights laws and regulations in countries and regions beyond the United Kingdom.

## ► SEKISUI CHEMICAL Group Modern Slavery Statement (PDF download)

[https://www.sekisuichechemical.com/csr/assets/images/Modern\\_Slavery\\_Statement\\_for\\_FY2019.pdf](https://www.sekisuichechemical.com/csr/assets/images/Modern_Slavery_Statement_for_FY2019.pdf)

## Initiatives to Build a Human Rights Due Diligence\* Framework

In November 2018, we employed an external specialized agency, which conducted an assessment of human rights risks, with the aim of building a human rights due diligence framework. The results of this assessment confirmed that there was a high level of potential occupational health and safety as well as other human rights risks mainly overseas (China, India, Thailand, and Brazil). Since February 2019, interviews of Group employees with experience stationed in Thailand, China, and India, as well as internal staff of related departments, have been conducted. These interviews confirmed that there was no discrepancy with the assessment results.

\*Human rights due diligence is the ongoing management process of identifying and assessing any potential negative impact on human rights (human rights risks) from a company's business activities, and if there are human rights risks, the process of creating mechanisms to prevent or mitigate the impact from such risks.

## 10 Human Rights Issues in Primary Business Activities\* Assessment Results (2018)

Industry	Priority Country	(Latent) Priority Issues
Homebuilder	Thailand	<ul style="list-style-type: none"> <li>· Modern slavery</li> <li>· Occupational health and safety</li> <li>· Fair wages</li> </ul>
Auto Parts	China India Brazil Thailand	<ul style="list-style-type: none"> <li>· Fair wages</li> <li>· Modern slavery</li> <li>· Occupational health and safety</li> </ul>
Industrial Machinery and Goods	China Thailand	<ul style="list-style-type: none"> <li>· Occupational health and safety</li> </ul>
Pharmaceutical	China	<ul style="list-style-type: none"> <li>· Occupational health and safety</li> <li>· Right to privacy</li> </ul>

\*10 human rights issues: (1) Child labor, (2) Fair wages, (3) Fair working hours, (4) Discrimination in the workplace, (5) Modern slaveries, (6) Freedom of association and right to collective bargaining, (7) Rights of indigenous peoples, (8) Rights relating to property, assets, and housing, (9) Occupational health and safety, and (10) Right to privacy

Interview Results: "Awareness of safety at overseas production companies is high and safety activities have taken hold," "Positive conditions such as a lack of discrimination toward immigrant laborers, foreigners, and women working there were identified at the Group companies involved in the interviews," "Although headquarters-led CSR procurement surveys are implemented for suppliers, no supplier checks were performed from the perspective of human rights at the site level," and "Some overseas production companies have factories that use a large number of temporary workers (fixed-term employees)." As per above, some of the findings indicated issues requiring further confirmation of onsite conditions, and in fiscal 2020 a third-party organization conducted employee interviews at the following sites in Japan in order to understand the severity of the impact.

Targets: Foreign nationality employees (including contract employees) working at Higashi Nihon Sekisui Industry Co., Ltd., an Urban Infrastructure & Environmental Products Company, as well as personnel and labor management supervisors for these foreign nationality employees.  
Results: Although no serious human rights risks were identified, a feedback reporting session was implemented to share extracted issues for improvement such as the need for multilingual support for plant internal guidance and notices.

In addition to follow-up evaluations related to the handling of these issues, we will carry out similar human rights interviews at overseas locations in the future. In this way, we will develop a framework for human rights due diligence.

## Caring About Human Rights Issues Across the Entire Supply Chain

Through CSR procurement with our suppliers, we make sure our business partners respect human rights. With regard to suppliers that do not meet the prescribed standards, a request is made to ensure that the necessary steps are taken to resolve any issues. We are making progress with the development of mechanisms, designed specifically for our overseas business partners and suppliers, to encourage improvements via our regional headquarters. We are currently focusing on confirming procurement policies with our direct business partners while also drafting procurement guidelines that incorporate specific content to ensure that SEKISUI CHEMICAL Group policies are being widely adhered to throughout the entire supply chain, including at secondary and tertiary suppliers from fiscal 2021. We are also considering endorsing and participating in accredited supply chain initiatives in order to further improve the quality of human rights due diligence. In addition, SEKISUI CHEMICAL is concerned about the conflict mineral problem, namely the mineral resources controlled by armed forces in the Democratic Republic of Congo and neighboring countries that commit human rights violations and destroy the environment. We conduct surveys on the use of conflict minerals at companies throughout our supply chain from a CSR perspective.

## ► Material Procurement

<https://www.sekisuichechemical.com/about/outline/suggestion/>

## Conducting Educational Programs that Include Preventing Harassment

In order to conduct human rights-conscious management, we provide training and education on human rights to our employees. In particular, we incorporate content that raises awareness of human rights-related issues such as forced labor, child labor, and harassment into training programs conducted at milestones such as being hired and promotions. In fiscal 2020, we launched the "Business and Human Rights E-Learning" program using the Company intranet to promote awareness of our stance to respect human rights of all people affected by our business activities. We also conduct annual harassment training to prevent harassment, with 367 employees participating in fiscal 2020.