

Respect for Human Rights

To contribute to the realization of a sustainable society, we will respect the human rights of people affected by the Group and establish a framework to prevent and mitigate human rights violations on a global basis.

Human Rights Initiatives

SEKISUI CHEMICAL Group formulated the SEKISUI CHEMICAL Group Human Rights Policy in May 2019. This policy is consistent with the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council and is distinguished by its commitment to firmly respecting human rights across the board, including the value chain beyond the Group. The scope of human rights due diligence and education initiatives stipulated in the policy was expanded in fiscal 2021. We consider human rights initiatives for not only employees of the Group but also our business partners and other stakeholders to be essential for solidifying our sustainable management platform. Going forward, we will therefore continue to work toward achieving an understanding of and instill this Human Rights Policy among all employees of the Group, as well as our suppliers and business partners.

▼ Please refer to the following webpage for details of the SEKISUI CHEMICAL Group Human Rights Policy.

https://www.sekisuichechemical.com/csr/pdf/report_2022/sustainability_report2022e_15.pdf

Actions in Regard to the UK Modern Slavery Act

In accordance with section 54(1) of the UK Modern Slavery Act, which came into force in the UK in 2015, we disclose a statement, adopted by our Board of Directors, regarding our efforts to prevent any form of modern slavery or human trafficking in any part of the Group's business or within its supply chains. SEKISUI CHEMICAL Group will also take appropriate measures to comply with human rights laws and regulations in countries and regions other than the UK that are relevant to its operations.

Human Rights Due Diligence

When conducting human rights due diligence,* including the identification of human rights issues, we will apply expert human rights knowledge from independent third parties and engage in earnest dialogue and consultation with our stakeholders.

* 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.

Initiatives to Build a Human Rights Due Diligence Framework

From fiscal 2018 to fiscal 2019:

Employed a specialized agency to analyze potential human rights risks in major businesses and conducted internal hearings based on the results of analysis.

Fiscal 2020:

Implemented human rights interviews at domestic production sites.

In fiscal 2021, conducted the human rights risk assessments set out below on a global basis.

Format:	Two types: one for management and one for general employees
Scope:	Our Group companies, including joint ventures, in all global areas (North and Central America, Europe, Asia, Australia) and on-site outsourcing companies
Targets:	For management and for general as well as indirect employees at selected business locations
Objective:	Select priority human rights topics by conducting an exhaustive survey and gathering the opinions of both management and general employees

Although the results of the assessment did not reveal any human rights issues requiring a critical or immediate response within the scope of the survey, priority human rights issues that were identified as requiring further review included working conditions for foreign nationality employees, fair wages, respect for religious practices, and inequalities in hiring and promotion. For each site where issues were identified, we will confirm the status of each situation on an individual basis and take corrective actions as necessary.

Caring About Human Rights Issues across the Entire Supply Chain

In fiscal 2021, we formulated the SEKISUI CHEMICAL Group Sustainable Procurement Guidelines (Supplier Code of Conduct), which are in line with the United Nations Global Compact 10 Principles, the Guiding Principles on Business and Human Rights, and the SEKISUI CHEMICAL Group Human Rights Policy. In addition to asking our direct suppliers to

extend this Code of Conduct to their secondary and tertiary suppliers, we have requested that suppliers sign on to acknowledge compliance with the guidelines. In this regard, we have obtained the agreement of 61% of our key suppliers in Japan and overseas to work with us to achieve the Code of Conduct. Concerning the conventional survey designed to confirm social responsibility-related efforts, from fiscal 2021 we have significantly revised the content of the Sustainable Procurement survey so that suppliers can evaluate and verify for themselves the compliance status of the Group's new guidelines. In having substantially increased the number of questions and made it more difficult to reply, 336 of the 499 domestic and overseas companies surveyed responded in fiscal 2021. In the years to come, we will consider measures to improve the collection rate, check the status of business partners with low scores, and work together to improve issues as necessary.

We have also been concerned about the issue of conflict minerals in the Democratic Republic of Congo and neighboring countries and have conducted surveys on the use of conflict minerals throughout the supply chain from a CSR perspective. However, in light of recent events, from fiscal 2021 we have conducted surveys that include cobalt and mica in Japan. In addition to conventional sources for the funding of armed forces, we will identify smelters and respond in accordance with risk levels in order to eliminate the procurement of minerals related to such risks as child labor and other human rights abuses.

▼ Procurement

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

Conducting Educational Programs That Include Preventing Harassment

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 and in fiscal 2021 advanced the multilingualization of the program for all global areas. We are thus promoting awareness of our stance to respect the human rights of all people affected by our business activities.