

Commitment to Promoting Human Rights

To Fulfill Corporate Responsibility for Respecting Human Rights

Everyone has the right to assure their own safety, enjoy freedom, and lead a happy human life. However, it is unforgivable to sacrifice other people's happiness for the sake of one's own happiness. We believe that this philosophy of respect for human rights is essential in our commitment to solving social issues through our business activities. Therefore, we formulated the Sakai Chemical Group Basic Human Rights Policy on October 1, 2022.

This basic policy has undergone an external review by Baker & McKenzie (Gaikokuho Joint Enterprise), our corporate attorney.

The Sakai Chemical Group Basic Human Rights Policy

The Sakai Chemical Group has been engaged in businesses that have contributed to people's safe and healthy lifestyles since its foundation. Sakai Chemical Industry Co., Ltd., the core company, expresses the aspiration of the Sakai Chemical Group towards people through its management philosophy "Creating a Friendly Future through Chemicals." To realize this philosophy, we believe it is important to respect the human rights of relevant stakeholders in all countries and regions in which we conduct our activities.

This Human Rights Policy promises that the Sakai Chemical Group will fulfill its responsibility to respect human rights based on its management philosophy and international norms.

1. Basic principle

The Sakai Chemical Group will comply with laws and regulations governing the human rights norms applicable in countries and regions where we conduct our businesses, and support and respect the norms of the international human rights. These include the United Nations' International Bill of Human Rights, which contains the "Universal Declaration of Human Rights," the "International Covenant on Civil and Political Rights" and "International Covenant on Economic, Social and Cultural Rights," as well as "ILO Declaration on Fundamental Principles and Rights at Work," etc., which provides for the freedom of association and the right to negotiate, the prohibition of forced labor, the effective abolition of child labor and the elimination of discrimination in employment and occupation. Furthermore, we will be engaged with respect in human rights based on the "United Nations' Guiding Principles on Business and Human Rights" and the National Action Program on Business and Human Rights (NAP).

2. Scope

This Human Rights Policy will apply to all officers and employees of the Sakai Chemical Group (including all full-time, fixed term, temporary, dispatched, part-time, and other employees). We also encourage all business partners of the Sakai Chemical Group to understand and comply with this Human Rights Policy.

3. Human rights due diligence

The Sakai Chemical Group will establish human rights due diligence system to identify negative impact against human rights, make efforts to prevent the occurrence of such impact or reduce the risk of its occurrence.

4. Establishment of a remedy system

The Sakai Chemical Group will establish system to allow relevant stakeholders to report any human rights concerns. If any negative impact against human rights is identified or is likely to be identified, we will make efforts with relevant stakeholders to reduce negative impact.

5. Dialogue

The Sakai Chemical Group will recognize the importance of dialogue with relevant stakeholders to identify negative impact against human rights, and make efforts to engage in timely dialogue to understand, reduce and resolve human rights issues.

6. Employee training

The Sakai Chemical Group will provide the necessary training to ensure that this Human Rights Policy permeates throughout the Group and that all officers and employees have proper understanding of human rights and can effectively reflect the understanding in their business activities.

7. Information disclosure

The Sakai Chemical Group will disclose information about its human rights efforts through its website and various reports, as appropriate.

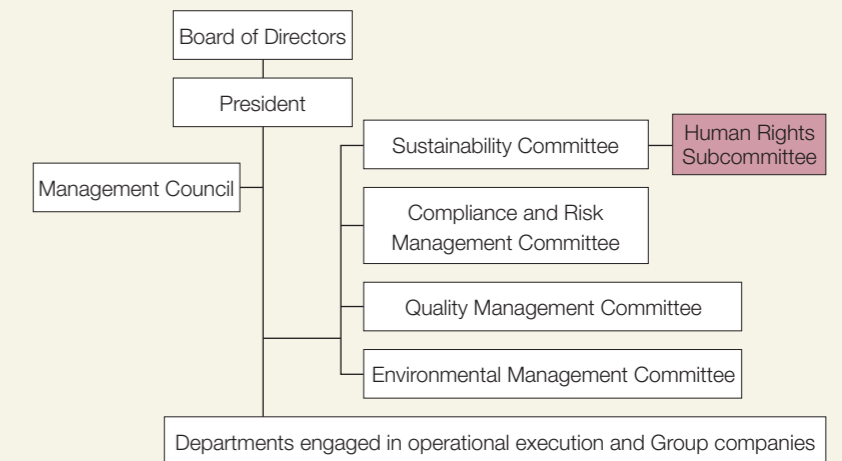
This Human Rights Policy was approved by the Board of Directors of Sakai Chemical Industry Co., Ltd. on September 26, 2022.

Human Rights Promotion System

On October 1, 2022, Sakai Chemical Industry established a Human Rights Subcommittee as an organization that implements initiatives to address human rights issues. Positioned under the Sustainability Committee, which is responsible for achieving ESG management, the Human Rights Subcommittee also works with the Company's sustainability promotion system.

The Human Rights Subcommittee scopes human rights issues that Sakai Chemical Group should address by priority in the future (scoping) with the aim of promoting Group-wide initiatives to solve human rights issues.

Chart of the human rights promotion system



Human Rights Education

Executive training

In December 2022, we provided executive training for the directors and executive officers of all Sakai Chemical Group companies in Japan and abroad with the aim of ensuring that corporate responsibility for respecting human rights would be reflected in management plans in a more effective manner.

We invited Ms. Emi Omura, an attorney-at-law (Japan and NY) and a human rights expert who serves as a Steering Committee Officer of the Business and Human Rights Lawyers Network Japan, to give a lecture on the theme "Responsibility for Respecting Human Rights as a Compliance Issue."



Scene from an executive training session

Employee training

From November 2022 to February 2023, we provided employee training for all employees of all Sakai Chemical Group companies in Japan and abroad so that every employee engaged in business activities would be able to carry out the Group's Basic Human Rights Policy in their own work.

Focusing on providing training tailored to the Sakai Chemical Group's businesses, we built a system whereby all employees could attend the training by adopting such measures as making archived training videos available online for later use.



Scene from an employee training session at an overseas subsidiary

Establishment of a Remedy System

Joining JaCER, an organization that redresses grievances about human rights infringement

In November 2022, we gained a full membership in the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) with the aim of establishing a remedy system as envisioned in the Sakai Chemical Group Basic Human Rights Policy.

JaCER is an organization that aims to build a non-judicial platform for redressing grievances and to act in a professional capacity to support and promote redress of grievances by member companies based on the United Nations Guiding Principles on Business and Human Rights. We will devote serious efforts to establishing an effective remedy system by adopting such measures as utilizing a contact for grievance filing provided by JaCER.

