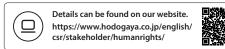
Related Materiality

Respecting human rights



Basic approach

The Hodogaya Chemical Group believes that respect for human rights as stipulated in the Constitution of Japan is a fundamental matter in carrying out its business activities. Identifying respect for human rights in our Sustainability Policy, we comply with laws and regulations as well as highly ethical and normed behavior, respect the diversity, personality, and individuality of everyone working at the Hodogaya Chemical Group, and ensure a sound and pleasant working environment free of discrimination and harassment, while also paying close attention to respect for human rights regarding partner companies in accordance with the Corporate Action Guidelines and the Compliance Action Policy, which include items described in the United Nations "Guiding Principles on Business and Human Rights.



Corporate Action Guidelines https://www.hodogaya.co.jp/english/company/ philosophy/#a7

Respect for Human Rights







Human Rights Policy

The Hodogaya Chemical Group formulated the Human Rights Policy as part of its Sustainability Policy.

The Hodogaya Chemical Group regards respect for human rights as the basis of its business activities and ensures the following listed items in accordance with the Corporate Action Guidelines, Compliance Action Policy, and Procurement Policy, while also paying close attention to respect for human rights regarding partner companies.

- Complying with laws and regulations, highly ethical and normed behavior
- 2. Respect for diversity, personality, and individuality of everyone working at the Hodogaya Chemical Group
- Creation of a sound and pleasant working environment free of discrimination and harassment



Procurement Policy https://www.hodogaya.co.jp/english/company/ philosophy/#a8



Human Rights due Diligence Initiatives

The Hodogaya Chemical Group identifies human rights risks that may arise through its operations.

We are conducting education and training, upgrading workplace environments and systems, and engaging in supply chain management to address human rights risks and as preventative measures against identified risks.

We also closely monitor these activities to ascertain the effectiveness of preventive measures and to promote improvements on a continuous basis. We regularly conduct surveys of partner companies using the Procurement Guidelines Implementation Status Survey Sheet as part of efforts to monitor the supply chain and to confirm whether compliance items are properly implemented. In addition, we work to improve activities to deepen mutual understanding while building mutual trust with our partner companies.

A grievance mechanism is in place to detect and address risks related to human rights.

Initiatives to Tackle Human Rights Issues in the Supply Chain

The Hodogaya Chemical Group has formulated the Procurement Policy and the Procurement Guidelines and has included clauses on compliance with the Procurement Guidelines in basic contracts with partner companies. In addition to understanding the content of these clauses, we also ask partner companies to undertake initiatives to tackle human rights issues that are similar to those of the Group. The Procurement Guidelines spell out the prohibition of forced labor, prohibition of inhumane treatment, prohibition of child labor, prohibition of discrimination, proper wages, and work hours as items to be complied with for the Human Rights and Labor Standards.

In line with these policies, we do not tolerate forced labor or child labor in the supply chain.



Procurement Guidelines

https://www.hodogaya.co.jp/english/wp/wp-content/ uploads/2018/09/procurement_guidelines_20180918.pdf



Establishment of a System to Prevent All Forms of Harassment

The Hodogaya Chemical Group established a system to comprehensively prevent all forms of harassment that could be considered as violations of human rights. This includes workplace bullying, sexual harassment, pregnancy-related harassment, or harassment related to leave taken for childcare or other long-term nursing care. After clearly stipulating in our business policies and Work Rules that harassment is prohibited, we created harassment prevention regulations and a manual in order to implement a range of measures, including establishing a consultation desk and establishing internal human rights due diligence. During Compliance Training, personnel are regularly educated on the prevention of various types of harassment and about consultation desks, and by continuing to do so, we will ensure a work environment that respects human rights.



