



**NIPPON  
SHOKUBAI**  
Group

# Code of Conduct

**Nippon Shokubai Group**

**Implemented April 2022**



# Group Mission Framework

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# Group Mission Framework

## Mission

Nippon Shokubai Group's  
promise to society

## Values

Important guiding principles  
to fulfill our Mission

## Code of Conduct

Guiding action principles for every person  
working at Nippon Shokubai Group

## Safety Philosophy

“Safety takes priority over production”

# Group Mission Framework

## Mission

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# TechnoAmenity

Providing prosperity and comfort to people and society,  
with our unique technology

## Values

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### Respect Diversity

We will create new value  
by respecting the unique traits of each person.

### Pioneer New Possibilities

We will courageously provide solutions  
for customer challenges and social issues.

### Contribute to Global Environmental Preservation

We will work to ensure a better global environment  
is passed down to the next generation.

# Group Mission Framework

## Code of Conduct (Summary)

Every person working at the Nippon Shokubai Group will carry out business activities with commitment to the guiding principles below.

1. We will contribute to the realization of a sustainable society by putting the **TechnoAmenity** Group Mission into practice.
2. We will execute our business activities by always ensuring both internal and external safety.
3. We will enforce thorough-going compliance in every area.
4. We will support international human rights standards and respect the human rights of all people touched by our business activities.
5. We will engage in fair and sincere business activities with all of our stakeholders.
6. We will provide materials and solutions needed by customers.
7. We will help reduce our environmental impact and help tackle environmental issues through technology.
8. We will actively disseminate information and dialogue with stakeholders.
9. We will recognize and respect diversity so that every person and organization reaches their full potential.
10. We will contribute to the development of local communities as a member of those communities.



# Code of Conduct (Full version)

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# 1. Realizing a sustainable society

We will contribute to the realization of a sustainable society by putting the **TechnoAmenity** Group Mission into practice.

## (1) Contributing to the future for people and society

- a. We will use our unique technology to provide economic, physical, as well as social and spiritual prosperity and comfort to people and societies throughout the world. By doing this and proactively tackling the social issues and customer challenges, we will help bring about a sustainable change.

## 2. Safety first

**We will execute our business activities  
by always ensuring both internal and external safety.**

### (1) Comprehensive process safety and disaster prevention

- a. Recognizing that safety is the foundation of our existence, we will observe all laws, ordinances, and regulations concerning security and disaster prevention.
- b. We will ensure the safety and well-being of workers, their families, and society through comprehensive implementation of programs to prevent explosions, fires, leakage of hazardous materials, and accidents and disasters that may harm the environment and people.

### (2) Workplace health and safety

- a. We will strive to eliminate work-related disasters, and we will observe all laws, ordinances, and regulations concerning workplace health and safety.
- b. We will consider our health as well as the health of those working with us and will strive to maintain and enhance a workplace environment in which everyone can be assured of safety and comfort.



## 2. Safety first

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### (3) Business continuity

- a. We will formulate a business continuity plan and take other appropriate organizational initiatives and measures to ensure our workers' safety and maintain our business activities in the face of threats, such as earthquakes, floods, and other natural disasters, pandemics, and cyber-attacks.
- b. In the event of an actual threat, we will take the appropriate steps in accordance with our predetermined guidelines and procedures for response.

## 3. Compliance

**We will enforce thorough-going compliance in every area.**

### **(1) Observance of the relevant national and local laws, ordinances, and regulations and business ethics**

- a. We will observe the relevant laws, ordinances and regulations in the countries and regions where we do business, and our codes of conduct and in-house rules. We will behave with integrity, fairness, good will, in a self-directed fashion, and law-abiding spirit.

### **(2) Thorough-going compliance**

- a. We will diligently collect information about the laws, ordinances, and regulations that govern our business activities.
- b. We will implement thorough-going compliance, including formulating in-house rules and manuals and offering opportunities, such as educational and training sessions.

## 3. Compliance

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### (3) Reporting and review of behavior that violates the Code of Conduct

- a. When we learn of behaviors that violate laws, ordinances, regulations, our in-house rules, or our Code of Conduct, we will promptly report and discuss it with the relevant supervisor. In cases where this is not feasible, we will discuss the incident and report it to the company's consultation desk or internal whistleblower desk.
- b. The internal whistleblower desk will protect whistleblowers' identities and promptly conduct an investigation of the relevant facts.
- c. We will not condone reprisals against persons who reported incidents in good faith or who cooperated in our investigations but will treat them fairly to avoid putting them in an unfavorable position.

## 4. Respect for human rights

**We will support international human rights standards and respect the human rights of all people touched by our business activities.**

### (1) Respect for human rights

- a. We will respect everyone's human rights and will not engage in any conduct that unfairly discriminates or harms the dignity of an individual, regardless of the reason.
- b. We will prevent human rights violations by respecting international human rights standards, and the laws and ordinances of each country and region. In the event of a violation, we will respond appropriately and with fairness.
- c. Recognizing that our business activities have an impact on human rights, we will not provide products to firms or groups that commit or promote human rights violations, and we will not take part in purchasing any products or services from such firms or groups.

### (2) Prohibition against forced labor and child labor

- a. Under no circumstances will we ever engage in forced labor or child labor, and we will not allow forced labor or child labor to take place in our supply chain.

## 4. Respect for human rights

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### **(3) Prohibition against discrimination**

- a. Under no circumstances will we ever engage in discrimination based on gender, age, nationality, race, ethnicity, social status, place of origin, beliefs, creed, religion, physical characteristics, sexual orientation, sexual identity, or disease or disability.

### **(4) Prohibition against harassment**

- a. Under no circumstances will we ever engage in sexual harassment, abuse of power, pregnancy discrimination, or other discriminatory behaviors against another person, or do anything that threatens them or makes them uncomfortable, regardless of whether such threat is physical or emotional.

## 5. Fair and honest business dealings

**We will engage in fair and sincere business activities  
with all of our stakeholders.**

### (1) Fair and free dealings

- a. We will observe the relevant laws, ordinances, and regulations concerning fair and free competition and business activities in other countries and regions where we do business. We will avoid any conduct which restricts free and fair market competition (abuse of market dominant position, cartel, and unfair trade practice) in every business activity including sales, procurement, research and development, and manufacturing, in order to ensure free and fair business activities.

### (2) Prevention of bribery and corruption

- a. We will not commit any violation of anti-bribery laws of any country, including making inappropriate payoff, offering or promising to pay money/anything of value, to public officials or will not make any illegal facilitation payment (small payments for speeding up bureaucratic procedures).
- b. We will not aid, abet or authorize any of such illegal conduct by any third party.
- c. We will not provide with or accept any entertainment and gifts, which go beyond the bounds of socially accepted limits, to/from clients, customers and other business partners.

## 5. Fair and honest business dealings

### (3) Respect for trade-related laws and ordinances

- a. In trading raw materials and products, we will follow proper trade procedures in accordance with the relevant laws and ordinances and will not trade in contraband.
- b. We will not export technology that will be used as information, materials, or products in the production of weapons of mass destruction that would interfere with the preservation of international peace and safety, including nuclear, chemical, and biological weapons.

### (4) Responsible procurement

- a. Because our business activities are dependent on the cooperation of the many people and companies in our supply chain, we will promote responsible procurement practices and engage in transactions that are honest and proper.
- b. We work with our business partners so that they understand and relate with our Code of Conduct as we engage with them.

### (5) Proper management and use of corporate assets

- a. We will not use the company's tangible and intangible assets, including its products, equipment, supplies, information, and intellectual property, for personal or inappropriate purposes; we will manage and use these assets so as to prevent their loss, theft, or improper use and ensure their effective use.

## 5. Fair and honest business dealings

### (6) Respect for and use of intellectual property

- a. We will strive to protect our intellectual property rights and use them in effective way, as we believe that patents, trademarks, designs, knowhow, trade secrets, and publications are key corporate assets and the source of our competitive strength.
- b. In the manufacture and sale of our products, research and development, provision of service, and other business activities, we will respect the intellectual property rights of others and will not infringe on them.
- c. We will proactively use our intellectual property in open innovation and other external partnerships, and we will develop and provide innovative and effective products and services for solving the problems facing society and our customers.

### (7) Information security

- a. We will closely control access to our information assets and data systems in order to prevent unauthorized access, loss, leaks, manipulation, destruction, and hacking.
- b. We will formulate measures to counter threats to our computer network and endeavor to minimize any damage to ourselves and others.
- c. On an ongoing basis, we will review our framework for responding to incidents should they occur.



## 5. Fair and honest business dealings

### **(8) Management of confidential information**

- a. We will strictly manage the confidential information of others obtained in the course of business.
- b. We will not allow unauthorized disclosures or leaks, and we will not permit such information to be used for purposes other than those intended, nor will we permit viewing by uninvolved parties.

### **(9) Proper accounting practices and tax compliance**

- a. In accordance with the laws and ordinances concerning accounting standards in the countries and regions where our Group does business, we will work to build effective systems of internal control and use accurate and proper accounting practices.
- b. We place great importance on tax compliance, and we will observe each country's and region's laws and ordinances concerning corporate taxation, etc., as well as tax treaties and international taxation rules.

### **(10) Protection of personal information and privacy**

- a. We respect individuals' privacy and collect personal information to the extent necessary and appropriate. Also, we strictly manage the personal information that we collect and will not disclose it to third parties or use it for other than its intended purpose, except in cases required by law or where we have received advance permission from the individual in question.

## 5. Fair and honest business dealings

### (11) Prohibition against individual conflicts of interest

- a. We will not commit any act that uses information gained in the course of business to seek personal profit, or that is contrary to the company's interest.
- b. We will not abuse our corporate position or authority, nor will we seek personal profit or cause the company to lose money in violation of our job responsibilities.
- c. We will not engage in any personal transactions that compete with the Group, nor will we engage in any conduct that competes with the Group, such as becoming a manager or key investor at a competitor.

### (12) Dealing with antisocial forces

- a. We will have absolutely nothing to do with antisocial forces that threaten public order and safety or the stable business of the company, whether it is through business relations, money laundering, and other means of providing profits to those involved in such forces.
- b. We will take a firm stance in rejecting improper demands from antisocial forces.

## 6. Providing value to our customers

**We will provide materials and solutions needed by customers.**

### **(1) Providing solutions to our customers' problems**

- a. We will provide products and services that are responsive to our customers' needs and solve their problems.
- b. We will innovate to drive forward with solutions to the needs of society and our customers.

### **(2) The “three actuals” principle**

- a. In all of our tasks, we will relentlessly observe the actual locations, actual objects, and actual realities that underlie all of our work. The resulting ideas allow us to take judgments and actions that are free of preconceptions.

### **(3) Providing safe and reliable products and services**

- a. We will meet our customers' needs and specifications, ensuring safety and quality so that our customers can confidently use our products and services.
- b. We will respond promptly and sincerely to our customers' inquiries and feedback and incorporate their feedback into enhancing and developing our products and services.

## 6. Providing value to our customers

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### **(4) Providing safe, high-quality information**

- a. When providing products and services, we will properly furnish the necessary information regarding quality and safe usage in an easily understandable way.
- b. We will not falsify any of our business data or falsely represent that we have acquired data that we have not.

### **(5) Dealing with product-related accidents**

- a. In the event of a problem with the safety or quality of a product that we have provided to a customer, we will respond promptly and sincerely and will take the appropriate steps to find the cause and prevent recurrences.

## 7. Preserving the environment

**We will help reduce our environmental impact and help tackle environmental issues through technology.**

### **(1) Harmony with the global environment**

- a. Based on the desire to leave a better global environment to the next generation, we are controlling emissions of hazardous materials and are taking initiatives to address environmental issues.

### **(2) Climate change initiatives**

- a. Besides reducing emissions of carbon dioxide and other greenhouse gases in our business activities, we are helping to reduce emissions throughout the supply chain by creating environmental contribution products, thus contributing to bringing about carbon neutrality.

### **(3) Efficient use of resources**

- a. We are actively involved in resource conservation, waste reduction, and recycling efforts, so that our limited and precious resources can be used more efficiently.

### **(4) Preserving biodiversity**

- a. Recognizing that our business activities do affect biodiversity, we are promoting a deeper understanding and awareness of preserving biodiversity and biodiversity-friendly programs.

## 8. Communicating with stakeholders

**We will actively disseminate information  
and dialogue with stakeholders.**

### (1) Fair disclosure of information

- a. We disclose timely and accurate information about ourselves in accordance with the relevant legislation, and we are transparent in our explanations.
- b. We take the initiative to actively disclose our financial information as well as such non-financial information as our mission, policies, business performance, environmental programs, and stakeholder relations, the better to deepen understanding about our Group among shareholders, investors, and other stakeholders.

### (2) Communicating with stakeholders

- a. We will actively engage in dialogs with our various stakeholders, including customers, business partners, employees, local communities, government bodies, shareholders, and investors, and strive to build and maintain long-term relationships of trust with them and to gain their support for the Group's business initiatives. So that we will increase our corporate value.
- b. We appreciate both positive and negative feedback from those outside the Group, and we strive for two-way communication.

## 8. Communicating with stakeholders

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### (3) Prohibition against insider trading

- a. We will not buy or sell shares or other securities or recommend their purchase or sale to others based on material non-public information (information that would significantly affect the share price if disclosed) about our Group or its business partners gained in the course of business.
- b. If we possess material non-public information, we will not leak such information prior to its disclosure.

# 9. Promoting active participation of diverse human resources

**We will recognize and respect diversity  
so that every person and organization reaches their full potential.**

## (1) Respecting diversity

- a. We will create a working environment and culture where employees can work with diversity and mutual respect and can grow together.
- b. We, as professionals, will make every effort to show his or her individuality and ability, which will lead to innovation.

## (2) Fair hiring, labor, and compensation

- a. We will treat everyone fairly in accordance with their work skills and performance.
- b. In assigning work locations, we will take into consideration our employees' ability and track record in performing their jobs well and getting their work done, their childcare and care-giving responsibilities, and their orientation.
- c. We will maintain sound hiring and labor practices, and our treatment of employees regarding wages work hours, vacations, and the like will conform to the relevant laws and ordinances of the respective countries and regions.



## 9. Promoting active participation of diverse human resources

d. In accordance with the relevant laws and ordinances of each country and region, we will respect the right to form or participate in labor unions, the right to engage in collective bargaining, and the right to assemble peacefully. We will also build healthy management-labor relations through dialog.

### **(3) Promoting work-life balance and developing skills**

- a. We will enhance each person's job satisfaction and skills by allowing them to have a balance between their job and their personal life, which may entail child-rearing, care-giving, and medical treatment, thus creating a work culture that engenders high performance.
- b. We will respect each individual's orientation, and will work in cooperation with them, taking into consideration their family situation, including childcare, care-giving, and other personal circumstances.
- c. We strive to develop everyone's skills and build their careers through a variety of training opportunities, including on-the-job training, in-house and off-site training sessions, and self-study courses.
- d. We will offer ample opportunities for our employees to develop their skills and advance their careers and will support them so that they can take responsibility and pride in proactively tackling and solving the problems they face at work.

# 10. Contributing to local communities

**We will contribute to the development of local communities  
as a member of those communities.**

## (1) Respecting local culture

- a. We will respect the natural surroundings, culture, traditions, and customs of the countries and regions where we do business, and we will work together with local communities and contribute to their development.
- b. We will work to participate in and contribute to local communities by means of local procurement and hiring.

**End**