

Since our Group regards compliance with laws and social norms as a condition for the survival and development of the company, our course of action stipulates that we need to conduct "sensible business activities" and conduct ourselves as "good corporate citizens and decent members of society". In response, we have recognized that compliance means complying with laws and social norms and established a compliance basic policy, in addition, we have been promoting compliance activities such as training sessions on corporate ethics for all employees.

## Compliance Basic Policy

1. We consider compliance to be an important management issue and ensure thorough compliance in every aspect of its business activities, thereby establishing corporate ethics.
2. All officers and employees of Nissan Chemical Group shall be sufficiently aware of compliance and prevent the occurrence of a compliance violation.
3. In the event that a compliance violation has occurred or is likely to occur, we take a prompt and appropriate response.

## System

In our Group, the Risk Management & Compliance Committee, which is held twice a year, has been established as an organization to enhance the effectiveness of risk management, and to maintain and promote compliance. The committee is chaired by the Chief Risk Management Officer (CRO), who is appointed at the Board of Directors, and is composed of the Risk & Compliance Managers of each division/department, plant/laboratory, and domestic consolidated subsidiary appointed by the CRO. The important matters and countermeasure plans, etc. related to compliance are approved at the Board of Directors after discussion at the committee.

The Risk Management & Compliance Office under the Corporate Planning Department has been established as a specialized

organization to promote continuous improvement in all of our group's compliance activities. In addition to providing education and guidance on risk management and compliance, the Risk Management & Compliance Office receives reports on the status of compliance with laws and regulations and measures related to compliance, etc. in each department on a regular basis from Risk & Compliance Managers, and when necessary, supports improvement, and shares information within our group.

Furthermore, we have established a system to prevent compliance violation or resolve the problem early on, including the Consultation Hotline as an internal reporting system based on the Whistleblower Protection Act.

## ● Number of compliance violations

Indicator	Scope	Unit	2019	2020	2021	2022
Consultation Hotline Reports	Consolidated*	Cases	2	2	1	8
Legal actions received for anti-monopoly/anticompetitive practices (under investigation)	Consolidated*	Cases	0 (0)	0 (0)	0 (0)	0 (0)
Fines charged and settlement fees for anti-monopoly/anticompetitive practices	Consolidated*	1,000 yen	0	0	0	0
Confirmed corruption incident (under investigation)	Consolidated*	Cases	0 (0)	0 (0)	0 (0)	0 (0)
Fines charged and settlement fees for corruption	Consolidated*	1,000 yen	0	0	0	0
Other incidents related to compliance (excluding environmental)	Consolidated*	Cases	0	0	0	0
Fines charged and settlement fees for other compliance related incidents (excluding environmental)	Consolidated*	1,000 yen	0	0	0	0

\* Includes domestic unconsolidated group companies

## Activities

### Top Message Transmission

Every year, top message is transmitted to all employees in order to clearly convey the Group's stance for compliance.

### Compliance Status Reporting

Twice a year, the entire Group, including each division/department, plant/laboratory, and affiliate, checks the status of compliance, and in case of a risk of compliance violation or potential compliance violation, the Risk Management & Compliance Office receives reports including the response status. The content is reported to management and shared within the Group through the Risk Management & Compliance Committee to help prevent recurrence.

### Consultation Hotline

We have set up a Consultation Hotline as an internal reporting helpdesk to prevent compliance violations or resolve problems early on. When an employee discovers a compliance violation or potential compliance violation, the employee shall address the problem in normal operation in principle, through measures that include reporting the matter to their superior. However, if the employee thinks it would be difficult to address the problem promptly and effectively, they can use the Consultation Hotline.

The contact point for reporting shall be the Risk Management & Compliance Office, outside attorneys, or outside Audit & Supervisory Board members, and the means for reporting may be selected from e-mail, mail, or telephone. Upon receipt of a report, the contents are reported to the Audit & Supervisory Board members. The Board of Directors periodically receives reports from the Risk Management & Compliance Office on the status of the operation of the internal reporting system and supervises it. While accepting anonymous consultations, we have established

a system that allows us to provide peace of mind by clearly defining in our rules the prohibition of interference with investigations, finding informants, and harassment.

### Compliance Training

We hold training sessions on corporate ethics for officers and employees, including new employee, working to ensure that each and every one of us looks at compliance and actively promotes it.

In addition, regarding various laws and regulations, we regularly hold training on important business themes such as anti-trust laws, insider trading regulations, and regulations on the "Combating Bribery of Foreign Public Officials". We also conduct training with an emphasis on practicality, such as systematically holding in-house seminars themed on familiar legal matters, lectured by internal instructors.

Various trainings are provided to officers and employees of our company as well as those of affiliated companies as efforts to improve the knowledge of the entire Group.

© Refer to the list on P79 for information on training in FY2022

### Compliance Manual

The Compliance Manual sets forth rules so that executives and employees, etc. (regular employees, contract employees, part-time workers, temporary workers and dispatched workers) of the Nissan Chemical Group comply with laws and regulations, company rules, social norms, and ensure compliance. It is regularly reviewed depending on the situation, such as the enforcement and revision of laws and regulations. In addition, by including information about the Consultation Hotline system and details about its features in the Compliance Manual, we are raising awareness about our internal reporting system.

## Compliance Manual Rules

### As a corporate citizen

- Comply with the laws/regulations of the industry
- Restrict contributions and political donations
- Terminate any relationships with antisocial forces
- Comply with antitrust laws
- Conduct fair transactions with suppliers and comply with the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors"
- Prevent unfair competition
- Comply with laws and regulations related to security trade control
- Comply with laws and regulations related to import/export
- Prohibit excessive entertainment and gifts
- Prohibit bribery of foreign officials, etc.
- Implement appropriate marketing and advertising
- Implement appropriate tax payment based on the tax systems in each country and international tax standards

### As a manufacturer

- Ensure the safety of products
- Protect the environment
- Implement safety and disaster prevention measures
- As a public corporation
  - Disclose management information
  - Conduct appropriate accounting processing
- As a member of the workplace
  - Comply with work regulations
  - Respect human rights; prohibit discrimination
  - Prohibit sexual harassment
  - Protect privacy
  - Ensure the health and safety of the workplace
  - Prohibit political and religious activities

### As a stakeholder of the Company

- Prohibit conflict of interest
- Use corporate assets appropriately
- Prohibit insider trading
- As a person who handles work-related information
  - Manage confidential corporate information appropriately
  - Use information systems appropriately
  - Manage personal information appropriately
  - Protect intellectual property rights

## Anti-corruption Initiatives

Our Group strives to ensure the transparency of transactions. In our compliance manuals, we have specified matters to be observed: Comply with antitrust laws, Conduct fair transactions with suppliers and comply with the “Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors”, Prevent unfair competition, Prohibit excessive entertainment and gifts, and Prohibit bribery of foreign officials, etc. With regard to an-

ti-corruption advocated by the 10 principles of the United Nations Global Compact (UNGC), in April 2018, we joined the UNGC, and in 2019, we formulated anti-corruption policies covering our company, affiliated companies and their subsidiaries in April 2018. Furthermore, we have established a system to prevent compliance violation or resolve the problem early on, including the Consultation Hotline as an internal reporting system based on the Whistleblower Protection Act.

### Nissan Chemical Group Anti-Corruption Policy

#### 1. Definitions

“Corruption” means the abuse of entrusted official authority for personal or company gain, including bribery.

“Bribery” means that, when company conducts its businesses,

- any of its officers or employees provides improper benefits to a third party for the purpose of inducing a third party to conduct fraudulent or illegal acts, or upon request from a third party, or
- any of its officers or employees demands or receives improper benefits from a third party.

#### 2. Commitment to Anti-Corruption

The Nissan Chemical Group has zero tolerance for corruption of any kind.

It shall not engage in any form of corruption relating to public officials, governmental agencies and any other clients (“Business Partners”).

It shall also continuously ask the Business Partners not to engage in any corruption.

#### 3. Compliance with respect to Anti-Corruption

The Nissan Chemical Group shall comply with and require the Business Partners to comply with domestic and international laws and regulations concerning the prohibition of bribery and corruption, such as the Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act and the Anti-Unfair Competition Law of the People’s Republic of China (commercial bribery rules). It shall also keep and maintain accurate financial records relating to business transactions involving itself.

#### 4. Remediation

In the event that the Nissan Chemical Group violates this Policy in the course of its business activities, it shall make efforts to remedy and correct the said violation through appropriate means and fully cooperate with investigations by the relevant authorities.

#### Web

##### Compliance

<https://www.nissanchem.co.jp/eng/profile/compliance.html>

##### Promotion of Fair-Trading

[https://www.nissanchem.co.jp/eng/csr\\_info/communication/employee/acp.html](https://www.nissanchem.co.jp/eng/csr_info/communication/employee/acp.html)

### ● Measures for promoting compliance (FY2022)

General Compliance	Director and management level compliance training, newly-appointed managers compliance training, new employee training
Anti-monopoly Act and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors	Training related to the Anti-monopoly Act and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors; Internal audit related to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
Information Management	Information management training; Internal audit related to information management and My Number Act related management
Insider Trading Regulation	Training for insider trading prevention
Anti-bribery	Training for the prevention of corruption and Combating Bribery of Foreign Public Officials
Security Export Control	Foreign Exchange Law related training
Consultation Hotline	Continuous dissemination of related information via the in-house newsletter and posters
Others	Training for newly-appointed board members, training for board members, and contract-related training