

NCI Group Human Rights Policy

NIPPON CARBIDE INDUSTRIES GROUP (the “NCI Group”) aims to contribute to the sustainable development of society by creating value through technological capabilities of outstanding values. We understand that respect for human rights is an indispensable element in the sustainable development of society.

The Group hereby establishes the “NCI Group Human Rights Policy” to ensure that we understand the human rights of all people involved in our business activities and fulfill our responsibility to respect human rights.

This policy applies to all the officers and employees of the Group. In addition, the Group expects and encourages all business partners, including suppliers, to support and respect the contents of this policy.

To ensure the implementation of this policy, the Risk Management Committee, under the supervision of the Board of Directors, shall promote efforts to respect human rights.

1. Respect for Human Rights

Recognizing that our Group’s business activities may have a negative impact on the human rights of various internal and external stakeholders, we shall not only refrain from committing human rights abuses ourselves, but shall also endeavor not to encourage human rights abuses by our stakeholders, including our business partners.

The Group understands the purpose of the United Nations International Bill of Human Rights, the Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, etc., and respects human rights.

2. Human Rights Due Diligence

In order to respect human rights, the Group shall conduct human rights due diligence on identified human rights issues.

In addition to not committing human rights abuses ourselves, the Group shall endeavor not to support human rights abuses by our stakeholders, including suppliers and other business partners. If it becomes clear that the Group has caused or encouraged human rights abuses, we shall work to correct and remedy such abuses.

3. Human Rights Issues Related to Business Activities

The Group shall promote efforts to address the following human rights issues related to our business activities.

► Discrimination

We shall not discriminate in any way on the basis of gender, age, nationality, race, ethnicity, religion, social status, sexual orientation, gender identity, or physical disability.

► **Harassment**

Harassment is a violation of an individual's human rights and is an unacceptable conduct that disrupts the order of the workplace and interferes with proper performance of work. The Group considers all forms of harassment to be a Group-wide problem and does not tolerate harassment.

► **Forced Labor**

We shall not permit work to be performed by force, intimidation, or any other means, nor shall we permit work to be performed in a manner that restricts the employees' freedom to leave their jobs. We shall not use unreasonable coercion to force employees to work or to work overtime.

► **Child Labor**

We shall not employ children below the legal working age as defined by the laws and regulations of the country or region in which we operate.

► **Freedom of Association and Right to Collective Bargaining**

We shall respect the freedom of association, the freedom to join labor unions, and the freedom to protest, and shall provide opportunities for dialogue between management and labor.

► **Occupational Safety and Health**

We shall place the highest priority on safety at all times, and ensure thorough risk management in our daily operations to create a good working environment where everyone can work safely and healthily.

We shall comply with safety and health laws and regulations as well as internal rules and policies, and strive to prevent injuries and illnesses.

► **Working Hours and Wages**

We shall comply with applicable laws and regulations regarding working hours and wage in the country or region in which we operate. We shall observe maximum working hours, provide adequate rest breaks and days off, and pay benefits as required by laws and regulations. We shall not unreasonably reduce wages.

► **Procurement of Minerals**

We are committed to responsible sourcing of minerals, taking into account the challenges of human rights abuses and environmental degradation associated with mineral sourcing.

4. Complaint Handling Mechanism

As a response to any actual or suspected violation of human rights in the Group's business activities, the Group has established a "Whistleblower Hotline", which is a reporting system that is available to internal and external personnel. Upon receipt of a report or allegation that human rights are not being respected, the Group shall conduct an appropriate investigation and work and encourage efforts to remedy the situation.

5. Dialogue with Stakeholders

The Group shall address human rights-related issues through the use of external expertise and engaging in ongoing dialogue with relevant internal and external stakeholders.

6. Education and Awareness Activities

The Group shall work to raise awareness of human rights, strive to ensure that its officers and employees have a proper understanding of human rights and human rights-related issues, and provide the necessary education and skills development to the officers and employees.

End.

Approved by the Board of Directors of Nippon Carbide Industries, Co., Inc. and put into effect on July 29, 2024.