

# **Nakagawa Corp. Corporate Action Guidelines**

## **Basic Policies**

### 1. Supply of safe, high-quality products

We will supply products that offer safety and outstanding quality from the customer's point of view in compliance with laws, regulations, and social norms based on a high level of ethics.

### 2. Securing fair and transparent transactions

We will respect free and fair competition, follow applicable laws, regulations, and internal Company rules, and maintain appropriate transactions with the parties involved in politics and government. We will engage in transactions under the appropriate conditions in conformance to sound commercial practices and will not accept private benefits. We also will refuse any and all relationships with antisocial forces.

### 3. Cooperation with the local and international communities

Aiming for coexisting with the local and international communities as a good corporate citizen, we will build relationships of trust with stakeholders and strive to contribute to a sustainable society by supporting the progress of the local and international communities and building enriched living environments through our businesses.

### 4. Respect for human rights

We will conform to international norms on human rights and provide education to raise the understanding and awareness of executives and employees. In addition, we will refrain from discrimination and strive toward equal opportunity in employment, while also paying attention to our supply chain as a whole to ensure that business is conducted with consideration for human rights. We will never tolerate any child labor, forced labor, or improper punishment.

### 5. Respect for diversity and more rewarding work

We will support skills development and career building with respect for executive and employee diversity. Based on fair and equitable standards free from discrimination in transfers, promotions, evaluation, and treatment, we will build a corporate culture full of vitality, in which all employees can experience rewarding work.

### 6. Protecting Company assets and information

We will manage tangible and intangible Company assets in accordance with internal Company rules and will use them solely for Company business purposes. We also will strive to prevent incidents of the leakage of collected information by recording, retaining, and controlling information

appropriately.

#### 7. Contributing to the realization of a sustainable society

Recognizing the protection of the earth's environment to be an essential part of doing business, we will contribute to realizing a sustainable society by employing consideration for such topics as climate change, preservation of biodiversity, and preservation of water resources in all aspects of our businesses. In addition to compliance with environmental laws and regulations and pollution prevention, we will also strive to lessen the environmental impact of our supply chain from product development through manufacture, sale, and disposal.

#### 8. Stakeholder dialogs

We will emphasize dialogs with stakeholders, including customers, business partners, shareholders, local communities, and employees, and respond with sincerity to the opinions they offer, while also remaining accountable through timely and appropriate disclosure.

#### 9. Initiatives to address social challenges

To realize a sustainable society, we will actively take on the three priorities identified through dialogs with diverse stakeholders.

<Three priorities>

Priority 1.

Waste-free use of products, raw materials, and energy

Priority 2.

Supporting the activities of women, young people, and seniors, both inside and outside the organization

Priority 3.

Ethical consumption\* activities in cooperation with customers and business partners

\*Ethical consumption: Consumption activities to purchase products that can contribute to solutions to environmental and social challenges and refrain from purchasing products that do not offer such contributions

## **Code of Conduct**

### 1. Compliance

(1) In all our business activities, we will prioritize compliance with laws, regulations, and social norms and strive to ensure that corporate governance functions soundly in our management.

- (2) We will maintain healthy and appropriate relations with people in politics and government by refraining from unlawful political contributions and provision of gifts, entertainment, or monetary gains to domestic or foreign public officials.
- (3) We will have no ties with antisocial forces, organizations, groups, or individuals that threaten social order and public safety and will respond resolutely to pressure from such forces and exclude them from our spheres of business.
- (4) We will not use Company products, equipment, supplies, information, or other tangible or intangible assets for our own personal gain.
- (5) We will not obtain through improper means or use without permission any intellectual property, other trade secrets, expertise, or other information belonging to others.
- (6) We will follow the tax laws of the countries and regions in which we do business and pay taxes appropriately with respect for the spirit of such laws. In addition, we will employ appropriate accounting and finance reporting that is transparent and trustworthy by disclosing information on business figures and tax payments in a timely and appropriate manner in accordance with the laws and regulations of the countries and regions in which we do business.

## 2. Relationships with business partners

- (1) We will trade with all business partners in accordance with the Antimonopoly Act and other applicable laws and regulations and with internal Company rules, and we will never engage in such acts as the misuse of an advantageous position or violation of the Subcontracting Act. In addition, we will make transaction conditions clear; trade in necessary products and materials at appropriate levels of quality, prices, and delivery times; and build mutually beneficial transaction relationships.
- (2) We will choose business partners based on the fair assessment of the conditions of compliance with laws, regulations, and social norms, safety, quality, environmental considerations, prices, and delivery times.
- (3) We will fulfill our social responsibilities together with business partners by taking an interest in their compliance and such matters as their consideration for human rights and the environment.
- (4) We will not accept private benefits from business partners. We also will refrain from providing gifts or entertainment to business partners intended to secure improper gains.
- (5) As a member of the international community, we will gain a full understanding of local laws, regulations, and rules and comply with all applicable laws and regulations concerning product exports and imports. In particular, we will employ sufficient care in dealing with countries, regions, groups, and individuals subject to international economic sanctions or trade sanctions.

## 3. Relationships with shareholders

- (1) To meet the trust of shareholders, we will strive to put Company assets to effective use in maintaining shareholder value. We will provide proper returns to shareholders from growth in profits.
- (2) We will strive to employ appropriate accounting practices and record, retain, and control information appropriately, while also disclosing it as necessary in a timely and appropriate manner in accordance with laws, regulations, rules, and other provisions.
- (3) We will emphasize dialogs with shareholders to achieve sustained growth and to increase corporate value over the medium to long term. We will utilize shareholders' opinions in management activities.

#### 4. Relationships with the local and international communities

- (1) In doing business, we will take into consideration the living environment in the community and strive proactively to resolve issues in such areas as traffic, noise, and odors.
- (2) We will respect the cultures, practices, and other qualities of the countries and regions in which we do business and will supply products suited to the distinguishing features of individual regions.
- (3) We will strive to contribute to the progress of the countries and regions in which we do business through means that include employment and the transfer of our technologies and expertise.

#### 5. Relationships between the Company and its executives and employees

- (1) The Company and its executives and employees will respect each other's human rights, diversity, and individuality; will refrain from improper discrimination based on the properties of social status, nationality, race, origin, creed, age, gender, sexual orientation,\* sexual identity,\* or physical or mental disability; and will promote the building of workplace environments free from discrimination and harassment.

\*Sexual orientation: The fundamental human orientation toward love or sexual attraction toward either gender

\*Sexual identity: The gender with which one identifies or that accords with one's feelings

- (2) The Company and its executives and employees will refrain from and will not tolerate any acts of harassment harmful to individual dignity and backed by the factors of gender, job authority, or status, including abuse of power, sexual harassment, and maternity harassment.
- (3) The Company will strive to maintain occupational health and safety and to prevent accidents on the job, will implement the necessary health and safety measures, and will promote a healthy work-life balance for executives and employees.
- (4) The Company will ascertain the health status of executives and employees, adopt systems to stop the spread of infectious diseases and prevent mental health issues from arising, and provide education and support to improve health so that executives and employees can work in good

mental and physical health.

- (5) The Company will actively provide education to improve the aptitude and motivation of individual executives and employees, evaluate abilities and results based on fair and equitable standards, and make decisions on hiring, transfer, promotion, and other treatment based on the results.
- (6) The Company will respect the rights of workers under international norms, including the right to organize, and will strive to improve the workplace environments through dialogs with employees.
- (7) The Company will handle human resource information and other personal information on executives and employees with care to prevent improper infringements of privacy.
- (8) Executives and employees will be conscious of the line between their public and private positions and will refrain from using their professional positions to receive improper gifts, entertainment, or monetary benefits in the form of commissions or rebates. In addition, they will not be involved in businesses in competition with the Company through the posts of executives, employees, or advisors without Company approval.
- (9) Executives and employees acknowledge that the assets of transactional relationships and information learned in doing business will remain the property of the Company even after they leave, and they will not use such assets without Company permission.
- (10) Executives and employees will refrain from acts detrimental to the Company's trust or assets when communicating information using social media, even in a personal capacity.

#### 6. Protecting the earth's environment

- (1) In addition to ensuring the quality and safety of our products and services, we will contribute to building an ethical society by supplying products that reflect consideration for such matters as lessening the environmental impact and protecting the human rights of producers, in the manufacturing and supply processes. We will take an interest in the environmental and social activities of business partners and cooperate in improving them.
- (2) To realize a cyclical society in which limited resources are put to effective use, we will promote waste reduction as well as efficient recycling and reuse of materials.
- (3) We will strive to raise environmental awareness so that each and every executive and employee understands the importance of protecting the earth's environment and strives to lessen environmental impact in everyday living.

#### 7. Responsible minerals management

By implementing minerals surveys and due diligence across the supply chain with reference to the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance

for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), we will make progress on excusing minerals related to the risks described in Annex II to the OECD Guidance, such as those of human-rights violations and corruption in conflict-affected and high-risk areas.

We also ask our business partners to support the Nakagawa Corp. responsible minerals management concept and activities and take action to exclude minerals involving severe risks of human-rights violations and corruption through procurement or minerals from smelters and refiners compliant with the Responsible Minerals Assurance Process (RMAP) recommended by the Responsible Minerals Initiative (RMI). In the event that minerals are discovered to be involved with supporting conflict or serious human-rights violations, we ask the relevant business partners to take corrective action and review transactions in accordance with the state of such corrective action.

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Nakagawa Corp.