
Human Rights Report 2023

The TODA KOGYO Group has established the “TODA KOGYO Group Human Rights Policy” based on the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council.

We always respect fundamental human rights. We support and respect the United Nations International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

The Policy was approved by the Board of Directors in April 2023 for its establishment and disclosure. The Policy applies to all directors, officers, and employees of the TODA KOGYO Group. We also expect all our business partners and other parties linked to our business, products, and services to support and comply with the Policy.

>> [TODA KOGYO Group Human Rights Policy](#)

| Framework for Promoting Human Rights Initiatives

The Group’s Corporate Administration Division serves as the secretariat for promoting initiatives to respect human rights. The status of the initiatives is regularly reported to management and supervised by the President and CEO. From 2024, we are going to establish a more cross-functional structure to promote our human rights initiatives.

We receive expert advice from outside expert, Caux Round Table Japan (CRT Japan) to ensure the objectivity and legitimacy of our initiatives to respect human rights.

Initiatives

Education and Training on Human Rights

The Group provides regular education and training on business and human rights to our directors, officers, and employees.

For management, we have training sessions with outside experts to deepen understanding of business and human rights, catch up with the latest trends, and strengthen commitment to efforts to respect human rights. In the training session in March 2023, the Officers learned about domestic and global trends on business and human rights and responses required of companies and discussed the content of our human rights policy. In the session in January 2024, the Officers reviewed the Group's initiatives and cultivated a better understanding on human rights due diligence.

For employees, we held a training program in February 2023 to deepen their understanding of business and human rights and how to engage as a practitioner. On the occasion of human rights due diligence workshop for division and department managers in October 2023, we invited Mr. Hiroshi Ishida, Executive Director of CRT Japan, to give a lecture to cultivate their understanding of the global trends regarding business and human rights.

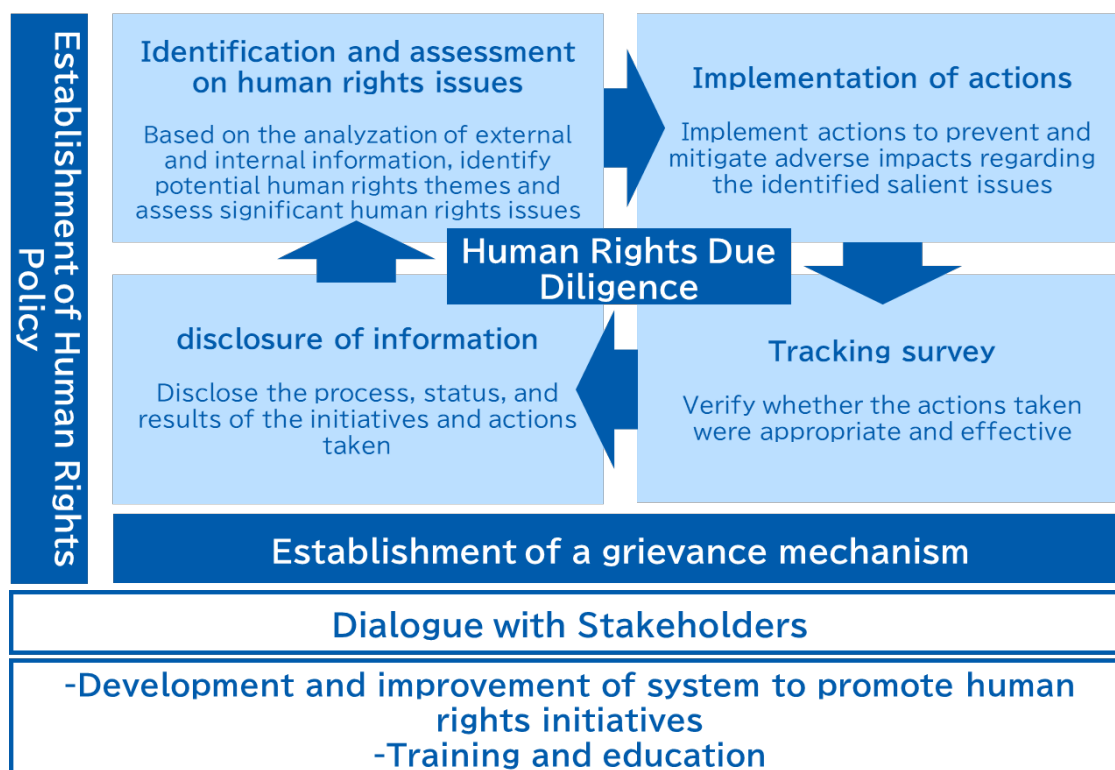
Human Rights Due Diligence

Basic Concepts and Approach

The Group conducts human rights due diligence initiatives in accordance with the methods based on the Guiding Principles on Business and Human Rights.

Specifically, we continuously implement a process that includes: identifying adverse human rights impacts in which we may be involved, assessing the actual situation regarding the identified impacts and taking appropriate measures to prevent and mitigate the impacts, tracking the implementation status and results of the measures, and disclosing the progress and results of the initiatives to the public.

<Human Rights Due Diligence Basic Flow>



Identification of Human Rights Themes (Implementation of Risk Assessment)

The Group analyzes a variety of information from both external and internal perspectives to identify potential human rights themes of concern.

As for organizing and analyzing information from external perspective, we conducted a desktop survey on human rights risks and gathered information from international organizations, NGOs, government agencies, and other research organizations, as well as the insights of external experts. By cross-checking such information with the data regarding each basis of the Group and procuring raw materials that was collected with survey sheets, we identified potential human rights themes based on objective data. In this work, we analyzed information based on the types of risks proposed in the OECD “Due Diligence Guidance for Responsible Business Conduct” (sector risks, product risks, geographic risks, and enterprise-level risks). We have identified human rights issues in the

chemical sector, the issues related to minerals as raw materials, and the issues in each country and region where the Group's bases are located.

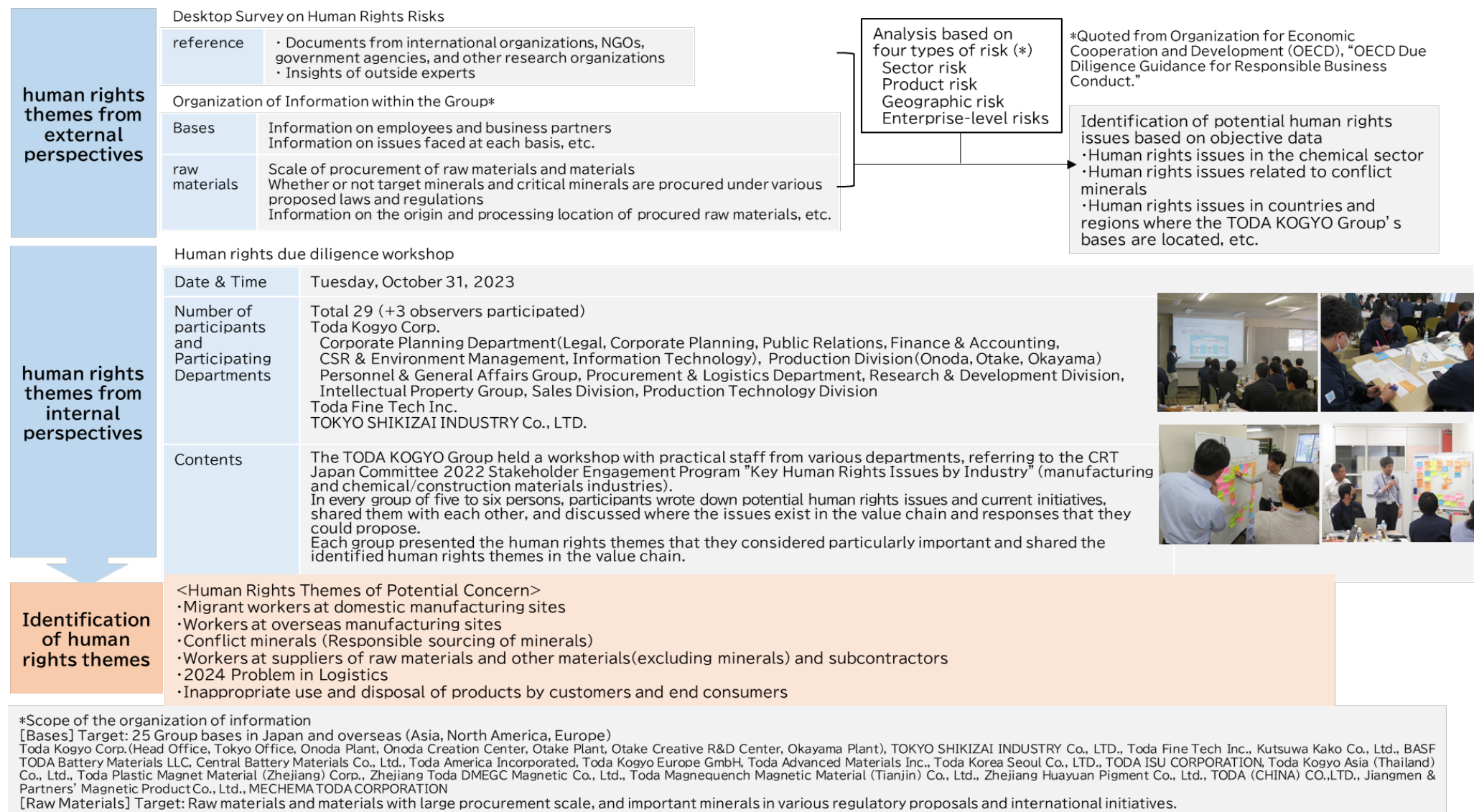
As for organizing and analyzing information from an internal perspective, we held a human rights due diligence workshop for managers from various departments and Group companies. At the workshop, participants discussed human rights themes that could be envisioned from a Group insider's perspective. Potential human rights risks of concern from a practical standpoint in the Group's value chain were identified.

Based on the results of the above identification of human rights themes from both external and internal perspectives, and taking into consideration the opinions of external experts, we have identified the following human rights themes that are of concern for their potentially significant adverse impact on society.

<Human Rights Themes of Potential Concern>

- Migrant workers at domestic manufacturing sites
- Workers at overseas manufacturing sites
- Conflict minerals (Responsible sourcing of minerals)
- Workers at suppliers of raw materials and other materials and subcontractors
- 2024 Problem in Logistics
- Inappropriate use and disposal of products by customers and end consumers

<Risk Assessment Process Flow>



Future Initiatives

After considering the priority of the human rights themes which have been identified in Risk Assessment, the Group will conduct an assessment of the issues (Impact Assessment) and check on the existence or possibility of human rights violations through direct dialogue with rights holders. If we recognize an existence or possibility of adverse impact on human rights, we will take action to prevent or mitigate it. We also track the effectiveness of the actions we have taken.

The Group will repeatedly and continuously implement these human rights due diligence processes and disclose the progress and results of its efforts to disclose to the public.

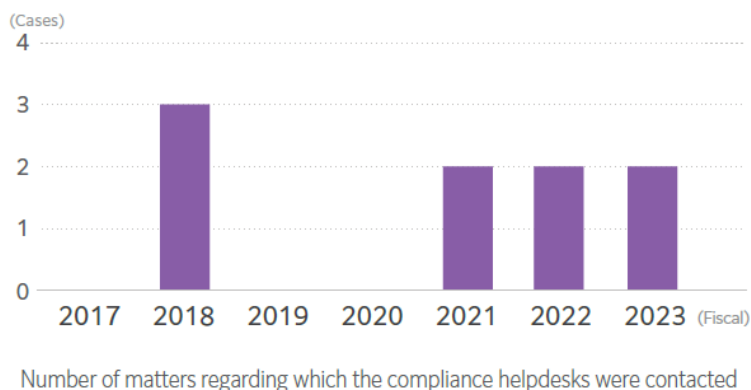
Grievance Mechanism

TODA KOGYO Corp. has established the following whistleblower systems.

Compliance Helpdesks

We have established compliance helpdesks both internally and externally. Internal personnel including the full-time Audit and Supervisory Committee member work for the internal helpdesk and our legal advisors are available for outside helpdesk. Each helpdesk has at least one female member. To facilitate contacts and to protect those who do contact helpdesks, we provide a broad range of options for contact, including oral communication, phone, e-mail, and writing. The helpdesks also accept anonymous contacts. The fact that any of the helpdesks is contacted and the information provided is treated as confidential information and under strict control to prevent those who make contact from being disadvantaged.

From 2021 to 2023, we have received contacts at a rate of two per year. Many of the matters regarding which helpdesks were contacted recently were about harassment.



Harassment Helpdesk Program

We have set up helpdesks at the Personnel & General Affairs Department and at an outside law firm. These helpdesks receive inquiries

and complaints about acts of harassment and abuse and take proper actions in accordance with our Harassment Prevention Regulations.

In accordance with the Guiding Principles on Business and Human Rights, the Group will gradually establish a grievance mechanism targeting rights holders who may be negatively affected by corporate activities, including those outside the Group, while engaging in dialogue with rights holders through Impact Assessments and other initiatives.

—— Contact: Personnel & General Affairs Group ——