

Respect for Human Rights

In April 2019, the Nissan Chemical Group formulated the Nissan Chemical Group Human Rights Policy with advice of outside experts and approved at the Board of Directors meeting, in accordance with the principles on fundamental rights listed in the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and other international norms on human rights. This policy covers all individuals and groups that may be affected through the business activities of our group.



Human Rights Due Diligence Initiatives

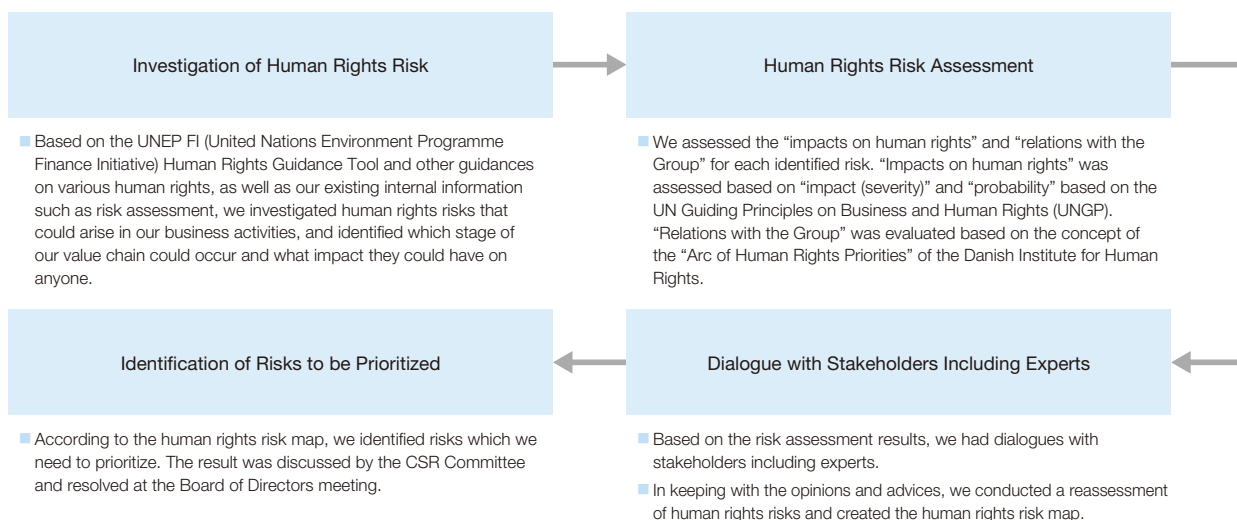
Our group is working to establish a system of human rights due diligence to identify and mitigate negative impacts on human rights. In FY2020, with the cooperation of outside experts, we identified and assessed risks that could have a negative impact on human rights through our business activities in major businesses and their value chains (risk mapping). We also exchanged opinions with stakeholders with the purpose of confirming consensus and differences in views on the results and incorporating the opinions of stakeholders. These opinions were reflected in the results of the evaluation, and we identified the risks which we need to prioritize for the Group.

Nissan Chemical Group Human Rights Policy (Excerpt)

- 1 Respect for Human Rights
- 2 No Infringement of Human Rights
- 3 Employment and Labor
Prohibition of Forced Labor and Child Labor, Good Labor-Management Relations, Fair and Equitable Remuneration, and Elimination of Discrimination
- 4 Remediation

In the event that the Nissan Chemical Group causes or contributes to an adverse impact on human rights in the course of its business activities, it shall make efforts to remedy and correct such impact through appropriate means.

Human Rights Due Diligence Process



Dialogues with Stakeholders

Stakeholders and experts	Comments (excerpt)
Ms. SATO Akiko • Attorney at Kotonoha Comprehensive Law Office • Deputy Secretary-General of Human Rights Now, a certified NPO • Japanese Program Coordinator, Business & Human Rights Resource Centre, an international human rights NGO • Coordinator at Rights Committee of the International Human Rights Committee and Civil Society Platform for Japan's Nation Action Plan on Business and Human Rights of the Japan Federation of Bar Associations • Steering Committee Member, Business and Human Rights Lawyers Network	<ul style="list-style-type: none"> • In Japan, being required to work for long hours could be regarded as forced labor at the international level. I believe that the importance of this as a human rights risk should be raised. • In the midst of the spread of COVID-19 infections, measures to prevent infectious diseases in the workplace are becoming more important. The WHO and other organizations are also paying attention to health risks in new situations, such as increased mental health issues associated with remote work and work styles different from conventional ones. • I believe that it is important to include "the right of stakeholders to have access to remedy" in the human rights risk agenda. It will also be important when considering responses to identified or potential human rights risks.
Mr. SEKI Masao • Senior Advisor, CSR Office, Sompo Japan Insurance Inc. • Specially Appointed Professor, School of Business Administration, Meiji University • Chairman, Keidanren Task Force on Charter of Corporate Behavior • Chairman, Keidanren Task Force on Business and Human Rights • Chairman, Planning Department, Council for Better Corporate Citizenship	<ul style="list-style-type: none"> • With regard to human rights, it is actually necessary to prioritize and tackle each issue individually. At first, however, I would like companies to always be aware of the importance of an overall understanding of international codes of conduct, such as the International Bill of Human Rights, and an understanding of what is expected of them. • With regard to human rights risks at the newly established manufacturing base in India, it is necessary to look at human rights risks in each region within India. It is also advisable to collect information on human rights issues in each country by utilizing various means, such as international lawyers, international NGOs, and human rights organizations. • Human rights due diligence is necessary to prevent risks from occurring in the first place, but I would also like to see more efforts made not only to prevent human rights violations but also to create a positive impact to realize human rights, in line with the SDGs principle of leaving no one behind.
Nissan Chemical Labor Union	<ul style="list-style-type: none"> • The health and safety of the Group's employees are something that we have been working on for some time which are of high importance. I would like to see further investment of management resources (people, money, and things) in order to spread these initiatives throughout the Group. • In order to deal with long working hours that have become the norm in Japan, I would like the Company to set specific goals (such as examining and visualizing work duties) and systematically work on them. I believe that various studies will be necessary in the future in terms of the impact on health due to many years' work and from the perspective of decent work, especially in three-shift workplaces. • I believe that the level of vitality in the workplace is linked to business performance. Continuing efforts to create a comfortable working environment and a rewarding organization are important for reducing human rights risks. Through such activities, each employee should deepen his or her understanding of harassment and compliance in general, which will lead to the strengthening of the prevention system of them. To achieve this, it is necessary to involve not only the Corporate Planning Department and Personnel Department but also more departments to commit the entire group to addressing risks. I look forward to the proactive efforts aimed at employee training and other activities in the future.

(Affiliations and positions of experts are current as of the time of the opinion exchange (in the order of the Japanese syllabary))

Risks to be Prioritized

Based on the risk assessment and exchange of opinions with experts and stakeholders, we have identified eight issues as the Group's risks to be prioritized. In the future, we will investigate the current status of the priority risks and take corrective measures if necessary. In addition, we plan to continuously review our human rights risk assessment and priority risks.

Risks to be prioritized	Group could be affected	Major human rights risks
Access to Remedy	All Stakeholders	Lack of appropriate action when human rights violations occur
Employee Health and Safety	Employees of the Group	Danger, harsh working environment (related to overall occupational health and safety, including mental illness), fire and explosion
Community Health and Safety	Local Communities	Damage to local communities and health due to fires, explosions, chemical leaks and pesticide spraying
Product Safety	Customers	Sales of unsafe products, including misuse
Responsible Marketing	Customers	Interference with consumer choice due to lack of adequate product information, inadequate explanation of health risks, and inadequate response to unexpected product-related crises
Health and Safety in the Supply Chain	Suppliers	Danger, harsh working environment (related to overall occupational health and safety, including mental illness), fire and explosion
Child Labor in the Supply Chain	Suppliers	Labor of children under legal working age/under 15 years old, placement in hazardous work, harsh working environment
Conflict Minerals	Local Communities	Procurement and use of raw materials containing conflict minerals