

Sumitomo Riko Group Corporate Action Charter (Detailed Version)

3rd Revision: April 23rd, 2019

The Sumitomo Riko Group, in view of The Sumitomo Spirit, including “integrity and sound management” and to “not pursue immoral business,” and in accordance with the Sumitomo Riko Group Management Philosophy, creates social value by enhancing corporate value and social value with a strong sense of ethical values and autonomous and responsible behavior to aspire to be a Global Excellent Manufacturing Company.

To contribute to realizing the sustainable development of society in harmony with people and the Earth, we act in line with the following 10 principles.

(Commitment to Customers and Realizing a Sustainable Society)

1. We shall develop and provide socially beneficial and safe products and services through innovation that provide satisfaction to customers and earn their confidence. We shall contribute to sustainable economic growth and the resolution of social issues through such business activities.

We shall:

- 1-1. endeavor to understand customer needs and develop and provide socially beneficial products and services to contribute to the sustainable development of society and the resolution of social issues;
- 1-2. ensure the safety and quality of products and services;
- 1-3. provide customers with appropriate information on products and services; and
- 1-4. respond sincerely to inquiries from customers and reflect their perspectives in the improvement and development of products and services.

(Fair Business Practices)

2. We shall engage in fair, transparent, and free competition, and ensure that transactions are appropriate and responsible. Also, we shall observe laws, regulations, and rules, as well as maintain a sound and proper relationship with political bodies and government agencies.

We shall:

- 2-1. comply with the antitrust laws of countries and regions and not engage in monopolistic practices, unlawful restraint of transactions (cartels), or unfair trade practices;
- 2-2. protect the intellectual property rights of the Sumitomo Riko Group and not engage in illegal acquisition or illegal use of the intellectual property of third parties nor infringe their rights;
- 2-3. implement appropriate export procedures and controls regarding exports of technologies and goods that are restricted by laws and regulations of countries and regions;
- 2-4. not provide or receive entertainment, gifts, or money to or from private business partners for the purpose of gaining or maintaining unlawful profit and/or preferential treatment;
- 2-5. not provide or receive inappropriate entertainment, gifts, or money to or from public officials;
- 2-6. promote responsible procurement to support a sustainable society under appropriate policies; and
- 2-7. comply with the laws and regulations of countries and regions when making political donations or other monetary contributions and endeavor to build transparent and fair relationships with political bodies and government agencies.

(Dialogue with Stakeholders, Information Disclosure, and Information Management)

3. In addition to communicating with a wide range of shareholders constructively, we shall interact extensively with the public, and disclose corporate information actively, effectively, and fairly to create social value by enhancing corporate and social value. We shall also protect and properly manage personal and customer data and other types of information.

We shall:

- 3-1. promote fair disclosure of information and constructive communication with shareholders and investors through general meetings of shareholders and investor relations (IR) activities;
- 3-2. endeavor to prevent insider trading;
- 3-3. disclose information to stakeholders in an appropriate and timely manner and build relationships of trust by promoting two-way communication continuously through public communications, public hearings, dialogue, and other means; and
- 3-4. protect personal and customer data appropriately.

(Respect for Human Rights)

4. We shall conduct business that respects the human rights of all persons.

We shall;

- 4-1. understand and respect internationally recognized human rights;
- 4-2. clarify policies for respecting human rights and reflect them in business activities;
- 4-3. contribute to the creation of an inclusive society by supporting socially vulnerable people who are at greater risk of human rights violations, through collaboration with a diverse range of stakeholders; and
- 4-4. not countenance child labor or forced labor.

(Decent Workplace)

5. We shall realize work practices that will improve the capability of employees and that respect the diversity, character and personality of employees.

We shall ensure a healthy, safe and comfortable working environment, thereby cultivating a sense of belonging and plenitude.

We shall:

- 5-1. promote diversity and inclusion by establishing personnel and organizational systems that enable a diverse range of people to work;
- 5-2. promote reform of work practices and work-life balance;
- 5-3. make no unjustified discrimination in employment and treatment of persons and provide equal opportunities;
- 5-4. prevent occupational accidents and support the wellbeing of our employees;
- 5-5. respect the different attributes of our employees and support their career development and skill development;
- 5-6. engage in dialogue directly with our employees or with their representatives, and discuss matters with them in good faith; and
- 5-7. comply with laws and regulations of countries and regions concerning wages and other benefits, working hours and holidays.

(Global Environment)

6. Recognizing that global environmental issues pose challenges to all humankind, and that it is an integral part of our existence and activities, we shall proactively tackle these issues.

We shall:

- 6-1. implement measures to mitigate global warming and work to establish a recycling-based society;
- 6-2. comply with laws and regulations of countries and regions concerning prevention of pollution of air, water, and soil, etc. and prevent environmental contamination through continuous monitoring and reduction of pollutants;
- 6-3. manage potentially environmentally harmful chemical substances to ensure safety;
- 6-4. ensure that our products of each country and region do not contain chemical substances prohibited by laws and regulations of that country and region;
- 6-5. not use prohibited chemical substances in manufacturing processes, and regarding chemical substances that are specified by laws and regulations of countries and regions, monitor their emission volumes and report to governmental agencies; and
- 6-6. engage in nature conservancy activities, including conservation of biodiversity.

(Social Contribution)

7. We shall actively engage in community involvement activities and contribute to community development as a good corporate citizen.

We shall:

- 7-1. apply our resources and expertise to help resolve social issues that can be devoted to and addressed with priorities;
- 7-2. promote collaboration with a wide range of partnerships, including NPOs/NGOs, local communities, government agencies and United Nations agencies, in order to resolve issues;
- 7-3. support employees' voluntary involvement in the community; and
- 7-4. participate in social contribution activities of the industry of which we are a part and of the business community.

(Respect for International Norms of Behavior and Good Relations with the Community)

8. In line with the globalization of business activities, we shall comply with laws and regulations of the countries and regions where our business operations are based and respect human rights and other international norms of behavior. We shall also conduct business by taking into consideration the local culture and customs as well as the interests of stakeholders, and contribute toward the development of the local economy and society.

We shall:

- 8-1. respect international norms of various kinds, including human rights, in addition to ensuring compliance with the Sumitomo Riko Group Action Charter and laws and regulations of the countries and regions where we operate;
- 8-2. respect the cultures, religions, traditions and customs of the countries and regions where we operate, and always promote business activities based on mutual trust with stakeholders;
- 8-3. promote localization of management and improvement of the working environment attuned to the circumstances of the countries and regions; and
- 8-4. take an interest in the CSR initiatives of suppliers in the countries and regions where we operate and provide support to them for improvement, as necessary.

(Risk Management and Crisis Management)

9. We shall assess risks that may arise in the future and develop measures to prevent their materialization; and if they do materialize, we shall endeavor to minimize the damage.

We shall conduct thorough and organized crisis management in the face of actions caused by natural disasters, cyber attacks, terrorism, antisocial forces and other crises that pose a threat to civil society and corporate activity.

We shall:

- 9-1. identify and analyze risks to which business activities of the entire Sumitomo Riko Group are exposed and establish a structure to avert risks and Group-wide systems for risk management;
- 9-2. monitor and evaluate activities in order to prevent risks materializing and to minimize damage in the event that they do materialize;
- 9-3. establish a solo crisis response headquarters in times of emergency and address crises that pose a threat to business activities of the entire Sumitomo Riko Group; and
- 9-4. establish clear basic policies and systems within the Group to drive out antisocial forces and organizations by working with organizations concerned.

(Initiative of Top Management and Implementation of this Charter)

10. Recognizing that it is the role of top management to inculcate the spirit of this Charter throughout the Group, top management of the Sumitomo Riko Group shall take the initiative in an exemplary manner to build an effective governance system and implement the Charter within Sumitomo Riko and throughout the Group companies, while also encouraging the Group's suppliers to endorse and fulfill the principles of this Charter. Furthermore, top management shall continuously listen and respond to voices from within and outside the Group and establish internal systems to promote CSR. In the event of any violation of the Charter causing a loss of social trust, top management of the

Sumitomo Riko Group shall take charge to resolve the issue, investigate and identify the causes of the lapse, and make efforts to prevent recurrence while fulfilling their responsibilities.

- 10-1. Top management shall fully exercise leadership in order to establish a governance structure to ensure the soundness, efficiency and transparency of corporate management, clarify the management philosophy and the code of conduct, ensure adherence to the same throughout the Sumitomo Riko Group, and promote CSR.
- 10-2. Top management shall express the management philosophy and their commitment to realizing a sustainable society as the spirit of this Charter and disclose information on concrete activities.
- 10-3. We shall establish Group-wide systems for implementation of compliance with corporate ethics.
- 10-4. We shall ensure that corporate ethics are observed and CSR is promoted throughout the Sumitomo Riko Group. In addition, we shall also encourage companies in the supply chain to act in accordance with the spirit of this Charter.
- 10-5. We shall maintain the corporate ethics helpline (point of contact for consultation), which is independent of the usual chain of command, and utilize it to improve business conduct.
- 10-6. We shall implement education and training concerning observation of corporate ethics and promotion of CSR and increase their effectiveness.
- 10-7. We shall check and evaluate the impact of initiatives concerning the Sumitomo Riko Group Action Charter and the extent to which its principles are inculcated.
- 10-8. Top management shall always adopt a risk management perspective and design internal systems for prevention of emergencies.
- 10-9. In the event of an emergency, top management shall take command of the investigation of the facts and the identification of the causes without delay and formulate and implement appropriate policies and measures to fulfill the responsibility of the company.
- 10-10. Top management shall promptly make full public disclosure, explain what has occurred, and, upon determining the source of competence and responsibility, impose strict disciplinary action against those held responsible.