

Basic Policy on Sustainability

[Basic Philosophy]

At the Hokkan Holdings Group, we are deeply conscious that in order to achieve continued growth in our various areas of business, and ensure medium- to long-term improvement in corporate value, our business activities must be sustainable and in harmony with the environment and society. To achieve this, we will proactively take steps to find solutions to the social problems both directly and indirectly relevant to our business.

[Basic Policy]

1. We will have the highest respect for human rights, including the rights of employees, and will not tolerate any discrimination or harassment.
 2. We will ensure the safety and health of officers and employees, and aim to be a company that is worth working for.
 3. We will comply strictly with all laws and regulations, and take measures to ensure fair trading, prevent corruption, and eliminate anti-social criminal elements.
 4. We will work to achieve a sustainable global environment.
 5. We will work to develop products and services that meet with a high level of customer satisfaction and will strive to ensure the safety and quality of all our products
 6. We will take thorough steps regarding the management and use of information resources and ensure that these are disclosed appropriately
 7. We will work to ensure that our activities are in harmony with local communities and contribute to the happiness of society.
 8. We will monitor the status of activities through sincere dialogue with stakeholders.
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[Explanatory Notes]

- 1. We will have the highest respect for human rights, including the rights of employees, and will not tolerate any discrimination or harassment.**

We will respect human rights in all countries and regions where we do business, will not overlook any negative impact on human rights that our business activities may be involved in, and will take appropriate steps to remedy any such impact. We will not tolerate discrimination, harassment, or inhumane treatment on the grounds of race, gender, disability, or any other reason.

We will respect the rights of workers, including freedom of association and collective bargaining, will not tolerate modern slavery of any kind, including human trafficking. We will have no involvement in forced labor, child labor, or any other form of labor that violates human rights.

- 2. We will ensure the safety and health of officers and employees, and aim to be a company that is worth working for.**

Diversity among our officers and employees is an irreplaceable resource for the company. We will work to ensure the safety of all officers and employees, and take steps to maintain and encourage their physical and mental health, giving due consideration to life-work balance, and respond flexibly to the various life events, as well as providing across-the-board support to the growth of a diverse workforce. To this end, we will pay wages that exceed those legally determined by the laws and regulations of the countries and regions in which we do business, will maintain systems for fair evaluation and treatment of employees, and will to ensure that employees have a safe, hygienic, comfortable, and healthy working environment.

- 3. We will comply strictly with all laws and regulations, and take measures to ensure fair trading, prevent corruption, and eliminate anti-social criminal elements.**

We will strictly comply with the laws and regulations of all countries and regions where we do business, and act according to the highest ethical standards. We will be fair in our dealings and reject absolutely cartels, bid-rigging, and all other restrictions on competition. We will have no involvement in bribery or other forms of corruption. We will have no relationship with criminal organizations and other anti-social elements, and will never give payoffs of any kind to such groups. We will take a firm stand in refusing any unreasonable demands.

- 4. We will work to achieve a sustainable global environment.**
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In addition to complying with the environmental laws and regulations of all countries and regions in which we do business, we will ensure that our activities are in harmony with the global environment at every stage of the value chain. In particular, we will work to address climate change and work toward the sustainable use of resources, prevention of pollution, and protection of the environment.

5. We will work to develop products and services that meet with a high level of customer satisfaction and will strive to ensure the safety and quality of all our products

We will address social and consumer issues and develop socially useful and safe products and services that meet with a high level of customer satisfaction. We will aim to be a company that is trusted by society through the stable supply of these products and services.

6. We will take thorough steps regarding the management and use of information resources and ensure that these are disclosed appropriately

In addition to taking thorough measures to manage information resources, such as seeking to secure and improve the confidentiality, integrity, and availability of such resources, we will look to make efficient use of these resources to improve our competitiveness. We will disclose corporate information in a fair and transparent manner.

7. We will work to ensure that our activities are in harmony with local communities and contribute to the happiness of society.

By communicating proactively with local communities, and working on activities that are in harmony with local communities and that contribute to the happiness of local residents and wider society, we will aim to become a group in which officers and employees can take pride in their communities.

8. We will monitor the status of activities through sincere dialogue with stakeholders.

Through sincere dialogue with stakeholders, we will work toward an understanding of social issues necessary for the achievement of a sustainable society. We will also ask all business partners involved in our business activities for their understanding and cooperation on this policy and on various measures that aim to find solutions to social issues. The Board of Directors will oversee the setting of targets and the status of steps to achieve them, and will disclose information on these as appropriate.
