



22.04.2024

## **Sustainable Cooperation NAGASE (EUROPA) GmbH**

Training on Ethics, CSR and Environmental Protection  
Applied in Business Operations and Supply Chain

## NAGASE (Europa) a Sustainable Cooperation - Benefits

While the compliance with additional standards and rules is often **perceived by companies as a burden**, it can be shown on many examples that the **benefits of a sustainable principles implementation prevail** in many regards:

- Full **legal compliance** and reduction of legal risks and fines
- Formation of **strong business partnerships**
- Enhanced **reputation**
- Improved **competitiveness** and better **market access** through full compliance with customer sustainability requirements
- Contribution to global **social and environmental improvement**

# Our Code-of-Conducts - Topics and Applications



## Ethics & Integrity

1. Laws and regulations
2. Anti-corruption
3. Conflicts of interest prevention
4. Anti-money laundering
5. Export controls
6. Fair competition
7. Data protection and data security
8. Confidentiality, intellectual property, and counterfeit prevention
9. Accounting
10. Product compliance and safety



## CSR

1. Human rights
2. Child labour prohibition
3. Modern slavery
4. Working hours
5. Freedom of association
6. Non-discrimination
7. Diversity
8. Health and safety
9. Wages and benefits
10. Conflict minerals
11. Forced eviction
12. Security forces
13. Vulnerable groups
14. Community engagement



## Environment

1. Key topics
  - GHG reduction
  - Sustainable products
  - Chemical management
  - Sustainable resources
  - Waste reduction and recycling
  - Energy efficiency
  - Environmental impacts
2. Carbon neutrality and GHG reporting
3. Prevention of pollution and resource circulation
4. Protection of biodiversity and animal welfare

NAGASE (EUROPA) GmbH has compiled a code of conduct to embrace the most relevant topics of sustainable business operations, which are summarized under three main headlines:

- Ethics and Integrity,
- CSR, and
- Environment



It is vital that sustainable business is not only **practiced within NAGASE (EUROPA) GmbH's operations**, but also supported by the Nagase supply chain.

To ensure this, we do not only ask our employees to embrace the respective rules, but also request a written **consent** to our Code of Conduct **from our business partners**.

## Laws and Regulations

- The full **compliance with** all applicable **laws and regulations** is the **cornerstone of all ethical business** operations and mandatory for all aspects of NAGASE's activities.
- From their business partners **NAGASE (Europa) GmbH** expects the application of the same **high level of legal compliance** standards.
- Many **sustainability items** featured in this training are **based on international and/or national law**. Legal compliance already implements the compliance with the most essential requirements in these items.



In many cases where legal non-compliance occurs, it is not caused by any unlawful intent, but the result of the ignorance of applicable laws and regulations.

**Detailed and recent knowledge of all relevant laws and regulations applicable for a business operation is essential.**



# Anti-Corruption, Conflicts of Interest Prevention & Fair Competition

- NAGASE (EUROPA) GmbH does have **zero tolerance towards corruption, bribery, and extortion**.
- We act against any form of corruption practice. This is facilitated by adopting **anti-bribery policies**, applying education programs, and taking actions against acts of corruption and bribery. We make **decisions solely based on objective criteria**.
- To avoid that decisions are made by individuals to gain direct or indirect personal benefit, we encourage the **disclosure of any situation that might appear as a conflict of interest**.
- NAGASE (EUROPA) GmbH behaves openly and fairly in the marketplace, value **free and fair competition** in international business, and **comply with anti-trust and competition laws**.



To identify and fight corruption, we expect our business partners to implement a structured anti-corruption approach into their business rules and processes.



# Anti-Money-Laundering, Sanctions, and Export Controls

In a global political situation with increasing tensions, crime, and conflicts it is crucial for NAGASE (EUROPA) GmbH to support international and governmental efforts to counteract such adverse developments:

- We demonstrate **compliance with all applicable laws and regulations against money laundering and terrorism financing.**
- We maintain and enforce policies, procedures, and safeguards to ensure **compliance with applicable customs regulations, restrictive export/import measures, and economic sanctions.**
- In case of applicable trade restrictions for goods, their trade will either be rejected, or **prior authorizations from a competent authority** will be obtained.



To ensure the effectiveness of the above measures, it is crucial that these are applied along the entire supply chain.

**Therefore, we urge our partners to effectively support the consequent application of trade controls.**



# Data Protection, Intellectual Property, & Counterfeit Prevention

NAGASE (EUROPA) GmbH considers information to be one of its most valuable assets and treats third-party data with the same care and attention as its own data. This applies particularly to personal information and intellectual property.

- We respect individuals' privacy and accordingly ensure the suitable, confidential, and responsible use and protection of personal data.
- We protect customer and supplier information by managing proprietary technologies and other know-how in a manner that protects intellectual property rights.
- We maintain effective methods to prevent introduction of counterfeit parts or materials into the supply chain.



To ensure that sensitive data are protected on all levels, we ask our partners to sign mutual non-disclosure agreements, and demonstrate that they operate effective data protection processes.



# Product Compliance and Product Safety

NAGASE (EUROPA) GmbH adequately ensures the safety of their products and conformity with all applicable laws and regulations.

We employ a chemical compliance department to monitor the abidance to the most recent legislation. Particular attention is paid to regulated or restricted substance groups. These include, among various others:

- **REACH** registered substances
- **SVHC** (Substances of Very High Concern)
- **POP** (Persistent Organic Pollutants)
- **PFAS** (Per and Polyfluoroalkyl Substances)



**It is essential that our partners provide us with all product information relevant to safety and legislative requirements.**

Only this allows our compliance team the effective monitoring and control of substances traded.



# Corporate Social Responsibility

Social responsibility in general and the respect for internationally recognized human rights in particular are a vital common ground for all business relationships between NAGASE (EUROPA) GmbH and its partners.

Guidelines considered in a proper implementation of the principles relevant to these matters include the following:

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ILO Core Labor Standards
- Principles of the UN Global Compact
- Other applicable supply chain legislation



# Human Rights, Child Labour, Modern Slavery, and Conflict Minerals

NAGASE (EUROPA) GmbH **respects** internationally recognized **human rights**, and actively protect those rights of individuals or groups.

- We **do not tolerate child labour** within our own operations or among suppliers. It shall be ensured that persons under the applicable legal minimum working age are neither employ directly nor indirectly.
- We **do not tolerate the use of any kind of slavery, servitude, forced or compulsory labour**, or human trafficking.
- We ensure **full compliance with all applicable due diligence obligations in the supply chain for the procurement of raw materials**, in particular conflict minerals.



**UNACCEPTABLE PRACTICES (Examples)**

- Deceiving potential employees about the nature of the work
- Request payment of recruitment fees or unreasonable transportation fees
- Confiscation, destruction or retention of employee passports
- Forcing involuntary use of company-provided accommodations



It is crucial that respect for human rights is practiced and the related rules are applied on all levels of the supply chain.

**Therefore, we request our partners to demonstrate and document that this is valid for their operations and their sub-suppliers.**

## Wages and Working Hours

NAGASE (EUROPA) GmbH meets or exceeds all national and international standards regarding working hours and wages.

- We ensure **compliance with** all applicable national **regulations for working hours** including overtime, maximum hours, and rest periods.
- We do not only comply with the minimum wage regulations in each country, but **always pay wages above the minimum wage**.



From our partners we expect that they meet or exceed the following requirements: Regardless of regulations valid for the place of operation, a maximum of 48 hours per regular workweek with a rest period of at least 24 consecutive hours every seven days shall apply globally to prevent excessive physical and mental fatigue of the respective employees. Partners undertake to pay an appropriate living wage that is at least equivalent to the local minimum wage and is based on the regulations of the place of work.

# Freedom of Association, Collective Bargaining, and Security Forces

NAGASE (EUROPA) GmbH respects the right of all employees to form and join employee representations and participate in associated activities.

- Employees shall be allowed to participate in collective bargaining and strikes. Any form of discrimination or retaliation based on union activity shall be excluded.
- Even if such rights are limited or not provided for by local law, it is ensured that employees may address concerns without fear of intimidation, harassment, or retaliation.
- We ensure that the use of private or public security forces does not lead to human rights violations, in particular torture and cruel, inhumane, or degrading treatment or damage to life and limb.



Equal respect for workers and their rights shall be applied among our partners operations and along the supply chain.

## Non-Discrimination and Inclusion

NAGASE (EUROPA) GmbH actively fights discrimination and promotes equity, and inclusion, ensures fair treatment, and offers all employees equal opportunities.

- We provide a **working environment is free from retaliation, discrimination, intimidation, harassment**, or any other improper conduct.
- We are aiming to create the space and context in which **people with and without disabilities can collaborate** constructively.
- We **respect the abilities of every employee** and promote an environment with reasonable accommodations for disabilities in which every employee can excel.



We expect that our partners fight any form of discrimination in their operations consequently and effectively. We encourage our partners to drive the inclusion of people with disabilities wherever the opportunity arises.

# Diversity and Empowerment of Women at Work

Diversity is an important part of NAGASE (EUROPA) GmbH's overall strategy. To appropriately respond to changes in the environment, it needs to be ensured that human resources with a wide variety of ideas and perspectives are available.

- Having a diverse range of employees encourages more dynamic discussions and leads to new ideas that become the source of competitive advantage in the market.
- We regard the success of female employees as an important initiative to promote diversity. Efforts are made to proactively utilize women's strengths in our business by hiring women in career-track positions, appointing them to management positions, and expanding opportunities for them to play active roles.



We encourage our partners to incorporate the ideas of diversity into their company policies and promote female leadership.

## Health and Safety

NAGASE (EUROPA) GmbH provides all resources to assure compliance with applicable occupational health, safety, and fire protection legislation.

The following aspects are particularly considered in all processes, risk, assessments, and training:

- Emergency preparedness
- Incident and accident management
- Workplace ergonomics
- Handling of chemical and/or biological substances
- Fire protection
- Personal protective equipment & machine safety (for partner production facilities)



**We expect the operation of an effective OHS system from all partners of NAGASE (EUROPA) GmbH.**

For high-risk operations or larger production entities, a management system according to ISO 45001 (or similar) is highly recommended.

## Forced Eviction, Resource Rights, Vulnerable Groups, and Communities

- NAGASE (EUROPA) GmbH respects the rights of minorities, indigenous people, women, children, and other vulnerable groups and strive to avoid any negative impact on them.
- We comply with the prohibition of unlawful eviction and deprivation of land, forests, and waters that serve as a person's livelihood.
- We abide to the principles of free, prior, and informed consent of indigenous people in our activities related to their land and its cultivation, as well as the use of other natural resources.
- We respect the rights, the livelihoods, the cultures, and traditions of local communities in each country where they operate.



We expect the respect for the rights of minorities, indigenous people, and vulnerable groups from our partners and encourage community engagement.

# Sustainability Focus and Environmental Management System

NAGASE (EUROPA) GmbH has a **strong focus on sustainability**.

- The websites of NAGASE (EUROPA) GmbH and its parent company NAGASE Co. Ltd. offer a comprehensive overview of related activities, initiatives, and products:
  - <https://www.nagase.eu/sustainability/>
  - <https://www.nagase.co.jp/english/sustainability/environment/>
- To suitably integrate environmental subjects into all our business activities, we operate an environmental management system which is certified according to ISO 14001 since 2004.



We expect the operation of an effective environmental management system according to ISO 14001 from all partners of NAGASE (EUROPA) GmbH.



## Environmental Key Topics

Some environmental key topics are particularly relevant to NAGASE (EUROPA) GmbH:

- (1) Reduction of **Green House Gas emissions**
- (2) Design and application of products **for sustainable technologies**
- (3) Responsible **chemical management**
- (4) Use of **sustainable, recycled, and renewable** natural resources
- (5) Reduction of waste production and **increase of waste reuse** and recycling
- (6) Increase of **energy efficiency** and use of renewable energy
- (7) Avoidance of negative **environmental impacts**, such as soil change, pollution, or excessive consumption of water, air pollution, or harmful noise emission



We encourage all partners of NAGASE (EUROPA) GmbH to constructively contribute to our activities and jointly achieve improvements in our joined environmental impact.



# Carbon Neutrality and GHG Emissions

- The NAGASE Group aims to **continuously reduce carbon dioxide** emissions with the aim of achieving **carbon neutrality by 2050**.
- We ensure that our business model and strategy is aligned with the goals of the transition to a sustainable **economy in accordance with the Paris Agreement** and the goal of achieving climate neutrality.



As far as the size and nature of the respective operation allows, we ask our partners to provide information on total energy consumption and CO<sub>2</sub> emissions upon request (Scope 1, 2 and 3, according to the GHG Protocol).



## Pollution Prevention and Circulation of Resources

- NAGASE works actively to **reduce the release of pollutants** and protect the natural environment.
- The NAGASE Group's environmental policy is to **conserve resources** and progress towards a **circular economy** that aims to achieve both, economic growth, and reduction of the environmental impact.
- This is facilitated by **reducing resource consumption**, energy input, and waste generation, as well as by creating added value through **recycling**.



NAGASE (EUROPA) GmbH encourages their partners to support the circular economy initiatives of the NAGASE group through dedicated strategies and activities.



## Biodiversity and Animal Welfare

- NAGASE (EUROPA) GmbH supports the **protection of ecosystems**, especially key biodiversity areas.
- All our operations are set up and performed in accordance with the applicable **biodiversity** regulations, so that negative effects, such as **deforestation, adverse land usage, and reduction of local soil quality are avoided**.
- NAGASE (EUROPA) GmbH supports animal welfare and promote **ethical treatment of animals**.



Our partners shall support our efforts to maintain biodiversity and preserve natural habitats. It is also expected that ethical treatment of animals is practiced whenever relevant.



# Compliance Hotline

While the NAGASE Group and its partners always aim to achieve 100% compliance in all legal- and other relevant matters, it is also crucial that there is an option for the reporting of deviations.

Therefore, the **NAGASE Group** has established a hotline for the reporting of suspected non-compliances:

- **Internal contact point**  
Risk Management & Compliance Committee, NAGASE & CO., LTD.  
Email: [compliance@nagase.co.jp](mailto:compliance@nagase.co.jp)
- **External contact point**  
Atsumi & Sakai Europa Rechtsanwalts- und Steuerberatungs GmbH  
13 Fl. OpernTurm, Bockenheimer Landstraße 2-4,  
60306 Frankfurt am Main, Germany  
Email: [nagase.hotline.eu@aplaw.de](mailto:nagase.hotline.eu@aplaw.de)

## Report Processing Schedule

After submitting your report via the Compliance Hotline, you will receive an initial response from us regarding the recipient of your report within seven (7) days.

Within three (3) months from our confirmation of receiving your report, we will provide you with feedbacks or updates regarding your reported issue, if your contact address has been provided to us.