

**Code of Conduct  
for  
Risk Management & Compliance**

**Nagase & Co., Ltd.  
Risk Management & Compliance Committee**

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## **Introduction to the Code of Conduct for Risk Management & Compliance**

Our management philosophy provides that “We recognize our responsibility to society and offer beneficial products and services while maintaining the highest standards of integrity. Through our growth, we will contribute to society and enrich the lives of our employees.” Based on this philosophy, we hereby establish and implement this Code of Conduct.

This Code of Conduct defines the behavior standards that NAGASE Group and its officers and employees will observe as they carry out their work.

We require our officers and employees to comply with these standards and team them to others by example—particularly to co-workers. Any danger of non-compliance must be addressed without delay, and officers or employees should identify the root cause of the issue, taking steps to prevent any recurrence.

### **1. Comply with Applicable Laws, Regulations and Nagase Policies**

- Conduct business fairly and in good faith, in keeping with laws, Nagase Policies and social norms.
- Conduct work in keeping with internationally accepted norms to ensure our growth as a global enterprise
- Comply strictly with domestic and foreign laws, including laws regarding bribery and competition.

### **2. Elimination of Organized Crime**

We firmly reject any organized crime that threatens the public order and safety.

### **3. Provide Useful Products and Services to Society**

Contribute to society through useful goods and services.

### **4. Respecting the Rights of people Involved in the Business**

- We foster a corporate culture in which employees can contribute with their independence and creativity.
- We respect the rights of our employees as well as all of those who are involved in the NAGASE Group’s supply chain and business activities, and those who contribute to the realization of a sustainable economy and society.

### **5. Disclosure of Information to our Stakeholders**

We will ensure management transparency by fairly disclosing corporate information to our stakeholders, including our customers, suppliers, employees, and shareholders.

### **6. Protect the Global Environment**

We recognize our responsibility, and will act to improve the environment.

### **7. Risk Management**

The NAGASE Group will promote risk management to achieve stable business continuity and sustainable growth, in a rational and optimal manner, by managing risks that may become barriers to the management of the NAGASE Group.

### **8. Responsibilities of Top Management**

The top management of Nagase & Co., Ltd. and all NAGASE Group companies will take the lead to ensure that the business is administered “with the highest standard of dignity as a member of society”.

## Code of Conduct for Risk Management & Compliance

This Code of Conduct was created on November 7, 2003, and revised on October 1, 2012, September 1, 2017, and April 1, 2024. Of the specific rules of conduct that the NAGASE Group and all officers and employees of the NAGASE Group are required to observe in accordance with this Code of Conduct in the course of their corporate activities, this Code of Conduct describes specific items that are particularly important standards of conduct common to the NAGASE Group.

Being ethical and faithful are the most important factors leading to corporate activities. Our officers and employees must make decisions considering the following points, which support NAGASE in our mission to provide beneficial products and services to society while maintaining the highest standards of integrity:

- 1) Comply with applicable laws, regulations, and Nagase Policies
- 2) Avoid conflicts of interest or self-dealing
- 3) Do not abuse authority
- 4) Exercise reasonable judgment after collecting adequate information
- 5) Act in the best interests of the NAGASE Group

If you discover a violation (or potential violation) of this Code of Conduct, promptly report such to your supervisor or the relevant department. You may also contact the Compliance Hotline if no other routes for reporting are available. See “NAGASE Group Global Hotline Policy” and “Compliance Hotline Rules” for details of the consultation and whistleblowing concerned.

### 1. Comply with Applicable Laws, Regulations and Nagase Policies

#### a) Compliance with Laws and Regulations

The NAGASE Group complies with all applicable laws and regulations of the countries and regions in which it operates our business, and conducts our corporate activities based on ethics and the good common sense of society. There are a variety of laws and regulations; some set forth the responsibilities based on approvals or licenses to engage in specific businesses, while others set forth the responsibilities of a company as a member of society. Although we cannot discuss every law and regulation here, we want every officer and employee to understand that a serious violation could lead directly to risks affecting the survival of the company. We ask all to make sincere efforts to comply with laws and regulations that are relevant to his/her work duties.

When you are unsure what to do in resolving a compliance issue, please confer with the relevant NAGASE Group department. You may also confer with an outside specialist or organization to inform your decision-making.

#### (i) Compliance with Laws and Regulations related to Products and Services

The NAGASE Group works with many chemicals and other materials and services, including those requiring careful or special handling. For example, we are required to obtain approvals or licenses under the Poisonous Material Control Law of Japan for many products and services to be dealt or imported in Japan.

Certain qualifications, licenses, safety standards, quality standards, labeling methods, document filings, periodic reports, transaction record filings, or other requirements may be necessary, depending on the transaction type, product or service.

Officers and employees must be aware of, and enforce, compliance with local laws, as well as with Nagase Policies.

(ii) Compliance with Trade Laws

As we deal widely in foreign trade, violating import/export regulations might lead to an order of suspension that could threaten the survival of the company. Any violation is a serious matter. You must carry out your duties in compliance with local law and Nagase Policies.

Export transactions are regulated by export trade laws of Japan, the United States and other countries. When a NAGASE Group company is to export or otherwise offer its product, service or technology outside the country, it must obtain approvals or licenses from the concerned governments as required. Application of export trade laws is not limited to the export of manufactured products (goods). Offering technology via the Internet and personal knowledge (technical assistance) overseas is also subject to export trade controls in Japan, the United States and other countries. This law also applies to providing such to non-residents in Japan. Exporting goods, services or technology without the necessary approval or license constitutes violation of the law in many countries.

Similarly, applicable import laws must be obeyed when conducting import transactions. Many countries and regions have established import trade laws, the violation of which could result in fines or imprisonment.

(iii) Compliance with Fair Competition Laws and Regulations

Many countries have fair trade laws (antitrust laws, competition laws, etc.) to protect consumer interests and to ensure sound growth of their national economies. Cartels, that is the mutual binding agreement of price or sales quantity between or among competitors, are prohibited, and any company found in violation is subject to severe punishment and heavy fines. Such penalties could irreversibly damage the offending company.

The NAGASE Group complies with fair trade laws in the respective countries and regions in which we do business. The following are just a few examples of prohibited behavior:

- Sharing information related to the price and sales quantity with competitors.
- Attending meetings among competitors (including trade organizations) during which price issues will be discussed.
- Participating in an arrangement, agreement, or gentlemen agreement, written or verbal, concerning fixing prices, sales terms, profit margins, market share, market divisions, or bidding.
- Resale price maintenance or restriction.
- Abuse of dominant bargaining position or agreeing to unfair terms or conditions of trade.

(iv) Compliance with Insider Trading Laws

In the course of your duties, you may obtain information about the NAGASE Group or a third party that has not been disclosed to the public. Using such information for personal financial gain or other benefits is not only unethical, but it is against the law in many countries. Such “insider trading” may be punished by heavy fines and/or imprisonment. By extension, the trust of the NAGASE Group will also be damaged. Inside information is defined as information not disclosed to the general public that ordinary investors would consider in making a decision to sell, buy or hold stock or other marketable securities.

Please refer to the following specific examples of the misuse of inside information:

- Information about NAGASE Group that might affect the share price of Nagase & Co., Ltd. Do not buy or sell Nagase & Co., Ltd. shares until after the public release of such information.
- Information that the NAGASE Group is considering a new business partnership or a new product. Such information might affect the share price of other companies (the

other party in a business partnership). Do not buy or sell the shares of any companies involved until after the public release of such information.

- Information that could affect the share price of any supplier or business partner. Do not buy or sell the shares of that company until after the release of such information.
- Any share purchases using inside information made in the name of a relative or through another party is also not allowed.
- When inside information is to be given to officers or employees within the NAGASE Group, such information must be limited to only those individuals with a need to know. Inside information to be conveyed externally must likewise be limited to only those individuals with a need to know, such as a contact at a business partner.

b) Appropriate Relations with Business Counterparties and Public Administration

The NAGASE Group prohibits the offering and receiving of unjustifiable benefits in the course of commercial transactions. Officers and employees should exercise prudent judgment and comply with the applicable laws, regulations and Nagase Policies such as the Basic Regulations for Prevention of Bribery.

(i) Relations with Business Partners

- Do not offer payments, gifts, entertainment or any other economic benefit beyond the socially acceptable level to officers or employees of business partners. Similarly, do not accept any economic benefits beyond the socially acceptable level from officers or employees of business partners. The ways these situations are viewed varies between each country and region. In addition, adequate verification is required as the provision of economic benefits between private enterprises is also regulated under the laws and regulations depending on the country or region.
- Any sales incentive or award must be offered according to Nagase Policies and rules.
- Suppliers must be selected according to rational criteria such as price, quality, delivery time, attitude toward global environmental issues, respect for human rights etc.
- Do not grant benefits to business partners or competitors for your personal gain.
- The purchase or acceptance of securities (including stock, stock options, etc.) from non-publicly traded business partners could violate laws concerning unjust enrichment. Always report your intent to purchase or receive such securities to the company, as the matter may be subject to company review and approval.

(ii) Relations with Public Officials

No benefits such as gifts or payments may be given to public officials (including foreign national governments or local municipalities) or the equivalent for the purpose (or apparent purpose) of seeking favorable arrangements or actions related to their duties. Similarly, no promise or offer of such benefits may be made to such officials. Payments to distributors / consultants that are suspected of being repurposed to illegally influence public officials or the staff of government agencies shall be terminated.

In many countries, the law prohibits offering gifts or payments to public officials or the equivalent. Besides the laws and regulations in the countries and regions that each company of the NAGASE Group is located, take due notice that the laws and regulations of the countries and regions where you go to on business and also third countries such as the US FCPA (the Foreign Corrupt Practices Act) and the United Kingdom Bribery Act, as these may also be applicable .

(iii) Fairness in Political Activities

The NAGASE Group is committed to ensuring impartiality and fairness regarding political activities, in accordance with laws and regulations of the respective countries

and regions in which we do business. The political donations, purchases of party tickets for fund-raising, and so forth are prohibited in principle. (except in private)

c) Compliance with Nagase Policies and Rules

Each NAGASE Group company has regulations and rules that set forth the code to be observed by every officer and employee according to local laws, regulations, and culture. Violations of these rules of conduct are more than one person's mistakes—they could lead to the company being subject to civil or criminal charges. Officers and employees must comply with Nagase Policies established by Nagase affiliate companies, including work rules and safety control regulations.

(i) Trade Secrets and Intellectual Property

Trade secrets such as expertise, information on technology and development, customer and sales price lists, etc. must be treated and controlled as valuable company assets. The same is true for trade secrets obtained from suppliers, business partners, or customers.

Similarly, intellectual property rights including patents, utility models, designs, trademarks, copyrights, artworks, and computer software must be treated as important company assets, protected with the utmost care.

- *Handling of company trade secrets*

Unauthorized disclosure of company trade secrets could damage the interests of and trust in the company. Trade secrets are not limited to those in written form, but also include electronic media and physical goods, as well as verbal communication. Company trade secrets may not be disclosed or distributed without authorization by the company. When a trade secret is to be provided to a business partner, they must sign a confidentiality agreement in advance.

- *Handling third-party trade secrets and intellectual property rights*

Absolutely no attempt may be made to fraudulently obtain trade secrets of any third party. Such an act might constitute both criminal and civil violations of the law. Infringement of third-party intellectual property rights is against the law, and such could give grounds for a claim for damages. Therefore, you must conduct preliminary research and/or take other precautions.

(ii) Protection of Personal Information

The relevant laws and regulations of each country and/or region as well as internal rules such as the "Personal Information Protection Rules" etc., must be followed in the collection, management, use and disposal of the personal information of our customers, officers, employees, etc. Noncompliance with our obligations may be found to be a violation of law as well as resulting in civil liability.

(iii) Avoiding Conflicts of Interests

Some officers and employees may have decision-making authority or be able to influence decisions across several companies. In such cases they must be careful to avoid conflicts of interests.

When there is a conflict of interests between companies, a decision in one company by an officer or employee in the aforementioned position could be a detriment to the other party. In such cases the employee should report the situation to their superior and the department in charge in accordance with Nagase Policies and should always act in the best interests of the NAGASE Group as a whole.

Corporate decisions should always be made pursuant to Nagase Policies and this Code of Conduct.

- (iv) Use of Corporate Assets  
Officers and employees may not use the company's tangible or intangible assets (such as office automation equipment, phones and company cars) and expenses for personal purposes at any time.
- (v) Proper Accounting  
Entries into books and invoice slips must be kept accurate pursuant to applicable laws and regulations as well as Nagase Policies. No false or fictitious record may be entered for any reason.
- (vi) Appropriate Use of Information Systems  
The company's information systems must be used for business purposes only. A password should be set up for personal computers used by officers and employees to prevent information leakage. Note that the company may access data and e-mails on the computer hard disks used by officers and employees as necessary.
- (vii) Retirement from the Company  
When retiring from the company upon reaching retirement age or for any other reason, officers and employees must return to the company all property, documents and media (including, but not limited to, any devices such as USB flash drive, CD-ROMs, external hard disks, records, data, notes, reports, proposals, lists, correspondence, email messages, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items) that may contain company trade secrets, as well as other company information obtained in the course of their job duties. Retiring officers and employees must also return any other corporate assets. Any intellectual property created by an officer or employee during employment remains the property of the company.  
  
Retired officers and employees of a NAGASE Group company must obtain prior approval before disclosing or using NAGASE Group trade secrets or other company information at any new place(s) of employment.

## **2. Elimination of Organized Crime**

The NAGASE Group prohibits any relationship, directly or indirectly, with organizations that engage in activities that have a negative influence on social order and sound corporate activities (e.g., fraud, extortion, money laundering, bribery, narcotics, terrorism, etc.) or with individuals or organizations suspected of involvement in such activities. Please exercise the utmost caution in your dealings with any party to ensure that the Nagase Group is not involved with organized crime or used for or involved in criminal activities. If you receive any unreasonable demands from these groups, reject them and take organized and legal action in cooperation with the local police organization or outside professional organizations in the area concerned.

## **3. Provide Useful Products and Services to Society**

### a) Develop and Offer Useful Products and Services with Adequate Safety Precautions

The protection of life, prevention of injury, and avoidance of damage to the property of our customers due to product defects should be avoided at all costs. To ensure product safety, we must pay careful attention to the safety of our products and services at every single stage of business operations. This includes research, development, planning, design, production, sales, and after-sales service. We must comply with all applicable safety laws, regulations, and public guidelines. We must ensure that information on product safety and handling instructions (including information obtained from suppliers) is conveyed to our counterparties, their staff, and end customers without fail.



b) Prevent Further Damage

When a defect is found in products, prompt action must be taken to prevent the damage from spreading. Information on the defect must promptly be provided to product users and, if need be, countermeasures such as a product recall must be taken.

c) Prevent Recurrences

When a product-related accident or trouble occurs regarding products or services, find out its cause and appropriately store and utilize the records to prevent recurrence of such accident or trouble. Each section of the company is advised to establish a system that guarantees that such information is fed back in a prompt fashion.

d) Communicate with Suppliers

When we receive a complaint about a third-party product or service offered by the NAGASE Group, we must immediately contact the third-party supplier. Together the NAGASE Group and the third-party supplier should look at safety issues in all stages of product creation, including research, development, planning, design, production, sales, and after-sales service.

When a defect is found in a product, information must be passed to the supplier. Issues must be resolved quickly to prevent damage from spreading.

e) Respecting the history, culture and traditions of each country and region

The NAGASE Group respects the history, culture and traditions of each country and region in its business activities in these countries and regions. It obeys the relevant laws and regulations applicable to each respective country or region and strives to take fair and just actions. In addition, it places the sustainable development of each respective country or region in its vision, contributing to economic, social and environmental progress.

#### **4. Respecting the Rights of People Involved in the Business**

a) Respect for Human Rights and Prohibition of Discrimination

The NAGASE Group, its officers, and employees respect the history, culture and customs of each country and region, and the personality and individuality of each person. We do not discriminate on the grounds of race, creed, gender, sexual orientation, gender identity, age, religion, nationality, language, physical appearance, disability, wealth, place of origin, or any other similar basis.

We will also take the utmost care to ensure that human rights violations, such as human trafficking, forced labor, and child labor, do not occur in the supply chains and business activities in which the NAGASE Group is involved. In the unlikely event that we find that we have caused or contributed to a negative impact on human rights, we will work to remedy and correct such impact through prompt and appropriate procedures.

b) Respect for Privacy

The NAGASE Group, its officers, and employees respect the privacy of each person and pay scrupulous attention in handling personal information, striving to manage such information appropriately.

c) Establishing an Environment to Draw out the Strengths of Employees

The NAGASE Group has created safe and hygienic work conditions to establish an environment to draw out the strengths of our employees. We are also aware of local laws and regulations regarding workplace safety and hygiene, and conduct our operations accordingly. Should a workplace accident occur, we will do our utmost to minimize damage and prevent a recurrence.

We will also strive to create a workplace that allows every individual employee to work with conviction and motivation. We will not only comply with labor laws related to working hours but also support both the work and private life of the employees (work-life balance) by realizing diverse ways of working and by making use of a variety of leave systems and so on. For employees who need pregnancy, childbirth, infant care and family care support, we will strive to achieve a balance between these needs and work, and create a workplace environment that delivers a fulfilling life for our employees.

We will address issues of harassment, whether it be sexual harassment, abuse of authority (“power-hara) or any other unlawful harassment, in the workplace to ensure that such conduct does not occur either intentionally or unintentionally. We will promptly investigate reports of discrimination, offering aid to victims, and taking steps (including disciplinary measures) to prevent discrimination in the future.

## **5. Disclosure of Information to our Stakeholders**

### **a) Fair and Prompt Disclosure of Corporate Information**

The NAGASE Group communicates with society by disclosing information in a timely and appropriate fashion. Such disclosure does not include, however, trade secrets or information held under non-disclosure obligations. We hold to fairness and transparency in our business, observing social norms. Information useful to society exists beyond that covered by legal statute. We actively release a range of information useful to customers, business partners, officers, employees, shareholders, investors, and local communities. In the course of day-to-day communications, officers and employees are expected to understand what information these parties require, and to address these needs with honesty and integrity.

### **b) Media Relations**

Information provided to media (e.g., newspapers, magazines, radio and television) and security analysts is oftentimes interpreted as an official response of the company and published as such. It is the role of our public relations staff to provide clear and accurate information to the public pursuant to our internal rules and company authorization. Employees may not contact the media or analysts or answer media/analyst inquiries in violation of Nagase Policies and without specific authorization.

## **6. Protect the Global Environment**

The NAGASE Group cannot continue its business activities without addressing global environmental issues. This is one of our most significant business challenges. As a matter of course, all NAGASE Group affiliates are committed to protecting the environment and to achieve harmony through business activities (eco-friendly activities, eco-friendly products). We always consider the environmental impact of products and services during the planning stages.

## **7. Risk Management**

In order to manage risk in a rational and optimal manner and achieve stable business continuity and sustainable growth, the NAGASE Group will identify risks related to or affecting its business activities and take measures to strike an optimal balance between appropriate risk-taking to achieve business objectives and risk hedging to minimize damage and loss. In order to realize this objective, the NAGASE Group’s executives and employees will proactively engage in risk management in accordance with the "Risk Management Regulations" and "Risk Management Procedures".

## **8. Responsibilities of Top Management**

The top management Nagase Co., Ltd. and all NAGASE Group affiliates will lead in complying with this Code of Conduct and strive to ensure that the business is administered with “the highest standards of integrity as a member of society”. When a violation of this Code of Conduct is committed, the top

management themselves will take the relevant corrective measures to prevent recurrence. In addition to fulfilling their responsibilities to promptly disclose and explain information accurately, they will impose severe measures including appropriate punishments for any violations committed.

### **Supplementary Provisions**

1. This Code of Conduct applies to all NAGASE Group companies and their officers, employees, personnel who work at NAGASE Group under a staff dispatch agreement, personnel on loan to NAGASE Group companies, and other personnel equivalent thereto.
2. NAGASE Group refers to the following companies:
  - 1) Nagase & Co., Ltd.
  - 2) Companies of which more than 50% of the voting rights are directly or indirectly owned by Nagase & Co., Ltd. and
  - 3) Companies which have agreed with Nagase & Co., Ltd. to adopt this Code of Conduct.
3. Changes to this Code of Conduct are drafted by the Risk Compliance Committee and approved by the President.

## **NAGASE Group Product Safety Principles**

Nagase & Co., Ltd. and other NAGASE Group companies (“we”) will, in accordance with the Code of Conduct for Risk Management & Compliance position product safety as one of the key issues of social responsibility in order to supply safe products to customers and build a safe and secure society, and we will strive to ensure the safety of the products we manufacture, import and sell as a manufacturer.

1. Comply with laws, regulations, and corporate rules

We comply with the Consumer Products Safety Act and other related laws. Further, we exercise strict management according to this Code of Conduct, ensuring product safety.

2. Create and observe corporate rules

We have created and observed corporate rules regarding product safety. We continue to improve rules and practices, actively working to ensure the safety of customers who use our products.

3. Product Safety Promotion System

We have created an internal system to ensure that we comply with all product safety regulations, as well as Nagase Policies. This system covers safety in all aspects of our business processes: research, development, planning, design, production, import, sales, and after service. We conduct scheduled internal audits, adding employee training and/or revising Nagase Policies and systems as deemed necessary.

4. Preventing Accidents due to Misuse, etc.

We provide safety information and usage cautions helpful in preventing accidents caused by misuse or lack of care.

5. Accident Response

We take all measures necessary to recall products and/or limit damages in the event of a product-related accident. At the same time, we gather information, quickly informing customers and related parties. We also file reports with relevant government agencies according to law.

6. Prevent Recurrence

In the event of a product-related accident, we research and identify the underlying cause, creating records that we use as a basis for preventing a recurrence.