Compliance & Risk Management

N.E. CHEMCAT promotes risk management under the supervision of top management so that it can respond appropriately and promptly to increasingly diverse and complex risks.

Human Rights Policy

The company has established a human rights policy that respects the Universal Declaration of Human Rights and other international norms and prohibits all forms of workplace discrimination. The policy also clearly states that we will cooperate with relevant parties and not be complicit in any human rights violations, even indirectly.

Human Rights Policy

1. We will respect the Universal Declaration of Human Rights and other international norms, comply with laws and regulations, and promote initiatives towards respecting human rights.
2. We will not allow discrimination, harassment, or other acts of human rights abuse in the workplace. We will respect the diversity of our employees and will foster a lively workplace environment.
3. We will encourage supply chain partners and other stakeholders to take the initiative on respecting human rights, and will not take part in any human rights violations.
4. We will identify the adverse human rights impacts in our business activities and strive to prevent and mitigate such impacts, and to address such impacts when they occur.
5. We will carry out awareness-raising activities for officers and employees to embed the Policy throughout the Company.

Harassment Prevention

The company will in no way tolerate any violation of human rights, including discrimination, harassment, or any other forms of harassment in the workplace for any reason.

In FY2024, there were two incidents of harassment that led to disciplinary action. When an incident like this happens, we first take sufficient steps the privacy of the reporter, the perpetrator, and others involved,and then swiftly and accurately verify the facts. The necessary measures are then promptly implemented after the facts have been verified.

To prevent harassment in the workplace, we have established internal and external contacts for consultation and reporting and a system for handling the process from receiving a report to the response. We make everyone in the company aware of this system, in addition to conducting training on harassment.

Internal Audits

N.E. CHEMCAT conducts internal audits based on the internal audit rules to help ensure appropriate, efficient audits of its business.

Risk Management

We believe that identifying and strengthening our response to management risks not only fulfills our corporate responsibility but also leads to our sustainable growth, and we are working to strengthen our risk management system.

The risk management policy stipulates that the company shall establish a high-precision crisis management system. The policy also stipulates that in the event of an emergency, we should prioritize respect for human life and seek rapid recovery.

Risk Management Policy

1. Ensure the safety of company employees and preserve company resources.
2. Conduct risk management to continuously improve risk response capabilities.
3. Develop risk sensitivity and share risk-related information.
4. In the event of an emergency, prioritize respect for human life, responding promptly and quickly restoring operations.
5. Maintain a high-precision crisis management system with the aims of not only quickly restoring operations in the case of an emergency, but also contributing to society and enhancing our corporate image.

Risk Management System

The company has established the Risk Management Committee, chaired by the President and Representative Director, as a body that oversees risk management.

The Risk Management Committee is responsible for identifying and assessing various management risks and implementing risk mitigation measures, as well as planning and conducting disaster prevention-related education and training.

We have established and maintain a disaster response system that makes it possible to ensure the physical safety of people and protect lives, prevent and/or mitigate the expansion of corporate and stakeholder losses, and rapidly restore important business and business operations.

In the event of a serious disaster that could disrupt business continuity, a crisis response headquarters is activated and a company-wide response is mounted in accordance with the business continuity plan (BCP).

Business Continuity Management (BCM)

N.E. CHEMCAT has formulated a business continuity plan (BCP) for earthquakes, wind and water damage, infectious diseases, and other envisioned events.

We also take action to improve the crisis management system and response measures by operating the PDCA cycle to enhance our ability to respond when a crisis occurs.

Disaster Prevention Training and Drills

We conduct various kinds of training and drills for all employees as part of our business continuity management. Once a year, we conduct training and drills for all employees on disaster prevention measures during normal times and response procedures during emergencies.

Safety verification drills	Response drills for all employees using the safety verification and response system	Twice a year
Comprehensive disaster drills (Numazu and Tsukuba)	Training for evacuation, roll call, reporting, firefighting, and inspection based on the assumption of a large-scale earthquake, fire, chemical leak, and injuries (we also assume a tsunami for the Numazu Plant)	Once per year for each type of work
Self-defense firefighting drills (Head office)	Drills for evacuation, fire extinguishing, and reporting in case of a fire	Twice a year
BCP training and drills	Training and drills on internal information sharing, determining the response, and response procedures to maintain and quickly restore continuity of important operations in the event of a disaster	Once a year

Information Security

To protect information assets including various confidential and personal information held by the company, we have established Regulations for Handling Confidential Information, Regulations for Handling Personal Information, and Regulations for Information Security to protect information assets including distinct types of confidential and personal information held by the company.

Based on these regulations, the company appoints an Information Security Management Officer (Director in charge of Corporate Planning Dept.) and an Execution Supervisor (General Manager of the Corporate Planning Dept.).

The Information Security Management Officer and the Execution Supervisor identify information security risks such as large-scale disasters, computer viruses, cyberattacks, and information leaks, and promote measures to properly protect and manage the company's information assets from various threats, while constantly working to strengthen information security.

If information security risks materialize that make it difficult to maintain our information security and seriously affect our business, the Execution Supervisor shall report to the Information Security Management Officer and convene the Information Security Emergency Response Committee to respond appropriately to minimize the damage and promptly return the situation to normal.

In addition, to maintain and improve security, the company informs, educates, and instructs its officers and employees on information security standards and rules.

■ Risk Management System

During normal times

Risk Management Committee (Chairperson: President)

Secretariat

Important points and instructions for improvement of deficiencies — PDCA — Reporting on risk management activities

Related departments at plants, R&D center, and head office

During a crisis

Company-wide Business Continuity Plan (BCP)

Activate the BCP framework according to the activation criteria

Crisis Response Headquarters

Provides instructions on crisis response

Secretariat

Related departments at plants, R&D center, and head office