

# Basic Human Rights Policy of Sanden Corporation

## I. Policy Statement

Sanden Corporation ("Sanden" or the "Company"), operating as a corporate group consisting of itself and its consolidated subsidiaries ("Sanden Group"), is a leading global Tier 1 developer and manufacturer of automotive air-conditioning compressors and automotive air-conditioning systems. Sanden Group pursues the manufacture of a next-generation of air conditioning systems that are friendly to the global environment and human-oriented. In line with our corporate philosophy, we strive to cultivate a corporate culture that respects basic human rights and are committed to creating a diverse, equal, healthy, and safe working environment. We recognize the importance of applying our human rights policy beyond our own activities, with the goal of achieving ethically, socially and environmentally responsible business practices throughout our global supply chain. We encourage all business partners related to our products and services to respect human rights and avoid violations.

## II. Scope and Review Mechanism of this Policy

This policy applies to Sanden Group, its directors, officers, executive officers, employees, contract workers (where required by law), and all other individuals employed by Sanden Group (collectively referred to as "Employees"). This policy may be amended or supplemented as necessary. Implementation progress will be reported to the Board of Directors for review and feedback. The Board of Directors commits to respecting human rights and ensuring their protection across all corporate activities of Sanden Group. Sanden will periodically review *Sanden Human Rights Guideline* in alignment with this policy, at least once annually.

## III. Policy Commitments

Sanden Group is committed to respecting human rights, not only for our employees and suppliers, but also for people in neighboring communities and those who are affected by the use of our products, systems, and services. We are committed to adopting a proactive approach to implementing our Basic Human Rights Policy in accordance with international initiatives and standards such as the *Universal Declaration of Human Rights*, the *International Labor Organization Conventions*, the *United Nations Guiding Principles on Business and Human Rights*, the *ILO Declaration on Fundamental Principles and Rights at Work*, and the *Responsible Business Alliance Code of Conduct*. In line with this commitment, Sanden Group is committed to fulfilling its responsibility to respect human rights in the following areas:

### (1) Sanden's Products

Sanden Group aims to provide safe, reliable, high-quality, and environmentally friendly products throughout their entire life cycle. We are committed to ensuring that our entire supply chain does not contribute to conflicts or human rights violations through mineral sourcing, and no mineral materials

from conflict-affected and high-risk regions and countries<sup>1</sup> are used.

## **(2) Sanden's Customers**

Sanden Group complies with legal and regulatory requirements related to privacy and information security, respects customers' privacy, and takes reasonable measures to protect personal data.

## **(3) Sanden's Employees**

Sanden Group respects the rights of all employees in accordance with the *ILO Declaration on Fundamental Principles and Rights at Work*. Our *Sanden Human Rights Guideline* which explicitly prohibits child labor, forced labor, discrimination, and harassment, focuses on creating an inclusive organization for all, emphasizing personal health, well-being, and diversity.

## **(4) Sanden's Consideration for the Environment**

As a global corporate citizen, Sanden Group recognizes that environmental preservation is one of the most critical and shared challenges for humankind. We are committed to considering environmental impacts across all aspects of our business activities, taking measures to address climate change, and striving for the conservation and restoration of the natural environment, including biodiversity.

## **(5) Sanden's Policy in Global Operations**

Sanden Group will comply with the laws and regulations of the countries and regions where we operate, as well as international rules. We also respect the rights and cultures of indigenous peoples and local communities as defined by the laws and international agreements in the countries and regions where we operate, contributing to local communities as a good corporate citizen.

## **(6) Human Rights in the Supply Chain**

Sanden Group expects our business partners, including suppliers, to respect human rights throughout the supply chain. We request that our business partners comply with our *Supplier Code of Conduct* and fulfill their corporate responsibility to respect human rights through their supply chains and outsourcing companies.

## **(7) Human Rights Management and Risk Assessment (Human Rights Due Diligence)**

Sanden Group attaches great importance to human rights in all its business activities and endeavors to identify human rights risks, including those related to conflict, governance, forced labor, child labor, discrimination, human trafficking, and employee health and safety, within its own operations and

---

<sup>1</sup> Conflict-affected and high-risk areas are identified primarily on the basis of the UNSC sanctions list, the *US Dodd-Frank Act* list, and the EU CAHRAs list.

partnerships. We manage these human rights risks through identification, development and implementation of preventive measures, continuous monitoring and evaluation, and communication with stakeholders. In addition, we have established a Labor and Human Rights Committee within the Group, which regularly conducts human rights due diligence. This process continuously collects data related to human capital, and should risks be identified, the Committee will promptly formulate solutions and implement necessary improvements.

For more details, please refer to the attached document, *“Sanden Human Rights Guideline.”* This guideline provides detailed policy commitments, goal setting, and performance management regarding diversity and compliance, employment, employee health and safety, human capital development, communication, and grievance procedures.