

Sanden Group Human Rights Policy

Sanden Group is committed to respect for human rights and health and safety based on our corporate philosophy through our business pursuit of next-generation air conditioning systems that are friendly to the earth and people. In addition, for all employees, we strive to keep improvement a corporate culture and workplace environment that respects fundamental human rights.

This policy is a direction for all of our future activities, we strive to identify potential and actual risks to all stakeholders, to avoid, reduce, and prevent them, and to make the necessary improvements to realize this direction.

1. Respect for International Norms

The Sanden Group, which is engaged in global business activities, recognizes that respect for human rights is an important social responsibility and is committed to human rights and labor issues, respecting the United Nations International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ten principles of the UN Global Compact. We also comply with the laws and regulations of the relevant countries and strive to protect basic human rights.

2. Scope of Application

This policy applies to all officers and employees of Sanden (Sanden Corporation and its consolidated subsidiaries). We also expect all business partners to support this policy. And we request our suppliers to understand and comply with this policy.

3. Identification of Human Rights Risks

We will identify potential or actual human rights risks associated with our business and establish and continuously operate system to prevent or mitigate risks.

We will identify and manage and continuously monitor human rights risks, including regional risks in our global activities.

4. Human Rights Due Diligence

We have established and will continue to implement a human rights due diligence system to fulfill our responsibility to respect human rights.

5. Corrective Actions and Remedy

If it is certain that we have caused or contributed to an adverse impact on human rights, we will strive to remedy any adverse human rights impact.

We will also establish grievance procedures in Japan and in each region, and promote the

development of effective remedy systems, such as whistle-blowing systems.

6. Education and Enlightenment

We will continuously educate and enlighten employees on human rights to promote understanding of our human rights policy and foster a corporate culture.

7. Progress check and Information disclosure

We will continuously monitor the status of compliance with the Human Rights Policy and make improvements as necessary.

We will also disclose information on our efforts to disseminate the Human Rights Policy and its progress through our website and other means of communication, as appropriate.

8. Priority Policy on Human Rights

Sanden has established the following items as its priority policies. Based on these priority policies, we are working to improve the workplace environment and avoid or eliminate inconsistencies with the actual situation.

This policy was approved by the Board of Directors of SANDEN CORPORATION on March 30, 2023.

March 30, 2023

SANDEN CORPORATION

Representative Director and President, Zhu Dan

Priority Policy on Human Rights

1. Eliminate all discrimination

Have respect for human rights and do not discriminate based on race, ethnicity, beliefs, religion, gender, sexual orientation or identification, nationality, age, origin, physical disability, marital status or the presence of children, illness, social identity, or any other reasons.

2. Eliminate harassment

Have respect for human rights, and do not commit harsh and inhumane acts that include all manner of harassment that would harm individual dignity (harassment, libel, slander, etc.), including abuse, corporal punishment, oppression, or any other harsh or unethical treatment that harms human dignity.

3. Prohibit forced labor and child labor

Eradicate forced labor, child labor or other inhumane forms of labor. Also, do not conduct business with companies that carry out inhumane forms of work.

4. Freedom of association

Respect for workers' rights (including collective bargaining rights and freedom of association) set forth based on international treaties and laws and regulations of each country and region.

5. Protect privacy

Adhere to the laws and regulations and privacy policies of each country and region including the Personal Information Protection Law, and clarify objective of use, and appropriately obtain, use, manage and protect information.

6. Labor conditions

Obey the laws and regulations of each country and region, and based on internationally recognized standards, appropriately comply with labor conditions pertaining to working hours, days off, breaks, compensation, etc, and emphasize more the fair treatment of employees and ensuring their health and safety, both physical and mental. In addition, we will pay salaries in compliance with the wage-related laws of each country, and don't engage in unfair wage reductions for employees.

7. Diversity and Equal opportunity

Aim to create a workplace where members with diverse attributes, values and experiences can coexist and be accepted by each other, where each person can maximize his or her potential while making the most of each other's talents, and where people can work comfortably while realizing growth and self-realization.

8. Occupational Health and Safety

In accordance with applicable laws and regulations, keep improvement a workplace environment where each and every employee can continue to work healthily, safely, and with peace of mind.

9. Security practices

Periodically review and revise the content of our human rights policy to ensure that it addresses human rights issues that may arise as a result of new social trends and the business environment. Also provide ongoing education to ensure that our human rights policies and procedures are understood.

10. Indigenous Peoples' Rights

Endeavor to consider the human rights and cultures of indigenous peoples in accordance with the laws of the countries and regions in which we operate, as well as international standards such as the United Nations Declaration on the Rights of Indigenous Peoples, the Convention Concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention No. 169), and the principle of free, prior, and informed consent (FPIC).