

## Compliance

### Basic Approach to Internal Controls

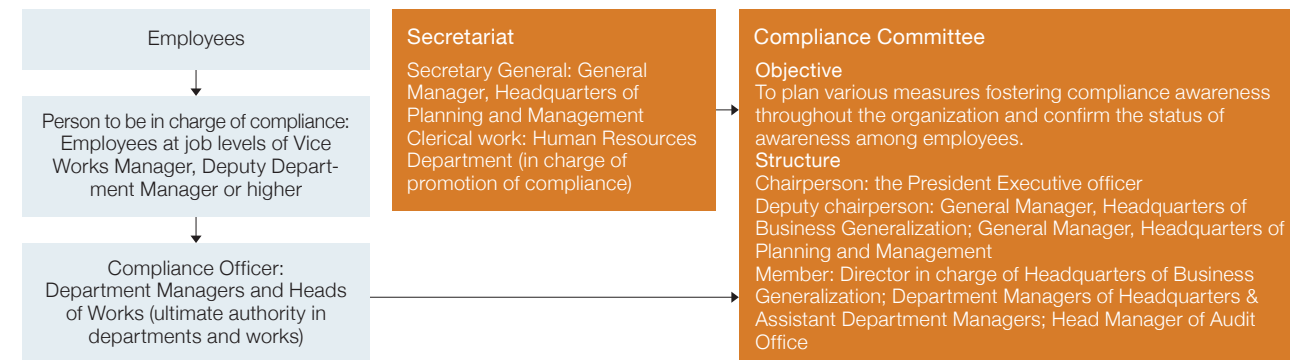
Based on the Companies Act and the Ordinance for Enforcement of the Companies Act, Daiseki established the following system for ensuring the appropriateness of operations (hereinafter, the “internal control system.”)

- (1) Within the Daiseki Ethics Charter, Daiseki established three guidelines for corporate behavior that convey its stance on growing and developing alongside society: Social roles and responsibilities, compliance with laws and regulations, respect for human rights and the fostering of a free and open corporate culture.  
To achieve perpetual development as an industry leader, Daiseki has developed an internal control system and strives to embody its Ethics Charter.
- (2) The Board of Directors formulates basic policies for internal control, provides instructions and supervision on the implementation status of internal controls, confirms maintenance and operational status and reviews basic policies and countermeasures when necessary.
- (3) Daiseki established the Internal Control System Promotion Committee chaired by the President Executive officer to ensure reliable financial reporting through the establishment and maintenance of internal control system programs.

### Compliance System

Daiseki established a Compliance Committee in May 2002 and formulated an Ethics Charter announced within and outside the company. Compliance Committee chaired by the President Executive officer works on grasping the status of company-wide compliance systems established and its problems, analyzing compliance risks at each department and embodying countermeasures. For the cases where the Daiseki Group management or compliance officers at each department find problems related to compliance, we have established a system to report to Compliance Committee immediately and thoroughly operate that system.

#### Compliance System



### Compliance consultation desk and protection of whistleblowers

The Daiseki Group established a compliance consultation counter where employees can directly consult with Daiseki Human Resources Department or corporate lawyers that is easy for employees to use, and thoroughly operate it informing the importance of it. When employees consult, the consultation counter will investigate the matter, determine the countermeasure to prevent it from happening again with the related departments and implement it thoroughly, company-wide. The whistleblowing system stipulates the protection of whistleblowers so that employees who make report suffer no adversity. All information from whistleblowers are handled in the strictest confidence only by those who respond in the whistleblower system so no information is leaked to the outside.

### Status of compliance

In FY2025 again, the Daiseki Group complied with various laws and regulations, including those related to the environment, and did not receive any adverse dispositions (orders for improvement, orders for action, or business suspension orders).

### Protection of human rights

In May 2025, we established the Daiseki Group Human Rights Policy. We support and respect internationally recognized human rights standards, including the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Compact, respect internationally recognized human rights, and ensure compliance with related laws and regulations of countries and regions where we engage in business activities.

📄 Protection of human rights

### Prevention of corruption

In May 2025, we established the Daiseki Group Corruption Prevention Policy. We set the following items, and we will surely observe related laws and regulations of countries and regions where we engage in business. We will under no circumstances ever tolerate involvement in acts of corruption.

- (1) Scope of application
- (2) Organizational structure for preventing corruption
- (3) Prohibited acts
- (4) Education
- (5) Appropriate accounting record and management
- (6) Monitoring
- (7) Establishment of a whistleblowing office
- (8) Action for dealing with violations, etc.

📄 Prevention of corruption

#### Status of corruption incidents

In FY2025, there were no cases of employees being dismissed or disciplined due to corruption in the Daiseki Group. There were also no cases of contracts with business partners being terminated or renewal refused due to corruption-related contract violations. In addition, no lawsuits related to corruption were filed against the Daiseki Group or its employees.

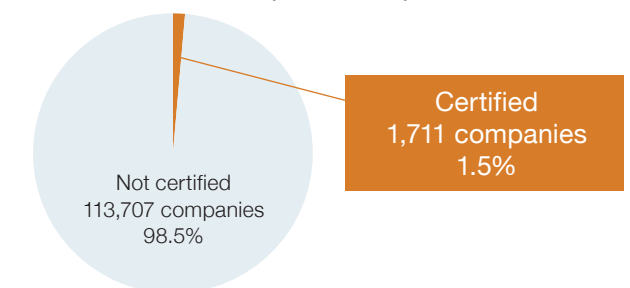
### Excellent Industrial Waste Disposal Company Certification System

Daiseki was the first operator to be certified under this system by the city of Nagoya in 2011, and as of the end of February 2025 (February 28, 2025), we were certified as Excellent by a total of 49 local governments (45 prefectures and four cities), excluding Hokkaido and Okinawa Prefecture.

The criteria for certification as an excellent certified business include assurance of legal compliance, disclosure of business information, implementation of environmentally friendly measures, and financial soundness.

As of FY2025, there were 115,418 industrial waste disposers (disposal companies and collectors/transporters) in Japan, of which 1,711 companies, or about 1.5%, have been certified as excellent industrial waste disposers.

#### Percentage of Certified Excellent Industrial Waste Disposal Companies



### Quality control system

Daiseki confirms that recycled products, secondary waste from landfill and incineration, cement raw materials, and other materials comply with internal standards that are stricter than laws and regulations when they are shipped.



Quality control analysis in progress

### Supply chain management

Daiseki contracts the collection, transportation, and final disposal of industrial waste to suppliers. To ensure that these suppliers comply with the Waste Management and Public Cleansing Act and other laws and regulations, Daiseki systematically visits suppliers every year to check their compliance with related laws and regulations.



Visits to suppliers' sites