

Initiatives for Human Rights



The Daigas Group believes it is important to establish a system to respect human rights of those who are affected by business activities of the Group, and to proactively disclose our initiatives in this regard, in accordance with “the UN Guiding Principles on Business and Human Rights.” In accordance with “the Daigas Group Human Rights Policy,” we are undertaking efforts that promote respect for human rights and the achievement of sustainable business growth by promoting the Human Rights Due Diligence.

Human Rights Due Diligence

System for Carrying Out Human Rights Due Diligence

The Human Rights Center in the Human Resources Dept., Compliance Office and Internal Control Planning Team in the General Affairs Dept., and the ESG Office in the Corporate Strategy Dept. work together to promote human rights due diligence activities.

The Board of Directors, which makes decisions on and supervises the important business activities throughout the Group, supervises matters involving human rights issues. At the ESG Council (Management Meeting), which is held three times a year, executives discuss activity plans and activity reports related to ESG issues, including human rights issues, and submit reports to the President.

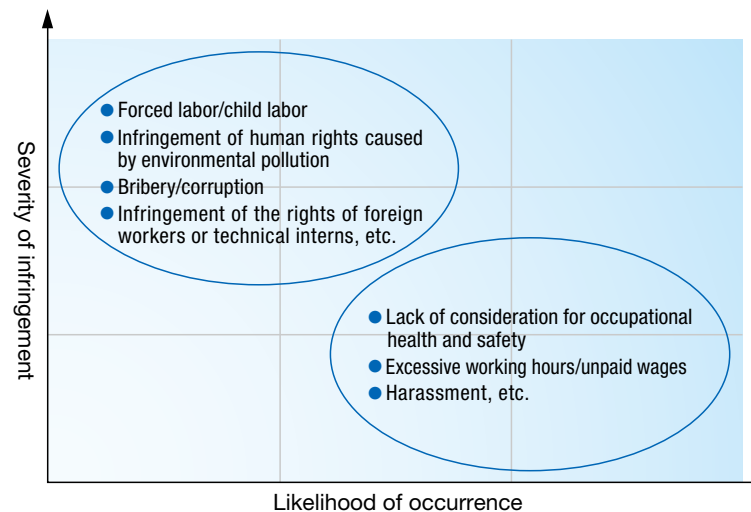
In addition, the Group also has the ESG Committee, chaired by the Head of ESG Promotion (Representative Director and Executive Vice-President), who supervises the Group’s sustainability activities, and consisting of the heads of related organizations. The ESG Committee is held three times a year in principle for cross-organizational deliberation, coordination, and supervision of issues and planning, promotion related to human rights due diligence.

Initiatives Undertaken in FY2024.3

In FY2024.3, we continued to conduct checks through the “G-RIMS,” a self-inspection tool, a compliance survey of employees to see how well they understood compliance, and questionnaire surveys targeting major business partners of the Group. In addition, upon receiving opinions from external experts in the previous fiscal year that highly serious human rights issues may occur overseas, we have worked to identify and address human rights risks at our overseas subsidiaries. We undertook efforts to gradually expand the scope of our investigation, including starting to conduct questionnaire surveys targeting major suppliers and conducting on-site audits by adding the confirmation of human rights risks to the existing quality audit framework.

The investigation results showed no serious risks related to human rights.

■ Matrix Assessment of Human Rights Risks



Identification of Key Human Rights Risks (Assessment)

Based on the FY2024.3 investigation results and cases handled by consultation desks, as well as discussions with experts, we identified important human rights themes that the Daigas Group should consider in the course of its business activities. As a result, no significant changes from FY2023.3 were identified.

Among the human rights risks that may occur in the course of the Group's business activities, 14 items were identified as significant human rights risks. Such risks include forced labor, child labor, and bribery/corruption in the oversea business, and infringement of the rights of foreign workers or technical interns in the domestic business, in addition to lack of consideration for occupational health and safety, infringement of human rights caused by excessive working hours or unpaid wages, and harassment. We take various measures to prevent and mitigate these risks, under relevant policies and other systems.

In addition, during discussions with experts, recommendations were made regarding the importance of assessing human rights risks by business in the value chain, and continuing to conduct surveys, investigation, and audits in areas identified as those with key human rights risks. We will continue to consider and respond to such issues.

We also assess human rights risks in new businesses. For example, we investigate the status of legal compliance concerning labor standards and health and safety as part of due diligence for M&A deals. We thus confirm that serious human rights issues do not exist in companies joining the Group.

Initiatives for Compliance

The Group's view on compliance is that it is not only about observing laws and regulations but also entails sensible corporate activities based on sound ethics. Recognizing that to maintain trust of stakeholders, it is essential to ensure that officers and employees put compliance into practice, we are continually conducting training sessions and employee surveys to raise awareness.

In addition, "Compliance Desks" have been established as one of the systems for early identification of incidents of violations of laws and regulations or misconduct, and for prompt and appropriate response.

Initiatives Undertaken by the Compliance Desks (Internal Reporting System) in FY2024.3

The desks accepted a total of 173 consultations and reports in FY2024.3. We examined the necessity of factual investigations on these cases and conducted interviews, evidence checks, etc. Measures to remedy the situation and prevent recurrence were taken as necessary. We found no serious violations of laws and regulations.

When cases are brought to the "Compliance Desks," violations of laws and regulations, etc., are remedied if any violations are found in the investigations. Even if no violations are found, improvements are made as necessary in order to maintain and improve a sound work environment.

The content of report accepted, investigation results, remedies, and other matters are reported to and shared by the Compliance/Risk Management Subcommittee and the ESG Committee to prevent recurrence.

