

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.

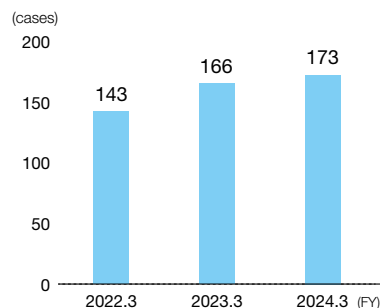
Initiatives Undertaken by the Compliance Desks (Internal Reporting System) in FY2024.3

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.

■ Number of Consultations and Reports



■ Breakdown of Report Content in FY2024.3

