Reduction of Scope 3 GHG Emissions in Collaboration with Suppliers Creation of a Sustainable Supply Chain -> Human Rights Due Diligence

Management of the Entire Supply Chain

Human Rights Due Diligence ~ Respect for the Human Rights of Suppliers and Employees~

With respect for human rights underlying all its business activities, the Group deepens the understanding of human rights issues in all relevant countries and business activities in accordance with the Guiding Principles on Business and Human Rights established by the United Nations. And by addressing human rights due diligence, we promote business activities that respect the human rights of suppliers and employees.

Human Rights Due Diligence Initiatives

The Group formulated its Human Rights Policy based on identified human rights risks and shared it with suppliers. And we confirm the status of their compliance with the shared Human Rights Policy through assessment. When a problem is found, we make improvements through dialogue with relevant suppliers. We implement such human rights due diligence activities.

Process of human rights due diligence

Identification of human rights risks	Formulation of the Human Rights Policy	Assessment	Dialogue for improvement	Disclosure to stakeholders
Identify human rights risks from the Group risk list.	Adopt a Human Rights Policy that responds to social conditions as a commitment to human rights.	Confirm compliance with the shared Human Rights Policy through assessment.	Have dialogue for improvement with suppliers who were found to have a problem as a result of assessment.	Periodically disclose information on human rights due diligence.

Identification of Human Rights Risks

In 2020, the Group identified human rights risks arising from its business activities. The Risk Management Committee identified and assessed risks based on environmental analyses, narrowed them down to the ones to be prioritized, and shared risk awareness throughout the Group as the "Group risk list." We selected important human rights risks from them and identified them as the human rights risks of the Group.

Identified human rights risks

Subject	Human rights risk	
The Group	Inadequate labor management, such as the health of the Group's employees (including foreigners and disabled people)	
The Group + Primary suppliers	Inadequate employment, subcontracting, outsourcing and worker dispatch	
Primary suppliers	Sustainability of supply chain	

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Formulation of the Human Rights Policy

In 2019, the Group formulated the Human Rights Policy. This Human Rights Policy is based on the International Bill of Human Rights, the Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Compact. This Human Rights Policy provides our ideas for deepening the understanding of various human rights issues that underlie all our business activities and for taking appropriate actions.

Improvement through Assessment and Dialogue

The Group will confirm the status of suppliers' compliance with the shared Human Rights Policy through assessment in fiscal year 2021. And depending on its result, we will promote dialogue with suppliers for improvement. In addition, we will periodically disclose information on the result of human rights due diligence.

In-house Education on Human Rights

We strive to create a corporate culture based on respect for human rights while making individual employees correctly aware of and understand human rights. From the perspective of further promoting the fulfillment of corporate social responsibilities, we use our intranet to help all employees deepen their understanding of human rights at any time. Furthermore, every year we provide human rights training for employees in management positions.

Harassment Consultation Desk and Whistleblowing System

In 2020, the Group adopted a Declaration on the Elimination of Harassment to eliminate and prevent harassment, which it considers as one of human rights risks. The "Harassment Prevention Committee" and the "Harassment Consultation Desk" are in place to take prompt action at the time of occurrence and prevent a recurrence. In addition, we have a whistleblowing system

that enables all officers and employees of the Group and all people working in the Group (including part-time workers and temporary staff from suppliers) to directly notify the Compliance Committee of any compliance-related problems and ask for correction. In March 2020, this whistleblowing system was registered with the Consumer Agency's "Whistleblowing Compliance Management System certification (registration system based on the selfdeclaration of conformity)" (WCMS certification), and in March 2021, this registration

was renewed.



WEB Whistleblowing system