

Tomen Devices Group Human Rights Policy

The Tomen Devices Group strives to conduct fair and transparent business activities and promote sound corporate management to fulfill our responsibilities to society and our stakeholders in accordance with the Behavioral Guidelines established based on our management philosophy.

One of the guidelines stipulates that we respect human rights in the development of a free and vigorous organization and corporate culture. We have also declared and put into practice our commitment to respecting people's personalities and individuality, recognizing diversity, and acting as good members of society and good corporate citizens with common sense and a rich understanding of humanity.

The Toyota Tsusho Group, of which we are a member, has established the following human rights policies:

The Toyota Tsusho Group's Corporate Philosophy is "Living and prospering together with people, society and the globe, we aim to be a value-generating corporation that contributes to creation of a prosperous society," and we are striving to solve social issues through our business activities.

"Be the Right ONE," to be an irreplaceable and unique presence for partners and stakeholders, shapes our Ideal Image of ourselves as part of our Global Vision, so we understand that our responsibility to understand the human rights issues in the countries and regions in which we operate and to act appropriately are extremely important. We include "Respect human rights and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills." as one of our Key Sustainability Issues (material issues).

Toyota Tsusho Group positions this policy as its highest level policy regarding human rights.

Based on the policy formulated as a corporate group and the Group's previously established thinking and initiatives, the Tomen Devices Group Human Rights Policy has been established as follows:

Policy and basic concept

1. Our stance on international norms and laws

We believe that respect for human rights in accordance with international standards forms the foundation of our business worldwide, and consequently, we respect human rights based on the United Nations International Bill of Human Rights, including the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

Our Behavioral Guidelines stipulate that we will respect people and strive to create an engaging workplace, as good corporate citizens and our Global Code of Conduct & Ethics (COCE) specifies that we will respect for human rights and stresses our consideration for human rights.

We particularly strive to ensure that there is no discrimination based on gender, age, nationality, race, skin color, ethnicity, religion, sexual orientation, disabilities, political views or other factors in our workplaces, to establish policies to prohibit forced labor, child labor and unreasonably low wage labor, to eliminate inadequate employment and pay above the minimum wage in compliance with labor laws and regulations of countries in which we operate and to protect the right to privacy and freedom of expression of all individuals with whom we engage in the course of our company activities.

2. Scope of application

This policy applies to all officers and employees. We also expect all of our business partners, including suppliers, to understand and comply with this policy.

3. Human rights due diligence

We will strive to identify and prevent or mitigate any adverse impacts on human rights in our business through our human rights due diligence mechanisms.

4. Remediation and remedy

If we discover that our business activities have caused or are having an adverse impact on human rights, we will work to remediate or remedy them through appropriate procedures and dialog.

5. Grievance mechanism

We will endeavor to establish a reporting and grievances system to appropriately understand and respond to all human rights issues affecting our officers and employees or otherwise related to our business.

6. Education

We will provide appropriate education and training to officers and employees so that they are familiar and comply with this policy. Moreover, we will include this policy in our guidelines and other necessary procedures to firmly establish it in our business activities.

7. Progress confirmation and information disclosure

We will persistently review our efforts to respect human rights, track progress and disclose our findings in a timely manner through our website, etc.

8. Dialogue/discussion with stakeholders

We will endeavor to consult with third-party organizations with human rights expertise regarding any adverse impact on human rights and engage in dialog and discussions with relevant stakeholders.

President
Kiyotaka Nakao

Initiative for specific issues

Rights of children

We believe that the human rights of children -who will lead future generations- require particular consideration. To this end, we endorse children's rights-related treaties championed by international organizations and support UNICEF's Children's Rights and Business Principles.

Rights of indigenous peoples

We recognize the unique culture and history of indigenous people in our business activities in the countries and regions where they reside. Further, we shall consider the rights of indigenous peoples stipulated in the laws and regulations of such countries and regions as well as in international norms, such as the United Nations Declaration on the Rights of Indigenous Peoples.

Our stance on security firm appointment

We recognize that the use of weapons in security operations carries the potential risk of human rights abuses. Accordingly, we will endeavor to respect human rights by supporting the laws and norms of countries and regions in which we conduct business, as well as related international agreements, when appointing security organizations and other entities as part of our business activities.

Prevention of modern slavery

We will endeavor to undertake measures to prevent modern slavery, such as forced labor and human trafficking, in or in relation to our business activities.

Respect for Human Rights in COCE

In July 2016, Toyota Tsusho, as a group, enacted its Global Code of Conduct & Ethics (COCE), which is a more concrete statement of the company's Behavioral Guidelines. In response to this, we took steps to disseminate the COCE throughout the company and submitted a report on these activities to the Board of Directors in August 2016.

We issue the COCE Booklet with the president's message in various languages and have made it available on our intranet and the internet so that it can be accessed by all employees around the world.

We seek to ensure thorough awareness about respect for human rights by obtaining, through the COCE global network, a globally common pledge from both Tomen Devices Group officers and employees around the world to follow the COCE.

Structures

At Tomen Devices and our Group companies, the Human Resources and General Affairs Departments implement human rights-related measures day-to-day based on the Human Rights Policy and the Code of Conduct & Ethics (COCE), subordinate to the Heads of the Corporate Administrative Divisions who manage the departments supervising human rights.

We aim to strengthen our efforts to realize a sustainable society from a long-term perspective based on the three viewpoints of ESG (environment, society, and governance). To this end, we have appointed sustainability officers in each sales division and overseas region, and are promoting respect for human rights and other sustainability-related initiatives.

Human Rights Due Diligence

We are currently preparing to address human rights risks that could impact society through our business activities. Starting in the fiscal year ending March 31, 2024, we plan to implement human rights due diligence initiatives for all of our consolidated subsidiaries. We will promote these initiatives by reporting the current status of implementation to the Sustainability Management Committee and through other efforts.

Internal whistleblowing system

Tomen Devices has set up a Harassment Consultation Desk for consultation regarding and the reporting of sexual harassment, power harassment, discriminatory language and other human rights issues.

The Consultation Desk determines whether an investigation is necessary and, if so, operates in such a way that anonymity and confidentiality are maintained and reporting personnel are not subject to retaliation. The reporting individual is notified of the investigation's results as necessary.

In 2011, we established whistle-blowing desks inside and outside the company, providing greater anonymity and confidentiality. In this way, we are working to establish internal reporting systems that make it easier for employees to report or consult on matters related to COCE violations, including corruption and human rights' violations.

Although no one has consulted the whistle-blowing desks regarding human rights as of the date of enactment of this policy, we intend to respond appropriately to individual inquiries.

Training and awareness activities

The Human Resources and General Affairs Department is primarily responsible for employee training and activities to raise employees' human rights awareness. We have introduced Practical Compliance Training for those in managerial positions, in which they learn trends and solutions based on detailed case studies such as how to respond when a subordinate asks for advice on harassment, with the goal of raising awareness of appropriate labor management. Our human rights educational activities are attended by Tomen Devices employees and we intend to educate our Group employees as well.

At the same time, we have incorporated our philosophy on human rights and the environment into our Supply Chain Sustainability Behavioral Guidelines, which are guidelines for realizing mutual sustainable growth through shared understanding and cooperation with our suppliers, to ensure that our entire supply chain is sustainable. We have shared these guidelines with major 29 suppliers that have transactions with us and asked them to put the guidelines into practice.

Fair employment

When hiring employees, we make fair decisions based solely on whether an individual has the abilities and qualities matching the needs of Tomen Devices. Differences based on gender, age, nationality, disability and other factors are not considered during this process.

We also provide training for the hiring manager and others involved in the hiring process, while consulting government organizations and attorneys when necessary to ensure our hiring is free of discrimination or prejudice.

Measures to eliminate human rights violations such as child labor and forced labor

As a part of the COCE, we pledge not to participate in child labor, human trafficking and other forms of forced labor. To prevent child labor, for example, we have made age-verification via official identification a compulsory part of our recruitment processes.

To address violations of human rights and all forms of corruption—including those outlined above—we have launched an external reporting line that maintains anonymity and confidentiality and provides multilingual support. In this way, we are establishing systems that enable us to respond appropriately to the information that is provided by the parties involved.

Equal pay for equal work

Tomen Devices complies with the statutory minimum wage and applies compensation systems that are uniform regardless of gender for the people with the same qualifications and duties. We have asked each Group company to establish compensation structures compliant with local laws.