

Respect for Human Rights

Towards Value Creation

In order to practice business activities in which respect for human rights is regarded as the most important challenge for the entire supply chain, we promote human rights awareness activities for the entire group.

In May 2022, we signed the United Nations Global

Compact and endorsed its ten principles relating to human rights protection, the elimination of unfair labor practices, environmental response and the prevention of corruption, and we are engaged in various initiatives to realize these principles.

Policy and Operational Structure

We formulated our Basic Policy Concerning Human Rights and Labor Practices in April 2015 with the awareness that respecting human rights and diversity is a fundamental principle for a sustainable society, and taking into consideration the Universal Declaration of Human Rights and the labor standards of the International Labor Organization.

In addition, the "Human Rights & Labor Practices Committee," which is under the Sustainability Management Committee directly under the Board of Directors, is chaired by the director in charge of the Human Resources Department and promotes human rights initiatives, including those at group companies.

Basic Policy Concerning Human Rights and Labor Practices

- ① Recognizing that respecting human rights is a foundational management concern, we will strive to address human rights issues.
- ② We will respect diversity and will not tolerate discrimination or harassment in any form.
- ③ Applying accepted international principles and laws and labor practices in each country, we will respect the rights of all our workers, provide them with employment free of discrimination and strive to ensure equal employment opportunities.
- ④ We will strive for better working conditions and a workplace environment that ensures the health and safety of our employees.
- ⑤ We will not tolerate child labor or forced labor under any circumstances.

The United Nations Global Compact

The United Nations Global Compact (UNGC) is the world's largest sustainability initiative, bringing together the United Nations and the private sector (businesses and organizations) to build a healthy global society.

WE SUPPORT



Educational Activities on Human Rights

We hold sustainability lectures for top-level management at group companies. In 2023, we held a lecture on "Workplace Diversity Management and Advanced Cases." We provide training support, distribute human rights awareness booklets, and provide information to Group companies.

Furthermore, in FY2024, we conducted training for employees at each job level on the theme of "Recent Dowa issues and efforts to prevent harassment and how to use counseling services" and provided video training on the "Proper Understanding of Psychological Safety" to all employees.

Internal Training and Motto Submission (FY2024)

Training	Results
Sustainability Lecture to Top-Level Management	125 participants
Human rights training for each job level at headquarters	285
Human rights training for branches, factories and research centers	1,979
Number of Human Rights Week mottos submitted (employees and family members)	1,752

Our Human Rights Hotline

Harassment consultation counselors and human rights awareness promotion committee members conduct activities to raise awareness of human rights to prevent harassment and offer consultation. In addition, the Japan Institute for Women's Empowerment & Diversity Management serves as an external consultation service, providing an environment conducive to consultation.

In FY2024, harassment consultation service conducted 9 consultations, all of which were handled appropriately in accordance with the requests of the consulting parties.

Harassment Hotline

Internal	Human rights awareness promotion committee members and harassment consultation counselors have been assigned at all our business sites (59 in total)
External	Telephone and website consultations have been contracted to the Japan Institute for Women's Empowerment & Diversity Management Harassment Hotline

Number of Reports to the Harassment Hotline (FY2024)

Non-consolidated

	Sexual harassment	Power harassment	Other	Total
Internal	0	4	1	5
External	0	3	1	4

Respect for Human Rights – Human Rights Due Diligence –

Towards Value Creation

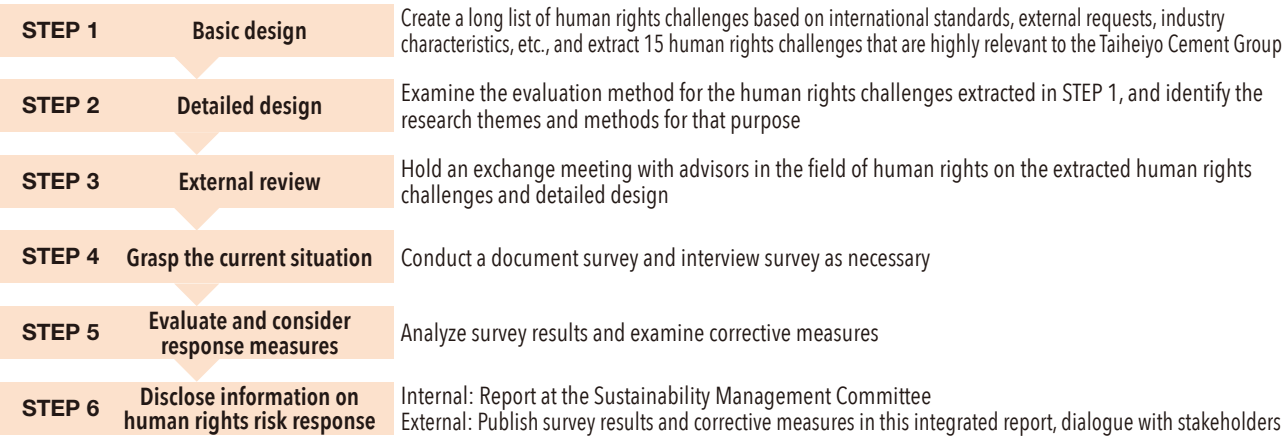
We recognize that respect for human rights not only means not being complicit in human rights abuses ourselves, but also taking responsibility for preventing and mitigating negative impacts on our suppliers.

In FY2024, we conducted our first human rights due diligence, focusing on suppliers related to the cement manufacturing business. Moving forward, we aim to enhance our corporate value by expanding the scope of our investigations, conducting them regularly, identifying potential human rights risks in the Taiheiyo Cement Group's business activities, and taking appropriate measures to prevent or mitigate them in advance.

Policy and Operational Structure

Human rights due diligence is conducted primarily by the Stakeholder Communication Committee, which is under the Sustainability Management Committee reporting directly to the Board of Directors. The results of the survey are reported to the Sustainability Management Committee, and discussions are also held on corrective measures for the challenges identified. The Sustainability Management Committee also invites external advisors in the field of human rights to give lectures to raise awareness of human rights among top management.

● Overview of Human Rights Due Diligence



Human Rights Due Diligence Roadmap

The first human rights due diligence conducted in FY2024 covered a total of 10 companies, including our headquarters, six directly managed plants, and three domestic group companies. As a result of investigating the actual situation and the management system, occupational health and safety, and harassment were identified as key issues, while the management system survey identified access to legal remedies, prevention of bribery and corruption, and procurement practices (supplier management). In addition, we have determined that it is necessary to formulate a human rights policy that respects international standards more comprehensively than our previous Basic Policy Concerning Human Rights and Labor Practices.

In FY2025, we will formulate a human rights policy and corrective measures for the identified key challenges, and expand the scope of our survey to major domestic groups (other than cement manufacturing), major domestic secondary suppliers (other than those surveyed in FY2024), and major overseas primary suppliers.

In addition, since business activities that respect human rights are a major premise for achieving our "Taiheiyo Vision 2030" set out in the 26 Medium-Term Management Plan, we will strive to reduce human rights risks through regular human rights due diligence and continuous corrective measures based on the PDCA cycle.

FY2024 survey scope	FY2025 survey scope	Our Vision (2030)
Headquarters	Major domestic group companies (other than cement manufacturing)	Reducing human rights risks through regular due diligence and continuous corrective measures based on the PDCA cycle
Major domestic primary suppliers: 2		
Production	Major domestic secondary suppliers (excluding those surveyed in FY2024)	
Directly operated cement plants in Japan: 6	Major overseas primary suppliers	
Domestic Group: 3 companies		
Overseas Group: 3 companies		
Transportation		
Land transportation (domestic group): 1 company		
Marine transportation (domestic group): 1 company		

Key Challenges Identified in the FY2024 Human Rights Due Diligence

As a result of conducting the first human rights due diligence based on the 15 human rights challenges that are highly relevant to the Taiheiyo Cement Group, five key challenges were identified.

● Human Rights Challenges of the Taiheiyo Cement Group

1	Respect for human rights (compliance with international norms)	● 8	Occupational Health and Safety
2	Non-complicity in human rights violations, compliance, social security and fair competition	9	Working hours (right to rest and holidays)
● 3	Access to (legal) remedies	10	Appropriate working environment (including access to water)
4	Equality under the law and prohibition of discrimination	11	Wages (right to an adequate standard of living)
● 5	Harassment and abuse	12	Freedom of association and the right to collective bargaining
6	Child labor (respect for the right to education)	13	Rights of indigenous peoples and local communities
7	Forced labor	● 14	Bribery and corruption prevention
		● 15	Thorough procurement practices (supplier management)

● Key challenges identified in the FY2024 human rights due diligence

Corrective measures for key challenges

The following are our initiatives for FY2025:

- Formulation of the Taiheiyo Cement Group Human Rights Policy**
As a signatory company of the United Nations Global Compact, we plan to formulate the "Taiheiyo Cement Group Human Rights Policy" in FY2025, which will support and respect international rules such as the "Ten Principles of the UN Global Compact."
- Access to (legal) remedies**
In Japan, whistleblower desks for harassment and compliance violations have been established both inside and outside the company, and employees of our company and domestic group companies have access to them. However, it was recognized as a challenge that there is no whistleblower program in place at our overseas group companies. We have started to consider the establishment of whistleblower desks at overseas group companies from FY2025 and are preparing for their early opening.
- Harassment and abuse**
The number of reports to internal and external consultation hotlines in fiscal 2023 was 14. This is an increase compared to FY2021 (4 cases) and FY2022 (9 cases), so the Human Rights Promotion Office is further disseminating internal regulations related to harassment and strengthening awareness-raising via committee members and harassment consultation staff.

- Occupational health and safety <Activity results>**
In FY2024, there were 133 occupational accidents, including one fatality, and although the absence rate decreased to 0.689% following the reclassification of COVID-19 to Category 5, we were unable to achieve our target. Each business site will gather the opinions of its working employees more than ever before, and all employees will work together with a shared understanding of safety, security and health.
- Bribery and corruption prevention**
The Taiheiyo Cement Group positions compliance as the foundation of our business activities and established the "Anti-Bribery Policy" in 2017. In addition, amid the trend of strengthening international regulations on bribery, we have determined that measures against bribery and corruption are necessary, including at overseas group companies, and established the "Taiheiyo Cement Group Basic Anti-Bribery and Corruption Regulations" in June 2024.
- Thorough procurement practices (supplier management)**
The Taiheiyo Cement Group established the "Taiheiyo Cement Group Basic Policy Concerning Procurement" in 2017, which requests ethical conduct from our suppliers; however, based on the judgment that it is now essential to consider not only compliance with laws and regulations in procurement activities but also sustainability factors such as human rights and the environment, we plan to newly formulate a new policy in FY2025.