Respect for Human Rights

We strive to contribute to a sustainable society by promoting respect for human rights.

Basic Approach to Respect for Human Rights

In the Nihon Kohden Charter of Conduct, which sets forth the standards of behavior to be observed by the Company and its executives and employees, Nihon Kohden states that the Company has respect for human rights at all times. The Nihon Kohden Code of Ethics and Conduct provides specific guidelines for actions to be taken to ensure respect for human rights.

In July 2015, the Company signed the United Nations (UN) Global Compact, aiming to remain a company trusted by society and to contribute to the creation of a sustainable society through corporate activities in accordance with the Ten Principles of the UN Global Compact in the four areas of human rights, labor, the environment, and anti-corruption.

With the globalization of corporate activities in recent years, public interest in corporate human rights initiatives has been growing. As it is extremely important for Nihon Kohden to respect the human rights of its stakeholders, we established the Nihon Kohden Group Human Rights Policy in December 2020. By following the Policy and promoting initiatives to respect human rights, we will contribute to the realization of a sustainable society.

For further details, please refer to our website.
Respect for Human Rights

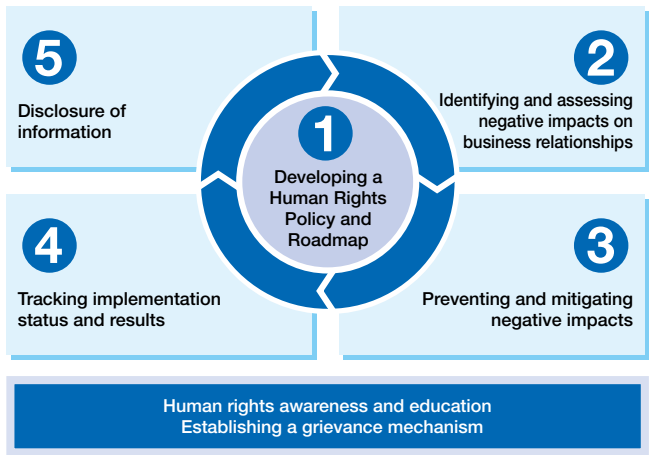
Human Rights Due Diligence

Nihon Kohden has established a human rights due diligence structure to identify, prevent, and mitigate negative impacts on human rights.

In FY2023, based on the questionnaire results, we conducted additional fact-finding surveys and interviews with suppliers identified as having high human rights risks. Through these efforts, we confirmed future measures and proposed strategies to mitigate these risks. Additionally, we established a human rights consultation hotline for our suppliers and customers to receive consultation on human rights issues in the supply chain. Furthermore, we have developed a roadmap for the next three years and set up key performance indicators (KPIs) to guide our efforts. In FY2024, the scope of our supplier questionnaire was expanded from our key suppliers* to all suppliers of domestic and overseas Group companies excluding some overseas subsidiaries. We will continue to foster understanding of Nihon Kohden's commitment to respect for human rights and promote sustainability efforts in cooperation with our supply chain.

* Suppliers of orders with large purchase amounts, suppliers who provide parts for major and strategic models, and suppliers who provide non-substitutable parts.

Overview of Our Human Rights Due Diligence



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■ Human Rights Risk Assessment and Identification

In promoting sustainability initiatives through its business activities, Nihon Kohden closely engages with all stakeholders, including customers, shareholders and investors, business partners, local communities, and employees. Therefore, a wide range of human rights risk issues can be anticipated, such as discrimination and harassment based on race or gender, excessive working hours, child labor, leakage of personal information, and environmental pollution.

To address these risks, the Company conducts an impact assessment of human rights issues. We focused on approx. 30 human rights issues for impact assessment based on the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the Stakeholder Engagement Program of the Caux Round Table Japan Committee, and the Handbook for Management that Respects Human Rights formulated by the Japan Business Federation (KEIDANREN). After assessing the impact of these issues, we identified "Excessive and unreasonable working hours" as well as "Sexual harassment, power harassment, and harassment related to pregnancy, childcare, and nursing care, etc." as the Group's key human rights issues. We will regularly reevaluate these critical key human rights issues to prevent or mitigate negative impacts.

For further details, please refer to our website.

Human Rights Impact Assessment/Human Rights Risk Assessment

■ Monitoring by Questionnaire Survey and Promoting Risk Reduction Measures

As a measure to reduce and mitigate human rights risks, Nihon Kohden conducts annual questionnaire survey and monitoring of Group companies and suppliers in Japan and overseas. The Company also systematically promotes its initiatives for risk reduction. In FY2024, the scope of the survey was expanded to cover all suppliers of domestic and overseas Group companies excluding some overseas subsidiaries to identify and address a wider range of human rights risks.

At domestic and overseas Group companies, we have promoted risk reduction measures concerning "Excessive and unreasonable working hours" as well as "Sexual harassment, power harassment, and harassment related to pregnancy, childcare, and nursing care, etc." which have been identified as key human rights issues. We have conducted additional fact-finding surveys and interviews for suppliers identified as having high risks to confirm future measures and proposed strategies to mitigate the risks.

Risk	Measure
Excessive and unreasonable working hours	To reduce excessive and unreasonable working hours, such as long working hours and consecutive working days without adequate rest, we started full-scale implementation of the Flextime System and Teleworking System in January 2023 to promote flexible work arrangements. In addition, to improve workforce productivity, annual overtime quotas are set for all departments, and measures are implemented throughout the year to manage and reduce overtime work. We mitigate the risk of long working hours by setting individual and monthly overtime quotas with the attendance management system, monitoring monthly overtime status, and sending alert e-mails when overtime quotas are exceeded.
Sexual harassment, power harassment, harassment related to pregnancy, childcare, and nursing care, etc.	In addition to providing harassment education through e-learning for all executives and employees, we conduct annual training for newly appointed managers on how to appropriately handle harassment reports and consultations. By continuing these training programs, we aim to reduce the risk of harassment.

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Initiatives to Respect Human Rights

In accordance with the Nihon Kohden Group Human Rights Policy, the Group is working to prevent all forms of discrimination and harassment. In FY2024, no human rights violations or harassment leading to disciplinary dismissal from employment occurred.

■ Structure

Nihon Kohden's human rights initiatives are discussed by the Sustainability Promotion Committee, which is chaired by the president, and the results of the discussions are shared with and reported to the Board of Directors. The Corporate Strategy Division and the Human Resources Department play a central role in implementing human rights initiatives within the Company.

Deliberative body	Sustainability Promotion Committee (Key human rights-related matters discussed by the Committee are submitted to and reported to the Board of Directors in accordance with the Standards for Procedures for Requesting Deliberations and Making Decisions.)
Secretariat	Corporate Strategy Division, Human Resources Department

■ Consultation Counter and Internal Reporting System

Nihon Kohden has established a harassment consultation counter and internal reporting system to offer consultations on various human rights issues, including sexual harassment, power harassment, and maternity harassment, as well as labor issues involving sexual minorities (such as LGBTQ individuals) and foreign employees. Employees can access the consultation counter and reporting system anonymously, and their privacy is strictly protected and carefully handled to ensure that they do not suffer any unfavorable treatment. To provide relief to individuals seeking the consultation, we conduct fact-finding investigations regarding the details of the consultation received, with the consent of the persons themselves. When the facts are confirmed, appropriate measures are taken, including corrective actions, awareness-raising to improve the work environment, and educational efforts to prevent recurrence. These matters are shared at quarterly meetings of the Compliance Committee, where countermeasures are discussed.
Additionally, we established a human rights consultation hotline for our suppliers and customers in October 2023 to receive consultation on human rights in the supply chain.

■ Human Rights Education and Training for Employees

Nihon Kohden has been conducting e-learning programs for all executives and employees to prevent harassment and ensure compliance with labor-related laws and regulations. In FY2024, the numbers of executives and employees who participated in harassment education and in human rights training were 4,211 and 4,213, respectively. Through these training programs, we aim to promote understanding of human rights risks and human rights policies, deepen awareness of sexual minorities (such as LGBTQ individuals), and foster a workplace culture that supports the elimination of discrimination based on gender identity and sexual orientation.
We also strive to prevent human rights violations through training for newly appointed managers that includes sessions on harassment prevention and procedures for responding to harassment reports and consultations.

■ Considerations for Social Minorities

Nihon Kohden is committed to fostering a deeper understanding of diverse identities, including sexual orientation, gender identity, and gender expression. We are also committed to eliminating prejudice and discrimination against LGBTQ individuals and other social minorities. Through these initiatives, we aim to create a comfortable and fulfilling work environment where diversity is respected, and all employees have the opportunity to thrive. For further details on DE&I promotion initiatives, please refer to the **Initiatives to Enhance the Value of Human Capital page.**

Respect for Human Rights

Initiatives throughout the Supply Chain

Nihon Kohden is actively working to promote respect for human rights throughout the supply chain, including its business partners. The Company prohibits child labor and forced labor in the Nihon Kohden Procurement Policy and the Nihon Kohden Sustainable Procurement Standards.

To ensure compliance with our Nihon Kohden Sustainable Procurement Standards, we place importance on ongoing communication with our business partners and are committed to reducing and mitigating human rights risks. We conduct an annual questionnaire survey and monitoring of all suppliers of Group companies in Japan and overseas. The questionnaire consists of five categories, including "human rights." In FY2024, the survey scope was expanded to include all suppliers of domestic and overseas Group companies excluding some overseas subsidiaries, in addition to our key suppliers*. Through additional fact-finding surveys, interviews, and feedback based on the questionnaire results, we engage in dialogue with our suppliers and support them in reducing risks.

* Suppliers of orders with large purchase amounts, suppliers who provide parts for major and strategic devices, and suppliers who provide non-substitutable parts.

For further details, please refer to our website.

Adherence to the Nihon Kohden Sustainable Procurement Standards