

Governance

Respect for Human Rights

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Policies and Initiatives Related to Human Rights

Participating in the UN Global Compact and Adhering to the Universal Declaration of Human Rights and the International Labour Organization (ILO) Core Labour Standards

Systemex strongly advocates respect for human rights and the elimination of discrimination in its Global Compliance Code, and works to create corporate management and workplace environments that respect all employees' human rights. This code is in keeping with the UN's Universal Declaration of Human Rights provision that "All human beings are born free and equal in dignity and rights", as well as the spirit of the ILO's Core Labor Standards, which define the minimum labor standards that must be preserved in the workplace.

To ensure that these principles are effectively put into practice, Systemex has clarified its zero-tolerance policy regarding discrimination, harassment, forced labor, and child labor, and conducts various types of training to ensure employee awareness of these matters. Systemex joined in the UN Global Compact in 2011 and clarified its corporate stance in relation to the Compact's Ten Principles regarding human rights, labor, the environment, and anti-corruption.

► Global Compliance Code

Identifying Risks to Human Rights(Human Rights Due Diligence)

Systemex stipulates the implementation of human rights due diligence in the Global Compliance Code and works to identify the impact on human rights of business activities within the Company and across the supply chain and works to prevent or mitigate any negative impacts. Specifically, we have incorporated into CSR surveys of our business partners such topics as the prohibition of forced and child labor and eliminating discrimination due to gender, disability, race, or other factors. To ensure that Systemex is not involved or complicit in human rights abuses, we ascertain impacts on human rights in advance and put in place measures to prevent any abuses. With the UK Modern Slavery Act having gone into effect in 2015, Systemex UK has published a statement on its website and operates in full compliance with the act.

► Strengthening Supply Chain Management

► Anti-Slavery and Human Trafficking Policy

Consultation and Reporting Systems Related to Human Rights

Systemex has established internal reporting hotlines in Japan and overseas for handling consultations on human rights, including those related to discrimination and harassment. Information received through these hotlines is handled appropriately and confidentially, and counselees and reporters are protected from any negative consequences caused by seeking consultation or making a report. We confirm the facts of the events consulted or reported, and if a compliance violation is found, we will impose a penalty on the violator and take corrective and preventive measures.

► Internal Reporting System

Education and Training on Respect for Human Rights

Systemex strives to prevent human rights abuses by conducting training with the purpose of preventing harassment and ensuring that employees have a correct knowledge of labor matters.

FY2022 Results

- Harassment and labor management training for newly appointed supervisors and new employees
- Unconscious bias^{*1} training for all employees^{*2}
- Management training to improve psychological safety (for supervisors)
- Psychological safety seminar by an industrial physician for all employees^{*2}
- Global compliance training on harassment for all Group employees

*1 Seeing things in a biased way due to unconscious prejudices or preconceptions

*2 Participation is voluntary

► Compliance Education

Labor-Management Dialogue

Systemex respects employee rights, such as the right to form a union and the right to collective bargaining, based on its participation in the UN Global Compact and support for the ILO's Core Labor Standards.

As of March 2023, 61% of Systemex Corporation employees are members of the Systemex Union, our in-house labor union. Systemex Corporation engages in collective bargaining with the Systemex Union every year. In FY2022, in addition to regular meetings, labor and management met to discuss productivity improvement through optimization of working hours and streamlining operations; working environments having diverse employees and the personnel system; responses to working environment changes, and the promotion of a "healthy company".

Such meetings are also held at Group companies. Labor unions have been formed at overseas Group companies including Jinan Systemex, Systemex Vietnam, and HYPHEN BioMed, and hold regular dialogues with respective Group companies. In addition, Systemex CNA has formed an employee group consisting of departmental representatives for quarterly labor-management discussions on topics such as work environments, management of work hours, and the amount of paid leave days taken. Systemex TMC also holds quarterly labor-management meetings.

* In this report, "Systemex" refers to the Systemex Group as a whole. "Systemex Corporation" refers to the Company on a stand-alone basis.