

Governance

Respect for Human Rights

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Policies and Initiatives Related to Human Rights

Supporting the United Nations Guiding Principles on Business and Human Rights and Participating in the UN Global Compact

Systemex strongly advocates respect for human rights and the elimination of discrimination in its Global Compliance Code, has established Human Rights Policy, and works to create corporate management and workplace environments that respect all employees' human rights. This code and policy are in keeping with the UN's Guiding Principles on Business and Human 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. We joined the UN Global Compact in 2011 and clarified our corporate stance in relation to the Compact's Ten Principles regarding human rights, labor, the environment, and anti-corruption.

▶ [Global Compliance Code](#)

▶ [Human Rights Policy](#)

Identifying Risks to Human Rights (Human Rights Due Diligence)

Systemex stipulates the implementation of human rights due diligence in the Global Compliance Code and the Human Rights Policy. Systemex identifies the impact on human rights of business activities within the Company and across the supply chain, and it 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, elimination of discrimination due to gender, disability, race, or other factors, the prohibition of human trafficking, the freedom of association, and the right to collective bargaining. To ensure that Systemex is not involved or complicit in human rights abuses through our business activities or transactions with business partners, 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 related statement on its website and operates in full compliance with the act.

▶ [Strengthening Supply Chain Management](#)

▶ [Anti-Slavery and Human Trafficking Policy](#)

Grievance Mechanism Related to Human Rights

Systemex receives consultation and reporting from suppliers, partners, customers, and members of the local community in order to recognize any adverse human rights impact caused by our business activities and to enable us to take immediate corrective action when necessary. We have a system in place to appropriately handle information received, protect anyone who consults with us or reports to us from being disadvantaged, and to take necessary corrective and remedial measures if an adverse human rights impact is identified.

▶ [JaCER Report Form](#)

* JaCER (Japan Center for Engagement and Remedy on Business and Human Rights) is an organization that accepts human rights complaints/reports through the "Engagement and Remedy Platform" and aims to support and promote the handling of complaints for its member companies from a professional standpoint.

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.

FY2023 Results

- Harassment and labor management training for newly appointed supervisors and new employees
- Unconscious bias¹ training (for all employees²)
- Training regarding sexual diversity (for all employees²)
- Management training to improve psychological safety (for supervisors)
- Psychological safety seminar conducted by an industrial physician (for all employees²)
- Global compliance training including the respect for human rights (for all employees)

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

*2 Scope: Systemex Corporation

▶ [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 2024, 63% of Systemex Corporation employees were members of the Systemex Union, our in-house labor union. We conduct annual collective bargaining with the Systemex Union. In FY2023, 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.