

⑥ Governance

Respect for Human Rights and Responsible Procurement

Human rights

Human Rights Policy

The Group supports international human rights standards and principles, including the UN “Guiding Principles on Business and Human Rights” and the “Guidelines for Respecting Human Rights in Responsible Supply Chains” formulated by the Japanese government. We do not engage in human rights abuses, including forced labor, child labor, discrimination, harassment and human trafficking.

To clarify this thinking, the Group has established the “Toagosei Group Human Rights Policy,” approved by our Board of Directors, which has been published on our website. This Policy expects the officers and employees of the Group, as well as business partners such as suppliers, to understand and implement its philosophy, and demonstrates the Group’s basic stance regarding human rights to all stakeholders. In accordance with this policy, we are also establishing a human rights due diligence mechanism and working to identify, prevent and mitigate human rights issues, as well as setting up “Corporate Ethics Helplines” to provide assistance in the case of violations of human rights.

Conduct of human rights due diligence

Our Group conducts human rights due diligence in accordance with the “Toagosei Group Human Rights Policy.” We identify and evaluate human rights risks based on the “Practical Reference Materials for Respecting Human Rights in Responsible Supply Chains” developed by the Ministry of Economy, Trade and Industry. Identified issues are examined by sending survey forms to relevant suppliers and contractors, and the required action to be taken is considered and implemented based on the results of the survey. The implementation of human rights due diligence is also reported to the Compliance Committee to verify that it is deemed appropriate.

Human rights due diligence in 2025

We distributed the Sustainable Procurement Guidelines to major suppliers of raw materials in Japan and conducted a questionnaire survey on the status of their overall sustainability initiatives. The survey did not reveal any significant issues related to human rights or sustainability at the relevant suppliers.

Furthermore, we distributed our Human Rights Policy to companies to which we outsource logistics operations, urging them to respect our principles on human rights, and conducted a human rights survey. The results of the survey revealed that there were no major risks identified that conflict with the International Labour Organization’s Core Labor Standards and other international norms (elimination of forced labor, abolition of child labor, prevention of human trafficking, elimination of discrimination, a safe and healthy working environment, etc.) or with various domestic laws and regulations. In particular, we confirmed that companies employing foreign workers are taking appropriate measures in compliance with the Ministry of Health, Labour and Welfare’s Guidelines for Employers to Improve the Management of Employment of Foreign Workers, etc.

We will continue to expand the scope of companies surveyed and advance the sophistication of our initiatives, while striving to build a sustainable supply chain that considers human rights and the environment through dialogue with suppliers and contractors.

Companies surveyed	Classification	Number of responding companies in 2025	Response rate in 2025	Year-on-year
Suppliers of raw materials	Survey on the status of overall sustainability initiatives	19	95%	+5pt
Logistics service providers	Human rights survey	15	100%	0pt



Sustainable procurement

Sustainable Procurement Guidelines

The Group has established the Sustainable Procurement Guidelines to reflect perspectives such as environmental protection and respect for human rights in the procurement of raw materials and other materials. These guidelines target major business partners, including suppliers of raw materials and other materials as well as contractors, and call for the promotion of sustainable procurement from perspectives such

as environmental protection, respect for human rights, and legal compliance. We aim to build a sustainable supply chain by promoting initiatives that consider human rights and the environment through dialogue with suppliers and contractors. Going forward, we will advance the sophistication of our initiatives and continuously strengthen our efforts toward the construction of a sustainable supply chain.