

3. CSR POLICY 3 HUMAN RIGHTS AND LABOR

Feature a work place that respects human rights and diversity with improved welfare, safety and easy-to-work/better environment for the employees.

3-1 Basic Concept

• Basic Policy

We at T. Hasegawa support the global human rights standards such as the “The Universal Declaration of Human Rights”, “The ILO Declaration on Basic Principles and Rights in Labor” and the “UN Global Compact”. Our policies to conduct business are based on the “United Nations’ Guiding Principles on Business and Human Rights”, as shown below:

1. Never engage in child labor and forced labor.
2. Comply with regulations on working time, holidays and minimum wages stipulated by the law.
3. No discrimination in terms of hiring, salary increases and promotions.
4. No harassment against employees and in any working environment.
5. Make efforts to prevent accidents and disasters by giving priority to securing health and safety of the workplace and workers.
6. Discuss with labor representatives appropriately and faithfully.

3-2 Governance Framework

The Compliance Committee chaired by the President and Representative Director and also being comprised of other directors has been formed to ensure compliance with human rights and labor as we regard human rights and labor to be at the forefront of our business. The committee will proceed to make improvements as necessary.

• Initiatives For Human Rights

The “T. Hasegawa Corporate Code of Conduct” is in effect for all employees to follow when performing their business duties. “Respecting human rights” is an item included in the Code of Conduct. We instill that the Code of Conduct is thoroughly understood to cultivate human rights awareness and to prevent any human rights issues. We also have a “compliance regulation” enacted whereby employees or stakeholders can report potential risks for the purpose of early detection of human rights issues and for proper actions to be taken.

- **SDG's to Contribute**



(1) Human Resource Development

3-(1)-1. Risks .Opportunities and Strategies

- **Risks**

Shortage of human resources with appropriate skills, business slow down and reduction of technology transfer.

- **Opportunities**

Enhancement of employee motivation and company culture.

Increase in production efficiency by improving the working environment.

- **Strategies**

By adhering to the management policy of “fostering a better working environment for all employees”, we aim to establish a dynamic corporate climate where human resources are developed and where the will and motivation to work are sustained” and where the opportunity to advance one’s career is provided equally without any prejudice to race, nationality, gender, religion and disabilities.

• **Education System**

		Training According to Work Capacity Levels		Skill Up			Work Type			
		Common Values	Contents of Training				R&D	Production	Sales	
Managerial Level	Executives	Basic management skills	Business executive training	Language Training	Support of Obtaining Qualifications	Support of Correspondence Education	Harassment Prevention Training	Training at different departments*	Human Resource Cultivation for Mid-career Employees On-The-Job Training	Sales Guidance Manual
	Managers	Understanding managerial roles Promote staff autonomy and growth	Newly appointed managers training Management training							
Leadership Level	Cultivate awareness to participate in management		Junior board training							
	Increase output by involving others around yourself		Mid-career employees training							
Staff Level	Know about the company you work for		In-house seminars							
	Cultivate ability to work on your own		Training after 3 years of working experience* Training for the newly hired							

*Job rotation and/or On-The-Job-Training System for enhancing knowledge and skills of employees in other division after approximately 3 year working experience in one division.

3-(1)-2. Main Initiatives in 2020

Understand the roles and responsibilities of each job requirement and acquire the expected skills

• **Segregated Training by Respective Job Title and Department**

We conduct training for newly hired employees, full-time employees and new management staff. Training is done with the objective to providing the necessary understanding of the roles and skills expected. We go through the Plan-Do-Check-Action (“PDCA”) cycle procedures to plan and manage so that the training sessions are improved as needed.

Supporting Employees Willing to Learn by Themselves and Grow

• **Subsidizing System for Correspondence Education**

To promote continuous learning we provide financial assistance to employees completing educational course programs that encourage enhancements of skills.

- **Support System for Acquiring Qualifications**

Financial assistance is subsidized up to a maximum of 50% of the tuition fees to acquire advanced qualifications that the company recognizes such as a certified tax accountant, certified public accountant and certified social insurance labor consultant. We also provide incentives to employees who meet certain requirements of the company such as Test of English for International Communication (“TOEIC”) scores.

- **In-house Seminars**

We give lectures on department activities and on current events as cross-functional learning opportunities. Recipients of these seminars are able to understand the connection and relationship between their own department and the lecturer’s department which builds cross-department knowledge.

Cultivating Management Awareness among Junior Employees

- **Junior Board**

We conduct a management trainee program with the objective of cultivating an ability to develop strategic planning and enhance managerial skills.

Support of Cultivating Global Human Resources

- **Foreign language training**

We provide training lessons in English and/or Chinese by native speakers paid in full by the company to employees.

- **Training prior to assuming overseas appointments.**

For those employees assigned to work at our overseas subsidiaries, we provide training on the local cultures, law and business practices

3-(1)-3. Towards the Future

While we continue the initiatives undertaken in 2020, we are planning to introduce further effective education systems in conjunction with our human resources system.

Support managerial position employees

- **Management Training**

We conduct training aimed at the managerial position employees so that they will understand and implement management methods that encourage growth and the autonomy of their staff members.

Executives

- **Executive Training**

Provide assistance for executives to continue education within various fields of development pertinent to enhance their leadership roles and responsibilities within T. Hasegawa.

(2) Building Up a Safe and Rewarding Workplace

3-(2)-1 Risks, Opportunities and Strategies

- **Risks**

Occurrence of occupational accidents.

Administrative actions, lawsuits and decline in reputation as a result of occupational accidents.

Loss of quality employees as a result of poor working conditions.

Quitting due to taking care of children and elderly parents.

Difficulty in recruiting as a result of decline in corporate reputation.

- **Opportunities**

High quality candidates seeking employment and employee retention.

Improvement in production efficiency due to work environment.

- **Strategies**

By adhering to the management policy of fostering a better working environment for all employees”, we aim to establish a dynamic corporate climate where human resources are developed with the will and motivation to work”.

3-(2)-2. Main Initiatives in 2020

- Conduct interviews and training to newly hired employees and mid-hired employees so they may eliminate any anxieties about their new workplace and demonstrate their abilities as soon as possible.
- Encourage employees to use vacation days to increase motivation, improve mental health and decrease burnout.
- Harassment Prevention in the Workplace.

The purpose of this policy is not to regulate our employees’ personal morality, but to ensure that in the workplace, no one harasses another individual. Harassment can be intentional and unintentional; therefore, consistent training on ways to recognize and prevent harassment is key to any successful work environment.

- Hold monthly meetings with the Labor Union to appropriately understand and evaluate the requests of employees.
- “Safety Patrol”: The Safety and Health Committee conducts patrols in premises every month.
- “5S” Activities”: The Safety and Health Committee monitors the building, rates the performances of every department and hands out rewards once a year. The initiative is set to promote the *5S Activities:
 *5S stands for Seiri (Organize), Seiton (Tidy up), Seiso (Clean up), Seiketsu (Keep clean), and Shitsuke (Discipline)
- ”Safety Slogan”: Each year a contest is held to submit a winning motto for a safety slogan which is judged and decided by the Safety and Health Committee. The slogan is used for one year which leads to awareness while representing our beliefs and values.
- “Safety Social Gathering”: Held once per month to share information from the Safety and Health Committee and other committees as appropriate to employees.
- Fire Prevention Drill: Conducted twice annually the fire drill is a comprehensive coverage of protocols that includes elements of “extinguishing”, ”alerting”, ”escaping and guiding”, “rescuing” and ”protecting”.

■ Related Data (Fiscal 2020)

- Number of Employees by Employment Type

Executive Officers	Men 11	Women 1
Employees	Men 672	Women 333
Full time Contract Employees	Men 56	Women 15
- Average Length of Service by Gender Men : 17.5 years Women : 15.2 years
 (Includes contract employees with employee contract with a fixed-term)
- Percentage of Employees covered by the Union Agreement
 (Numbers in parenthesis indicate statistical total)

Against Total Employees	54.0% (1,088)
Against non-managerial employees	95.3% (616)
- Average utilization rate of Paid Leave 63.6%
- Rate of turnover 1.4% (Past 3 year average of employees who left for personal reasons)
- Total number of employees who took paternity/maternity leave Men 3 Women 12
- Total number of employees who returned to work after paternity/maternity leave during reporting period.
 Men 3 Women 10
- Number of employees working 12 months after returning to work from paternity/maternity leave
 Men 1 Women 9

- Return to work percentage and 12 months job remaining percentage of employees who returned to work after paternity/maternity leave

Men Job Return Rate 100% Job Remaining Rate 100%

Women Job Return Rate 100% Job Remaining Rate 100%

■ Systematic work environment management

- Self-declaration system
- No overtime work day
- System to encourage all employees to consume all paid holidays
- System to allow shortening work hours to caring of children and nursing elders
- Job application system for those having left to take care of children and nursing elders.
- Long Time Service Awards.
- Supporting cultural events and sporting activities for team spirit building.

■ Obtaining KURUMIN Mark,

KURUMIN Mark is a proof that a corporation is certified by the Minister of Health, Labor and Welfare in Japan as a "child-rearing support company.

Received certification in 2015 and 2019 for meeting the requirements of the “Act on Advancement of Measures to Support Raising Next-Generation Children”.

3-(2)-3. Towards the Future

- We strive to support work/life balance and recognize that our employees need time away from work to focus on family and self-care. We introduce paid-time off per working hour system to enable such work time flexibilities to function.
- Employees are our number one assets; therefore, providing proper training and development through our human resources system is vital to our success. We review our human resource system as necessity requires.
- Our working environment is highly diverse with Employees in terms of ages, physical conditions and working experiences. This level of diversity requires us to look at the working environment from many angles to continue supporting and engaging all of our team members.