

Initiatives for Human Rights

The Daigas Group believes it is important to establish a system to respect human rights of those who are affected by business activities of the Group, and to proactively disclose our initiatives in this regard, in accordance with “the UN Guiding Principles on Business and Human Rights.” We integrate the human rights due diligence system, established in accordance with “the Daigas Group Human Rights Policy,” into our business processes and conduct ongoing evaluations.

Human Rights Due Diligence

System for Carrying Out Human Rights Due Diligence

The Human Rights Center in the Human Resources Dept., Compliance Office and Internal Control Planning Team in the General Affairs Dept., and the Sustainability Office in the Corporate Strategy Dept. work together to promote human rights due diligence.

A member of the Human Rights Committee is appointed to each organization to be responsible for formulating plans, monitoring results, and overseeing implementation to prevent human rights violations. In addition, the Board of Directors, which makes decisions on and supervises the important business activities throughout the Daigas Group, supervises matters involving human rights issues. At the Sustainability Council (Management Meeting), which is held three times a year, executives discuss activity plans and activity reports related to sustainability issues, including human rights issues, and submit reports to the Representative Director and President.

In addition, the Group also has the Sustainability Committee, chaired by the Head of Sustainability Promotion (Director and Senior Executive Officer), who supervises the Group’s sustainability activities, and consisting of the heads of related organizations. The Sustainability Committee is held three times a year in principle for cross-organizational deliberation, coordination, and supervision of issues and planning, promotion related to human rights due diligence.

Initiatives Undertaken in FY2025.3 results

By reference to the dual axes of the severity of each potential human rights infringement and the likelihood of its occurring, we identify key human rights risks that the Daigas Group needs to consider in the course of our business activities and establish a priority order for addressing them. Our Compliance Desks (internal reporting system) received one consultation related to human rights, prompting internal training and information dissemination initiatives to promote respect for human rights. In FY2025.3, we continued to conduct checks through the “G-RIMS,” a self-inspection tool, a compliance survey of employees to see how well they understood compliance, and questionnaire surveys targeting major business partners of the Group. In addition, in response to compliance with working-hour limits in the construction industry, which was pointed out during last fiscal year’s discussions with external experts to identify key human rights risks, we confirmed the situation at three relevant Group companies. Furthermore, we undertook efforts to identify and address human rights risks at our overseas subsidiaries by conducting on-site inspections at our investee in the city gas business in India. We undertook efforts to gradually expand the scope of our investigation, including starting to conduct questionnaire surveys targeting major suppliers and conducting on-site audits by adding the confirmation of human rights risks to the existing quality audit framework.

The investigation results showed no serious risks related to human rights.

Identification of Key Human Rights Risks (Assessment)

Based on the FY2025.3 investigation results and discussions with experts, we identified important human rights themes that the Daigas Group should consider in the course of our business activities. As a result, no human rights violations in FY2025.3 that violated our ethics code were identified.

Among the human rights risks that may occur in the course of the Group’s business activities, 14 items were identified as significant human rights risks (human rights risks with a relatively high likelihood of occurring). Such risks include forced labor, child labor, and bribery/corruption in the oversea business, and infringement of the rights of foreign workers or technical interns in the domestic business, in addition to lack of consideration for occupational health and safety, infringement of human rights caused by excessive working hours or unpaid wages, and harassment. We take various measures to prevent and mitigate these risks, under relevant policies and other systems.

In addition, during discussions with experts, recommendations were made regarding the importance of assessing human rights risks by business in the value chain, and continuing to conduct surveys, investigation, and audits in areas identified as those with key human rights risks. We will continue to identify significant risks and review human rights issues through human rights risk assessments and dialogue with experts.

We also assess human rights risks in new businesses. For example, we investigate the status of legal compliance concerning labor standards and health and safety as part of due diligence for M&A deals. We thus confirm that serious human rights issues do not exist in companies joining the Group.

For our initiatives for human rights, please see [the Sustainability Report 2025](#).

