

## Respecting Human Rights and Diversity

Employees are the Shinko Group's most valuable asset. We respect the human rights and the diversity of employees and aim to create a workplace where everyone can work with an energetic spirit. This workplace is characterized by statements such as the following: "Employees with different personalities and values all should respect each other's diversity and draw on their individuality to maximize their abilities," and "All employees should continue to spark innovation and create new knowledge and technology through uninhibited discussion from diverse points of view." We aim to create workplaces that accept differences, including gender, age, disabilities, nationality, and values, where every employee can work together energetically. We will also promote business through management plans based on a people-friendly approach and are committed to being an organization wherein all employees are strongly motivated, have ample opportunities for advancement and work with pride and confidence.

### Efforts Promoting Respect for Human Rights

The first item in the Code of Conduct within the Shinko Way, which expresses the values common across the Shinko Group, is "We respect human rights." This is an explicit statement of our corporate stance of acting on the basis of a spirit of respect for human rights in all business operations. We strive to ensure that all Group employees show this spirit in their actions.

We uniformly use Global Business Standards (GBS) as guidelines for the Code of Conduct in terms of employee actions, and we share the concept of respect for human rights throughout the Shinko Group worldwide.

The Shinko Group has established the SHINKO Guiding Principles of Respect for Human Rights in Employment. We continue to work for equal employment opportunities, respect for human rights, elimination of discrimination, and the prohibition of forced labor and child labor.

### ◆ Promoting Human Rights Education

Shinko promotes awareness of human rights throughout the year by providing rank-specific training on human rights, workplace management training to all managers, e-Learning and training in the workplace to all employees, and through active participation in human rights workshops held outside the Company. The in-house training addresses various human rights issues such as Buraku discrimination, workplace harassment, and human rights issues in business execution. In response to the diversification of human rights issues in recent years, in FY2017 we implemented new human rights training for all employees using an educational video, deepening understanding of human rights issues that are latent in the workplace.

During Human Rights Week in December each year, we post thought-provoking articles to our intranet, put up human rights posters in each plant, and conduct other activities to raise awareness of respect for human rights by creating environments where all employees can consider and discuss human rights.

### SHINKO Guiding Principles of Respect for Human Rights in Employment

With a view to realizing our growth and profits, respect for human rights must be an integral part of our business culture. SHINKO is committed to creating a culture in which employees respect the dignity and worth of individuals.

To this end, SHINKO will strive to foster respect for human rights in all the countries and regions where we operate our business while providing an environment that encourages employees to understand and realize importance of human rights.

#### 1. Equal Employment Opportunity and Respect for Human Rights

SHINKO strives to provide equal employment opportunities.

SHINKO is committed to treat our employees with no illegal discrimination based on race, color, religion, creed, sex, social status, lineage, physical or mental disability, sexual orientation and any other legally protected category that is unrelated to the legitimate interests of SHINKO.

#### 2. Compliance with Employment Laws and Regulations

SHINKO adheres to the applicable laws and regulations of the countries and regions in which it operates in treating our employees.

#### 3. Prohibition of Forced Labor/Child Labor

SHINKO will not use any form of forced or compulsory labor.

SHINKO will not use child labor.

#### 4. Work Environment

SHINKO strives to achieve and maintain a healthy and safe work environment that motivates its employees.

### ◆ Human Rights Consultation Services

Shinko has established internal and external Corporate Ethics Helplines for consultation about human rights. In particular, we have also established consultation services in each plant for consultation about human rights, such as sexual harassment, to make it easy for employees to seek consultation. Additionally, we have established whistle-blowing helplines at sites outside Japan, and employees at all sites outside Japan can give reports to and seek consultation through these systems.

All employees working in the Shinko Group can use these consultation services and we have developed a system for quickly gathering information and responding appropriately in the case of a situation involving abuse of human rights.

The personal information and privacy of employees who make use of the consultation services are protected, enabling employees to seek advice on matters like relationships with coworkers, harassment, and troubles and questions concerning human rights. This ensures that the consultation services are able to help improve workplace environments.

Going forward, we will continue to create systems and provide guidelines to enable smooth communication in the workplace and encourage the use of human rights consultation services, in order to discover and address problems early.

### Creating a Dynamic Corporate Culture

By combining the talents of employees, each with their own unique qualities and way of thinking, our corporate value increases. We therefore respect the diversity of our employees and strive to create workplaces that are pleasant for all, to improve each employee's motivation in work and life.

### ◆ Balance between Employees' Personal and Professional Lives

We have long promoted respect for diversity, based on our Corporate Values, "Employees: We respect diversity and support individual growth." We have also worked continuously to support work-life balance. In July 2015, we received special certification in recognition of the higher standard of our initiatives among companies that have established an action plan based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children and been given approval to use the Next-Generation Approval Mark.

We are striving to improve working flexibility, such as through (1) a program for rehiring employees who had resigned to raise children, care for a family member, or due to the



transfer of a spouse, (2) a program for working short hours until the need to provide caregiving disappears, (3) a system of leave for infertility treatment, and (4) enhancement of time off for parenting and specified diseases as well as short working hours for child care in addition to (5) continual efforts to encourage everyone to take annual leave at the same time and to strengthen restrictions on overtime.

These kinds of initiatives have resulted in women having a longer average number of service years than men at Shinko. This average is at a high level even on a nationwide basis.

Going forward, we will continue to enhance systems and foster a corporate culture that enables employees with certain conditions such as childcare or family care to play an active role, no matter which life stage they are at.

### ◆ Initiatives to Promote Active Participation by Women

Shinko had until recently implemented diversity seminars in rank-specific training to promote gender equality within the firm. Based on a business owner action plan drawn up in March 2016 with the Act to Advance Women's Success in Their Working Life coming into effect, in FY2017 we held a work-life balance seminar for male and female employees who are raising children. This aimed to raise awareness of the work/parenting balance and medium- to long-term career formation. In a seminar on career formation for younger employees, employees in their second year at the company learned to be aware of forming their future careers, with a focus on the foundation of gender equality. We also provided training in the significance of gender equality and prevention of harassment in the workplace during group training sessions for managers to raise their awareness, to promote the active participation of women.

We will continue to use such initiatives to promote women's active participation and achieve our targets.

### Excerpt of the Action Plan Based on the Act to Advance Women's Success in Their Working Life

#### Action Plan (April 1, 2016–March 31, 2020)

<Target>

**Double the number of women in managerial roles by 2020 (compared to 2015)**

<Initiatives>

- Hold seminars on career formation for younger employees
- Hold seminars on career formation for employees returning to work after taking maternity or childcare leave
- Raise managers' awareness with the aim of promoting the active participation of women