

S Social



Enhancement of the Quality Control Structure

Initiatives for Product Safety

The Daiken Group has established the Basic Policy on Product Safety to ensure that the entire group companies are thoroughly committed to the initiatives to ensure product safety and are actively engaged in providing products to customers for safe use.



Structure to Promote Product Safety

The Daiken Group established the system to conduct annual reviews performed by the department responsible for product safety and monitor the status of each department's activities by following their Product Safety Action Plans in order to continue to provide safe and highly reliable products and services. Then the Risk and Compliance Management Committee and the Daiken Quality Assurance Committee instruct the departments to review and modify their Product Safety Action Plans.



- 1 Each department and group company must review whether the operation is following the Product Safety Action Plan and submit the report of its results to the department responsible for product safety (Quality Assurance Department).
- 2 The department responsible for product safety shall submit the summarized results in (1) to the executive officers in charge of crisis management and quality assurance for review.
- 3 The department responsible for product safety shall summarize the review results in (2) and then report the measures to improve the Product Safety Action Plan to the Risk and Compliance Management committee or Daiken Quality Assurance committee.
- 4 The Risk and Compliance Management committee or Daiken Quality Assurance Committee shall provide the instructions necessary for improvements of the plan.
- 5 The department responsible for product safety shall provide the instructions to each department and group company.

Regarding the response to the product accident in the Interior Door RS Series Sliding Door that occurred in fiscal 2020

In April 2019, an accident occurred where a child caught a finger in the gap between glass and the frame of our product Daiken Interior Door RS Series Sliding Door 06 Design that was sold in the Kyushu region and got injured. As this accident fell under the category of a serious product accident based on the Consumer Products Safety Act, we reported it to the Consumer Affairs Agency, identified the 425 products produced from July 2014 to July 2015 that may cause a similar accident, and have been promoting awareness and exchanging products (exchange or repair of 417 products (98%) has been completed as of March 31, 2020). Verification results of the accident cause are shared with the entire group, and we thoroughly implement the recurrence prevention measures and strive to enhance our quality control structure.

Promotion of CSR Procurement

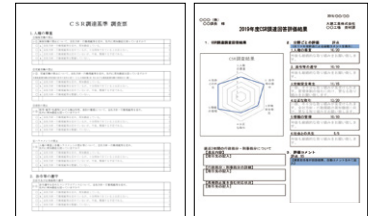
The Daiken Group states that the Promotion of CSR Procurement is one of the important commitments under the procurement policy, which was established in 2015. We aim to provide products and services meeting the expectations of our customers and for a sustainable society in which people and the environment can coexist. Under these circumstances, we are putting effort into CSR procurement with the cooperation of our business partners.

CSR Procurement Policy and Standards

Procurement Policy >>>	CSR Procurement Standards >>>	Green Procurement Standards >>>
<ul style="list-style-type: none"> 1 Compliance with laws and regulations 2 Fair and even-handed dealings 3 Sharing excellent value 4 Promotion of green procurement 5 Promotion of CSR procurement 6 Relationship of trust and co-prosperity 	<ul style="list-style-type: none"> 1 Respect for human rights 2 Compliance with laws and regulations 3 Occupational safety and health 4 Fair transactions 5 Information management 6 Coexistence with society 	<ul style="list-style-type: none"> 1 Environmental management system 2 Chemical substance management 3 Wood from legitimate sources

Carry out the CSR questionnaire for the supplier of the plants and manufacturing subsidiaries in Japan

The Daiken Group has been carrying out the CSR questionnaire for suppliers following the Procurement Policy and CSR Procurement Standards since fiscal 2016. In fiscal 2020, we carried out the questionnaire for 383 suppliers (363 suppliers in the previous year) and received answers from all suppliers. Questionnaire results are fed back to suppliers and for the companies where the evaluation points have been continuously low, we encourage them to make corrections and improvements. We will expand the scope of the questionnaire to manufacturing subsidiaries in Japan that we newly purchased, work together, and promote CSR procurement.



Sample of CSR questionnaire

Example of feedback to the CSR questionnaire results



Social Contribution Activities by Cooperating with Local Communities

Under the ideas of giving the highest priority to harmonizing society with the environment and aiming to become a company that is loved by the local communities, the Daiken Group has established the Daiken Social Contribution Activity Policy centering on the three initiatives of (1) Building of Relationships with Local Communities, (2) Wood Material-Related Business Development and Contribution to Environmental Conservation, and (3) Support for Employee Participation. To specifically deploy this policy, we uphold Social Contribution by Cooperating with Local Communities as the theme in the medium-term ESG plan, particularly set the scheduled execution of activities in the group's production bases that have a deep relationship with the local community as a target, and execute initiatives that are rooted in the community. In fiscal 2020, 17 production bases out of 20 bases at home and abroad planned and executed a total of 126 projects.

Exchanges through a Plant Tour and Work Experience

We execute plant tours and work experience for local students at home and abroad to help them to cultivate their understanding of manufacturing and view toward occupation or working. In fiscal 2020, we accepted a total of about 800 students and provided opportunities to learn about jobs in the plant and manufacturing.



Cooperation to the Blood Donation Activities

For the purpose of the contribution to stably securing of blood essential for medical activities, we have been continuing the activity to call on employees to cooperate in blood donations, and in fiscal 2020, a total of about 250 employees at home and abroad participated. In July 2019, Osaka Prefecture presented a letter of gratitude to us as we actively cooperated in the promotion of blood donation activities.



Eco Walk/Clean and Beautification Activities

For the purposes of enhancing communication with local residents, participants' health promotion, and environmental beautification, we hold eco walk events. In fiscal 2020, we held the event in three regions of Toyama, Ibaraki, and Okayama. Our employees and their families, as well as those from our business partners and the local municipality, participated in it and walked to the finish line according to their physical strength and condition while carrying out the cleaning activity along the course.



Initiatives for Forest Conservation

As the initiatives for coastal forest conservation activities, we participate in the Yumigahama/Hakusha Seishou (a beautiful stretch of sandy beach dotted with pine trees) Adoption Program in Tottori Prefecture. In fiscal 2020, we participated in nursery tree planting and cleaning activities. We also manufacture DW fiber, which is a soil improvement additive using cutoff materials from timber lumbered in the prefecture and have been putting effort into greening of soil, promotion of crop growth, and disaster recovery, such as regeneration of protective forest from tides and salty winds.





Enhancement of the Occupational Safety and Health

Mutual Safety Diagnosis at the Production Bases and Small Group Activity Case Presentation Contest were Implemented

With a view to improving safety awareness at the production bases, the Daiken Group annually implements The Daiken Group Mutual Safety Diagnosis intended for the production bases at home and abroad. The Daiken Group Small Group Activity Case Presentation Contest was also held in February 2020 and 15 teams selected from each production base in Japan, as well as two teams from the overseas production base of DAIKEN SOUTHLAND LIMITED (New Zealand), participated in the contest and made presentations about the cases of production maintenance activities and safety activities by the small groups. We will aim for the improvement of safety at the production bases through the continuation of mutual safety diagnosis and the initiatives by the small groups.



The scene of the safety diagnosis

Daiken Engineering Safety Convention was Held

In April 2019, Daiken Engineering, which is our group company working on interior projects, held the 43rd Daiken Engineering Safety Convention, and about 330 Safety and Health Cooperative members, our employees, and others participated in it. In addition to the explanations of the fiscal year goals and activity policy, it served as a place to become aware of the importance of safety through the lecture by the lecturer invited from outside the company. We will continue to improve the occupational safety and health.



Daiken Engineering Safety Convention



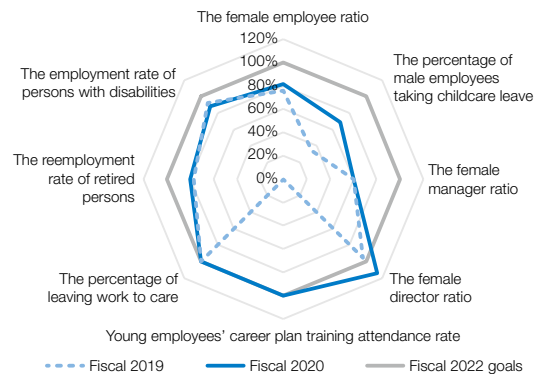
Promotion of diversity

Target Management by the Total Diversity Index

In the medium-term ESG plan, we set the Total Diversity Index* in which the eight diversity items were indexed as our own indices and manage the targets. The total index in fiscal 2020 was 71 pt, up 19 pt from fiscal 2019, which is a benchmark. In particular, the facts that the execution rate of the plan for career training intended for young employees, which started from fiscal 2020, was 100% and that the percentage of male employees taking childcare leave significantly increased contributed to this. Regarding the taking of childcare leave by male employees, the outcomes of the initiatives to strive to increase the percentage of those taking childcare leave, which have been executed, by issuing a guidebook for the promotion of childcare leave and e-mail newsletters to the target employees produced such a result. We will steadily proceed with the measures to achieve the goal and raise the overall level.

*"The percentage of male employees taking childcare leave" in the Total Diversity Index is calculated based on the three-year total value to measure the progression rate over the years.

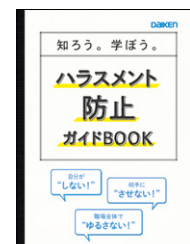
The Degree of Attainment of Each Item in the Total Diversity Index



Human Rights Promotion Activities

Prevention of Harassment

In October 2019, as part of the initiatives toward the eradication of harassment, we invited an external instructor and held Harassment Prevention Seminar intended for the directors and department heads and reconfirmed the causes of and countermeasures for harassment problems that the management layer should understand. We also distributed the *Harassment Prevention Guidebook* that summarized the basic knowledge of harassment and actions to take to all group employees in February 2020. We promoted the understanding of the importance of the eradication of harassment through the guidebook and disseminated correct definitions and what actions should be taken. We will promote the creation of vibrant workplaces without harassment.



Harassment Prevention Guidebook

Promotion of Workstyle Reform

Realization of Diverse Workstyles

The Daiken Group launched the Workstyle Reform Promotion Project in 2015 and has been putting effort into the promotion of workstyle reform. Under the declaration by top management, we have focused on the restriction of long working hours, such as introducing the automatic PC shutdown to change one's habits such as working overtime. After that, we developed into the promotion of diverse workstyles, such as lending of smartphones, use of satellite offices, and trial implementation of working at home. These accumulated initiatives also led to the response of preventing the spread of the COVID-19 and under the issuance of the state of emergency by the Japanese government, we flexibly responded to the social change as we could maintain the structure that 80% or more of our employees worked at home in the business bases, such as Tokyo and Osaka. We will aim for the workplace environment where diverse human resources can participate actively and further accelerate workstyle reform.

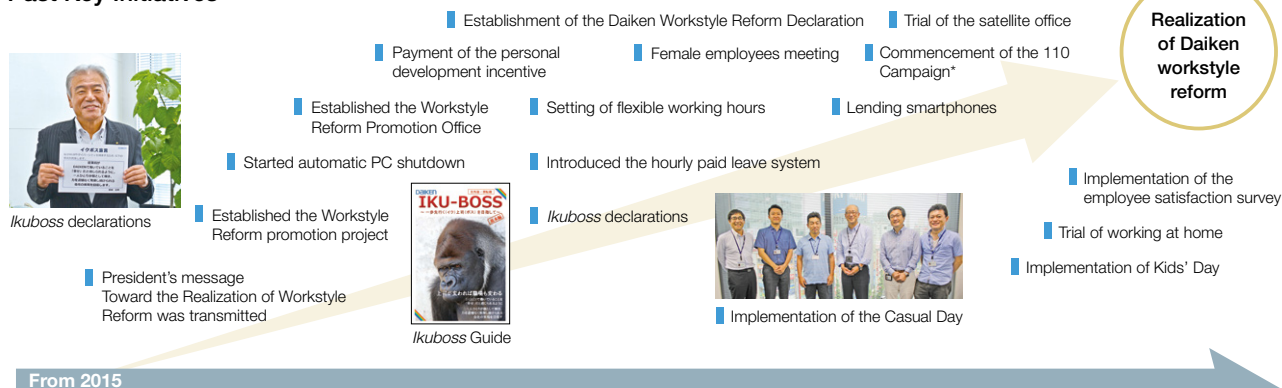
Holding of Kids' Day

In December 2019, we invited our employees' children to the Tokyo Office and held Kids' Day for them to understand our company while having fun by going on an office tour, exchanging a business card with the president, and handcrafting things using our products. This event was implemented for the purposes of having our employees' families supporting the employees on a daily basis deepen their understanding of our workplace, exchange with co-workers, and re-realize that the respective employees have families as important as the entire company. With this, we promote the creation of the workplace atmosphere where it is pleasant to work and that values the employees' families. We will plan and execute the initiatives toward the promotion of a work-life balance on a regular basis.



The scene of exchanging business cards with the president

Past Key Initiatives



*110 Campaign: The campaign concerning a drinking party to have the first party only and finish by 10 p.m.

Enhancement of the Human Resources Development

Under the principle that the development of autonomous human resources is essential in accelerating growth strategies and realizing sustainable corporate value improvement, we set training aimed at acquiring a wide variety of knowledge and skills in a systematic manner according to service years, ranks, and job types. In fiscal 2020, we newly implemented the Medium-to Long Term Career Plan Training intended for young employees who have passed a certain period since joining the company. Training sets an opportunity to think about one's career from a medium- to long-term perspective, in addition to the re-examination of how one approaches his/her work and re-recognition of one's issues. We will expand and improve the training programs, including fostering of young employees.

