

Respect for Human Rights

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Fundamental CSR

Respect for Human Rights



Why is it Important ?

A manufacturer doing business worldwide can negatively impact human rights in numerous ways; for example, by polluting the air and waterways with its factories and therefore, harming the health of humans and destroying natural ecosystems, or by working with suppliers who employ child labor or forced labor.

Multinational companies must therefore abide by global standards, such as the United Nations' "Guiding Principles for Business and Human Rights," in protecting and respecting human rights throughout the entire value chain.

DAIKIN'S POLICY

Based on the laws and regulations of each country and region, the Daikin Group shows respect for basic human rights in accordance with international norms.

The Daikin Group takes part in the United Nations Global Compact for aligning operations to universally accepted principles on issues such as human rights and labor standards. Our Group Conduct Guidelines state our policies for respect for individual human rights, diverse values, and ways of looking at work, and our policy of no child labor or forced labor.

Respect for Human Rights

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■ Policy and Management Structure

Respecting Human Rights in Action Guidelines Based on the U.N. Global Compact

Based on the laws of countries and regions around the world, We respect basic human rights by understanding and abiding by various international norms related to human rights, such as the International Bill of Human Rights and the Guiding Principles for Business and Human Rights.

The Daikin Group takes part in the United Nations Global Compact for aligning operations to universally accepted principles on issues such as human rights and labor standards. Our Group Conduct Guidelines state our policies for respect for individual human rights, diverse values, and ways of looking at work, and our policy of no child labor or forced labor.

The Group Conduct Guidelines were revised to create the Compliance Action Guidelines, which detail the laws and regulations that Daikin Industries, Ltd. and the Daikin Group in Japan must follow.

Based on the Group Conduct Guidelines, the Handbook for Corporate Ethics for each major overseas group company was revised to ensure thorough respect for human rights in the workplace.

In fiscal 2015, we intend to create a publication called Supply Chain CSR Promotion Guidelines, which will cover issues such as respect for human rights throughout the supply chain.

› [See Participation in the Global Compact](#) (Page 44)

■ Examples of How Business May Affect Human Rights

Plant and site construction	<ul style="list-style-type: none">• Construction of large-scale sites may affect the local environment and cause harm to local residents.
Procurement	<ul style="list-style-type: none">• Suppliers may be suspected of involvement in child labor or forced labor.• Suppliers must prove they are not using conflict minerals from the Democratic Republic of the Congo or surrounding countries.
Manufacturing	<ul style="list-style-type: none">• Overseas subsidiaries may make employees work longer hours than allowed under labor laws or may pay them less than the minimum wage.• Exhaust gas and wastewater from plants may cause air and water pollution, which may result in harming the health of local residents.
Sales	<ul style="list-style-type: none">• Users may improperly use Daikin products, which may result in infringement of the human rights of local residents.

■ Respect for Human Rights in the Value Chain

Our Group Conduct Guidelines, which define how Daikin Group officers and employees must act, state that we shall respect the human rights of each and every individual.

We have identified human rights challenges that we face in our business, and we have embarked on a mission to bring to the surface the human rights risks that we must evaluate and prioritize in the value chain.

Every year we conduct self assessments to confirm how well we are complying with our conduct guidelines. Part of these self assessments is to ensure that there have been no occurrences of infringement on human rights or other human rights-related problems.

In April 2017, we formulated the Supply Chain CSR Promotion Guidelines, which includes a section on respect for human rights. We distribute these guidelines to our suppliers and educate them on its content.

We also take part in Global Compact Network Japan, where we learn from other member companies' actions and from experts in order to raise the level of our own human rights efforts.

■ Human Rights Risks in the Daikin Group Value Chain and Relation to Major Stakeholders

Discrimination	Occupational safety and health	Products and services	Communities	Societies and governments
<ul style="list-style-type: none"> Lack of concern for people because of their gender, or because they are members of indigenous groups, ethnic minorities, LGBT, immigrant laborers, etc. (inappropriate language, advertising expressions, etc.) <p>Customers</p> <p>Employees</p> <p>Suppliers</p> <p>Community members</p>	<ul style="list-style-type: none"> Eroding safety or health due to work accidents or poor working environment <p>Employees</p> <p>Suppliers</p> <ul style="list-style-type: none"> Noise, vibration, fires, etc. at bases <p>Employees</p> <p>Suppliers</p> <p>Community members</p> <ul style="list-style-type: none"> Child labor, forced labor <p>Employees</p> <p>Suppliers</p>	<ul style="list-style-type: none"> Harm to customers' life and health because of faulty products or services <p>Customers</p> <ul style="list-style-type: none"> Wrongful use or abuse—unforeseen by the company—of products or technologies <p>Customers</p>	<ul style="list-style-type: none"> Air and water pollution, misuse of natural resources <p>Employees</p> <p>Suppliers</p> <p>Community members</p> <ul style="list-style-type: none"> Destruction of environment and culture of indigenous people <p>Community members</p>	<ul style="list-style-type: none"> Improper flow of funds to powerful non-government bodies in the process of raw materials procurement <p>Suppliers</p> <ul style="list-style-type: none"> Violation of human rights-related laws <p>Customers</p> <p>Employees</p> <p>Suppliers</p> <p>Community members</p>

› [Philosophy on Suppliers \(Supply-chain Management\)](#) (Page 286)

■ Human Rights Education

Raising Human Rights Awareness through Periodic Education Sessions and Assessments

Daikin Industries, Ltd. conducts human rights education and awareness sessions with the goal of creating a workplace free of discrimination and where all people are respected.

Daikin Industries, Ltd. strives to raise awareness of human rights through annual human rights training held for job descriptions including all officers, as well as new employees and newly appointed managers including those in Daikin affiliates. It also runs a series on human rights in its in-house magazine.

■ Preventing Harassment

Educating Managers on Sexual and Power Harassment

The Compliance Action Guidelines promote respect for human rights and diversity and compliance with labor laws in the workplace. It is our policy to respect human rights by building a fair, bright, and positive workplace that is free of sexual harassment and power harassment.