

Respect for Human Rights

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Fundamental CSR

Respect for Human Rights

Policy

Based on the laws and regulations of each country and region, we respect basic human rights in accordance with international norms

› Respect for Human Rights

In countries and regions where we conduct business activities, we respect the human rights of all our stakeholders.

Related information

- › [Participation in the Global Compact](#) (Page 55)
- › ["Group Conduct Guidelines" \(CSR Philosophy\)](#) (Page 34)

RESPECT FOR HUMAN RIGHTS

Basic Policy

Advocating Human Rights in Our Group Conduct Guidelines in Order to Promote Respect for Individuals

Human rights are enshrined in our Group Conduct Guidelines, which detail how Daikin Group officers and employees should act.

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.

In addition, 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.

Group Conduct Guidelines

10. Respect for Human Rights and Diversity and Observance of Labor Laws

We shall respect the human rights of each and every employee and shall not engage in conduct that discriminates on the basis of nationality, race, ethnicity, religion, color of skin, age, gender, sexual orientation, or disability. Diversity in individual values is enthusiastically accepted, and we shall work to make the unique talents and abilities of each and every person the driving force of the organization. We shall also observe both the letter and spirit of all labor laws and regulations of each country and region, and under no circumstances shall we sanction the labor of underage employees, minors who do not meet the minimum legal age requirements (child labor), or labor performed under compulsion or against a person's will (forced labor).

Related information

› [Participation in the Global Compact](#) (Page 55)

Managing Human Rights Matters and Assessing Impact

Identifying and Reducing Human Rights Risks

Daikin identifies human rights issues in its business, assesses risk throughout the value chain, and lists risks that should be prioritized. In our operational risk management system, we identify human rights risks and reduce the chance of these occurring by creating countermeasures.

Our CSR Action Plan 2020 stipulates respect for human rights. The quantitative index of respect for human rights is the execution rate of self assessments. Since respect for human rights is one of the criteria of the self assessments, they confirm how well Daikin is respecting the rights of individuals.

The results of self assessments, as well as issues that come up and proposals for their solution, are reported to the Corporate Ethics and Risk Management Committee, thus ensuring this information is shared throughout the Daikin Group.

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

Types of human rights risks	Details of risks	Related stakeholders
Occupational safety and health	<ul style="list-style-type: none"> Eroding safety or health due to work accidents or poor working environment 	Employees Suppliers
	<ul style="list-style-type: none"> Noise, vibration, fires, etc. at bases 	Employees Suppliers Community members
	<ul style="list-style-type: none"> Child labor, forced labor 	Employees Suppliers
Products and services	<ul style="list-style-type: none"> Harm to customers' life and health because of faulty products or services 	Customers
	<ul style="list-style-type: none"> Wrongful use or abuse—unforeseen by the company—of products or technologies 	Customers
Discrimination	<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.) 	Customers Employees Suppliers Community members
Communities	<ul style="list-style-type: none"> Air and water pollution, misuse of natural resources 	Employees Suppliers Community members
	<ul style="list-style-type: none"> Procurement of conflict minerals associated with inhumane acts 	Community members
Societies and government	<ul style="list-style-type: none"> Procurement of conflict minerals mined under inhumane conditions 	Suppliers
	<ul style="list-style-type: none"> Leakage of personal information 	Customers Suppliers Employees
	<ul style="list-style-type: none"> Violation of human rights-related laws 	Customers Suppliers Community members Employees

Related information

› [Philosophy on Suppliers](#) (Page 300)

Dealing with Human Rights Risks

Respecting Human Rights in the Supply Chain

Formulated in April 2017, Daikin's Supply Chain CSR Promotion Guidelines stipulate mechanisms and rules for protecting human rights; for example, a system for monitoring human rights and the prohibition of child labor and forced labor. Our suppliers are urged to abide by these guidelines.

In the air conditioning divisions, we confirm that the worldwide bases of our major suppliers are not violating human rights in any way based on these guidelines.

In our Chemicals Division, every year in April as part of ongoing assessments, we have suppliers fill out questionnaires to diagnose their own compliance and that of their external providers. These questionnaires contain items on human rights and thus tell us what suppliers are doing in this respect.

In addition, we take part in the subcommittee on supply chains of the Global Compact Network Japan, the local body of the UN Global Compact. The subcommittee is made up of UN Global Compact member companies and organizations. In fiscal 2107, we strove to step up our human rights-related efforts by, for example, meeting with NGOs and NPOs to learn what other companies are doing with regards to human rights issues and to hear from experts on the subject.

Response to Personal Data Regulations for EU Citizens

Daikin has its own Group guidelines for the protection of personal information that it strictly enforces. These guidelines are the basis for promotion systems and rule systems of each Daikin Group company. In addition, we have formulated rules regarding the handling of personal data in the EU. These rules cover the requirements under the General Data Protection Regulation (GDPR), a regulation on the personal data of EU citizens. The Daikin rules cover protection measures for when personal data is taken out of the EU, the recording and control of how personal data is handled, and measures to ensure safe management of personal information. Every employee in the Daikin Group is familiarized with these rules.



Briefing at a group company

Related information

› [Philosophy on Suppliers](#) (Page 300)

Human Rights Education

Raising Human Rights Awareness through Periodic Education Sessions and Assessments

Daikin strives to raise awareness of human rights among officers and employees through periodic education sessions and assessments.

Through annual self assessments to confirm how well the Group Conduct Guidelines are being followed, employees assess themselves and thus contribute to their improved understanding of the guidelines. Human rights education for each level of employees helps them improve their human rights awareness.

For example, at Daikin Industries, Ltd. training is held every year for all officers, new employees including those at affiliates, and newly appointed managers. To prevent harassment through improved employee awareness, efforts include training for career-path employees and educational posters around the company. In fiscal 2017, training was held for compliance and risk management leaders (CRLs) to deepen their understanding of diversity management.