

# Human Rights and Labor

## Performance Indicators to Monitor the Achievement of the Medium- to Long-Term Vision and FY2021 Results

Performance indicators	Targets	FY2021 results
(1) Ratio of female managers	(1) Achieve ratio of female managers (section manager or above) of 7% or more by the end of March 2022.	(1) 7.4%
(2) Number of female managers and leaders	(2) Double the number of female managers and leaders by the end of March 2022 compared with the number (430) in February 2016.	(2) Over 2.2 times the number (938)
(3) Ratio of employees with disabilities	(3) Achieve ratio not lower than 2.3%.	(3) 2.43%
(4) Rate of annual paid leave taken	(4) Achieve an increase over the previous fiscal year (56.4%).	(4) 57.5%
(5) Frequency rate of lost workday injuries	(5) Keep rate not more than 0.2.	(5) 0.19

## Initiatives for Human Rights

### Reinforcing Human Rights Management Based on the DNP Group Human Rights Policy

Since the 1970s, during which globalization of economic activities has progressed, the call on companies to give sufficient consideration to human rights has become stronger with time. The formulation of the United Nations Guiding Principles on Business & Human Rights in 2011, in particular, has triggered an accelerated move among countries and regions to enforce relevant action plans, laws and regulations. Japan followed suit and created an action plan on business and human rights in October 2020. With institutional investors and companies placing greater emphasis on corporate human rights efforts in selecting investees and transaction partners, companies are now urged to respect and appropriately protect human rights throughout their supply chains.

Against this backdrop, DNP has been making focused efforts to reinforce its human rights management based on the DNP Group Human Rights Policy formulated in March 2020.

#### ▶ Enhancing employee education on business and human rights

DNP believes that to promote initiatives to respect human rights, every employee must gain a correct understanding of human rights. To deepen such an understanding further, we conducted e-learning training on business and human rights for all Group employees in FY2021. The program, attended by some 25,000 employees, described issues and example cases faced in doing business, along with the concept of human rights and historical background, and conducted a brush-up quiz to facilitate their understanding of business and human rights as an issue in their daily lives.

#### ▶ Conducting a status survey on human rights issues in the supply chain

With human rights due diligence in the supply chain gaining significance in Japan and overseas, DNP conducted a



Example lecture screen of the e-learning program on business and human rights

status survey on its key suppliers about human rights issues and conflict minerals in 2021. In addition to places of origin of raw materials, we checked their involvement or non-involvement in forced labor and other human rights infringements, which have recently become an international issue, to assess the impacts of potential risks.

[CSR Management Topics 2022: Responsible Procurement Link](#)

#### ▶ Support for refugees

DNP regards human rights as one of the most important foundations underpinning a free economic society. To protect and enhance this foundation, each employee will play a more active role both in corporate business activities and from the viewpoint of a corporate citizen.

Additionally, the key themes of our social contribution

activities include “humanitarian aid and disaster recovery support” and “community and international engagement” and we have continued to undertake various corporate citizenship activities under these themes. As part of these activities, we will donate a total of 50 million yen over the

five years from FY2022 (10 million yen each) to the Office of the United Nations High Commissioner for Refugees (UNHCR) in support of refugees who are said to reach about 80 million across the world.

[CSR Management Topics 2022: Corporate Citizenship](#) [Link](#)

## Initiatives for Human Capital

### Formulating Human Capital Policy toward Maximizing Our Human Capital

To achieve growth over the medium to long term, DNP is reinforcing its business infrastructure by utilizing financial and non-financial capital in an integrated manner. We are working to provide systems that take into account changes occurring in the entire society and are attractive both internally and externally, to support employees who form a particularly important foundation for our growth, and to transform their awareness and action.

For three years since FY2019, we have particularly concentrated on reforming our personnel systems. As the first step in FY2019, we enhanced the treatment of mainly targeting young employees and human resources with varying careers both within and outside the Group and carried out a system reform to permit certain side jobs or dual employment. The second step in FY2020 involved facilitating a reform of our organizational culture, including revisions of our award systems, as well as updating a system to respond to the concept of equal pay for equal work and one to support the work styles of senior employees. In FY2021, which marked the third year of our efforts, we again ana-

lyzed our work and management styles and implemented diverse and specific personnel systems that will accelerate new value creation, such as a dual-ladder career system for middle-ranking executives.

DNP has been accelerating investment in human resources, which encompasses the creation of such appropriate systems, to focus on initiatives for reinforcing our human capital. We have conducted these initiatives based on a belief that respecting employees leads to the respected employees driving corporate growth and enriching society. In FY2022, we established this belief, which represents the DNP Group’s universal and basic approach to human resources, as the most important concept of our Human Capital Policy. By placing this concept at the top of our policy, visions, charter and declarations related to people we will endeavor to reinforce and maximize our human capital in a strategic, integrated manner for enhancing corporate value.

The DNP Group will continue cultivating a better corporate culture and effectively invest in people to help promote diverse individuals and human resources.



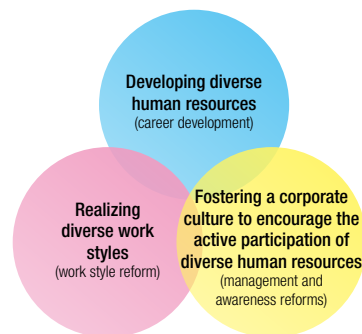
### Promoting Health and Productivity Management and Health-Driven Measures to Boost the Happiness of Employees

DNP has been promoting initiatives to increase employee engagement, which represents each employee’s willingness to contribute to a company, organization, or work. By doing so, we intend to improve labor productivity, create diverse value, cultivate employees’ awareness that they help society and people through their work, and encourage them to take action in this regard. In FY2021, we conducted our first engagement survey in June 2021. Linked to the DNP Group

Declaration on Health formulated in April 2021, the survey is designed to visualize individuals’ and teams’ awareness and actions. We will also utilize the survey to visualize issues and other factors in each organization, promote employees’ self-understanding and mutual understanding through dialogue to increase their motivation and encourage teams to achieve their expected results.

## Activities to Promote Diversity and Inclusion

The DNP Group seeks to create an environment where each organization can demonstrate its capabilities to the fullest by respecting individual differences, accepting each other and synergizing strengths derived from such diversity. As Basic Policies for Promoting Diversity and Inclusion (D&I), we have selected “developing diverse human resources,” “realizing diverse work styles” and “fostering a corporate culture to encourage the active participation of diverse human resources” and have been accelerating related initiatives. Based on these policies, our specific efforts in FY2021 involved: diversifying our team of decision-makers, transforming employees’ awareness and creating an environment that provides psychological safety.



Basic policies for promoting diversity and inclusion

### ► Diversifying of decision-makers

By diversifying our team of decision-makers, we are creating opportunities for diverse employees to take active roles and establishing an organization with high levels of compliance and immunity against risks.

#### ● Appointment of a female director from within DNP

At the General Meeting of Shareholders held in June 2021, Ms. Minako Miyama was appointed as DNP’s first female director. After gaining experience in the research, planning and development segments, she led the development of human resources and promotion of D&I as a corporate officer. She was again appointed as a director at the General Meeting of Shareholders in June 2022. At the same meeting, four outside directors, representing one-third of the 12 directors of DNP, were also appointed as in the previous year. We will continue to promote the diversification of our Board of Directors for further business expansion and strengthen the oversight of the entire Group.

#### ● Launching a Sponsorship Program to promote the appointment of women to senior management positions

In July 2021, we launched a Sponsorship Program to promote the appointment of women to senior management positions. The program, targeting female managers (section or department managers), is a joint effort of three parties to nurture capabilities required for higher positions in the workplace hierarchy. These three parties include a participant (female manager), a sponsor (corporate officer or deputy general manager of other business units) and the owner (the head of the department to which the participant belongs). As candidates for senior management positions, ten women participated in the program in FY2021.

As for the progress in



Presentation session under the Sponsorship Program

promoting women’s active roles, we achieved our action targets set in 2019 at the end of FY2021, as the ratio of female managers increased to 7.4%, and the number of female managers and leaders was 2.2 times the number in February 2016.

In recognition of these efforts, DNP was selected as a 2022 Nadeshiko Brand under an initiative of the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) to select outstanding companies in terms of encouraging women’s success.

[Launching Sponsorship Program to Promote Appointment of Women to Decision-Making Roles to Increase Diversity among Higher Positions in the Workplace Hierarchy | What’s New | DNP Group \(in Japanese\)](#) [Link](#)

### ► Initiatives for transforming employees’ awareness

Amid significant changes occurring in the environment, society and economy, a voluntary effort to “learn something on one’s own” is essential. At DNP, besides responding to changes that have occurred, each employee voluntarily works to make a positive difference in society by him- or herself. To this end, we are promoting the transformation of employees’ actions and awareness and have accordingly stepped up our efforts to encourage male employees to take childcare leave and employees in managerial positions to take annual paid leave.

#### ● Encouraging male employees to take childcare leave

In December 2020, DNP announced its participation in the Male 100% Childcare Leave Declaration both internally and externally. The D&I Promotion Committee, in which the DNP Group’s management takes part, promotes the sharing of department-specific efforts and issues throughout the Group.

As another effort, DNP has been holding Kangaroo Club, a seminar on balancing work and childcare, to

encourage employees to talk about their careers and childcare with their partners. The seminar, also open to partners who are not DNP employees, has two programs, one for employees who are expecting a baby within the next 12 months and the other for employees on maternity or childcare leave or those raising children under three.

As a result of these efforts, the ratio of male employees taking childcare leave increased to 82.4% in FY2021.

▶ **Creating an environment that provides psychological safety**

We are working to create an environment that provides psychological safety to cultivate a sense of involvement among employees concerning the promotion of D&I and link the heightened awareness to proactive actions.

● **Holding the second Diversity Week**

DNP has been holding the internal Diversity Week events to promote D&I since 2021. In our second event held in February 2022, we provided 22 programs under the theme of inclusion, such as a program to connect employees in different working environments online to share an experience and a program that allows employees to participate for as short as five minutes. In a questionnaire survey, 93% of employees said that their way of thinking has changed, and they realized new things. Their comments showed that the idea of D&I has steadily been taking root among employees, with some saying that new views on diversity have come to light as our work styles have become diversified with short-time work and telecommuting systems and through the use of in-house social media. Others commented that looking at the market with a focus on diversity will lead to the discovery of unexplored fields.

[Holding the Second Diversity Week | What's New | DNP Group \(in Japanese\)](#) [Link](#)



Page available for viewing on our internal website, showing "My Commitments" by the 13 leaders of the D&I Promotion Committee



Page mimicking a weekly magazine ad, showing articles focused on managers promoting inclusion



Special exhibition held at the DNP Plaza, an open innovation facility of DNP, receiving many visitors from outside DNP

**DNP's D&I Initiatives Have Led to Higher External Evaluations and a Better In-House Indicator**

■ **External evaluations**

**Selected as a Nadeshiko Brand**

DNP Selected as FY2022 Nadeshiko Brand by METI and TSE | [What's New | DNP Group](#) [Link](#)



**Received Gold rating in the PRIDE Index**

DNP Receiving the Highest Gold Rating in the PRIDE Index | [What's New | DNP Group \(in Japanese\)](#) [Link](#)



**Highest-level certification in the D&I Award 2021 program**

DNP Receiving the Highest-Level Certification in the D&I Award 2021 Program | [What's New | DNP Group \(in Japanese\)](#) [Link](#)



■ **Internal indicator**

**Improved D&I perception level (original internal indicator)**

