

Daito Group Policy of Respect for Human Rights

The Daito Group recognizes that respecting human rights is the base of all business activities and believes that it is important to meet our responsibility to respect human rights throughout the value chain. To this end, we have set out respect for human rights in the "Daito Group CSR Policy" and established the "Daito Group Policy of Respect for Human Rights" based on the United Nations "Guiding Principles on Business and Human Rights" as a specific policy for the Daito Group in order to meet our responsibility to respect human rights.

By providing stable supply of high-quality pharmaceutical products (active pharmaceutical ingredients (APIs) and finished dosage forms (FDF)), the Daito Group satisfies the needs of our customers, to contribute to healthy lives of people, and aims to be always the first choice of customers. In order to achieve these goals and to enable sustainable growth, we recognize that the human rights of various stakeholders involved in our business should be respected.

1. Scope of the Policy

- This policy will apply to all directors, executive officers, and employees of the Daito Group.
- We will continue to ask all business partners to understand and support this policy.
- In addition, we will meet our responsibility to respect human rights for all stakeholders, including customers and patients, who are affected by the products and services provided by the Daito Group.

2. Commitment to Respect for Human Rights

- The Daito Group will respect the human rights of all people and the fundamental rights of workers. We will also prohibit any act of discrimination or harassment and value diversity. We will never be involved directly or indirectly in forced labor or child labor.
- We will avoid causing or contributing to adverse human rights impacts through our own activities, and address such impacts which our activities occur.
- We will seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services across the value chain, even if they have not contributed to those impacts. In particular, we will preferentially seek to prevent and mitigate those impacts that are most severe or where delayed response would make them irremediable.
- The Daito Group is committed to respecting human rights by supporting the following internationally recognized norms

- International Bill of Human Rights (United Nations)
- ILO Declaration on Fundamental Principles and Rights at Work (International Labour Organization)
- Guiding Principles on Business and Human Rights (United Nations)
- Ethical Principles for Medical Research Involving Human Subjects (Declaration of Helsinki) (World Medical Association)
- The Daito Group will comply with applicable laws of each country and region concerning respect for human rights, and respect internationally recognized human rights norms. We will seek ways to honour the principles of internationally recognized human rights when we face with conflicting requirements between these laws and international human rights norms.

3. Governance System for Human Rights

- Under the direction of the President, the Daito Group appoints General Manager of Human Resources and General Affairs Department as the person responsible for implementing this policy.
- Human Resources and General Affairs Department is the main body for promoting initiatives related to respect for human rights, and important matters will be approved by the Board of Directors. The results of activities to respect human rights will be reported to the Board of Directors and monitored and supervised by the Board of Directors.

4. Human Rights Due-Diligence

- In order to meet our responsibility to respect human rights, the Daito Group will establish a human rights due-diligence process based on this policy, identify adverse human rights impacts, and seek to prevent or mitigate such impacts.

5. Remediation

- If the Daito Group is identified to have caused or contributed to the adverse human rights impacts through our business activities, we will provide remediation to the parties that have been adversely impacted through appropriate procedures.
- We will also set up a consultation desk to report human rights concerns without fears of reprisal.

6. Dialogue and Discussion with Stakeholders

- The Daito Group will hold dialogues and discussions with relevant stakeholders to understand the human rights impacts of our business activities.

7. Disclosure

- The Daito Group will disclose the result and progress of the efforts to respect human rights in the CSR Report or on the website, while considering affected stakeholders and the confidentiality of business transactions.

8. Dissemination and Education of the Policy

- The Daito Group will disclose this policy on our website and disseminates it to stakeholders inside and outside the Group.
- We will continue to provide education and training to our directors, executive officers, and employees to disseminate this policy and raise awareness of human rights.

9. Formulation Process and Review of the Policy

- This policy has been approved by Daito's Board of Directors.
- We will periodically review and revise this policy to respond to human rights issues that change as social conditions and the business environment evolve.

Enactment: December 9th, 2022

Revised: September 1st, 2024

Daito Pharmaceutical Co., Ltd.