

The Daido Group's Policy on Human Rights

We as Daido Steel Group set forth our mission to contribute to the development of industries and people's lives around the world through manufacturing, utilizing the technological capabilities we have cultivated since our founding based on our Group Management Philosophy: "Pursuing the potential of materials to support our future".

In order to put the Daido Steel Group Management Philosophy into practice and foster the well-being of people, we understand that the human rights of all people involved in our group's business activities should be respected, and we will work to respect human rights.

With the aim of ensuring that all officers and employees of Daido Steel Group recognize the importance of respect for human rights and put human rights principles into practice, we have established the Daido Steel Group Human Rights Policy based on the Daido Group Management Philosophy, the Corporate Code of Ethics, and the Basic Policy on Sustainability. By respecting individuality and diversity, and creating an inclusive work environment where everyone can thrive, we will contribute to preventing human rights violations and discrimination.

1. Basis for Respecting Human Rights and Priority Issues

The Daido Steel Group will promote initiatives to respect human rights in line with the United Nations Guiding Principles on Business and Human Rights.

In addition, based on the understanding that the human rights described in the International Bill of Human Rights and the Core Labor Standards established by the International Labor Organization (ILO) are the minimum human rights, the Daido Steel Group will support and comply with international norms on human rights and the laws and regulations of all countries, and will respect fundamental human rights in all aspects of our business activities. However, if the laws and regulations of each country are inadequate compared to international norms or conflict with them, we will strive to respect the international principles of human rights.

In promoting initiatives to respect human rights based on this policy, the Daido Steel Group has established priority issues related to human rights as described in the appendix "Daido Steel Group Human Rights Policy Priority Issues". These priority issues shall be reviewed as appropriate in light of changes in social and business trends.

2. Scope

This policy applies to all officers and employees (including part-time employees, part-timers, and temporary employees) of the Daido Steel Group.

In addition, if the Daido Steel Group's business, products, and services have a direct negative impact on human rights of business partners such as suppliers, partner companies, and

other related parties and/or individuals of the Daido Steel Group, we will encourage them to understand and comply with this policy.

3. Education

In order to ensure a correct understanding of human rights and a full awareness of this policy throughout our business activities, we will provide systematic and continuous education to Daido Steel Group officers and employees.

4. Implementation of Human Rights Due Diligence

We have established a human rights due diligence system and continuously implement the following steps:

- Identification and evaluation of actual or potential negative impacts on human rights
- Prevention and mitigation of identified negative impacts on human rights
- Monitoring effectiveness of measures to address negative human rights impacts
- Public disclosure of information to fulfill accountability

5. Remedy

We have established a remediation mechanism, and shall implement effective correction and remedy in the event that the Daido Steel Group's business activities have a direct or indirect negative impact on human rights.

6. Consultation and dialogue with stakeholders

We value consultation and dialogue with stakeholders inside and outside our company, and will work to identify, rectify, and resolve human rights issues.

February 22, 2023

Daido Steel Co., Ltd.

President and CEO,

Representative Executive Director

Tetsuya Shimizu

(Updated on April 1, 2024 due to change in president)

Appendix: Daido Steel Group Human Rights Policy Priority Issues

(1) Elimination of discrimination

The Daido Steel Group (the "Group") respects diversity and does not discriminate on any basis of race, ethnicity, place of birth, color, religion, gender, age, creed, social status, illness, disability, sexual orientation, gender identity, marital status, or the presence or absence of children.

(2) Prohibition of harassment

The Group does not condone sexual harassment, power harassment, or any other harassment that infringes on human rights on the basis of gender or position. In the unlikely event that harassment occurs, the Group will take prompt and appropriate action.

(3) Respect for the right to work

The Group implements the following policies in all countries and regions where it conducts business.

- The Group respects the freedom of association and the right to collective bargaining and builds sound labor-management relations through honest dialogue with employees or their representatives.
- The Group complies with labor and safety laws and regulations of all countries and regions where it operates, reduces working hours as necessary, and prevents excessive work.
- The Group supports the principle of equal pay for equal work and complies with the standards established by all countries, regions, and industries where it conducts business activities.
- The Group complies with the laws and regulations for minimum wages set by all countries, regions, and industries where it conducts business activities, and ensures that every employee is paid at or above a living wage.

(4) Prohibition of forced labor and child labor

The Group prohibits and does not use forced or involuntary labor in all countries and regions where it operates. In addition, the Group respects children's rights in accordance with the UNICEF Children's Rights and Business Principles and the UN Convention on the Rights of the Child and prohibits the labor and employment of persons under the legal minimum working age in each country or region and does not use them.

(5) Creation of a motivating work environment

The Group will respect the individuality and diversity of all people and promote the creation of a workplace that motivates employees. In addition, as part of its efforts to create a positive work environment, the Group will strive to employ local people and support the resolution of labor issues in local communities, including employing socially vulnerable people.