

# Mitigating human rights risks through cooperation and dialogue

At Toyal, we have begun human rights due diligence in earnest, following the formulation of our Human Rights Policy and development of a grievance mechanism. Representatives of divisions that play an important role in the human rights risk map we have formulated gathered for a frank exchange of opinions concerning the status of our response to human rights issues and future challenges.

## Human rights risks in each division and ways of responding

**Kurahashi:** In the Human Resources Division, as part of our day-to-day work, we work to expand the hiring of non-Japanese nationals and women, encourage the employment of people with disabilities, etc., on a daily basis. At each business site, we are actively focusing on hiring people with disabilities from special support schools, and in the Corporate Division, we hired a disabled person for a professional position for the first time last year. With regard to hiring non-Japanese nationals, we are also strategically promoting the hiring of global human capital. In recent years, non-Japanese nationals have been joining Toyal every year as part of new graduate hiring from universities and graduate schools. In the Human Resources Division, one challenge we face is appropriate treatment for non-Japanese employees. For example, tax systems differ in each country, so we sometimes receive questions like, "What is inhabitants tax and why do I have to pay it?". It is not enough for us just to answer, "Because it's the law." Instead, we must explain things in a way that they can feel satisfied with the tax system in Japan. This is also important to ensure that "discrimination based on nationality," which is listed on the human rights risk map, does not occur. Accordingly, we are always working to address matters from the other person's perspective. In this way, I feel an awareness has spread that we want to create a comfortable workplace for diverse human capital in actual work, even if we are not loudly proclaiming that it is about human rights.

**Ito** Toyo Aluminium Ekco Products Co., Ltd. operates two businesses: Household & Packaging (BtoC) and food containers (BtoB). In the Household & Packaging Business, consumers often come into direct contact with our products, so I think it is important that we consider human rights in our packaging and advertisement expressions. For example, could it be a violation of human rights through expressions in advertisements if product packaging and advertisements show women using the product? Also, are we sufficiently addressing human rights problems in the supply chain? We are tackling issues related to human rights risks such as these while engaging in dialogue with related departments. With regard to human rights risks related to non-Japanese employees, there was an incident in the past when instructions to non-Japanese employees working on the frontlines at the Shiga Plant were considered overbearing.

Instructions tended to be shouted in the frontline environment where it was difficult for instructions to be heard owing to the noise of machinery, etc., and employees felt scared as a result. Accordingly, we took steps to create a workplace where non-Japanese employees could work with peace of mind, including creating instructional manuals translated into employees' native languages and developing easy-to-understand work instructional manuals with photographs and diagrams. These measures significantly reduced problems.

**Hirauchi** The CSR Promotion Team is a department that promotes risk management. Under the risk management system, we allocate divisions to oversee priority risk categories. Since fiscal 2025, we have selected "human rights risks in the supply chain" as a new priority risk category, with the Business Supporting Unit (Purchasing Team, Sustainability Planning Team, and CSR Promotion Team) as the main division responsible. I sometimes feel there is a gap between the requirements of international guidelines concerning human rights risks in the supply chain and the sensibility of Japanese companies. For example, in CSR audits by customers, we are sometimes required to present documents related to employment insurance, as part of a process of checking that there is no child labor or forced labor. Many people at companies in Japan do not understand the intent behind this request, and may struggle to respond. Understanding of international requirements is necessary to ensure a smooth response.

## Setting ambitious KPIs is important for expanding the hiring of women

**Kurahashi** In fiscal 2025, women made up 35% of our new graduate hires from universities and graduate schools. As a result, the female hiring ratio increased, and we achieved our target for this Material Issue. "Discrimination based on gender," however, has now been identified as a top priority human rights issue. This is mainly because the rate of women in line worker positions is low, while the rate is high in assistant staff positions. To mitigate this risk, I believe we must eliminate gender-based differences in hiring for each type of job, and increase the proportion of female employees.

Fubito Hirauchi  
CSR Promotion Team Leader  
Business Supporting Unit, Corporate Division

Fumi Ito  
Director in charge of Corporate Management Unit  
Toyo Aluminium Ekco Products Co., Ltd.

Akira Kurahashi  
Human Resources Team Leader  
Human Resources Unit, Corporate Division

As the first step, we have set a target for female employees across the entire company of 20% by 2031, the 100th anniversary of Toyal's founding.

**Hirauchi** In order to increase the proportion of women in line worker positions, it will surely be necessary to further enhance the environment, to make it easier to accept women, such as restrooms, changing rooms, and break rooms. In order to further increase the proportion of female employees across all positions, I think it will be important for us to set KPIs for each type of job. At Japanese companies, not just Toyal, managers tend to want to set achievable KPIs, because they are scared of not being able to achieve them. Even if we do not achieve our KPIs, however, I think it is important that we "analyze why we couldn't achieve them and formulate the next plan." Accordingly, we must set KPIs with ambitious targets that represent our vision, not achievable targets.

**Kurahashi** Going forward, I would like to continue discussions, while also revising KPIs as necessary.

## Keeping our eyes open and mitigating human rights risks

**Ito** I feel that internal awareness of human rights is growing across the company as a whole, thanks to our sustainability efforts. On the other hand, I have felt firsthand that there is some variation in awareness of human rights on occasions such as harassment training. Dialogue is important for tackling these types of issues, and I myself have learned many things through dialogue. I also feel that awareness of human rights is growing across society as a whole. For example, when hiring dispatch employees, one candidate was born male, but identified as a woman. They requested to use the women's changing rooms and restrooms, but we had to refuse because we had not made sufficient preparations to accommodate them within the company. Through this event, I realized that our response to LGBTQ-related matters must start with dialogue within the workplace. In dialogue related to human rights, the concept of viewing things as one's own issue comes up, like a kind of catchphrase.

I hope we can keep our eyes open in all directions and cooperate with parties both internally and externally to enable each and every one of us to tackle human rights issues as our own issue.

**Kurahashi** Compared with before, cooperation between departments has improved, not just in relation to human rights issues. At present, in the Human Resources Division, we are also promoting health and productivity management, and I think that cooperation between departments has been very useful in these activities. Sometimes, in my day-to-day work, I think that "human rights issues" sounds like a difficult topic. Without these types of opportunities, however, we can't realize how important cooperation is, so I think we must engage in some initiatives as a kind of duty.

**Hirauchi** In the CSR Promotion Team, as part of our risk management activities, we conduct regular interviews with the divisions responsible for priority risk categories, while also engaging in communication with domestic subsidiaries on the theme of risk management. At Toyal, we have a system in place, whereby we summarize the results of risk mitigation activities based on these types of activities, and submit them to the officer in charge of risk management, who then reports them to senior management. We must first promote understanding of international guidelines to address human rights risks. Toyal has become a signatory to the "UN Global Compact." This represents a commitment to take concrete action in accordance with the UN guidelines. Earlier, the topic of "keeping our eyes open in all directions" came up. If we do not understand what is required under international guidelines, we will not notice violations when problems occur, and our response will be delayed. In particular, I would like to ensure that as many people as possible know about international guidelines related to human rights. We will also promote activities to spread awareness.

Through such internal dialogue, we will foster an attitude where each division considers human rights issues as "their own issue" and works together to tackle them. Going forward, we will continuously engage in dialogue and share information, as we aim to mitigate human rights risks and create a comfortable workplace.