

6. The EBARA Group respects human rights and diversity.

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Basic Idea on Respecting Human Rights

To protect fundamental human rights as a company, EBARA Group does its business activities while respecting the Universal Declaration of Human Rights, ILO's four fundamental principles and rights at work, the United Nations' Global Compact and others.

◆ Consultation service to solve human rights problems

We provide consultation in and outside our domestic group companies to handle human rights problems. The service for in-house matters mainly deals with harassment. For outside concerns, external lawyers deal with compliance issues in general. When three subsidiaries merged in April 2012, we notified the in-house and outside consultation service is available. As a result, about 50 matters were reported and about 30 of them were related to human rights, such as harassment. We understand they occurred mainly because we cannot appropriately oversee our regional bases and also veteran and young employees cannot sufficiently understand their different sense of value each other due to generation gap. We will further educate employees of our entire group at seminars on high-quality communication mentioned in our CSR policy. Also, we will make the consultation service more accessible for people who have problems.

For overseas group companies, in FY2012, we advised 15 companies in China and other Southeastern countries to start and provide similar consultation service according to their size. All 15 companies have already organized the system, such as opening a consultation office for outside concerns (2 companies) and installing an opinion box (4 companies). We will check their operations in FY2013 and have them work better.

◆ Human rights enlightenment activities

We have made continuous efforts to enlighten our employees over human rights by taking up the matter at a CSR seminar each year. As our business is getting more and more globalized, we have learned about various human rights issues related to culture and customs we should consider and preventive measures not to be harassed or harass others. Also, based on the result of a compliance survey in FY2011, we picked departments and companies that particularly need education and held seminars designed for participants to think about compliance through educational videos and group discussions.

◆ Consideration to human rights at supply chain

When we make contract with suppliers, we request in our basic contract that they comply with internationally agreed human rights standards such as the Universal Declaration of Human Rights and ILO's four fundamental principles and rights at work. Also, EBARA Group's CSR procurement guideline requests no unfair labor or discrimination at work, such as child labor and forced labor. In FY2013, we will ask our suppliers to understand and act according to this guideline.

Basic Idea on Respecting Diversity

To do global corporate activities, we are aware that acknowledging diversity of our human resources and continue their employment are our responsibility as a company. Therefore, based on our basic employment requirement, we employ people who have enthusiasm and sincerity for being innovative and original regardless of their nationality or gender to train employees who can be active in various parts in the world.

Meanwhile in Japan, we have programs that enable our employees to raise children and care elderly family members while working. In addition, in 2012, we set up a special affiliate company to create employment for disabled people. We have made efforts to create job opportunities for various people and make a better work environment for our employees.

◆ Employment of elderly people

The mandatory retirement age at domestic EBARA Group companies is 60. However, we have programs to rehire people who have special skills, techniques, qualifications and knowledge and people who have highly matured, practical expertise after they reach the mandatory retirement age.

» Diversity Data for Principal Group Companies

Company name	EBR ※	ED	EHB	ERS	EETC	EEP	EFT	EA
Total number of employees	4,109 ※	205	154	758	359	2,032	209	158
Number of female employees	839	25	19	153	39	143	32	77
Number of female managers	42	4	0	5	6	3	0	1
Actual disabled person hiring rate(%)	1.80	0.51	— ※	1.21	1.37	1.23	0.98	— ※
Number of non-Japanese hired	20	1	1	3	10	0	1	0
Number of retired employees hired	276	22	9	60	32	38	5	13

EBR : EBARA Corporation
 ED : Ebara Densan Ltd.
 EHB : Ebara Hamada Blower Co., Ltd.
 ERS : Ebara Refrigeration Equipment & Systems Co., Ltd.
 EETC : Elliott Ebara Turbomachinery Corporation
 EEP : Ebara Environmental Plant Co., Ltd.
 EFT : Ebara Field Tech. Corporation
 EA : Ebara Agency Co., Ltd.

※ Two subsidiaries merged in April 2012.
 ※ ※ "—" denotes an exemption from the Law on Employment Promotion etc. of Persons with Disabilities

6. The EBARA Group respects human rights and diversity.

◇ Respecting diversified work styles
(work-life balance)

To have our employees feel fulfilled both at work and in life, we have a shortened work-hour system, half-day leave system, child care and nursing care system, volunteer leave system and other systems beneficial for employees. While expanding our business globally, to meet the need of employees who want to contribute to their hometown, want to work while living with their family in their familiar environment or do not want to be transferred to other places for their personal reasons, we introduced a “region-specific employment program” in FY2011 to enable employees to choose work styles rooted in regional areas. The program’s introduction coincided with integration of domestic affiliate companies. It was introduced at the Kumamoto District, the Tochigi District and one of Ebara Densan hubs by the end of FY2012. It will also be introduced at the Muroran District in Hokkaido in April 2013. The basic framework of our personnel system is applied commonly to all employees including those under the region-specific employment program.

» Status of Programs Related to Work-Life Balance at Key Group Companies

Company name	EBR※	ED	EHB	ERS	EETC	EEP	EFT	EA
Total number of employees	4,109※	205	154	758	359	2,032	209	158
Paid holiday acquisition rate (%)	60.90	59.00	62.80	42.00	75.90	62.72	48.70	65.20
Number of child-care leaves taken	35	2	1	4	3	3	1	4
Number of family-care leaves taken	4	0	0	1	0	0	0	0

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Establishment of a Special Affiliate Company

From a CSR viewpoint, we have made efforts to help vocational independence of the disabled and create opportunities for their social participation jointly with local community and society, and also made efforts to increase the actual disabled person hiring rate at the EBARA Group. As a part of these efforts, we established Ebara Earnest Co., Ltd. in FY2012 as a special affiliate company. Its name, Earnest, reflects EBARA’s founding spirit, “Netsu to Makoto,” meaning enthusiasm and sincerity. In April 2013, five intellectually



Entrance ceremony at Ebara Earnest

disabled people were employed and assigned to business facilities in Haneda and Tochigi. At clerical work departments, they copy documents, handle in-house e-mail and shred documents. At Tochigi, Futtasu and Fujisawa Districts, they do light work and supplementary work in and outside plants. Ebara Earnest started with such business and will expand its business sphere and increase types of work it deals with gradually. To do so, it will discover and create jobs that can be done by the disabled and also spot and train people who can sincerely instruct disabled people.

Slogans of Ebara Earnest

- **Netsu to Makoto (Enthusiasm and sincerity)**
Act with enthusiastic, sincere mind for being innovative and original
- **“Ho-ren-so” (Hokoku, renraku, sodan)**
Always report (hokoku) to, get into communication (renraku) with and ask advice (sodan) of superiors

VOICE

We will do the business with the courage to wait for their growth with a long-range perspective



Hirokazu Kojima
President
Ebara Earnest Co., Ltd.

Mentally disabled people need some time until they learn work skills. However, they can surely go forward, little by little, though. We staff need to have the courage to wait for their growth with a long-range perspective to encourage them to stay at work long and for our company to grow.

VOICE

We respect each employee’s personality and character to the maximum



Hideyuki Tomioka
Instructor
Ebara Earnest Co., Ltd.

I make it a point to give instructions by respecting each employee’s personality and characteristics to the maximum. I teach them not only physical work that only requires them to move their body but also mental work in which they need to think, judge and decide. Even though they need some time to learn such work, I try to have them understand that they need to practice necessary things many times until they learn them and why they need to do so. Once they understand the reason, they can go forward.