

Key Measures and Progress of Activities

Theme	Subsidiary theme	Issue/goal	Main activities
General CSR activities		Improvement of information disclosure, and sharing of information within Taikisha	<ul style="list-style-type: none"> CSR activities in line with the international guidelines and information disclosure
Governance	Corporate governance	Corporate governance	<ul style="list-style-type: none"> Operate the internal control system continuously and strengthen the risk management system of the Group as a whole Further enhancement and strengthening of corporate governance, reinforcement of internal controls Enhancement of internal audits
	Internal control	Risk management	<ul style="list-style-type: none"> Sophistication and enhancement of the risk management system Step up measures to ensure the security of electronic information
		Raising awareness of compliance	<ul style="list-style-type: none"> Managing compliance risks through compliance education and monitoring Establishing an environment in which Whistle-blowing Contact Window can be used with a sense of security
Environment	Strengthen environmental management	Achieve the environmental management vision	<ul style="list-style-type: none"> Practice the environmental management master plan
	Promote environmental business	Provision of facilities and systems with high energy-saving performance	<ul style="list-style-type: none"> [Green Technology System Division] Promote proposals for CO₂ emission reduction (energy-saving) in in-house design projects [Paint Finishing System Division] Promote reduction of CO₂ emissions from painting facilities
		Removing and reducing emissions of hazardous substances	<ul style="list-style-type: none"> Grasp the reduced amount of annual VOC emissions by using VOC abatement systems Improve performance of rotary regenerative thermal oxidizer (RTO) (by reducing age-related degradation by applying baking system)
		Development of market for utilizing new environment-responsive technologies	<ul style="list-style-type: none"> Promote new business by applying environmental engineering technologies Development of a paint system designed to achieve a 100% coating efficiency
	Promote environmental conservation activities	Reduction of environmental impacts in the design and construction phases	<ul style="list-style-type: none"> Designing eco-friendly systems Reduce construction by-products and treat industrial waste appropriately Appropriate management of fluorocarbon refrigerant
		Energy-saving activities in the office	<ul style="list-style-type: none"> Reduction of paper usage (promotion of paperless meetings, etc.) Reduce energy use in the office
	Promote green procurement	<ul style="list-style-type: none"> Promote purchase of equipment included in the list of green procurement items Promote paperless purchase order process through online purchases 	
Contributions to Society	Industrial health and safety	Health and safety of workers	<ul style="list-style-type: none"> Enhance organized safety management activities (site patrol, etc.) Improvement of the level of industrial health and safety management at each site in Japan and overseas
	Quality improvement	Quality and customer satisfaction improvement	<ul style="list-style-type: none"> Ensure quality without "Muda" (wasteful), "Mura" (inconsistent), and "Muri" (unreasonable) and continuous implementation of improvement measures Gain customers' trust and high reputation from society by utilizing the QC follow-up chart
	Consideration of human rights	Respect for human rights/prohibition of discrimination	<ul style="list-style-type: none"> Strengthen responses to harassment Promote employees' use of Employee Consultation Desk
	Human resource development and cultivation	Support and facilitate employees' capacity development	<ul style="list-style-type: none"> Enhancement of the career advancement system Development and improvement of the training system
	Diversity of human resources, work-life balance	Creation of pleasant working environment	<ul style="list-style-type: none"> Achievement of work style reform Promote career advancement of female employees Enhance systems that promote diverse and flexible work styles and create working environment
		Advancement of overseas national staff	<ul style="list-style-type: none"> Operation of the global human resource system Localization of overseas organizations and provision of more diverse and advanced employment opportunities
	Supply chain management	Sharing and promotion of CSR in the supply chain	<ul style="list-style-type: none"> Promote procurement activities based on fairness and transparency
	Community/social contribution activities	Activities as a member of society (corporate citizen)	<ul style="list-style-type: none"> Promote activities that help the sustainable development of communities and society
Dialogue with shareholders and investors	Promote dialogue with shareholders and investors	<ul style="list-style-type: none"> Timely and appropriate information disclosure and proactive IR activities 	

Results of implementation of measures in FY2019	Self-assessment	Efforts in FY2020 and thereafter	ISO26000							Pages	
			Organizational governance	Human rights	Labor practices	Environment	Fair business practices	Consumer issues	Community participation and development		
<ul style="list-style-type: none"> Visualized the value creation process Associated SDGs with business activities Held study meetings for sharing of information within Taikisha 	●	<ul style="list-style-type: none"> Introduction of integrated thinking Sophistication of materiality and value creation process 	●	●	●	●	●	●	●	pp. 21-30	
<ul style="list-style-type: none"> Convened meetings of Nomination Advisory Committee (6 times) and Compensation Advisory Committee (4 times) Introduced performance-linked stock-based compensation system for Executive Directors Conducted a visiting audit on a total of 40 sites 	●	<ul style="list-style-type: none"> Optimize internal control system Formulate and implement succession plan for CEO, Directors, etc. Continue with activities 	●	●	●	●	●	●	●	pp. 33-36	
<ul style="list-style-type: none"> Recognized group-wide risks and company-specific risks, performed assessment based on new guidelines, and formulated a group-wide response policy Operated regulations appropriately 	●	<ul style="list-style-type: none"> Continue to execute revised risk management and implement risk-reduction activities for risks requiring prioritized response Operate regulations appropriately Investigate information security risks at affiliates and take action against risks 	●	●	●	●	●	●	●	pp. 37-38	
<ul style="list-style-type: none"> Implementing training for prevention of harassment Regularly distributing information on making the Whistle-blowing System well known and information on the status of using the Whistle-blowing Contact Window 	●	<ul style="list-style-type: none"> Identifying issues through monitoring and making improvements on an ongoing basis Conducting compliance education in consideration of compliance issues and social circumstances of the moment on an ongoing basis 	●	●	●	●	●	●	●	pp. 39-40	
<ul style="list-style-type: none"> PDCA based on the master plan Continued with activities to visualize GHG emissions in the entire supply chain Proposed 95 plans for CO₂ reductions (energy saving) Achieved CO₂ reduction rate (emission amount) of 24.3% Reduced CO₂ emissions per manufacturing automobile to 72.2 kg Reduced VOC emissions of new constructions by 8,200 t/year Commenced prototyping improved regenerative thermal oxidizer (vertical-type rotary RTO Mark III) Business strategy with an eye on overseas development of plant factories and system for factories manufacturing lithium-ion batteries Checked capabilities/issues through basic test Prevented outflow of liquid caused by breakage of tanks of pre-treatment lines and electrodepositing lines of painting facilities Achieved quake-proof design implementation rate of 100% in applicable projects Reduction, regeneration and recycling of construction waste: Recycling rate of 87% Rate of compliance in the number of manifests issued of 100% Electronic manifest introduction rate of 98% Implemented thorough management by using "Fluorocarbon Refrigerant Filling and Recovery Control Manifest" Achieved a Filling and Recovery Control Manifest storage rate of 100% Purchased volume of photocopy paper (A4-sized equivalent): 10,013 sheets/person per year Reduced power usage to 147 kW/m² per year Achieved a green procurement amount of 3,730 million yen Increased the paperless rate of 81.3% through online purchases 	●	<ul style="list-style-type: none"> Continue with activities Propose CO₂ reduction in facilities upon new construction/full renovation (reduction rate): -10% Propose CO₂ reduction in facilities upon partial renovation (reduction rate): -25% Develop measures to achieve reduction of CO₂ emissions per automobile produced in 2020 to 70 kg Reduce VOC emissions of new constructions by 8,000 t/year Promote dissemination through the expansion of models of improved RTO and purchase from LCC Continue with activities Check capabilities and tackle issues for commercialization Continue with activities Reduction, regeneration and recycling of construction waste: Recycling rate of 90% or more Rate of compliance in the number of manifests issued of 100% Electronic manifest introduction rate of 95% or more Implement thorough management by using "Fluorocarbon Refrigerant Filling and Recovery Control Manifest" Achieve a Filling and Recovery Control Manifest storage rate of 100% Purchase volume of photocopy paper (A4-sized equivalent): under 9,200 sheets/person per year Reduce power usage to 156 kW/m² per year or less Achieve a green procurement amount of 4,400 million yen or more Increase the paperless rate to 87% through online purchases 	●	▲	●	●	●	●	●	●	pp. 41-50
<ul style="list-style-type: none"> Safety record: Frequency rate of 0.00, Severity rate of 0.00 Fatal/serious accidents: None Invited safety staff of overseas subcontractors and held a meeting of persons responsible for safety at overseas affiliate Education on internal safety rules using Taikisha Safety Book Extracted technical issues at the design examination meeting and construction review meeting, and confirmed them by cross-functional departments Reduced quality defects by conducting quality inspections in each construction process Provided harassment consultation Provided education to new employees/newly appointed managers Compliance audits at overseas affiliates Implemented at compliance group training E-learning education Provided training for persons in each target job position Improvement activities to enhance the transparency (just and fair) of personnel assessment Measures against long working hours Introduced paid time off system and interval system Implemented an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace Introduction and operation of the global human resource system Eliminated anti-social forces Confirmed appropriate trading conditions Participated in the CSR Network in Shinjuku Conducted activities, such as community cleaning activity and offering a donation to Keidanren Nature Conservation Fund Published shareholder newsletter Held financial results briefing and individual meeting with investors 	●	<ul style="list-style-type: none"> Prevent similar disasters using video showing examples of accidents produced by Safety Headquarters and promote adoption of IT including worker monitoring system Continue with activities Continue with activities Continuously improve the content of a program with an eye on PDCA Promote support for employees' career advancement Continue with activities Consider introduction of telework (telecommuting, satellite office and mobile work) Firmly establish the global human resource system in each overseas affiliate Provide opportunities for national employees to cross the border Transfer of authority to overseas affiliates Continue with activities Continue with activities Continue with activities 	●	●	●	●	●	●	●	●	pp. 51-52
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Self-assessment ●: In line with the plan ▲: Fell below the plan