

Key Measures and Progress of Activities

Theme	Subsidiary theme	Issue/goal	Main activities	Results of implementation of measures in FY2017	Self-assessment	Efforts in FY2018 and thereafter	ISO26000							Pages
							Organizational governance	Human rights	Labor practices	Environment	Fair business practices	Consumer issues	Community participation and development	
General CSR activities							●	●	●	●	●	●	●	pp. 09-10
Governance	Corporate governance	Corporate governance	<ul style="list-style-type: none"> Operate the internal control system continuously and strengthen internal control at overseas affiliates Further enhancement and strengthening of corporate governance 	<ul style="list-style-type: none"> Confirmed the status of operation of the internal control system Re-examined the role and operating procedure of each meeting 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●	pp. 29-32	
			<ul style="list-style-type: none"> Enhancement of internal audits 	<ul style="list-style-type: none"> Conducted a visiting audit on a total of 62 sites 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●	●	pp. 33-34
	Internal control	Risk management	<ul style="list-style-type: none"> Sophistication and enhancement of the risk management system 	<ul style="list-style-type: none"> Performed risk recognition and assessment and formulated company-wide response policy 	●	<ul style="list-style-type: none"> Implement risk-reduction activities for risks requiring prioritized response 	●	●	●	●	●	●	●	pp. 35-36
			<ul style="list-style-type: none"> Step up measures to ensure the security of electronic information 	<ul style="list-style-type: none"> Revised the information security regulations at affiliates 	●	<ul style="list-style-type: none"> Operate regulations appropriately Continue with activities 	●	●	●	●	●	●	●	pp. 35-36
Environment	Strengthen environmental management	Achieve the environmental management vision	<ul style="list-style-type: none"> Practice the environmental management master plan 	<ul style="list-style-type: none"> PDCA based on the master plan Continued with activities to visualize GHG emissions in the entire supply chain 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●	pp. 37-46	
			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 	<ul style="list-style-type: none"> Proposed 60 plans for CO₂ reductions (energy saving) Achieved CO₂ reduction rate (emission amount) of 24.4% 	▲	<ul style="list-style-type: none"> Propose more than 120 CO₂ reduction (energy saving) plans Achieve CO₂ reduction rate (amount) of 20% or higher 	●	●	●	●	●	●
	<ul style="list-style-type: none"> [Paint Finishing System Division] Promote reduction of CO₂ emissions from painting facilities 	<ul style="list-style-type: none"> Reduced CO₂ emissions per manufacturing automobile to 75.3 kg 			●	<ul style="list-style-type: none"> Develop measures to achieve reduction of CO₂ emissions per automobile produced in 2020 to 70 kg 	●	●	●	●	●	●	pp. 37-46	
	Promote environmental conservation activities	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 	<ul style="list-style-type: none"> Reduced VOC emissions by 7,700 t/year 	●	<ul style="list-style-type: none"> Reduce VOC emissions by 8,000 t/year 	●	●	●	●	●	●	pp. 37-46	
			<ul style="list-style-type: none"> Improve performance of rotary regenerative thermal oxidizer (RTO) (by reducing age-related degradation by applying baking system) 	<ul style="list-style-type: none"> Commenced designing improved regenerative thermal oxidizer (vertical-type rotary RTO Mark II) 	●	<ul style="list-style-type: none"> Promoted dissemination through the expansion of models of improved RTO (application to vertical type) and purchase from LCC 	●	●	●	●	●	●	pp. 37-46	
	Promote environmental conservation activities	Development of market for utilizing new environment-responsive technologies	<ul style="list-style-type: none"> Promote new business by applying environmental engineering technologies 	<ul style="list-style-type: none"> Business strategy with an eye on overseas development of plant factories and system for factories manufacturing lithium-ion batteries 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●	pp. 37-46	
			<ul style="list-style-type: none"> Development of a paint system designed to achieve a 100% paint efficiency 	<ul style="list-style-type: none"> Checked capabilities/issues through basic test 	●	<ul style="list-style-type: none"> Check capabilities through medium-scale test/address issues 	●	●	●	●	●	●	pp. 37-46	
	Promote environmental conservation activities	Reduction of environmental impacts in the design and construction phases	<ul style="list-style-type: none"> Designing eco-friendly systems 	<ul style="list-style-type: none"> 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 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●	pp. 37-46	
			<ul style="list-style-type: none"> Reduce construction by-products and treat industrial waste appropriately 	<ul style="list-style-type: none"> Reduction, regeneration and recycling of construction waste: Recycling rate of 91% Rate of compliance in the number of manifests issued of 100% Electronic manifest introduction rate of 96% 	●	<ul style="list-style-type: none"> 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 	●	●	●	●	●	●	pp. 37-46	
	Promote environmental conservation activities	Energy-saving activities in the office	<ul style="list-style-type: none"> Appropriate management of fluorocarbon refrigerant 	<ul style="list-style-type: none"> Implemented thorough management by using "Fluorocarbon Refrigerant Filling and Recovery Control Manifest" Achieved a Filling and Recovery Control Manifest storage rate of 100% 	●	<ul style="list-style-type: none"> Implement thorough management by using "Fluorocarbon Refrigerant Filling and Recovery Control Manifest" Achieve a Filling and Recovery Control Manifest storage rate of 100% 	●	●	●	●	●	●	pp. 37-46	
<ul style="list-style-type: none"> Reduction of paper usage (promotion of paperless meetings) 			<ul style="list-style-type: none"> Purchased volume of photocopy paper (A4-sized equivalent): 8,792 sheets/person-year 	●	<ul style="list-style-type: none"> Purchase volume of photocopy paper (A4-sized equivalent): under 9,200 sheets/person-year 	●	●	●	●	●	●	pp. 37-46		
Promote environmental conservation activities	Promote green procurement	<ul style="list-style-type: none"> Reduce energy use in the office 	<ul style="list-style-type: none"> Reduced power usage to 150 kW/m²-year 	●	<ul style="list-style-type: none"> Reduce power usage to 156 kW/m²-year or less 	●	●	●	●	●	●	pp. 37-46		
		<ul style="list-style-type: none"> Promote purchase of equipment included in the list of green procurement items 	<ul style="list-style-type: none"> Achieved a green procurement amount of 4,039 million yen 	●	<ul style="list-style-type: none"> Achieve a green procurement amount of 4,400 million yen 	●	●	●	●	●	●	pp. 37-46		
Promote environmental conservation activities	Promote green procurement	<ul style="list-style-type: none"> Promote paperless purchase order process through online purchases 	<ul style="list-style-type: none"> Increased the paperless rate of 85.1% through online purchases 	▲	<ul style="list-style-type: none"> Increase the paperless rate to over 87% through online purchases 	▲	●	●	●	●	●	pp. 37-46		
		<ul style="list-style-type: none"> Reduce energy use in the office 	<ul style="list-style-type: none"> Reduced power usage to 150 kW/m²-year 	●	<ul style="list-style-type: none"> Reduce power usage to 156 kW/m²-year or less 	●	●	●	●	●	●	pp. 37-46		
Contributions to Society	Industrial health and safety	Health and safety of workers	<ul style="list-style-type: none"> Conduct organized safety management activities Improvement of the level of industrial health and safety management 	<ul style="list-style-type: none"> Safety record: Frequency rate of 0.498, Severity rate of 0.032 Fatal/serious accidents: None 	▲	<ul style="list-style-type: none"> Continue with organized safety management activities Continue to provide industrial health and safety education based on education and training schemes to employees and subcontractors 	●	●	●	●	●	●	pp. 49-50	
			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 evaluation from society by utilizing the QC follow-up chart 	<ul style="list-style-type: none"> 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 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●
	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 	<ul style="list-style-type: none"> Provided harassment consultation Provided education to new employees/newly appointed managers 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●
			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 	<ul style="list-style-type: none"> Provided training for persons in each target job position 	●	<ul style="list-style-type: none"> Continuously improve the content of a program with an eye on PDCA 	●	●	●	●	●	●
	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 	<ul style="list-style-type: none"> Measures against long working hours Implemented an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●
			<ul style="list-style-type: none"> Advancement of overseas local staff 	<ul style="list-style-type: none"> Introduction of the global human resource system 	●	<ul style="list-style-type: none"> Firmly establish the global human resource system in each overseas affiliates 	●	●	●	●	●	●	pp. 53-56	
	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 	<ul style="list-style-type: none"> Eliminated anti-social forces Confirmed appropriate trading conditions 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●	p. 57	
			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 	<ul style="list-style-type: none"> Participated in the CSR Network in Shinjuku Conducted activities, such as community cleaning activity and offering a donation to Keidanren Nature Conservation Fund 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●
	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 	<ul style="list-style-type: none"> Published shareholder newsletter Held earnings results briefing and individual meeting with investors 	●	<ul style="list-style-type: none"> Continue with activities 	●	●	●	●	●	●

Self-assessment ●: in line with the plan ▲: Fell below the plan