

Sustainability Priority Matters and Progress to Date



Please refer to our website to view our Basic Policy on Sustainability and other detailed information.
<https://tsubakimoto.com/sustainability/>

Guided by our Basic Policy on Sustainability, the Tsubaki Group has determined material issues (priority matters) and KPIs for each environmental, society, and governance (ESG) category. In fiscal 2024, our activities progressed as set out in the table below.

Material Issues (Priority Matters)		Contribution to the SDGs	KPIs (Key Performance Indicators)	Targets and Results				Initiatives in FY2024	Issues and measures for FY2025
				Scope	Target	FY of Achievement	FY2024 Results		
<div>E</div> <div>Environment</div>	Climate change	<div><div>3</div><div>CLIMATE ACTION</div></div> <div><div>7</div><div>ENERGY AFFORDABLE AND CLEAN ENERGY</div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	CO ₂ emissions reductions rate: Japan (reference year FY 2013)	Domestic	30%	FY2025	38.2%	<ul style="list-style-type: none">Carried out activities in each division to meet the revised Group CO₂ reduction targets after obtaining of SBT certification.Launched just-in-time (JIT) initiatives for energy; horizontally developed at domestic and overseas business sites. Also began research to decarbonize our heat treatment process (TCN-PJ).Continued purchasing renewable energy for around 30% of our domestic energy usage. Further introduced renewable energy at domestic and overseas Group companies.Investigated CO₂ emissions by major suppliers. Additionally, held tours of Company plants carrying out JIT activities and began working together with suppliers on activities to reduce CO₂ emissions.Revised 2022 TCFD disclosures. Simultaneously, examined the quantification of scenario analysis and transition plans.	<ul style="list-style-type: none">Continue research on decarbonization of heat treatment processes in addition to carrying out more active energy saving activities at overseas Group companies.Consider revision of ICP pricing (currently 10,000 yen per t-CO₂) and carry out more active energy saving activities.Consider increase in purchasing of renewable energy at domestic Group companies and continue investigations with a view to purchasing for overseas Group companies.Expand the scope of collaboration on supplier CO₂ emissions surveys and CO₂ reduction activities to accelerate decarbonization initiatives throughout our supply chain.Quantify scenario analysis outside mobility business.
			CO ₂ emissions reductions rate: Overseas (reference year FY 2018)	Overseas	20% or more	FY2025	21.3%		
			CO ₂ emissions reductions rate: Global (reference year FY 2021)	Global	42%	FY2030	22.2%		
			Ratio of renewable energy consumption	Domestic	30%	FY2025	36.9%		
	Recycling-oriented society	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>	CDP climate change score	Global	B	FY2023	B	<ul style="list-style-type: none">In addition to existing domestic activities, established Global Environmental Management Manual to strengthen activities at overseas Group companies. Began obtaining various environmental data.	<ul style="list-style-type: none">Work toward receiving EcoFactory certification for all domestic sites.Overseas, assess local activities and promote and support environmental management activities using Global Environmental Management Manual.
			Waste recycling rate	Domestic	99% or more	FY2030	97.9%		
			PRTR-substance emissions	Domestic	130.9 t or less	FY2030	116.9 t		
			Number of serious violations of environmental laws and regulations	Global	0	Annually	0		
<div>S</div> <div>Society</div>	Respect for human rights/ Promotion of diversity	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>5</div><div>GENDER EQUALITY</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	Number of companies implementing ethics education	Domestic	14	Annually	14	<ul style="list-style-type: none">Designated a Corporate Ethics Awareness Month to implement activities raising awareness of compliance in Japan and overseas.Implemented e-learning on business and human rights at domestic Group companies. Conducted human rights due diligence covering domestic and overseas Group companies.	<ul style="list-style-type: none">Maintain initiatives pursued thus far and make planned improvements to them.Continuously carry out human rights due diligence and confirm status of improvements.
			Number of companies implementing due diligence regarding human rights	Global	31	FY2025	31		
			Ratio of employees with disabilities	Non-consolidated	2.70%	FY2025	2.72%		
			Ratio of companies meeting legally required employment ratios for people with disabilities	Domestic	100%	FY2025	33.3%		
			Number of non-Japanese employees	Non-consolidated	85	FY2030	33		
			Ratio of female employees in Senior Roles	Domestic	10%	FY2030	5.2%		
	Cultivation of human resources/ Work style reforms	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>5</div><div>GENDER EQUALITY</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>	Education plan implementation rate	Non-consolidated	100%	Annually	100%	<ul style="list-style-type: none">Maintained ratio of usage through combination of face-to-face training and e-learning, upgraded the content of themes in need of strengthening by continuing training and other activities through dispatches of employees to external agencies and the use of external lecturers.Established scheduled date for granting paid leave.Established supportive working environment and enhanced support through measures such as expanding the Maternity and Childcare Leave Handbook and creating the Handbook for Balancing Work with Caregiving.Began applying work-from-home system for employees with childcare or other care responsibilities to provide support after maternity and childcare leave.	<ul style="list-style-type: none">To increase employment rate of persons with disabilities, bring forward schedule for achieving targets and redouble hiring, particularly at our special subsidiary.Provide support for the efforts of domestic Group companies to meet legally required employment ratios for individuals with disabilities.Carry out measures such as departmental awareness-raising activities to increase hiring of non-Japanese nationals. In terms of retention, strengthen follow-up system for career and life goals.To facilitate advancement of women, continue existing initiatives and systematically improve KPI.Through our three proprietary schools, actively carry out employee training that leads to noticeable individual growth, including Companywide training, departmental training, and global training, as well as enhancing elective training.
			Ratio of paid leave acquisition	Non-consolidated	85%	FY2025	77.3%		
			Ratio of maternity and childcare leave-takers who have returned to work	Non-consolidated	—	—	92.5%		
			Ratio of employees with high level of stress	Non-consolidated	5.0%	FY2025	6.6%		
	Health and safety	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div>	Number of lost time accidents	Domestic	0	Annually	2	<ul style="list-style-type: none">Established the three pillars of the Tsubaki Group's health and safety activities (Safe-Person Manual, Risk Assessment Guidelines, and Machinery and Equipment Safety Guidelines) and continued carrying out activities.	<ul style="list-style-type: none">Promote health and safety activities from soft and hard perspectives using the Safe-Person Manual and the Machinery and Equipment Safety Guidelines; work to share information with global bases on serious accidents.
	Quality assurance	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	Number of major quality issue occurrences	Global	0	Annually	1		
	Contributions to local communities	<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div>	—	—	—	—	—	<ul style="list-style-type: none">Continued sponsoring Nagaokakyo Gracia Festival in Kyotanabe and other community events and holding Cherry Blossom Festival (open to the public) at Kyotanabe Plant. Provided employee parking areas as venues for events such as kids' run/bike races.	<ul style="list-style-type: none">Strengthen social contribution activities to solve social issues or achieve SDGs both domestically and overseas.Check progress on social contribution activities at domestic Group companies and consider holding collective events.
	Sustainable procurement		Number of Sustainability Guidelines issued (cumulative total)	Global	1,500	FY2025	1,611	<ul style="list-style-type: none">Distributed Supplier Sustainability Guidelines to suppliers of domestic and overseas Group companies (except those in China).Provided sustainability education to major domestic suppliers and investigated the current situation through our Sustainable Procurement Survey and human rights due diligence.Held workshops on sustainable procurement for personnel in charge of procurement at domestic Group companies.	<ul style="list-style-type: none">Provide training to major domestic suppliers, verify actual status based on results of Sustainable Procurement Survey, etc., and implement improvement activities.Distribute Sustainability Guidelines to suppliers of Chinese Group companies and conduct Sustainable Procurement Survey and human rights due diligence for major suppliers of European Group companies.
			Sustainable procurement survey collection rate	Domestic	80%	FY2025	81.7%	<ul style="list-style-type: none">Investigated the state of management at major suppliers of domestic Group companies as the first step in building a more resilient supply chain. Created Guidelines for Managing Risk of Cessation of Supply by Critical Suppliers to improve the baseline level of management throughout the Group.	<ul style="list-style-type: none">Entrench use of the guidelines mentioned to the left.In addition to diversifying suppliers through exchange of information within the Group, negotiate with suppliers and customers and endeavor to realize procurement and sale prices that are suitable for the current situation.
	<div>G</div> <div>Governance</div>	Compliance	<div><div>13</div><div>CLIMATE ACTION</div></div> <div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div>	Number of serious violations of Company regulations	Global	0	Annually	0	<ul style="list-style-type: none">Raised employee awareness of compliance and thoroughly familiarized personnel with corporate ethics through the Corporate Ethics Awareness Month and a range of training programs.
Disaster resilience/ Business continuity planning/Crisis management		Number of companies that participated in Corporate Ethics Awareness Month		Global	52	Annually	52		
Information security		Ratio of companies implementing disaster prevention and evacuation drills		Domestic	100%	Annually	100%	<ul style="list-style-type: none">Based on the Tsubaki Group Basic BCP Strategy, carried out various disaster preparedness activities, including disaster preparedness drills, drills using a safety confirmation system, and stockpiling of disaster preparedness items.Established an initial 3-hour response manual for domestic Group companies.Improved insurance coverage for five overseas companies according to our Property and Casualty Insurance Guidelines which we established in May 2022.Established Overseas Crisis Preparedness: Emergency Evacuation Plan (Taiwan) as a countermeasure for overseas crises.	<ul style="list-style-type: none">Complete BCPs for business divisions and domestic Group companies and carry out BCP training.Carry out facility audits and fire, disaster, and crime prevention audits at domestic Group companies to strengthen crisis management system.Currently conducting one-on-one discussions with 30 overseas Group companies for strengthening loss risk measures based on Property and Casualty Insurance Guidelines.Organize items to respond to war risks to safeguard the lives and ensure the safety of expatriates.
		Number of business sites revising their business continuity plans (BCPs)		Domestic	17	FY2023	Completed June 2023		
Information disclosure		Number of serious system incident occurrences		Domestic	0	Annually	0	<ul style="list-style-type: none">Completed introduction of EDR+SOC services in main domestic and overseas Group companies.Consolidated authentication logs and access logs and carried out correlation analysis of the consolidated logs.Completed introduction of security response tool for email-based threats and attacks.	<ul style="list-style-type: none">Revise self-analysis of Cybersecurity Guidelines, level up the achievement criteria, and ensure thorough implementation.Strengthen security measures for use of cloud services.Strengthen daily education and training (clarify and thoroughly disseminate security rules to be followed, etc.).
		Number of information security accident occurrences		Global	0	Annually	0		
Managing intellectual property		—		—	—	—	—	<ul style="list-style-type: none">Made disclosures in cooperation with related departments on a case-by-case basis in accordance with the Tokyo Stock Exchange's guidelines on disclosure standards.Strengthened disclosures of sustainability-related information as part of dialogue with stakeholders.Produced and issued Integrated Report with a focus on connections between business activities and ESG activities.	<ul style="list-style-type: none">Disclose information effectively so that stakeholders understand the link between our business strategies and our ESG activities.
Managing intellectual property	<div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div>	Number of valid warnings received claiming infringement of intellectual property rights	Global	0	Annually	1	<ul style="list-style-type: none">Continued activities to establish IP awareness. (1) Continued study sessions (for engineers by rank/ each IP system, etc.), (2) Published various guidelines and publicized them through training (compensation and incentive payments, trademarks, patent searches).	<ul style="list-style-type: none">As measures to revitalize IP activities, (1) continue IP training (ensure awareness of importance of investigations), (2) publicize and expand external guidelines (related to patents, trademarks, and copyrights), and (3) begin to consider measures for overseas group companies.As a global measure, ascertain status of intellectual property activities at overseas Group companies, and clarify issues and formulate plans to optimize them.	
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