

# FY2021 Achievements of the Sustainability Action Plan

Themes	Materiality	SDGs	Key Performance Indicators (KPIs)	Scope	Targets and Results	
					FY2021 Targets	FY2021 Results
Contribute to a smart society	Promote innovative technological development and invention		① Innovation investment amount (*1) ② Patent registrations (cumulative total)	Global	① 15.0 billion yen ② 3,600 patents	① 13.0 billion yen ② 3,726 patents
	Develop new business domains		Penetration into new markets and new business conditions; commercialization of new products	Global	<ul style="list-style-type: none"> <li>Collaborative research with universities and companies</li> <li>Provide new automated solutions</li> <li>Develop new customers, expand business area globally</li> <li>Expand service business</li> </ul>	<ul style="list-style-type: none"> <li>Promoted the development of new products through open innovation with multiple universities and external research institutions</li> <li>Began supplying an in-house developed piece-picking robot</li> <li>Expanded new customer base and global business area through strategic alliance with Germany-based AFT Industries AG</li> <li>Service sales: +16.6 billion yen (+14%) over the previous year</li> </ul>
	Cater to customer needs through smart logistics		Introduction of cutting-edge technology to products/services	Global	<ul style="list-style-type: none"> <li>Use wireless/5G tech and rechargeable batteries</li> <li>Introduce high-efficiency systems and predictive maintenance systems using AI tech</li> <li>Reduce energy consumption with more sophisticated power supply equipment</li> <li>Make maintenance services more efficient with use of IoT</li> </ul>	<ul style="list-style-type: none"> <li>Conducted study on adoption of wireless/5G tech</li> <li>Currently evaluating various types of rechargeable batteries</li> <li>Highly-efficient transport system using AI has been developed and adopted</li> <li>Predictive maintenance system is being trialed and data collection is underway</li> <li>Currently developing an advanced non-contact power supply device that reduces power consumption</li> <li>Launched maintenance services using various sensors and remote functions</li> </ul>
Maintain and improve the quality of products and services	Optimize production through globalization		New/expanded production sites to achieve production in optimal conditions; and other countermeasures	Global	<ul style="list-style-type: none"> <li>Build a procurement network globally and share production technology</li> <li>Strengthen ability to respond at non-Japan subsidiaries (in sales, production/service)</li> <li>Optimally distributed production through consolidation/in-sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Currently sourcing global suppliers and verifying the quality of procured goods</li> <li>Production technologies such as manufacturing procedures and inspections deployed to non-Japan subsidiaries</li> <li>Enhanced responsiveness (development, design, production, etc.) through personnel training at non-Japan subsidiaries</li> <li>Carried out consolidation, shift to in-house production, and construction of new plants to optimize local production for each product</li> </ul>
	Pursue product quality and safety		① Number of serious accidents related to product/system safety (*2) ② Rate of ISO 9001 global multi-site certification (*3) in production sites ③ Number of employees who obtain safety assessor credentials (*4)	①②Global ③Japan	① 0 occurrences ② 60% ③ 160 people	① 0 occurrences ② 62% ③ 178 people
Enhance operational framework	Strengthen governance	—	① Improving effectiveness of the Board of Directors ② Enhancing internal perceptions ③ Carrying out sound internal audits	Global	① Carry out efforts to improve effectiveness ② Implement measures to propagate Group Code of Conduct globally ③ Carry out internal audits in Japanese business units and non-Japan subsidiaries (total 300 cases, 3 years) and maintain compliance with internal evaluations	① Held interviews with selected officers in addition to conventional questionnaires on the Board's effectiveness ② Released the Compliance Guidebook to explain the Group Code of Conduct in six languages and propagated it globally ③ Globally implemented e-learning on the Guidebook and the concept of compliance ④ 125 audits (103 in Japan, 9 international, 13 specified audits) ⑤ Internal evaluations determined the Group as compliant
	Ensure compliance		Carrying out anti-corruption training	Global	Carry out training and follow-ups for Japanese and global parties with authority to accept/place orders	Created compliance training materials for global use in Japanese and English and carried out e-learning
	Manage risk		Implementing countermeasures against major risks	Global	Carry out regular risk assessments and risk response training	Conducted a risk assessment through 49 officers of Group companies worldwide and identified five significant areas of risk
	Ensure responsible procurement in the supply chain	  	Establishing a CSR procurement system and expand range of operations	Global	Review CSR Procurement Standards and formulate new guidelines to be applied in Japan and abroad	Conducted different surveys to formulate new guidelines
	Strengthen information security	—	① Number of global information security education sessions ② Number of global e-mail training sessions	Global	① 2 sessions ② 3 sessions	① 2 sessions ② 3 sessions
	Ensure transparent information disclosure and strategic communication		① Number of dialog meetings held with shareholders and investors (*5) ② Enhancing communication with stakeholders	①Global ②Japan	① 370 meetings (ESG-related: 10 meetings) ② Carry out events for science and engineering students; get employees to participate in social contribution activities	① Held "DAIFUKU Presents Discovery Hackathon 2021," a manufacturing event for science and engineering students to facilitate exchanges with students from Japan and abroad ② Contributed to local communities through voluntary cleanups and tie-up events with social welfare organizations, mainly in the Shiga region
Respect human dignity	Protect employee safety and health		① Frequency rate: Japan (non-Japan) ② Severity rate: Japan (non-Japan) ③ Number of occupational safety and health trainees ④ Number of serious accidents (*6)	Global	① 0.4 (0.9) ② 0.02 (0.03) ③ 1,500 trainees ④ 0 accidents	① 0.21 (0.65) ② 0.002 (0.009) ③ 1,627 trainees ④ 0 accidents
	Achieve diversity and inclusion	 	① Number of female managers ② Employment rate of people with disabilities ③ Paternity leave acquisition rate	Japan	① 19 people ② 2.3% ③ 5.0%	① 20 people ② 2.54% (As of June 1, 2021) ③ 8.7%
	Create a workplace environment that motivates employees	 	① Paid leave acquisition rate ② Maintaining high rate of stress check testing ③ Holding events to encourage mental and physical health	Japan	① 73% ② 96% ③ Continued events centered on main facilities	Enriched online events, such as physical exercise seminars and programs Held walking events at the Osaka Headquarters and Shiga Works
	Cultivate human resources		① Strengthening education for managerial employees and candidates ② Developing training using online resources and promoting autonomous learning	Japan	① Provide education according to the qualities of candidates up for promotion ② Establish on-demand library for training and education	① Implemented training and aptitude tests on business management and labor management for those promoted to managerial positions in FY2022 ② Offered promotion recommendation requirement courses for candidates for managerial positions in FY2023 and beyond ③ Began using training videos with internal lecturers for rank-based training (16 programs in total)
	Respect human rights	 	① Promotion of workplace understanding of human rights ② Carrying out due diligence for human rights	Global	① Carry out human rights training for Group employees ② Formulate policies and carry out due diligence for human rights and ensure wide-spread human rights knowledge inside and outside the Company	① Provided three anti-harassment seminars to managers at Group companies in Japan ② Formulated and disclosed our human rights policy; then disseminated it across the Group through videos and internal newsletters
Contribute to the environment through our business	Keep business operations environmentally friendly	  	① Daifuku's total CO <sub>2</sub> emissions reduction rate (over FY2018) ② Participation rate in CO <sub>2</sub> emissions reduction programs (*7) throughout the supply chain ③ Recycling rate of waste	①③Global ②Japan	① 2.5% reduction ② 32% ③ Survey global sites; establish goals	① 13.8% reduction ② 36% ③ 99%
	Expand environmentally friendly products and services	 	① Avoided CO <sub>2</sub> emissions (*8) ② Sales ratio of projects that include environmentally friendly products (*9) ③ Recyclability rate for new products	Global	① 30,000 t-CO <sub>2</sub> ② 43% ③ 90%	① 69,694 t-CO <sub>2</sub> ② 63% ③ 86%

\*1: R&D expenses + DX investment amount

\*2: Accidents caused by the malfunction of our products or systems leading to death or serious illness/injury during operations (injury or illness requiring 30 days or more of treatment)

\*3: Carrying out reviews based on unified standards under the same schedule and certification authority, and obtaining and maintaining certification

\*4: Credentials meant chiefly for designers that certify knowledge and abilities in the field of safety based on international safety standards

\*5: In fiscal 2022, KPI changed to: "Number of companies with which dialog meetings were held"

\*6: Accidental deaths occurring during work at Daifuku (labor accidents)

\*7: Daifuku's own framework on efforts (sharing of goals and supporting measures to reduce emissions, etc.) to reduce CO<sub>2</sub> emissions at suppliers

\*8: CO<sub>2</sub> emissions produced from our products/services provided to our customers are subtracted from the CO<sub>2</sub> emissions produced from our products/services in FY2011—the base year for environmental performance.

\*9: Projects that have contributed to customers in terms of environmental consideration through certified Daifuku Eco-Products, etc.