

# Environmental Contribution

## Materiality-related SDGs targets

### Initiatives Materiality

- Promote environmentally friendly activities in business operations
- Expand environmentally friendly products and services
- Strengthen environmental management platform

### Created value CSR Action Plan KPIs

✓ FY2019 result □ FY2020 targets

<b>Total CO<sub>2</sub> emissions from production and office locations</b> <small>(compared with levels in FY2005)</small> ✓ Reduced by <b>57.4%</b> □ Reduction of <b>41%</b> or more	<b>CO<sub>2</sub> emissions from production and office locations</b> <small>(per unit of net sales compared with levels in FY2005)</small> ✓ <b>31.9%</b> □ <b>72%</b> or less	<b>Global CO<sub>2</sub> emissions</b> <small>(per unit of net sales compared with levels in FY2011)</small> ✓ <b>47.5%</b> □ <b>50%</b> or less	<b>Waste generated</b> <small>(per unit of net sales compared with levels in FY2005)</small> ✓ <b>47.6%</b> □ <b>72%</b> or less
<b>Amount of water used</b> <small>(per unit of net sales compared with levels in FY2005)</small> ✓ <b>30.1%</b> □ <b>57%</b> or less	<b>Amount of water used globally</b> <small>(per unit of net sales compared with levels in FY2011)</small> ✓ <b>26.9%</b> □ <b>40%</b> or less	<b>Certified Daifuku Eco-Products</b> ✓ <b>62</b> □ <b>63</b> or more	<b>Contribution to reducing CO<sub>2</sub> emissions from products and services</b> ✓ <b>73,928 t-CO<sub>2</sub></b> □ <b>100,000 t-CO<sub>2</sub></b>
<b>Participants in the Eco-Action program</b> ✓ <b>13,403</b> □ <b>8,000</b>	<b>Companywide implementation rate of Daifuku Eco-Management System</b> ✓ <b>95.8%</b> □ <b>100%</b>		

### SDGs pursued by Daifuku



For details, see our website: [www.daifuku.com/sustainability/action/environment](http://www.daifuku.com/sustainability/action/environment)

## Basic stance

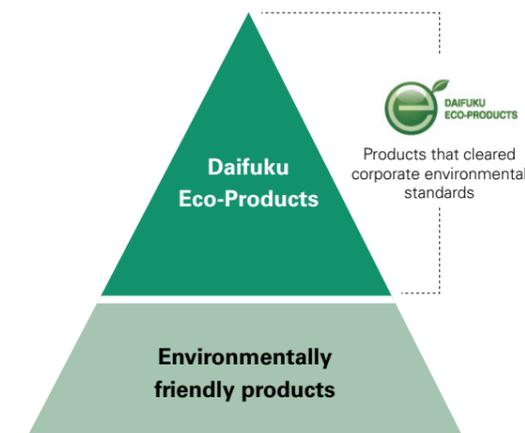
Daifuku promotes its own environmental management to ameliorate a range of environmental issues. The most profound risk to our business continuity comes from global environmental issues, including climate change and loss of biodiversity. At the same time, we recognize that solving such issues also presents business opportunities for us. We formulated the Daifuku Environmental Vision 2020 in 2011, stating, "We strive to be environmentally aware in every business activity, including consistently developing and providing material handling systems with low environmental impact." As the three priority measures to achieve this vision, we promise to: "Promote environmentally friendly activities in business operations," "Expand environmentally friendly products and services," and "Strengthen environmental management platform." We have set up targets for each measure to be achieved by 2020.

## Promotion framework

Toward achieving the Daifuku Environmental Vision 2020, we have set up the Sustainability Committee, chaired by the CEO and comprised of the heads of each global business unit, as the highest decision-making body on environmental management issues across the Daifuku Group. At the Committee, top management provides instructions on activity policies and implementing plans that address various issues, including climate change.

## Environmentally friendly products and services

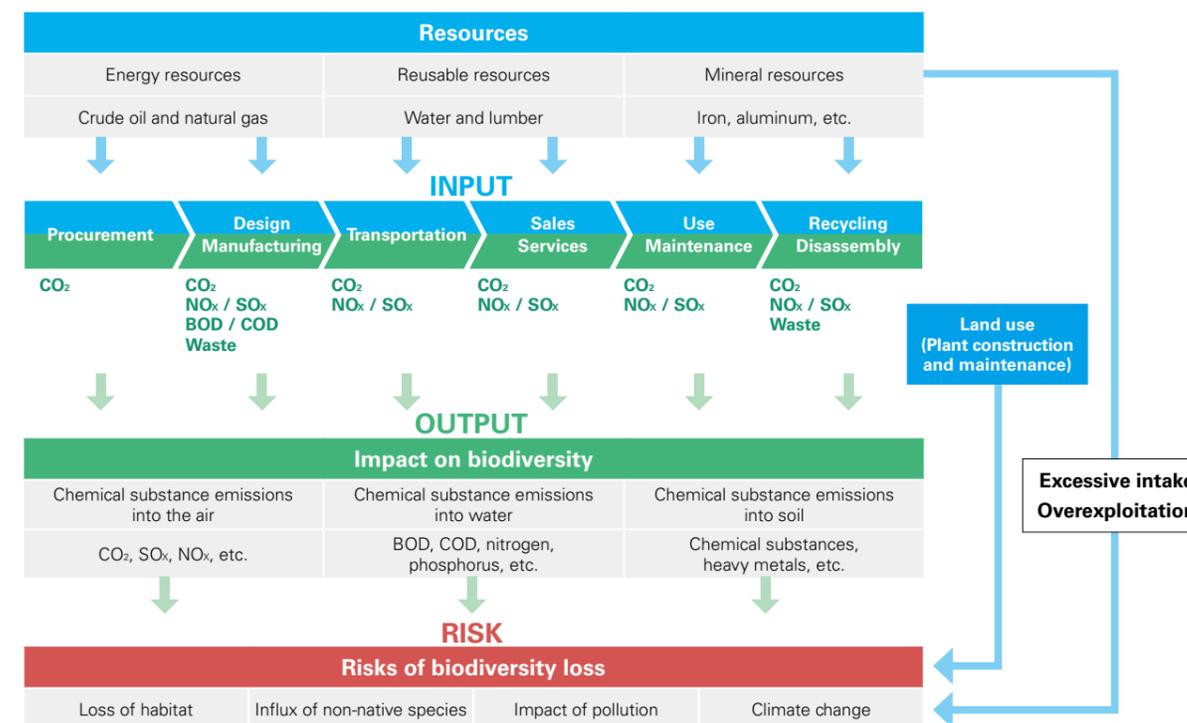
Daifuku develops and provides environmentally friendly products and services to society. Since 2012, Daifuku has been operating an in-house program, Daifuku Eco-Products Certification Program, to rate and certify the energy and environmental design of its own products. Under the program, we rate all products under the same standards across the Group, in terms of energy savings, recyclable, lightweight, long life, resource savings, water conservation, low noise, water pollution prevention, and harmful substance reduction. Also, all products are measured with results of a Life Cycle Assessment. As of May 2020, 62 products have met the standards and been certified as Daifuku Eco-Products.



For details, see our website: [www.daifuku.com/sustainability/action/environment/product](http://www.daifuku.com/sustainability/action/environment/product)

## Biodiversity conservation

In accordance with our medium-term conservation plan, Daifuku Environmental Vision 2020, we conduct activities to conserve biodiversity and the environment. To clarify the relationship between business activities and ecosystems, Daifuku has mapped the interaction of product processes, land use, and other areas that may impact ecosystems. Based on this map, Daifuku notes the impact on ecosystems by the land use at the Shiga Works, which is endowed with nature, and is conducting business activities that take biodiversity into account.



For details, see our website: [www.daifuku.com/sustainability/action/environment/biodiversity](http://www.daifuku.com/sustainability/action/environment/biodiversity)

## Environmental Contribution

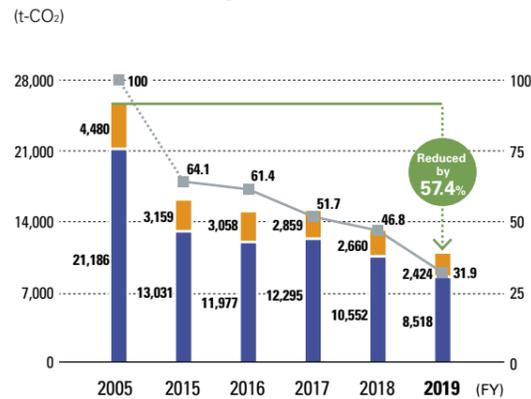
### Energy conservation

Daifuku strives to reduce CO<sub>2</sub> emissions from its business activities in an effort to prevent global warming. Our CO<sub>2</sub> reduction efforts range from operational improvements to efforts made in our daily lives, including commuting and traveling on business. Daily data on the use of electricity and heat energy, the major contributors of CO<sub>2</sub> emissions, are constantly monitored for improvement.

In fiscal 2019, we achieved a 57.4% reduction in emissions against the target (40% or more reduction compared to fiscal 2005) in Japan (see chart below). Also, emissions per unit of net sales was 31.9%, which largely exceeded the target (73% or less compared to fiscal 2005). In subsidiaries outside Japan, although CO<sub>2</sub> emissions increased, emissions per unit of net sales were maintained with the target (50% or less). We will continue to make improvements to our business operations and related equipment and facilities.

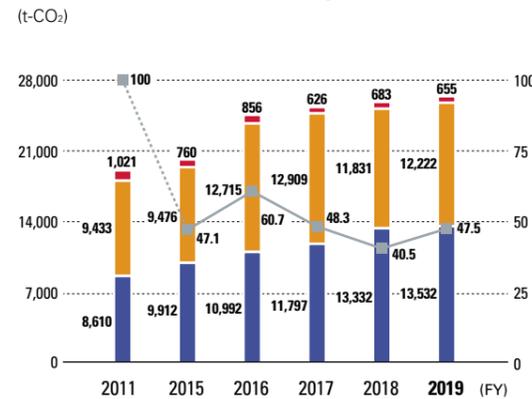
For details, see our website: [www.daifuku.com/sustainability/action/environment/ecology](http://www.daifuku.com/sustainability/action/environment/ecology)

#### CO<sub>2</sub> emissions (Japan)



■ CO<sub>2</sub> emissions (production site) ■ CO<sub>2</sub> emissions (non-production site)  
 ■ Emissions per unit of net sales: Fiscal 2005 = 100

#### CO<sub>2</sub> emissions (outside Japan)



■ Asia ■ North America ■ Europe  
 ■ Emissions per unit of net sales: Fiscal 2011 = 100

### Resource saving

Daifuku is promoting the effective use of precious resources through various corporate activities. At the Shiga Works site, we are collecting cooking oil waste from the three on-site cafeterias and employees' homes, and converting it into biodiesel. We then use this biodiesel as fuel for the Hini Arata Kan shuttle bus (Biodiesel used in fiscal 2019: Approx. 7,200 liters).

For details, see our website: [www.daifuku.com/sustainability/action/environment/resourcesaving](http://www.daifuku.com/sustainability/action/environment/resourcesaving)



Collection of cooking oil waste from corporate cafeterias

## Strengthening of Supplier Platform

### Materiality-related SDGs targets

#### Initiatives Materiality

- Promote CSR procurement in the supply chain

#### Created value CSR Action Plan KPIs

■ FY2019 result □ FY2020 targets

##### Supplier visitation rate

- ✓ 56.7%
- 80.0%

#### SDGs pursued by Daifuku

For details, see our website: [www.daifuku.com/sustainability/action/supplier](http://www.daifuku.com/sustainability/action/supplier)

### Basic stance

Daifuku manufactures its cutting-edge products together with its suppliers and partners. As globalization progresses and economic activities are intricately linked to each other, we need to take social responsibility for not only our products and services, but also our supply chains. Daifuku's Group Code of Conduct stipulates our trading policy and regulates the compliance of all our executives and employees. Under the Code, we share the Basic Procurement Policy revised during fiscal 2017 with our suppliers to manage supply chains in a responsible manner along with our CSR procurement standards.

### Promotion framework

This initiative is promoted mainly by procurement personnel of corporate divisions and each global business unit. We take measures to share our procurement policies with our suppliers by visiting them based on the results of their self-evaluation of CSR-related items. Through our cross-sectional organization called the Production Compliance Committee, we also provide lectures regarding statutory compliance in the fields of production and procurement for persons engaged in procurement. We also hold sessions to exchange information and share our policies with our suppliers.

### Procurement policy

Daifuku's principles for dealing with suppliers are as outlined in the Basic Procurement Policy, in keeping with the Management Policy and Group Code of Conduct. Also, we have formulated the CSR procurement standards and will promote CSR activities with all suppliers.

# Diverse and Positive Workforce

## Materiality-related SDGs targets

### Initiatives Materiality

- Promote diversity
- Create a comfortable work environment
- Promote human resource development

### Created value CSR Action Plan KPIs

✓ FY2019 result □ FY2020 targets

<b>Ratio of female employee recruitment</b> ✓ 10% □ 20%	<b>Female managers</b> ✓ 17 □ 20	<b>Employment rate of people with disabilities</b> ✓ 2.17% □ 2.20%	<b>Average paid leave utilization rate</b> ✓ 68.7% □ 70.0%
<b>Surveys of employee awareness (5 points max.)</b> ✓ N/A □ 3.80 points	<b>Employees who have TOEIC scores of over 600</b> ✓ 166 □ 200	<b>Employees certified by the Global Business Trainee Program</b> ✓ 189 □ 300	<b>Employees enrolled in self-development e-learning programs</b> ✓ 70 □ 300

### SDGs pursued by Daifuku



For details, see our website: [www.daifuku.com/sustainability/action/employee/humanrights](http://www.daifuku.com/sustainability/action/employee/humanrights)

## Basic stance

Daifuku respects the basic human rights of individuals and strives to establish a positive work environment where employees are able to maximize their abilities. As stated in its management philosophy, "Focus on healthy, growth-driven global management under a diverse and positive corporate culture," Daifuku places its employees at the core of management. We believe that raising each employee's ability and demonstrating it in an organized way will elicit the trust of society and customers, and indeed, all of our stakeholders. As the environment surrounding our management changes rapidly, we also believe that it is vital to further develop our environment that responds to globalization and diversity. Based on this premise, the Daifuku Group respects international standards such as the Global Human Rights Declaration\*, and as a signatory company of the UN Global Compact, we support the Ten Principles of the UN Global Compact.

\* Declaration adopted in 1948 by the UN General Assembly (in Paris) recognizing that all humans are born with basic human rights

Employees data ▶ Page 25

## Diversity

### Create employment opportunity at a farm

In fiscal 2019, the rate of employment of people with disabilities at Daifuku was 2.1%. Taking into account the environments and situations across all our sites, we will continue to proactively hire people with disabilities. In August 2019, as a new initiative, we began a project with a local farm near the Komaki Works in Aichi, Japan, that focuses on providing work to those with disabilities. Harvested vegetables from the farm are served at our cafeteria.



Harvesting work at the farm

### Retiree re-employment system

In April 2003, we instituted a re-employment system for which the age of 62 was defined as the upper limit. This system is intended to enable employees to exhibit their abundant knowledge and experience to the fullest after they have reached the age of 60. In 2005, the age limit was raised to 65. In April 2013, the system was reviewed for compliance with amendments to the Act on Stabilization of Employment of Elderly Persons in Japan. As a result, under the re-employment system, we are continuing the employment of at least 80% of the target individuals.

## Work environment improvement

Daifuku promotes initiatives to encourage employee awareness of the need to maintain a positive work-life balance. Daifuku's Work-Style Reforms Committee commenced in April 2017, with the aim of achieving work-life balance by providing a work environment suitable for diverse human resources to increase their job satisfaction. Aiming for employees' work-life balance, the Committee's approach targets reforms to (1) work processes and relevant systems, (2) time management to reduce overwork, and (3) workplace culture and employee awareness. We will continue to promote effective initiatives that raise productivity while realizing a work-life balance.

In addition, Daifuku has established the Personnel Consultation Office to handle in-house rules and personnel evaluations as well as consultations regarding sexual harassment and the abuse of authority. With a focus on privacy, we are providing an environment that encourages employees to discuss any problems they may face.

### Systems toward the work-life balance

Theme	System
<b>Employee refreshment</b>	Flex-time work Leaving work on time Planned paid leave Long leave Refreshment leave
<b>Child support</b>	Maternity leave Paternity leave Childcare leave Early return to work from childcare leave Short-time work Sick childcare leave Job return entry
<b>Care support</b>	Family-care leave (one year) Short-time work Family-care leave (five to ten days) Job return entry