

Special  
Feature

## Interview with the Chairperson of the Sustainability Committee

Enhancing our people's capabilities to contribute to sustainable growth and a sustainable society

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### How has the TS TECH Group advanced its sustainability initiatives so far?

For a company to achieve sustainable growth, it must not only pursue its own profits but also actively fulfill its corporate social responsibility and address social issues through its business activities. The TS TECH Group has been involved in forest conservation and social contribution activities in the past, and since the time of the 13<sup>th</sup> Medium-Term Management Plan (fiscal 2018–2020), we have incorporated the concepts of ESG management into our management policy to strengthen sustainability initiatives.

To address sustainability issues such as climate change, coexistence with nature, and respect for human rights and diversity, everyone in the Group must align their efforts with a common vision. Otherwise, no matter how lofty our goals are, they may end up only words. The two elements of our vision statement are to be “A company dedicated to realizing people's potential,” and to be “A company sincerely appreciated by all” stakeholders and the broader society. The first of these expresses our conviction that people are the decisive factor in a company. Both are deeply rooted in the corporate philosophy of the TS TECH Group. We believe this is why we were able to quickly gain internal understanding of the direction the company was taking when we decided to adopt ESG management.

In order to promote the plan's management policy of Corporate Evolution through ESG Management, the 14<sup>th</sup> Medium-Term Management Plan (fiscal 2021–2023) identified the material issues (materiality) that the TS TECH Group would prioritize as sustainability issues to contribute to the

creation of a sustainable society, while setting KPIs and targets for 2030. We have also taken steps to strengthen our framework for promoting sustainability by establishing the Sustainability Committee to serve as an advisory body to the Executive Committee on sustainability policies, monitor progress toward related goals, and discuss measures to achieve them. We also established the Corporate Communication Department, which consolidated the functions of the departments responsible for sustainability and public relations.

The TS TECH Group's proactive and consistent sustainability-related efforts to date have earned us high marks in evaluations based on the DJSI.\*1

Under the 15<sup>th</sup> Medium-Term Management Plan (fiscal 2024–2026), we will further accelerate our materiality efforts and deliver even higher corporate value under the policy of Realizing ESG Management as the culmination of our ESG management efforts.

\*1 A sustainability-related index that evaluates companies' sustainability from environmental, social, governance (ESG) and economic perspectives, published annually by S&P Dow Jones Indices LLC of the United States

### How do you evaluate the efforts in the first year of the 15<sup>th</sup> Medium-Term Management Plan?

We believe that in fiscal 2024, which was the first year of the 15<sup>th</sup> Medium-Term Management Plan, we have been able to promote measures in each domain of sustainability as planned.

In the Society category, we were able to further promote research and development that envisions the future of vehicle interior space and develop environmentally friendly technologies. In addition, we have been engaged in improvement

activities to address product appearance quality issues in order to further enhance product quality.

In the Environment category, we have been engaged in horizontal deployment of energy conservation measures, as well as research of optimal methods and plan formulation for the expanded introduction of renewable energy in each region. In addition, we established the TS TECH Fund, which makes donations to conservation organizations with the objective of further promoting sustainability awareness. This is an initiative in which the company solicits donations from environmentally aware executives and employees and matches the funds raised, thereby doubling the donation and uniting employees and the company in support of conservation activities. When we launched the program, we carefully explained its structure and purpose via the internal portal site and the in-house newsletter. This approach won the support not only of executives but also of many employees, getting the program off to a good start. In pursuing environmental initiatives, it is necessary to take both a “human” approach, encouraging each individual employee of the Group to act in an environmentally responsible manner, and a “hardware” approach, introducing energy-saving equipment and renewable energy. In addition, awareness is another important factor in making these efforts effective, and we hope to make the most of the TS TECH Fund to keep fostering sustainability awareness.

In the category of governance under our Corporate Foundation, we formulated the TS TECH Human Rights Policy and have been implementing human rights due diligence. We have also been working to increase the percentage of management positions held by diverse human resources, with regard to the TS TECH Supplier Sustainability Guidelines, which are designed to share the TS TECH Group's approach to sustainability with our business partners, we made

revisions in the two categories of “Human Rights and Labor” and “The Environment” in response to social changes, and shared the revised guidelines with all business partners.

### What initiatives will you focus on going forward?

A diverse workforce is essential if we are to continue to create value in the automotive industry, which is undergoing significant change. The TS TECH Group has introduced systems that allow for diversified work styles, such as flexible working hours with no core time and a telecommuting system, to enable each individual employee to realize their full potential. We will continue to build an environment that supports a variety of work styles by revising our systems in response to current trends, while developing our recruitment channels to secure a diverse workforce.

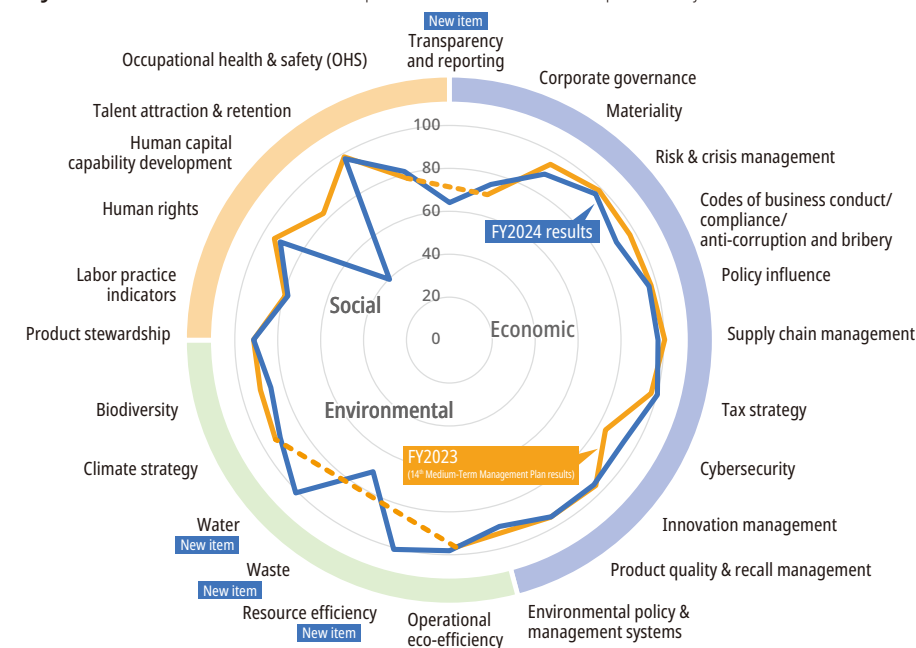
We also see succession planning as one of the most important issues for the continued growth of the TS TECH Group. Fostering the next generation of leaders must be addressed not only at the executive and management levels but at all levels of the organization. An important part of human resource development is to fulfill the role expected of one's current position or grade, and on top of it to pursue the growth of skills and awareness needed to fulfill a higher-level role. To that end, we will not only enhance our training programs but also encourage personal growth by holding regular feedback meetings with supervisors.

In order for the TS TECH Group to achieve further growth, it is important not only to recruit and develop a diverse workforce but also to improve employee engagement. We believe that good engagement is a mutual trust relationship between the company and its employees. As part of the annual engagement survey, the heads of each division share with management the issues they are aware of and the actions they are taking to solve them, so that the issues are not left to the people on the floor but lead to effective policies.

We believe that people are the source of new value creation and indispensable capital for corporate growth. We will continue to invest generously in our people and accelerate our efforts to keep growing the TS TECH Group and help build a sustainable society. In doing so, I am confident that we will maintain our position as “A company sincerely appreciated by all” and valued by all of its stakeholders.

### DJSI Evaluation

Calculated based on percentiles<sup>\*2</sup> within the automotive parts industry



\*2 Indicates the company's position in the industry, with the highest score being 100