

Identified Material Issues and 2030 Targets

The TS TECH Group has established sustainability targets for 2030 with indices indicating the vision the Group aims to achieve for itself by that year. We will address key material issues (materiality) in a priority manner to help build a sustainable world. Under our 15th Medium-Term Management Plan (fiscal 2024–2026), we will execute our management policy of “realizing ESG management,” incorporating sustainability perspectives into management strategy as we further accelerate efforts to achieve our targets.

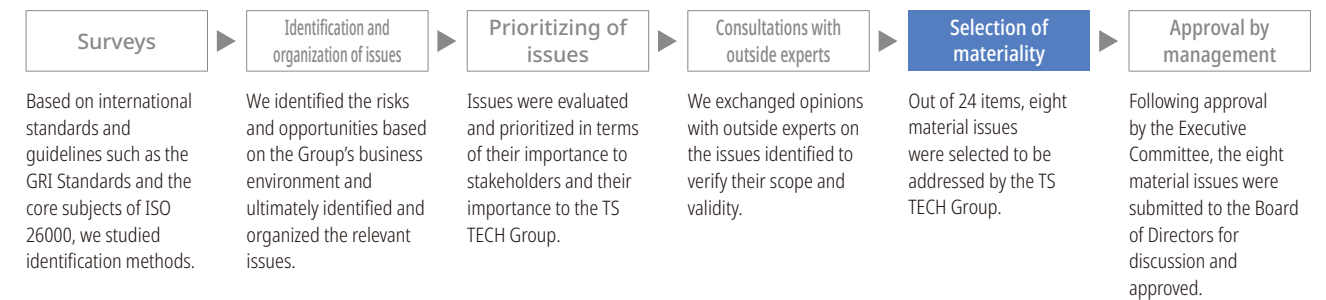
TS TECH Materiality Identification Policy














Issues that are material to the vision statement under the TS TECH Philosophy: “A company dedicated to realizing people’s potential” and “A company sincerely appreciated by all”

Issues that are highly material to the United Nations Sustainable Development Goals (SDGs)

Issues that are material to contribute to a sustainable world

Procedure for Identifying Material Issues



Category	Related SDGs	Material issues	Vision	Materiality	Materiality KPIs	14 th Medium-Term Management Plan results	15 th Medium-Term Management Plan		2030 targets
							Fiscal 2024 Main Initiatives	Targets	
Society	  	Providing attractive, innovative new products and technologies that exceed society's expectations	<ul style="list-style-type: none"> We will create new value that exceeds the expectations of customers and help to build safe, secure, and prosperous societies by providing attractive, high-quality automobile interiors. 	Developing attractive, innovative technologies	Innovative technology development expenses as a percentage of R&D expenses	vs. FY2021 +2.6%	<ul style="list-style-type: none"> Research and development based on a vision of future cabin spaces Environmental technology development 	vs. FY2021 +3%	vs. FY2021 +10%
				Improving product quality	Seat supplier IQS rating ^{*1}	8.8P	<ul style="list-style-type: none"> Improvement activities targeting obstacles to attractive exterior 	7.0P	2.0P (stable high levels)
Environment	    	Reducing impact by practicing environmentally friendly manufacturing to build a sustainable world	<ul style="list-style-type: none"> Aiming for a decarbonized society, we will work to contribute to reducing our environmental impact by pursuing energy savings and effective use of resources, starting with product design and continuing throughout every stage of the product life cycle. We will strive to ensure that all of our employees have a high level of environmental awareness, while working to protect the environment and conserve ecosystems based on the concept of “giving greenery back to the earth.” 	Responding to climate change	CO ₂ emissions reduction rate ^{*2}	vs. FY2020 -16%	<ul style="list-style-type: none"> Horizontal deployment of energy conservation measures Studying regionally optimized methods for renewable energy and drafting plans for their adoption 	vs. FY2020 -25%	vs. FY2020 -50%
				Recycling and effectively using resources	Waste reduction rate ^{*3}	vs. FY2020 -16% (Total)	<ul style="list-style-type: none"> Studying recycling of major wastes Ensuring traceability (checking legal and regulatory compliance) 	vs. FY2020 -25%	vs. FY2020 -50%
					Water intake reduction rate and environmental impact from wastewater ^{*4}	vs. FY2020 -13% (Total)	<ul style="list-style-type: none"> Surveying water use in production areas Equipment inspection (for water leaks and other defects) 	vs. FY2020 -15%	vs. FY2020 -50% “0” environmental impact
				Harmoniously co-existing with nature	Establishment of the TS TECH Fund (matching gift program)	Program survey Study of plans	<ul style="list-style-type: none"> Operational structure, system establishment, promoting internal awareness Choosing donation recipients 	Establishing a TS TECH Group donation program	Establishing a TS TECH Group donation program
Corporate foundation	    	Respecting diversity and developing structures to maximize individual abilities	<ul style="list-style-type: none"> We will respect the human rights of all stakeholders and offer rewarding working environments in which each and every employee makes the most of their diverse talents. We will engage in diversity-positive, highly transparent management to fulfill our corporate social responsibility (CSR), achieve sustainable business growth, and enhance corporate value. 	Respecting human rights	Engagement rating ^{*5}	C	<ul style="list-style-type: none"> Horizontal deployment of case studies of improvement measures Development and implementation of action plans 	BB	AAA
					Supplier Sustainability Guidelines compliance rate ^{*6}	97% (Subject: 126 domestic suppliers)	<ul style="list-style-type: none"> Improving guidelines and raising awareness among suppliers Supplier interviews 	100% (Subject: Domestic and international suppliers)	100% (Subject: Domestic and international suppliers)
				Reforming work styles to make the most of diversity	Percentage of management positions held by diverse human resources ^{*7}	32.5%	<ul style="list-style-type: none"> Continuing proactive mid-career hiring 	33.3%	35%
				Strengthening governance	Corporate Governance Code compliance rate	100%	<ul style="list-style-type: none"> Formulating a Human Rights Policy and implementing human rights due diligence Proactive disclosure in corporate governance reports 	100%	100%

*1 Rating awarded in the Initial Quality Study (IQS) conducted by J.D. Power Japan, Inc. The study looks at new car buyers and their experiences with any problems and calculates the number of problems indicated per 100 vehicles. The lower the number, the higher the quality.

*2 CO₂ emissions reduction rate (Scope 1 and 2) resulting from the Group's business activities

*3 Rate of reduction of waste (excluding residue, sludge, etc.) resulting from the Group's manufacturing activities

*4 Reduction rate in water intake (amount used) at the Group's production facilities and environmental impact of wastewater resulting from manufacturing activities

*5 The engagement targets look at the company's employees using Link and Motivation Inc.'s Motivation Cloud. The target “AAA” rating is the highest of the 11 ratings.

*6 Rate of compliance with the Supplier Sustainability Guidelines among the Group's suppliers (including overseas suppliers)

*7 Percentage of women, mid-career hires, non-japanese citizens, older employees, and persons with disabilities in management positions