

# Interview with the Chairperson of the Sustainability Committee



Continuing to be “A company sincerely appreciated by all” by staying attuned to change and maximizing the potential of each person

**Satoshi Hirano**

Operating Officer  
Corporate Administration Division Executive General Manager  
Appointed the Chairperson of the Sustainability Committee in April 2025

## Please introduce TS TECH’s sustainability initiatives during the midpoint year of the 15<sup>th</sup> Medium-Term Management Plan.

The TS TECH Group has identified key material issues to prioritize in its efforts to help build a sustainable society. We have set KPIs and 2030 targets and are actively pursuing initiatives to achieve them. In fiscal 2025, the midpoint of the 15<sup>th</sup> Medium-Term Management Plan (fiscal 2024–2026), we advanced these initiatives largely in line with the original plan and achieved tangible results.

In the Environment category, we established an Environmental Working Group as a subcommittee of the Sustainability Committee. This has created a framework enabling the entire TS TECH Group to work with steadier momentum toward achieving carbon neutrality and promoting resource circulation. This working group conducts specialized and multifaceted discussions on the horizontal roll out of energy-saving measures, the study and planning of methods to introduce renewable energy methods tailored to community characteristics, and the promotion of water intake reduction and waste recycling, thereby enhancing the effectiveness of its activities. Furthermore, in December 2024, we made a donation to the Nature Conservation Society of Japan through the TS TECH Fund matching gift program, which we launched in the same year. This series of initiatives have been recognized, and we earned a Leadership level A rating in the climate change category from CDP, an international nonprofit organization that evaluates environmental initiatives.

In the categories of Social and governance under our Corporate Foundation, we recognize that while progress has been made across various initiatives, certain targets—such as improving employee engagement—still present significant gaps. As fiscal 2026 marks the final year of the 15<sup>th</sup> Medium-Term Management Plan, all relevant departments will work in close coordination with the Sustainability Committee to clearly identify current challenges, implement agile and effective measures, and ensure these efforts translate into tangible outcomes.

Materiality KPIs ► pp. 48–49	14 <sup>th</sup> Medium-Term Management Plan results	15 <sup>th</sup> Medium-Term Management Plan targets	2030 targets
Engagement rating	C	BB	AAA
Supplier Sustainability Guidelines compliance rate	97% (Domestic business partners: 126)	100% (Domestic and international business partners)	100% (Domestic and international business partners)
Percentage of management positions held by diverse human resources	32.5%	33.3%	35.0%
Corporate Governance Code compliance rate	100%	100%	100%

(Note) Partial excerpt

## How are you proceeding with human capital management?

The TS TECH Group upholds “A company dedicated to realizing people’s potential” as one of its core principles, believing that people are the decisive factor in a company. With this

thinking, we are enhancing our training programs and introducing employee stock compensation plans, among other initiatives, to create a multifaceted environment where diverse talent can demonstrate their capabilities to the fullest.

Above all, we regard the safety and health of our employees as the top priority in our human capital management, and are committed to establishing and continuously improving a safe workplace environment where all employees can work with peace of mind. Specifically, we systematically conduct risk assessments based on an Occupational Health and Safety Management System (OHSMS) to identify potential hazards within the workplace and to plan and implement countermeasures.

### Basic procedures of the risk assessment process

- 1 Determine the scope and units for risk assessment
- 2 Identify sources of hazards
- 3 Estimate risks (rank by frequency, likelihood, and severity)
- 4 Assess risks (determine if residual risks are acceptable)
- 5 Mitigate risks: Determine control measures
- 6 Initiate implementation and monitor ⇒ Monitor the effectiveness of control measures

If unacceptable, reassess

From the perspective of health, we collaborate with our occupational physicians to provide tailored support based on employees’ health checkup results and working hours. To cite one example, we strive to prevent physical and mental health issues while maintaining overall well-being by implementing proactive consultations with occupational physicians and following up with reexaminations at medical institutions.

Furthermore, at each site, the Safety and Health Committee, composed of representatives from labor and management, holds regular meetings for management and labor union representatives to exchange opinions. Through sharing each other’s initiatives, both sides work together to create a safe workplace environment. Furthermore, in addition to safety and health training at the time of hiring, we are focusing on enhancing employee awareness of occupational safety and health by enriching our training programs. This includes upskilling training for risk assessment personnel and mental health care education for line managers.

We obtained ISO 45001 certification at all domestic business sites in September 2024 to promote these occupational health and safety initiatives more systematically. Furthermore, for the TS TECH Group, with sites in 13 countries worldwide, occupational health and safety is recognized as a common theme requiring global commitment. Currently, 11 out of our 35 companies, including consolidated subsidiaries, have obtained ISO 45001 certification, and our plan is to gradually expand the number of certified sites. We will continue to build and maintain a safe and secure workplace environment for all employees, striving to create an environment where each individual can demonstrate their abilities to the fullest.

## Please share your resolve for the future with a view to the 2030 targets.

Fiscal 2026 marks the final year of the 15<sup>th</sup> Medium-Term Management Plan, which incorporates “realizing ESG management” as a core management principle. It represents the culmination of ESG management initiatives pursued since the 13<sup>th</sup> Medium-Term Management Plan (fiscal 2018–2020). We realize ESG management cannot be accomplished solely through the intentions of the management team and select departments. It is crucial that awareness of these challenges permeates the entire TS TECH Group, and that all employees take action proactively. Under this thinking, to further cultivate employees’ sustainability awareness, we established the Sustainability Award in 2024 to recognize internal initiatives addressing social issues through business activities. In 2025, we also established the Social Contribution Activities Award to recognize initiatives undertaken outside of business activities. Furthermore, to contribute to the realization of a sustainable society through business activities that consider biodiversity, we have initiated efforts to assess the relationship between natural capital and our business activities in accordance with the framework recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). We began disclosing this information starting in September 2025 and continue to expand the scope of our sustainability initiatives both internally and externally.

In the upcoming 16<sup>th</sup> Medium-Term Management Plan (fiscal 2027–2029), we will continue this course without change, steadily advancing initiatives toward achieving our 2030 targets, while also responding flexibly and in line with the times by accurately recognizing the constantly changing social environment. In recent years, social demands have been increasing for biodiversity and human capital, information disclosure compliant with international standards, and compliance with various third-party assessments. In light of these circumstances, our Group will continue to advance cross-organizational initiatives centered on the Sustainability Committee during the 16<sup>th</sup> Medium-Term Management Plan period. We will further strengthen our relationships of trust with all stakeholders by providing timely and accurate information disclosure.

The sustainability we practice is nothing less than the embodiment of our corporate philosophy: to be “A company dedicated to realizing people’s potential” and to remain “A company sincerely appreciated by all.” To achieve this, we believe it is essential to proactively address various social issues through our daily business activities, rather than launching any special initiatives. As it is people who conduct business activities, hiring and developing diverse talent is crucial for implementing sustainability practices. We will continue to implement measures that enhance engagement and motivation in a sustained manner, striving to build an organization where each and every employee can demonstrate their capabilities to the fullest. By maximizing each person’s capabilities, we will drive sustainable corporate growth and contribute to the realization of a sustainable society.