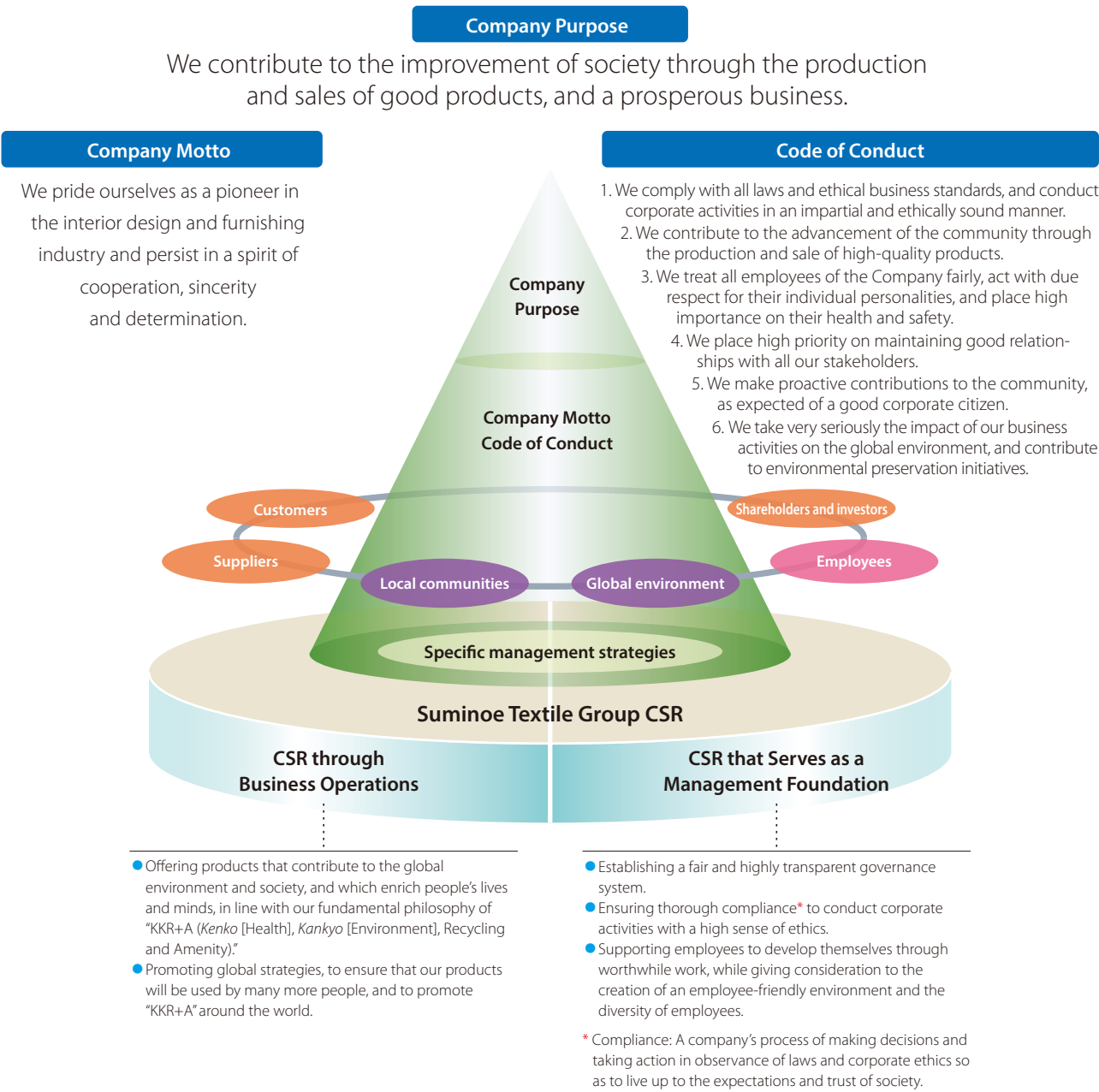


Initiatives for CSR

Corporate Philosophy and CSR System of the Suminoe Textile Group



Initiatives for CSR

Fiscal 2022 Results of CSR Activities

Referencing the ISO 26000 guidelines, we have classified CSR activities into seven categories, for each of which we have set medium-term targets.

The results for fiscal 2022 are shown in the table below.

A: Accomplished B: Almost accomplished C: Not accomplished

CSR category	Related page	Priority item	Major theme	FY2022 targets	FY2022 results	Self-assessment
Governance and compliance	pp. 45-50	Corporate governance	Hold discussions at meetings of the Board of Directors, the Board of Corporate Auditors and other committees, to promote fair corporate activities.	<ul style="list-style-type: none">● Hold meetings of the Board of Directors and the Board of Corporate Auditors.● Review activity plans at CSR Promotion Committee meetings.● Strengthen management decision-making through the participation of Outside Directors.● Formulate the Company's corporate governance report in compliance with the revised Corporate Governance Code.	<ul style="list-style-type: none">● Held meetings of the Board of Directors nine times and meetings of the Board of Corporate Auditors eleven times.● Held meetings of the CSR Promotion Committee meetings three times to review activity plans.● Updated and disclosed the Company's corporate governance report.● Response to the revised Corporate Governance Code. 1) Formulated the Basic Policy on Sustainability and its related policies. 2) Disclosed the skill matrix (in the invitation to the annual general shareholders' meeting, Integrated Report, etc.).● Planned to publish messages from Outside Directors in the Integrated Report.	A
			Evaluate the effectiveness of internal control over financial reporting of Group companies that fall within the scope of assessment.	<ul style="list-style-type: none">● Reduce the number of material weaknesses requiring disclosure in the internal control evaluation to zero.	<ul style="list-style-type: none">● Implemented activities with the Financial Control Committee playing a central role. [Result: Number of material weaknesses requiring disclosure: 0]	A
	p. 44	Compliance	Promote the Code of Conduct and the Code of Corporate Behavior of the Suminoe Textile Group.	<ul style="list-style-type: none">● Provide compliance education at level-based training.● Distribute the Compliance Guidance to new employees and hold seminars to provide them with basic compliance knowledge.● Timely publish compliance information through the in-house intranet. [Rate of plans implemented: 100%]	<ul style="list-style-type: none">● Provided compliance education at training for new employees and at level-based training. [Rate of plans implemented: 100%]● Provided training for officers (on such themes as "Amended Whistleblower Protection Act")● Provided training for executive employees (on such themes as "What is a director of a company?").● Partly revised the Compliance Guidance (April 2022).● Timely published compliance information through the in-house intranet. [Rate of plans implemented: 100%] 1) Distributed business notices about the insider trading prevention rules and written pledges regarding transactions of the Company's stock. 2) Disseminated the Legal News on "Template for a nondisclosure agreement in English" to employees.	A
			Ensure transparency and establish reliability.	<ul style="list-style-type: none">● Announce the management policy and information to be shared by Suminoe Textile Group employees.● Implement initiatives to promote communication transcending the boundaries of department.	<ul style="list-style-type: none">● Made the Medium- to Long-term Management Targets known to all Group employees through the in-house newsletter and the CSR Report.● Opened "Sustainability News" as a venue that provides explanations about sustainability on the in-house intranet (June 2022).● Held a meeting for young employees to deepen their understanding of what kind of work was conducted in the Technology and Production Headquarters (14 participants).	B
	pp. 45-50	Continue compliance related monitoring.	<ul style="list-style-type: none">● Conduct compliance audits in rotation. [Rate of plans implemented: 100%]	<ul style="list-style-type: none">● Conducted compliance audits in rotation. [Rate of plans implemented: 100%] * Compliance audits were conducted at two Group companies in Japan.	A	
Operating practices	p. 49	Fair transactions	Visualize the status of contracts and implement legal education and monitoring concerning business transactions.	<ul style="list-style-type: none">● Implement legal education programs and study meetings on work-related legal matters.● Conduct internal audits. [Rate of plans implemented: 100%]	<ul style="list-style-type: none">● Implemented legal education programs and study meetings on work-related legal matters. 1) July 2021: Pharmaceuticals and Medical Devices Law (120 participants) 2) September 2021: Basic course on the Subcontract Act—Basic Course (85 participants) 3) October 2021: Act against Unjustifiable Premiums and Misleading Representations (54 participants) 4) January 2022: Storage and transport of goods (1) (113 participants) 5) February 2022: Storage and transport of goods (2) (105 participants) 6) June 2022: Basic course on the Subcontract Act (61 participants) 7) July 2022: Applied course on the Subcontract Act (79 participants) (Total number of participants: 617)	A
	—	Green procurement	Promote the Green Procurement Guidelines.	<ul style="list-style-type: none">● Distribute the guidelines to suppliers and collect Green Procurement records. [Target: Once a year]	<ul style="list-style-type: none">● Distributed the guidelines to suppliers and collected Green Procurement records.	A
	Human rights, employment, treatment of employees, and human resource development	p. 39	Respect for diversity	Implement activities to create a comfortable working environment that respects the diversity of employees.	<ul style="list-style-type: none">● Continue active recruitment of female employees.● Dispatch female employees to cross-industry seminars and study meetings held outside the Group.● Publicize the active roles played by female employees.● Increase the percentage of female employees whose positions correspond to section chief or higher.	<ul style="list-style-type: none">● Dispatched female employees to participate in the support forums of the Japan Institute for Women's Empowerment & Diversity Management. 21st Century School: 2 employees● Female manager training program: 2 employees● Percentage of female managers and supervisors (whose positions correspond to section chief or higher) FY2021: 11.1% FY2022: 10.4%● Held an online exchange meeting to discuss "women's empowerment."
p. 38 of CSR Report 2021		<ul style="list-style-type: none">● Promote the effective use of work experience that senior employees have accumulated.● Publicize the active roles played by senior employees through the CSR Report.			<ul style="list-style-type: none">● Introduced senior employees playing active roles through the CSR Report.	B
pp. 39-40		<ul style="list-style-type: none">● Promote the employment of diverse human resources. Employment of new graduates, mid-career workers, foreign nationals, and people with disabilities● Promote the application of the Job Return System among Group companies.			<ul style="list-style-type: none">● Formulated the Basic Policy on Diversity and Inclusion.	B
		<ul style="list-style-type: none">● Promote the use of the systems for supporting employees in caring for children, the elderly and other family members.● Encourage male employees to take childcare leave.● Institute systems for working from home and staggered working hours.			<ul style="list-style-type: none">● Formulated the Basic Policy on Work-Life Balance.● Revised the manual for supporting a work-childcare balance and created the same manual designed for supervisors.● Percentage of male employees taking childcare leave FY2021: 20.0% (3 beneficiaries of 15 eligible employees) FY2022: 6.6% (1 beneficiary of 15 eligible employees)● Instituted systems for working from home and staggered working hours. (Suminoe Textile Co., Ltd. and Suminoe Teijin Techno Co., Ltd.) * SUMINOE Co., Ltd. instituted the working-from-home system only.	A
pp. 41-42		Human resource development	Implement group training to help employees improve their skills and abilities.	<ul style="list-style-type: none">● Provide level-based and theme-based training sessions and improve the content of these sessions.● Provide skill improvement training (for IT literacy education).● Next-generation leader training (GLOBIS)	<ul style="list-style-type: none">● Provided level-based and theme-based training sessions and improved the content of these sessions.● Provided skill improvement training (for IT literacy education) (453 participants).● Provided next-generation leader training (11 participants).	A
	Develop global human resources.		<ul style="list-style-type: none">● Continue to provide foreign language training programs.	<ul style="list-style-type: none">● Provided employees with opportunities to receive foreign language training programs, to encourage their self-development (22 participants).	A	
	Revitalization of human resources		<ul style="list-style-type: none">● At each operation site, hold interviews with employees to promote communication with them.● Hold interviews for fostering next-generation leaders.● Hold online exchange meetings.	<ul style="list-style-type: none">● Formulated the Basic Policy on Human Resource Development.● Interviews with employees to promote communication: All applicable employees received the interviews.● Interviews for fostering next-generation leaders: All applicable employees received the interviews.● Online exchange meetings: Round-table discussion on "How to balance work and childcare," held in July 2021 (8 participants). Meeting to discuss the initiatives for women's empowerment, held September 2021 (9 participants).	A	

CSR category	Related page	Priority item	Major theme	FY2022 targets	FY2022 results	Self-assessment
Safety, disaster prevention, and health	p. 43	Occupational health and safety	Promote activity plans to protect the safety of employees.	<ul style="list-style-type: none">● Have the Central Health and Safety Subcommittee consolidate opinions and promote information sharing.● Make the Health and Safety Policy and the Safety Code of Conduct known to all employees.● Target for the rate of lost-worktime injuries: 1.0 or lower● Strengthen the implementation of safety education as part of training for new employees and level-based training.● Promote risk assessments.	<ul style="list-style-type: none">● Formulated and announced the Health and Safety Policy to all employees. (June 2021)● The Central Health and Safety Subcommittee shared information related to occupational accidents.● Implemented safety education as part of training for new employees and level-based training.● Result of the rate of lost-worktime injuries: 0.7● Strengthened risk assessment. (Suminoe Techno Co., Ltd.)	A
				<ul style="list-style-type: none">● Carry out disaster drills. (Rate of plans implemented: 100%)	<ul style="list-style-type: none">● Disaster drills were implemented on the web (in the Head Office building) to prevent the spread of COVID-19 infections. (Rate of plans implemented: 100%)	A
	pp. 39-40		Provide care to maintain the health of employees.	<ul style="list-style-type: none">● Continue to provide anti-harassment training.● Further notify the contact points for harassment consultation.● Manage and grasp employees' overtime work hours.● Hold interviews with managers of departments whose members work long hours.● Implement measures for operational improvement with the aim of reducing working hours.● Disclose the use rate of paid leave.	<ul style="list-style-type: none">● Provided anti-harassment training at level-based training.● Provided communication training (390 participants).	A
				<ul style="list-style-type: none">● Formulate the policy for promoting health management.	<ul style="list-style-type: none">● Formulated the Health Management Declaration.● Helped employees with flu vaccination expenses.● Continued to implement COVID-19 infection prevention measures.● Held a meeting to provide consultations by Company doctors (16 participants).	A
Risk management	—	Identification of risks and establishment of the risk management system	Promote risk management activities.	<ul style="list-style-type: none">● Revise the risk management manual (4th edition).	<ul style="list-style-type: none">● Revised 6 items of the 13 items in need of revision.	B
	p. 50	BCP	Promote a business continuity plan (BCP) to be implemented in the event of a disaster or pandemic.	<ul style="list-style-type: none">● Conduct a BCP drill at the Head Office.● Conduct a safety confirmation drill at other offices/factories.● Continue to promote COVID-19 infection prevention measures.	<ul style="list-style-type: none">● Conducted a BCP drill at the Head Office of Suminoe Textile Co., Ltd.● Conducted a safety confirmation drill at the head office of SUMINOE Co., Ltd.● Updated COVID-19 infection prevention measures.● Updated the flowchart for how to respond to the COVID-19 pandemic.	A
		Intellectual property	Promote understanding of intellectual property.	<ul style="list-style-type: none">● Implement awareness-raising activities regarding intellectual property rights (through the in-house intranet and training sessions). [Rate of plans implemented: 100%]	<ul style="list-style-type: none">● Implemented awareness-raising activities regarding intellectual property rights (through the in-house intranet, six times a year). [Rate of plans implemented: 100%]	A
	—	Information security	Provide information security education (security of information terminals and personal information protection).	<ul style="list-style-type: none">● Check the implementation status of the trade secret management rules.● Provide information security education at level-based training.● Provide trade secret management education.● Announce the trade secret management rules to Group companies.	<ul style="list-style-type: none">● Provided information security education at level-based training. → Added training themes regarding personal information.● Provided trade secret management education.	B
			Carry out awareness-raising activities to prevent insider trading.	<ul style="list-style-type: none">● Hold study meetings regarding insider trading prevention.	<ul style="list-style-type: none">● Held study meetings (110 participants).	A
Consumer issues / Social contribution management activities	—	Quality improvement	Promote quality improvement efforts.	<ul style="list-style-type: none">● Regularly hold Quality Assurance Joint Meetings● Implement quality improvement activities (activities to reduce the percentage of defective products and losses due to defective quality).● Continue to implement activities to share the initiatives regarding chemical substances regulations.	<ul style="list-style-type: none">● Regularly held Quality Assurance Joint Meetings, four times a year.● Implemented quality improvement activities (activities to reduce the percentage of defective products and losses due to defective quality).● Continued to implement activities to share the initiatives regarding chemical substances regulations.	A
		Customer satisfaction improvement	Appropriately respond to customers and share customer service experience company-wide.	<ul style="list-style-type: none">● Report the content of inquiries/complaints received by the Customer Service Center to the CSR Promotion Committee.● Analyze the contents of complaints and results of the responses to these complaints.● Develop products incorporating customer opinions.	<p>In FY 2022, the Customer Service Center received 2,610 inquiries/complaints. Among them, inquiries about products, standards, prices and functionality accounted for 19.7% (515 cases), and complaints accounted for 2% (52 cases). Regarding complaints, after classifying their contents and analyzing their causes, we will utilize the results for the next time we develop products.</p>	A
		Information disclosure	Properly disclose investor relations information.	<ul style="list-style-type: none">● Disclose IR information related to our corporate activities in a timely manner.● Disclose in a timely manner the quarterly summary of financial results to the Tokyo Stock Exchange, and publish the summary on the Company's website.	<ul style="list-style-type: none">● Held the financial results briefings twice a year in Tokyo and Osaka.● Disclosed in a timely manner the quarterly summary of financial results to the Tokyo Stock Exchange, and publish the summary on the Company's website.● Participated in a seminar for individual investors.● Increased the number of one-on-one meetings with institutional investors.● Explained our business beforehand to independent financial advisors and other information providers who provide information to individual investors.● Newly published analyst reports created by Shared Research Inc. from a third-party viewpoint.● Disclosed information on the financial results briefings by transcribing the briefings.	A
		External communications	Promote communication with stakeholders (publicize the strength of the Company).	<ul style="list-style-type: none">● Engage in external communications.● Promote stakeholders' understanding of the Group through publication of the CSR Report and the ESG Report.● Provide institutional investors with explanations about the progress in our efforts toward the Medium- to Long-term Management Targets through IR activities.	<ul style="list-style-type: none">● Published the CSR Report and the ESG Report.● Issued a notice regarding the Group's Target for Reducing Greenhouse Gas Emissions.● Issued a notice regarding the formulation of Suminoe Textile Group's "Second SUMINOE Environmental Declaration – Under the Slogan of KKRA+."● Introduced an electronic voting system to allow shareholders to submit their votes at general shareholders' meetings by using the Internet, and participated in the Electronic Voting Platform for Institutional Investors.● SUMINOE Co., Ltd. held the 2022 SUMINOE New Product Presentation Event and the 2022 SUMINOE Online Exhibition.	A
	p. 44	Social contribution activities	Contribute to the local communities. Carry out social contribution activities relating to environmental protection.	<ul style="list-style-type: none">● Promote implementation of social contribution activities by Group companies.	<ul style="list-style-type: none">● Introduced the Group's social contribution activities through the Integrated Report.	B
Environment	pp. 33-38	Reduction of environmental impact from business activities	Prevention of global warming	<ul style="list-style-type: none">● Targets were set under the Eco Challenge 2024 action plan.	<ul style="list-style-type: none">● Expressed the Group's support for the TCFD recommendations.● Achievement status of targets set under Eco Challenge 2024 action plan (as compared with FY2022)● Significantly reduced CO₂ emissions from the Company's energy consumption, achieving the improvement target.● Achieved the improvement target for the utilization rate of recycled resources.● Did not achieve the reduction target for the amount of industrial waste generated.	B