

CSR Report 2023

CORPORATE
SOCIAL
RESPONSIBILITY



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Editorial Policy

This CSR Report contains major information on Techno Associe's basic approach to CSR, its fiscal 2022 results, and its future policies and plans.

■ **Organizations Covered:**

Techno Associe Co., Ltd. and its Subsidiaries

■ **Period Covered:**

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

Data on actual results are for fiscal 2022. Activities described include some that pertain to fiscal 2023.

■ **Date of Publication:** December 2023

■ **Next Scheduled Publication Date:** September 2024

Message from the President

In line with the sustainable development of society



The Techno Associe Group has demonstrated its commitment to solving social issues through its Business Policy, Charter of Corporate Behavior and Medium-Term Management Vision "Vision 2025." Furthermore, in response to the recent growth in demand for companies to work for the sustainability of society, we established the Techno Associe Group Sustainability Basic Policy in March 2022 to clearly show our stance of contributing to the sustainable development of society and aiming to improve corporate value. Based on this basic policy, we are promoting initiatives to realize a sustainable society through the CSR Sustainability Committee, which I chair as president.

We are living in an era where there are endless problems that threaten the sustainability of society, such as climate change due to global warming, environmental pollution caused by waste, human rights abuses and conflicts. Even under these circumstances, the Group will firmly maintain its stance of addressing social issues, continue to be a corporate group that is needed by society and aim to increase corporate value over the medium to long term.

Tomoaki Nagano
President

長野友明

Toward the Realization of a Sustainable Society and Environment

Sustainability Basic Policy

The Techno Associe Group has developed its business with an emphasis on ties with all stakeholders, based on its Corporate Principles and Business Policy "Heart-to-Heart Bonds."

We will continuously aim to contribute to the sustainable development of society and improve our corporate value as a value-creating company that meticulously responds to social issues and customer needs.

We will actively promote initiatives to realize a sustainable society from the perspectives of "society," "environment," and "corporate governance."

➤ [Techno Associe Group Sustainability Basic Policy \(PDF: 128KB\)](#) 

CSR Sustainability Promotion System














We have established the CSR Sustainability Promotion Committee, chaired by the president, as an organization to promote our commitment to sustainability and CSR activities. The members selected from each division will work for company-wide initiatives.

Material Issues

Techno Associe will strengthen its corporate sustainability initiatives in order to contribute to solving social issues through its business activities and to realize medium-to long-term enhancement of corporate value. As part of this effort, the "CSR Priority Issues" that are addressed on an important and priority basis are as follows.

■ Material issues 2023

Core categories	Priority themes	Fiscal Year 2022 Main targets	Relation to SDGs
Quality and the Environment	Quality and Environmental Management	• Continued certification of the Quality Management System (ISO9001)	 
		• Continue certification of environmental management systems (ISO14001)	
	Environmental Commitments	• Reduction of CO ₂ emissions: CO ₂ emissions per unit of sales of 2.10 tons or less	 
		• Sales of environmentally-friendly products/Sales ratio of environmentally-friendly products 25% or more	  
		• Reduction of waste and recycling/final landfill rate of waste 1.2% or less	

Core categories	Priority themes	Fiscal Year 2022 Main targets	Relation to SDGs
Initiatives regarding Social Issues	Supply Chain Management	<ul style="list-style-type: none"> Implementation of CSR Questionnaires (with suppliers representing 70% of domestic procurement) and collaboration for promotion activities 	      
	Diversity and Inclusion	<ul style="list-style-type: none"> Diversity and inclusion (Promotion of Women's Participation and Advancement, appointment of foreign executives, etc.) 	 
		<ul style="list-style-type: none"> Promotion of employment of people with disabilities 	 
		<ul style="list-style-type: none"> Continue to develop human resources who can work globally 	
	Work-life Balance	<ul style="list-style-type: none"> Establishment and promotion of a lively workplace and a work-life balance 	   
	Initiatives for Human Rights	<ul style="list-style-type: none"> Implementation of risk surveys in the Group to respond to human rights due diligence 	   
	Occupational Safety and Health	<ul style="list-style-type: none"> Zero occupational accidents (injuries) and reduction of material damage accidents in forklifts and company cars 	 
		<ul style="list-style-type: none"> Promotion of safety activities by top management and continued implementation of safety patrols 	
	Social contribution	<ul style="list-style-type: none"> Promotion of community contribution activities for the realization of a better society 	     
Governance	Compliance	<ul style="list-style-type: none"> Publication of the Code of Conduct and multilingual development 	 
		<ul style="list-style-type: none"> Implementation of compliance training (prevention of harassment and bribery) 	   
		<ul style="list-style-type: none"> Enhancement of the awareness of the whistleblower system established to receive internal and external reports 	 
	Risk Management	<ul style="list-style-type: none"> Preparation of manuals for major disaster and infectious disease 	 
		<ul style="list-style-type: none"> Continue to implement information security education 	
		<ul style="list-style-type: none"> Continued implementation of security export control education 	

■ Material issues 2022

Core categories	Priority themes	Fiscal Year 2021 Main targets	Initiatives
Quality and the Environment	Quality and Environmental Management	<ul style="list-style-type: none"> Continued certification of the Quality Management System (ISO9001) 	We have established a quality and environmental management system. Click here for details
		<ul style="list-style-type: none"> Continue certification of environmental management systems (ISO14001) 	
	Environmental Commitments	<ul style="list-style-type: none"> Reduction of CO₂ emissions: CO₂ emissions per unit of sales of 2.20 tons or less 	The intensity was 2.15 t /hundred million yen. Click here for details
		<ul style="list-style-type: none"> Sales of environmentally-friendly products/Sales ratio of environmentally-friendly products 18% or more 	Sales ratio: 20.6% Click here for details
		<ul style="list-style-type: none"> Reduction of waste and recycling/final landfill rate of waste 2% or less 	Final landfill rate: 1.3% Click here for details
Initiatives regarding Social Issues	Supply Chain Management	<ul style="list-style-type: none"> Implementation of CSR Questionnaires (with suppliers representing 40% of domestic procurement) and collaboration for promotion activities 	Implementation of CSR Questionnaires with suppliers representing 40% of domestic procurement and collaboration Click here for details
	Diversity and Inclusion	<ul style="list-style-type: none"> Diversity and inclusion (Promotion of Women's Participation and Advancement, appointment of foreign executives, etc.). 	We are promoting the development of an environment where female employees can work actively. Click here for details
		<ul style="list-style-type: none"> Promotion of employment of people with disabilities. 	The employment rate of people with disabilities is 2.2%. Click here for details
		<ul style="list-style-type: none"> Continue to develop human resources who can work globally 	We are continuing to implement training programs to develop personnel overseas. Click here for details
	Work-life Balance	<ul style="list-style-type: none"> Establishment and promotion of a lively workplace and a work-life balance 	We are promoting the introduction of systems to promote a work-life balance. Click here for details
	Initiatives for Human Rights	<ul style="list-style-type: none"> Implementation of risk surveys in the Group to respond to human rights due diligence 	Risk surveys have been implemented at Group companies in Japan and overseas. Click here for details
	Occupational Safety and Health	<ul style="list-style-type: none"> Zero occupational accidents (injuries) and reduction of material damage accidents in forklifts and company cars 	Achieved zero forklift accidents. We conducted e-learning courses on safe driving for all employees who drive company-owned cars. Click here for details
		<ul style="list-style-type: none"> Promotion of safety activities by top management and continued implementation of safety patrols 	We conducted patrols during the COVID-19 pandemic using the internet. Click here for details
	Social contribution	<ul style="list-style-type: none"> Promotion of community contribution activities for the realization of a better society 	We will actively engage in social contribution efforts as a member of society. Click here for details

Core categories	Priority themes	Fiscal Year 2021 Main targets	Initiatives
Governance	Compliance	<ul style="list-style-type: none"> Publication of the Code of Conduct and multilingual development 	Publication of the Code of Conduct and multilingual development (Japanese, English, Chinese)
		<ul style="list-style-type: none"> Implementation of compliance training (prevention of harassment and bribery) 	We provide hierarchical training on compliance as priority training. Click here for details
		<ul style="list-style-type: none"> Enhancement of the awareness of the whistleblower system established to receive internal and external reports 	We have established whistleblower system regulations and are making efforts to make the system known to all employees. Click here for details
	Risk Management	<ul style="list-style-type: none"> Strengthening of risk management in overseas bases 	We are promoting the creation of risk check sheets at major overseas locations. Click here for details
		<ul style="list-style-type: none"> Preparation of manuals for major disaster and infectious disease. 	We are reviewing disaster response and infectious disease control guidelines. Click here for details
		<ul style="list-style-type: none"> Continue to implement information security education 	We continue to provide information security education (e-learning). Click here for details
		<ul style="list-style-type: none"> Continued implementation of security export control education 	We are carrying out e-learning on the theme of security trade control. Click here for details

Evaluation of the Company's Efforts

Eco Vadis

The Group has been evaluated for sustainability by Eco Vadis*, an independent external organization, since 2020 and uses the evaluation results to make improvements. The 2022 results ranked us in the top 50% of the approximately 115,000 companies in all industries worldwide, earning us a "Bronze" rating. Encouraged by this evaluation, we will put even more effort into our CSR activities and grow as a company trusted by our stakeholders and a company that contributes to the sustainable development of society.

* Eco Vadis is an international assessment organization for corporate sustainability. The evaluation methods conform to international CSR standards such as the United Nations Global Compact, Global Reporting Initiatives (GRI) and ISO 26000.



■ Nikkei's "4th Nikkei SDGs Management Survey 2022"

	2020 (2nd Survey)	2021 (3rd Survey)	2022 (4th Survey)
Itemized evaluation Class	★★★	★★★	★★★☆

*Total evaluation deviation value ★★★ Between 50 and 55 deviation.

*Class

10=70+ deviation.

7=Between 55 and 60 deviation.

4=Between 40 and 45 deviation.

1=Less than 30 deviation.

9=Between 65 and 70 deviation.

6=Between 50 and 55 deviation.

3=Between 35 and 40 deviation.

8=Between 60 and 65 deviation.

5=Between 45 and 50 deviation.

2=Between 30 and 35 deviation.



Quality and Environmental Management

Message from the Managing Director



Senior Managing Director in Charge of
Quality Assurance & Environmental
Management Department
Nobuhisa Nagae

The international community is making a collective effort to reduce greenhouse gas emissions to achieve carbon neutrality in order to reduce the risk of climate change. However, the UN Intergovernmental Panel on Climate Change (IPCC) released its sixth assessment report in March of this year, warning that the existing reduction targets of each country are "extremely insufficient" and that major revisions to reduction targets are needed in order to achieve the goals stated in the Paris Agreement. In addition to climate change, there is also a wide range of nature-related risks that have become pressing issues, such as loss of biodiversity, depletion of natural resources, and marine pollution caused by plastic waste.

In order to do our part in solving these social issues, we have made environmental initiatives a priority management issue and are taking steps to strengthen the promotion of environmental management. Specifically, we are working to protect the environment and prevent global warming through measures that include installing LED lighting in our offices, purchasing green power certificates, complying with regulations such as the RoHS Directive and REACH regulation for chemical substances contained in our products, and donating to the National Land Afforestation Promotion Organization's "Green Fund". In our initiatives through business, we are working to create environmental value and economic value by strategically allocating management resources to the growth areas we have identified, such as renewable energy-related areas launched for decarbonization and electrification areas in the automobile industry, as stated in our Medium-Term Management Vision "Vision 2025."

In terms of quality control, we have established quality assurance departments in each region and formulated a quality assurance system to ensure that we provide our customers with high-quality products. For the launch of products, sales divisions, which are the contact point for customers, and quality assurance departments closely cooperate to establish an optimal supply chain from the stage where quotations are considered and provide products that offer the required quality. We strive to prevent quality problems through these initiatives.

Our employees in Japan and overseas will work together with the awareness of "environmental protection" and "quality first" to receive the evaluation from our customers that "Techno Associe can be entrusted with a sense of security" and we will contribute to the sustainable development of society as an environmentally friendly company trusted by society.

Quality and the Environment Policy

Basic Philosophy

At Techno Associe, our top priorities are to improve the level of customer satisfaction and fulfill our corporate social responsibility while at the same time protecting the environment. Techno Associe is dedicated to using its technology and know-how to provide the best products and services possible and thus bridge the needs of customers and suppliers.

At the same time, we continuously strive to reduce our environmental impact and comply with laws and regulations so that we can contribute to the safe and sustainable development of society.

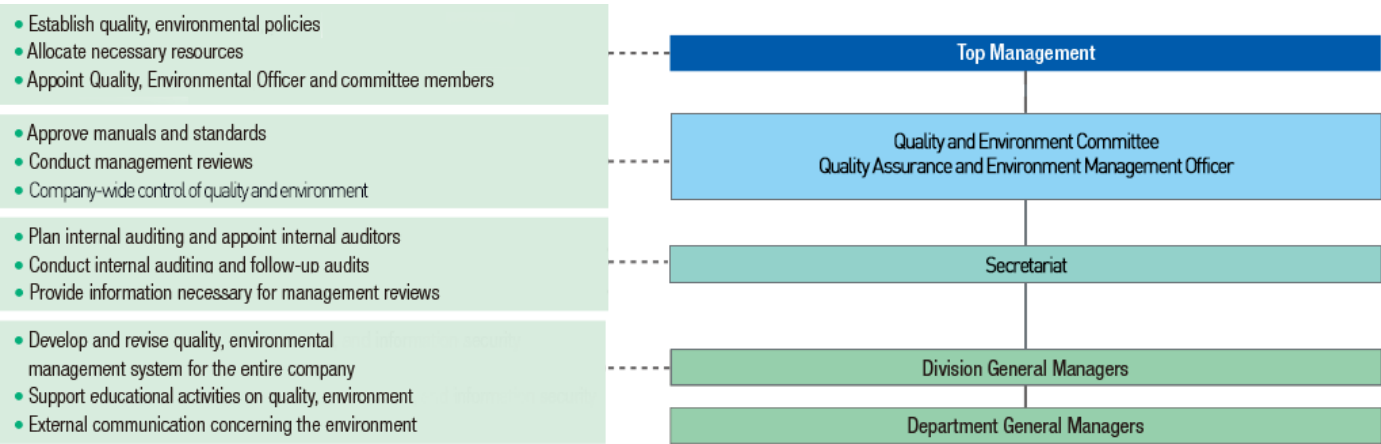
Quality and the Environment Policy

1. As an engineering company that specializes in metal and chemical compound components, Techno Associe strives to promote products and improve distribution activities to meet the quality and environmental requirements of its customers, while ensuring strong quality assurance and reducing environmental impact.
2. Techno Associe sets its goals and targets in conformity with its Quality and the Environment Policy, and conducts its activities in an organized manner. At the same time, it strives to make ongoing improvements to its Quality and the Environment Management System through reassessment and expansion.
3. In the course of its activities, Techno Associe complies with laws, regulations, ordinances, and the Code of Conduct established by the Company in an effort to fulfill its corporate social responsibility and improve customer satisfaction. In addition, it strives to reduce the environmental impact of its business activities by conserving resources and energy, recycling, reducing waste, and protecting biodiversity.
4. Techno Associe ensures that all its employees are thoroughly familiar with its Quality and the Environment Policy, and it educates employees in order to raise their awareness of quality control and environmental preservation.
5. Techno Associe shall disclose its Quality and the Environment Policy to the general public upon request.

Management System

At our company, all Sales Units, the Logistics Department, the Development and Promotion Division and the Quality Assurance & Environmental Management Department have been certified for the ISO 9001 standard for quality management systems. And all bases in Japan have been certified for the ISO 14001 standard for environmental management systems.

Management System Framework



Audit Situation

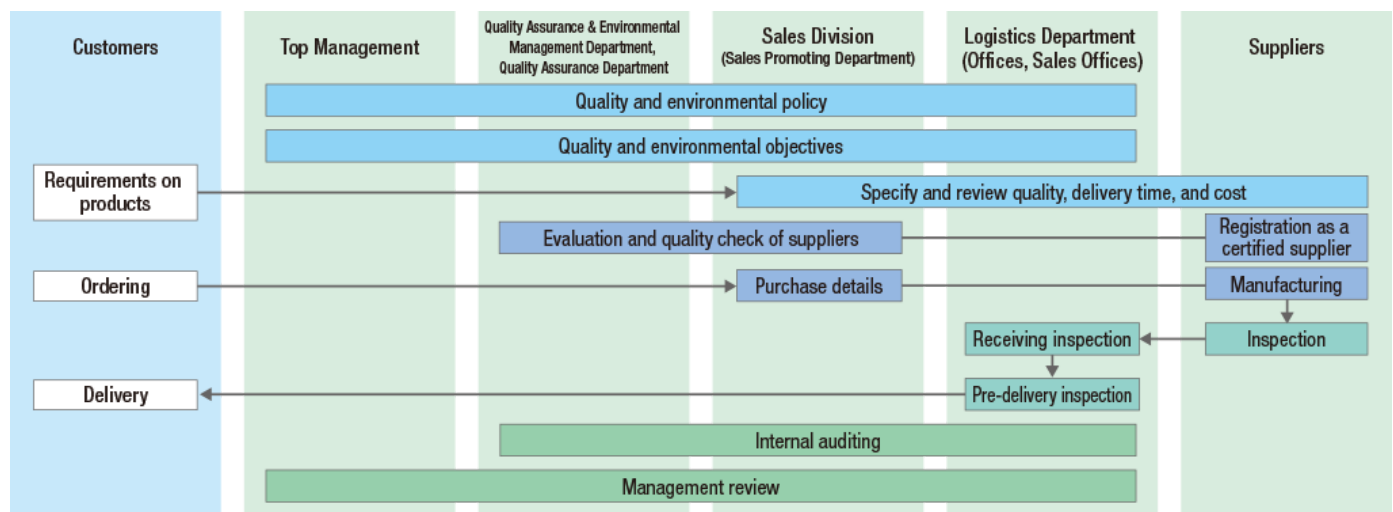
Techno Associe received renewal audits (which were conducted by JIC Quality Assurance Ltd. at our request) in October 2022 and there were no outstanding non-conformance items. And internal audits, including quality and environmental audits, were performed and corrective action was taken.

- [ISO 9001 Certificate of Registration \(PDF: 1,243KB\)](#) 
- [ISO 14001 Certificate of Registration \(PDF: 1,125KB\)](#) 

Quality Assurance System

To maintain and enhance the quality of products to be delivered to customers, sales personnel hold discussions with customers, carefully confirm the key aspects of quality management, and relay these to suppliers. When we place a new order from a supplier for the manufacture of products, quality assurance managers conduct a quality inspection at the supplier company to determine whether the supplier is qualified to manufacture the products in question. Group companies that manufacture and process components also have a quality assurance system in place for implementing quality control.

Quality Assurance System Framework



Quality Control Guidelines

The philosophy of Techno Associe's quality control is articulated in the Quality Control Guidelines. Intended as a quality improvement manual for the company and its suppliers, this booklet describes concrete mechanisms, implementation methods, and guidelines of quality assurance.

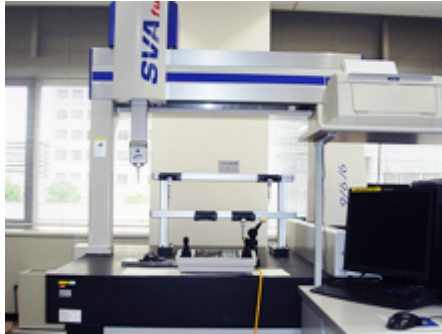
Collaboration with Suppliers, Quality Conference

On November 10, 2022, we held a quality conference with the participation of our suppliers. During the conference that was held online to prevent the spread of COVID-19, we presented awards to outstanding quality posters and slogans submitted.

Testing and Analysis

Our customers address challenges such as the improvement of the functionality of products, the realization of excellent designs and the assurance of product safety including environmental safety every day. To achieve this, the products that we supply to them—which constitute the material of customers' products—must exhibit ever-higher precision. That's why our Quality Control Department conducts tests, measurements, and other assessments of products to ensure that they meet our customers' requirements.

Physical analysis and testing devices



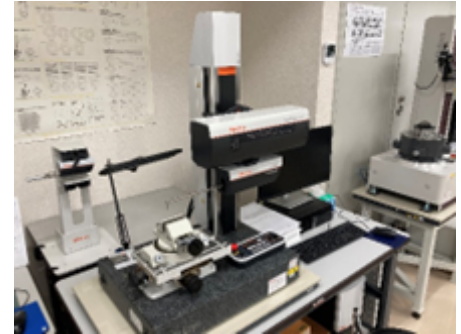
No01
3D coordinate measuring machine

Having independent scales along the X-, Y-, and Z-axes, the machine can obtain X-, Y-, and Z-coordinate values in space. Unlike calipers and micrometers, not only can dimensional measurements be taken but also shapes of things (geometric properties) can be assessed.



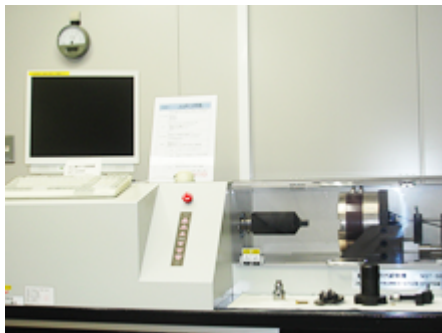
No02
Roundness measuring machine

Having a rotating mechanism, the machine measures changes in the circumferential direction or axial direction of a measuring object with the contact-type detector. Geometric properties of a circle or cylinder can be obtained.



No03
Contour shape measuring machine

By tracing the surface of a measuring object with the probe, the measuring machine records its contour on the PC as it is enlarged. Recording the contour enables dimensional measurements.



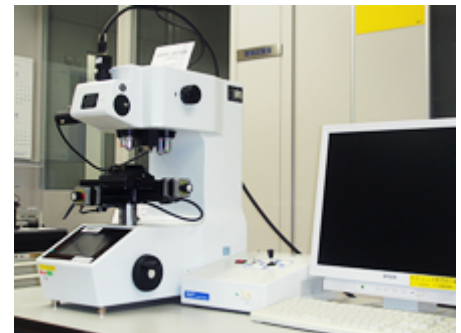
No04
Screw tightening measuring machine

The machine measures various forces related to screw tightening. (It is mainly used for nuts and bolts compliant with the JIS B 1084 standard. * A torque analyzer is used for tapping screws.) 1) tightening torque 2) axial tightening force 3) thread torque 4) tightening rotation angle 5) bolt elongation



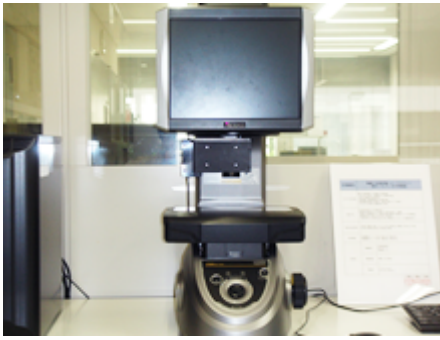
No05
Surface roughness measuring machine

By tracing the surface of a measuring object with the probe, the machine measures the degree of projection and depression. According to the degree of projection and depression, parameter values (Ra, Ry, Rz, etc.) can be measured.



No06
Automatic microhardness testing system

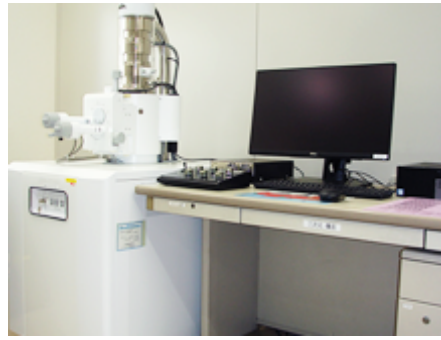
The system measures material hardness. The inspection surface is given a small indentation to calculate hardness, where the press force to give the indentation is small (microforce, approx. 5gf to 1kgf). What is different from common micro Vickers hardness testers is full automation (automatically taking measurements in preset patterns and making the distribution graphically confirmable).



No07

Image dimension measuring system (image measure)

Dimensional measurements of various parts can be taken. Simple placement and push enable collective measurements up to 99 places. No additional positioning jig is needed.



No08

Scanning electron microscope

By using a short electron beam, a nanometer-size structure can be observed, and the structure of the surface of a highly irregular specimen can be observed in three-dimensional image as it is enlarged.

Other testing machines

- Rockwell hardness tester
- Micro Vickers hardness tester
- PC torque analyzer
- Digital microscope
- Dynascope
- Tension/compression testing machine

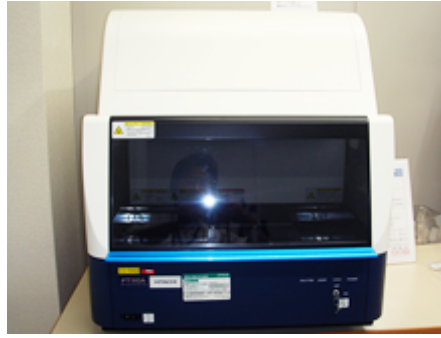
Chemical analysis and testing devices



No01

Fluorescence X-ray spectrometer (EDX)

Types of elements constituting a specimen and their contents can be measured through analysis of the fluorescence X-ray energy (wavelength) and strength generated by irradiating the specimen with X rays. Constituent elements of solids, powders, liquids and other materials can be analyzed in a non-destructive manner (requiring no advance preparations, such as cutting the specimen, etc.).



No02

Fluorescence X-ray film thickness gauge

The plating film thickness on a metal surface can be measured.



No03

Salt spray test chamber

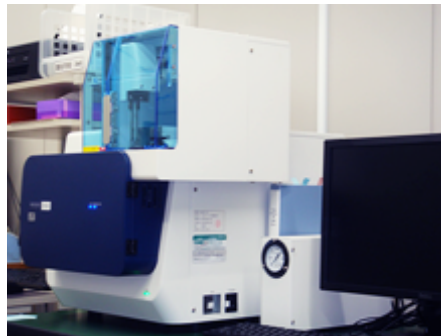
Salt-water is sprayed all over a test object to test corrosion resistance (whether it is resistant or sensitive to rusting).



No04

Combined cycle salt spray test chamber

Results obtained by this corrosion resistance tester are closer to outdoor corrosion (severer than common salt water spray used to test only whether it is resistant or sensitive to rusting).



No05

Thermal desorption mass spectrometer

The equipment screen-tests the "four phthalate esters" that will newly be restricted by the EU RoHS Directive in July 2019.

Other testing machines

- Portable fluorescence X-ray analyzer
- Constant temperature and humidity chamber
- Ultraviolet-visible spectrophotometer

Stepping Up Education and Boosting Quality Improvement

Techno Associe holds lectures on quality topics and conducts e-learning courses via the company's intranet. Currently, 15 quality-related e-learning courses are offered. In fiscal 2022, the lecture delivered at the quality conference and an overview of chemSHERPA were made available online.

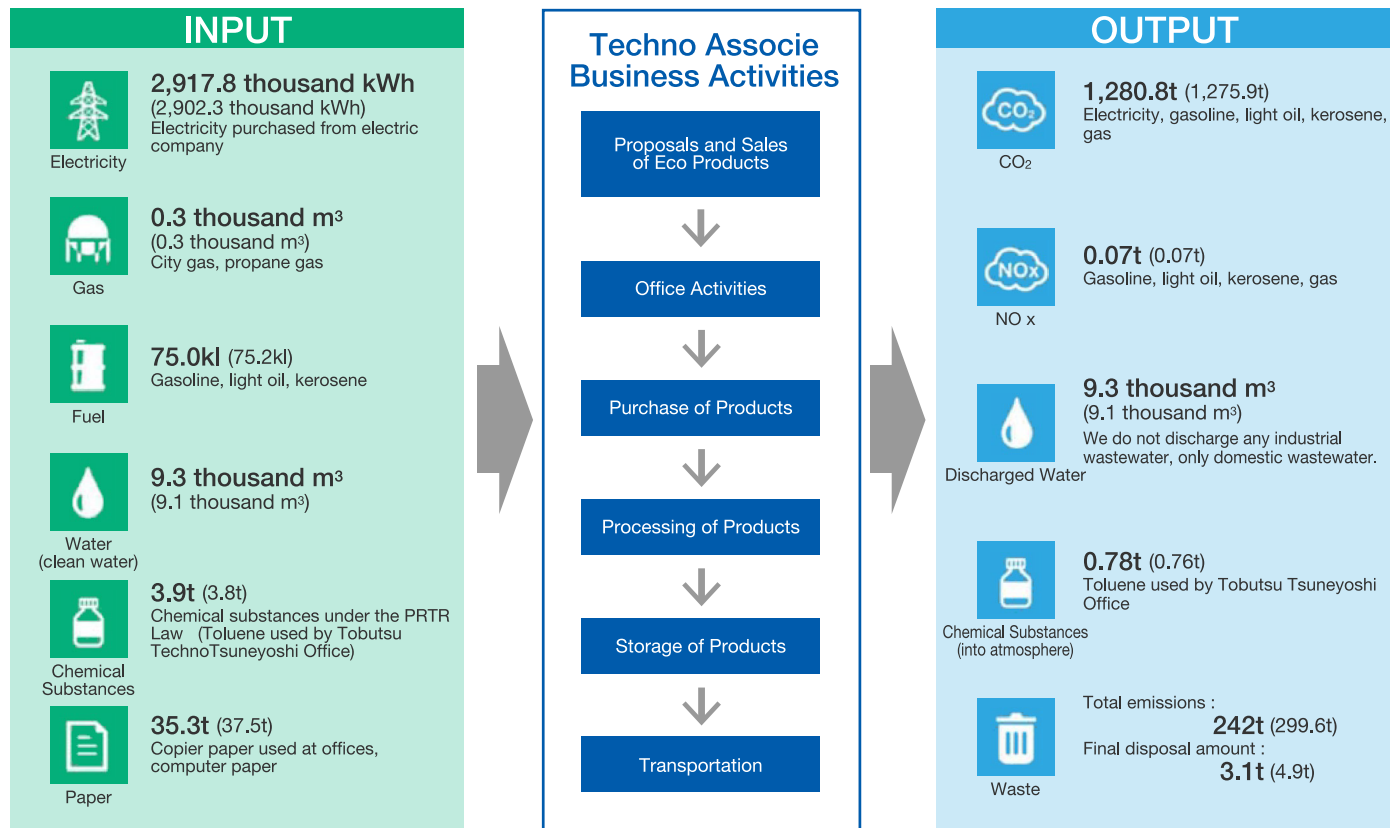
Main Quality e-learning	Starting Fiscal Year	Number of Participants
Introduction to FTA/FMEA	FY2016	394
Quality Control Guidelines; 5th edition	FY2018	395
Introduction to QC process flowcharts	FY2017	471
Case studies on complaints	FY2016	518
Outline of self-process guarantee (preventive activities)	FY2017	279
Overview of 2015 editions of ISO9001 and 14001	FY2017	756
Complaint report - guidebook for preparation/close examination	FY2018	354
Overview of 4M change application	FY2018	513
Overview of past problems checklist	FY2018	492
Quality Control Education A (Quality Control means, QC7Tools)	FY2019	357
Quality Control Education B (Process Capabilities and Sampling Inspections)	FY2019	293
Understanding of purchasing standards (Part I)	FY2021	320
Understanding of purchasing standards (Part II)	FY2021	341
4th Quality Conference part 1	FY2022	19
4th Quality Conference part 2	FY2022	18
chemSHERPA Overview	FY2022	39

* Number of trainees from opening year.

Environmental Conservation

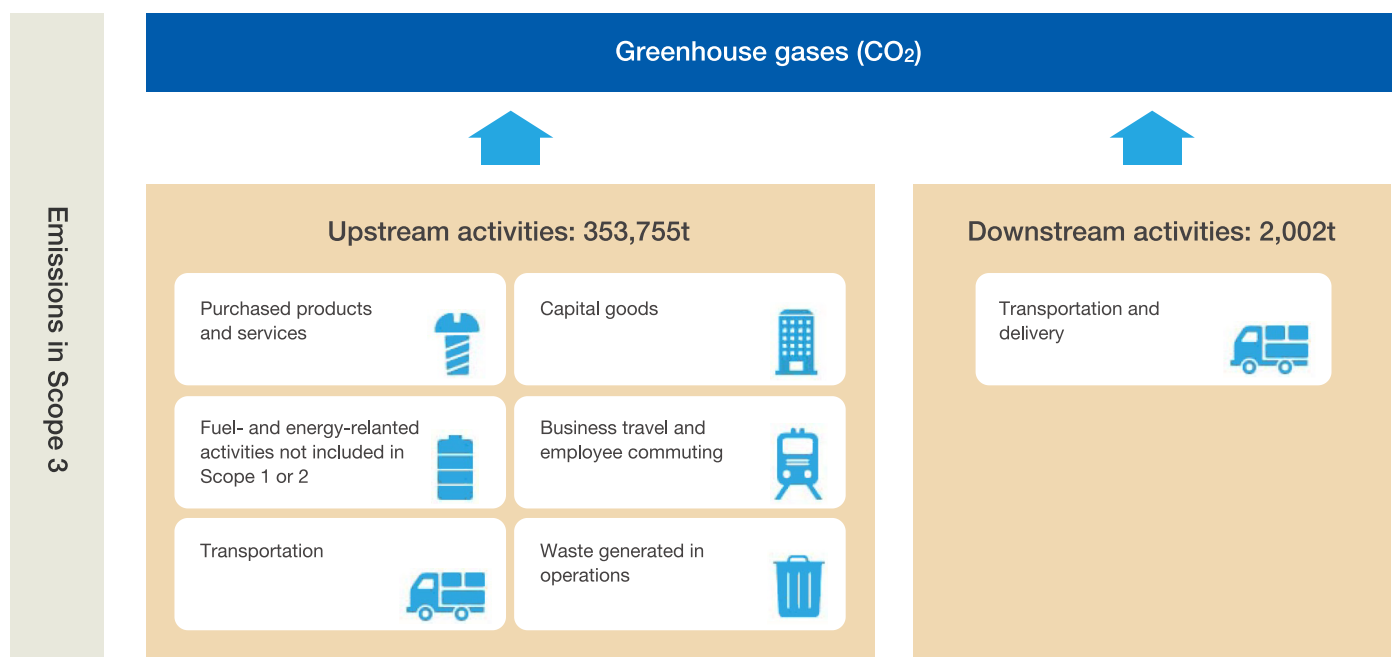
Environmental Commitments

Overview of Environmental Impact (INPUT/OUTPUT)



() shows the results in fiscal 2021

Note: Techno Associe has no SO_x emission source.



Strategy on Climate Change

We are addressing climate change risks and opportunities as follows.

Risk	Tightening restrictions on emissions of greenhouse gases, such as the Paris Agreement and the carbon tax
Impact	Carbon taxes, taxes on energy and fuels, and mandatory emissions trading could increase operating costs and possibly impact business management.
Correspondence	Strengthen efforts to reduce electricity and gasoline usage (Use of LEDs for lighting at business sites, introduction of eco-friendly vehicles in sales vehicles, replacement of office automation equipment such as air conditioners and multifunction devices with energy-saving products, etc.)

Opportunity	Rising demand for energy-saving products to meet the stricter emission regulations for greenhouse gases
Impact	As a response to the tightening of emission regulations of greenhouse gases, we have an opportunity to expand the sales of parts for related products because the demand for energy-saving-related products manufactured by our customers increases.
Correspondence	We will actively propose parts that can be supplied through our network to energy conservation-related products manufactured by our customers, and strengthen sales activities that lead to the receipt of orders.

Introduction of Green Power Certificate

In 2022, Techno Associe purchased a Green Power Certificate ^{*1} for 220,000 kWh. This corresponds to about 8% of the electricity we purchase on a non-consolidated basis and is equivalent to an annual reduction in CO₂ emissions of approximately 83 metric tons. ^{*2} Moving beyond conventional activities to cut electricity use, we will contribute to preventing global warming by making positive use of natural energy.

^{*1} "Green power" is environmentally friendly power generated by renewable natural energy, such as wind power, solar, or biomass (biological resources).

^{*2} The figure was obtained using a CO₂ emissions factor of 0.378 kg-CO₂/kWh



Purchase of Green Power (Non-consolidated)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Amount of electricity purchased (MWh)	2,627	2,529	2,485	2,560	2,556	2,550
Amount of green electricity purchased (MWh)	0	220	220	220	220	220
Green power ratio (%)	0%	8.7%	8.9%	8.6%	8.6%	8.6%

Commitment in Response to Environmental Control

Fluorocarbon Emissions

In Japan, as part of efforts to prevent global warming, which has become a global problem, the "Act on Rational Use and Proper Management of Fluorocarbons" went into effect on April 1, 2015, with the purpose of controlling the emissions of CFCs which have high greenhouse effects. In connection with this enforcement, each manufacturer has decided to produce refrigerators and air conditioners using earth-friendly gases. In addition, each company, including us, is required to carry out periodic inspections and dispose of them to specify contractors. It is not mandatory for us to report to the government because the total number of devices in our possession is small and possible leakage quantities of fluorocarbons are not exceedingly large.

Soil Contamination Countermeasures

Techno Associe has no land on which there is a danger of contamination. If contamination is discovered on or around our land and we are deemed responsible, we will conduct a soil survey (an overview survey or detailed survey).

Biodiversity

We provide education and training on biodiversity conservation as part of our environmental education. It is intended to provide opportunities for all employees to understand why the preservation of biodiversity and ecosystems is important for the formation of a sustainable society, and to share opportunities to think about what each person should do in order to realize this, and to provide opportunities for self-development. Also, Techno Associe makes donations to the "[Green Fund](#)" of the National Land Afforestation Promotion Organization. We are engaged in the prevention of global warming by providing cooperation in developing healthy forests through fund-raising activities for biodiversity and ecosystem protection.

Environmental Performance

Actual Results of Reduction Activities

Targets and Results of Environmental Conservation Activities <Domestic>

Environmental aspect		Results in FY 2021	Targets in FY 2022	Results in FY 2022	Increase / decrease rate	Self evaluation*4	Targets in FY 2023
Increase the sale of environmentally friendly products and parts		9.75 billion yen(17.3% of overall sales)	At least 18.0% of overall sales	11.92 billion yen (20.6% of overall sales)	Increase in sales by 2.17 billion yen(share increase by 3.3%)	😊	At least 25% of overall sales
CO ₂ emissions*1(Emissions intensity: CO ₂ emissions per 100 million yen of sales)		1275.9t (Emissions intensity: 2.21t/100 million yen)	Emissions intensity 2.20 or less	1280.8t (Emissions intensity: 2.15t/100 million yen)	Increase in emissions by 0.4%(improvement of emissions intensity by 0.06 points)	😊	Emissions intensity 2.10 or less
Breakdown	Electricity*2	1097.1t		1102.9t	Up 0.5%		
	Gasoline, light oil*3	137.1t		140.5t	Up 2.5%		
	Consumption of kerosene and gas	41.7t		37.4t	Down 10.3%		
Final disposal rate (through waste recycling)		1.6%	Final disposal rate of 2.0% or less	1.3%	Down 0.3points	😊	Final disposal rate of 1.2% or less

*1 Coefficient of CO₂ emissions is in accordance with the "Ministry of the Environment: Draft Ver. 1.6 of Guidelines for Calculation Method of Greenhouse Gas Emission by Entities."

*2 Electricity means the electricity purchased from the electric company.

*3 Gasoline and light oil are used for company vehicles and do not include consumption by consignment to transportation companies.

*4 Self-evaluation standards: Environmentally friendly products

😊=Achieved targets

😐=Although targets were not Achieved, share increased from previous year

😞=Targets were not achieved and share decreased from previous year

CO₂ emissions and final disposal rate

😊=Achieved targets

😐=Although targets were not achieved, emissions reduced from previous yearprevious year

😞=Targets were not achieved and emissions increased from previous year

■ FY2022 Domestic Subsidiary Environmental Impact

Location	CO ₂ consumption	Electricity consumption	Fuel consumption	Waste volume	Water consumption
	unit: ton	unit: MWh	unit: KL	unit: ton	unit: ton
TECHNO ASSOCIE	1,140.00	2,549.60	59.60	223.70	8.90
TOBUTSU TECHNO CO., LTD.	140.80	368.20	0.70	18.30	0.40
SILICONE TECHNO CO., LTD.	364.10	948.20	2.50	26.60	0.70
TSUKASA INDUSTRY CO., LTD.	80.70	147.10	9.70	11.80	0.60
Total	1,725.60	4,013.10	72.50	280.40	10.60

■ FY2022 Overseas Subsidiary Environmental Impact

Area	Location	Electricity consumption	Fuel consumption	Water consumption	Waste volume
		unit: MWh	unit: KL	unit: ton	unit: ton
North America	T.A. AMERICA CORPORATION	368.6	33.3	279.8	2,185.0
	TECHNO ASSOCIE DE MEXICO, S.A. DE C.V.	1,046.1	121.2	90.1	2,772.0
Asia	TECHNO ASSOCIE (DALIAN F.T.Z.) CO., LTD.	28.5	2.0	0.9	205.0
	TECHNO ASSOCIE (GUANGZHOU) CO., LTD.	99.4	19.7	12.3	792.0
	TECHNO ASSOCIE SHANGHAI CO., LTD.	90.9	16.1	-	-
	TECHNO ASSOCIE HONG KONG CO., LTD.	20.6	-	0.7	-
	TECHNO ASSOCIE TAIWAN CO., LTD.	24.1	1.3	-	325.0
	TECHNO ASSOCIE VIETNAM CO., LTD.	30.5	12.6	-	2.1
	TECHNO ASSOCIE (THAILAND) CO., LTD.	35.2	21.5	0.03	35,151.0
	TECHNO ASSOCIE SINGAPORE PTE.LTD.	31.1	4.2	-	27.6
	* F&T KUNSHAN TECHNO CO., LTD.	73.8	1.4	2.0	596.0
	* NETTFORM TECHNOLOGY (SHANGHAI) CO., LTD.	4,446.5	10.7	22.2	5,513.0
	* ACCURATE METAL MACHINING CO., LTD.	5,425.3	14.3	244.6	5,540.0
	* TA AUTOMOTIVE PARTS (THAILAND) CO., LTD.	1,096.0	13.5	483.5	2,733.0
	* MALAYSIAN PRECISION MANUFACTURING SDN. BHD.	1,791.8	37.1	62.9	3,898.0
Europe	TECHNO ASSOCIE CZECH s.r.o.	9.6	2.8	-	54.4
	TECHNO ASSOCIE EUROPE GmbH	-	2.8	-	-
Total		14,618.0	314.4	1,199.0	59,794.0

* "-" means that the data has not been collected.

* * Manufacturing location

Results in Fiscal 2022

We work to reduce the environmental impact associated with business activities while determining environmental goals for each fiscal year and formulating an implementation plan to achieve the goals. The Quality and Environmental Management Department is mainly committed to the introduction of energy-saving equipment such as LED lighting and fuel-efficient vehicles. Each business site also takes specific initiatives such as power-saving efforts including the turning off of lights when not in use and thorough control of the temperature of air conditioners, as well as regular patrols to check the status of waste separation and beautification and cleaning activities around the site.

CO₂ emissions in fiscal 2022 were 1,281 tons, a decrease of 659 tons, or 34%, from the fiscal 2013 level. We will continue to work on energy-saving activities as we anticipate increases in energy consumption due to the expansion of our business scale in the future. In addition, we are working on the reduction of waste through thorough sorting to promote recycling while aiming to reduce the final landfill rate. In fiscal 2022, the final landfill rate was 1.3% (a decrease of 0.3 points from the previous fiscal year) and we achieved the target of a final landfill rate of 2% or less.

We also aggregate data on environmental impact for our overseas bases and plan to set environmental targets and engage in activities to reduce environmental impact on a Group-wide basis in the future.

Target in Fiscal 2023

In fiscal 2023, we will continue to work on the reduction of CO₂ emissions, the promotion of waste recycling and the expansion of sales of environmentally friendly products and parts as main subjects. As to the reduction of CO₂ emissions for the prevention of global warming, while we aim to meet the target of keeping the per-unit emissions below 2.10 tons/100 million yen, our medium- and long-term target is to reduce CO₂ emissions by 46% from the fiscal 2013 level in fiscal 2030 as set by the Japanese Government to achieve carbon neutrality in the country.

With respect to waste, we will work to promote recycling by thoroughly sorting waste and reviewing disposal contractors and strive to achieve a final landfill rate below 1.2%.

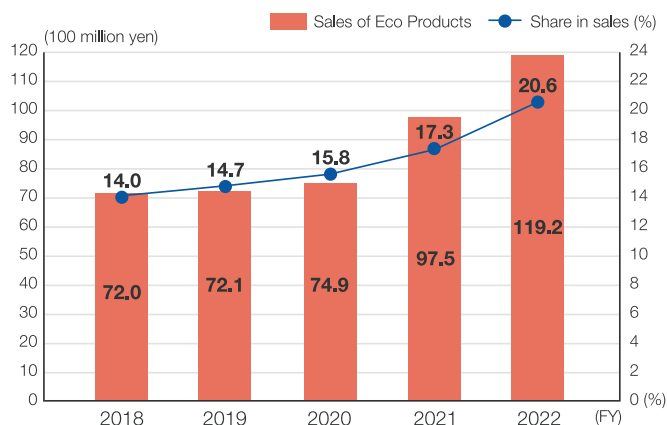
Actual Results of Reduction Activities

Actual Results of Reduction Activities<In Japan>

To minimize the environmental impact of the company's business activities, Techno Associe sets yearly environmental targets and formulates specific implementation plans. The Quality Assurance & Environmental Management Department plans the introduction of energy-efficient equipment such as LED lighting and fuel-efficient cars. Each base plans and carries out activities such as regular checks of turning off lights when not needed and waste sorting status. Cleanups of areas surrounding bases are also planned and carried out.

Sales of Environmentally Conscious Products

Techno Associe strives to expand the sales of environmentally conscious products and parts (eco-merchandise) to contribute to the environment through business activities. In fiscal 2022, we worked to boost sales of eco-merchandise, i.e., merchandise and parts for products that contribute to the five defined items below, to at least 18% of the company's total sales. As a result, sales increased significantly year-on-year to 11.92 billion yen (an increase of 22.3% from the previous fiscal year), which accounted for 20.6% of net sales (an increase of 3.3 points from the previous fiscal year).



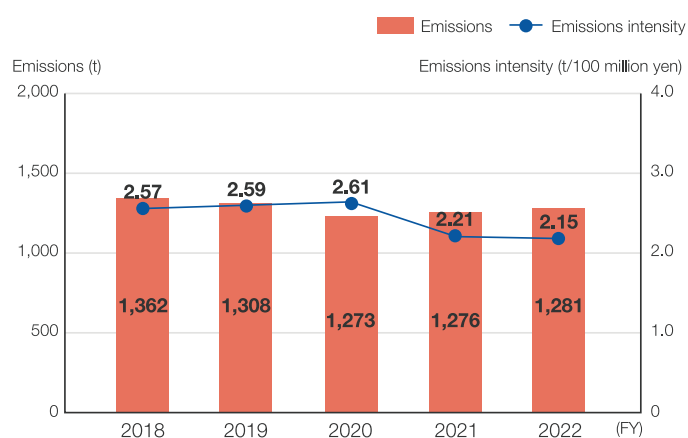
Definition of environmentally conscious products

edo	Environmental aspect	Definition (examples)
1.	Resource-efficient products (make effective use of resources)	Using resources effectively by reducing the amount of raw materials and packaging or by extending the service life of parts
2.	Reusable/recyclable products (reduce waste)	Reducing waste by using recycled materials or by reusing a part of or all of the product and packaging
3.	Energy-efficient products (reduce CO ₂ emissions)	Reducing CO ₂ emissions and energy consumption during manufacture, transport, and use
4.	Products that use non-toxic chemicals (prevent environmental pollution)	Preventing environmental pollution and minimizing the effect on ecosystems by eliminating or reducing the use of toxic chemicals
5.	Products that contribute to energy conservation when used	Products used in eco-friendly vehicles, high-efficiency water heaters, LED light-related products, fuel cell installations, battery storage for natural energy, and eco-houses Reducing CO ₂ Emissions

Reducing CO₂ Emissions

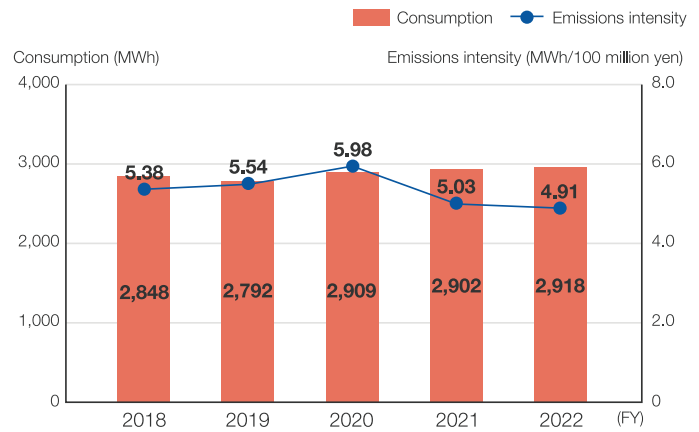
The use of electricity and gasoline by Techno Associe accounts for about 96% of the company's total CO₂ emissions. We are therefore focusing efforts on reducing their use. In fiscal 2022, setting an emissions intensity target of 2.20 t or less (per hundred million yen in sales), Techno Associe was actively involved in conserving electricity and also in cutting gasoline use.

As a result, our annual emissions were 1,281 metric tons (an increase of 0.4% year-on-year). The emissions intensity was 2.15 t/hundred million yen.



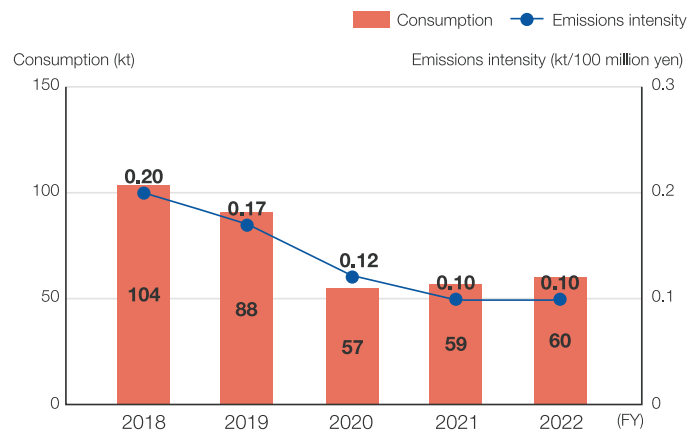
Reducing Electricity Consumption

Techno Associe strives to save energy by turning off lights during employee break times, managing air conditioner settings, and improving operational efficiency by reducing overtime, which includes the scheduling of 'no overtime' days. In fiscal 2022, while we set a target of reducing electricity use by 2.0% from the previous fiscal year, our power consumption increased by 16 MWh year-on-year (an increase of 0.6% from the previous fiscal year) to 2,918 MWh. However, the per-unit electricity consumption was 4.91 MWh/100 million yen, decreasing by 0.12 points from the previous fiscal year.



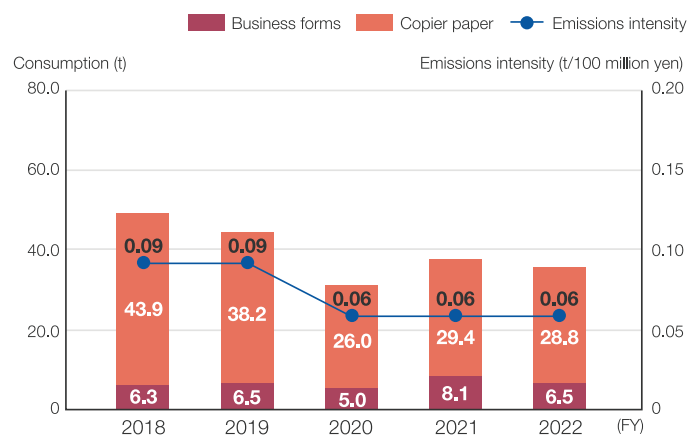
Reducing Gasoline and Diesel Fuel Consumption

Techno Associe nearly halved the number of commercial vehicles in its possession, which was 237 in 2009, to 111 in March 2023 by reviewing surplus vehicles, sharing company-owned vehicles, using rental cars or car-sharing, promoting the use of public transportation, and so on. However, gasoline consumption increased by 1.7% from the previous fiscal year to 60 kl. In addition, the ratio of cars that meet the Eco Standards (Fuel Efficiency Standards for fiscal 2020) in the number of cars owned rose from 84.9% in fiscal 2019 to 97.1% in March 2023.



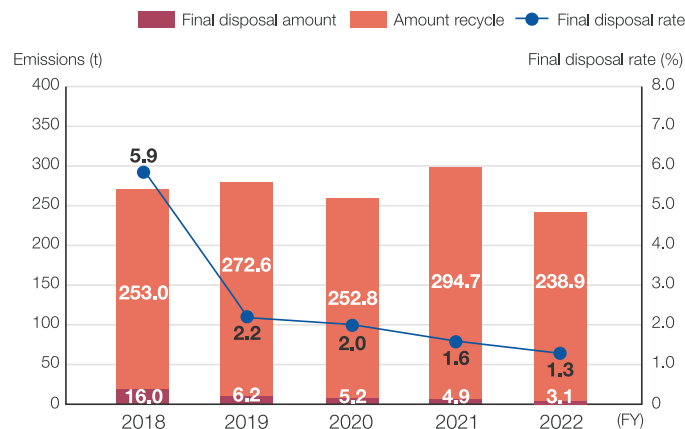
Reducing Paper Consumption

While we are working to reduce the use of copy paper by using its backside and going paperless through the use of projectors at meetings, unfortunately, 35.3 tons of paper, including forms and slips, was used (an decrease of 5.9% year-on-year) in fiscal 2022 and 28.8 tons of it was copy paper (an decrease of 2.0% year-on-year).



Increasing Recycling and Reducing Waste

Techno Associe strives to reduce the waste it generates in offices by separating paper garbage as much as possible, and in warehouses by reusing cardboard boxes for packaging and using returnable boxes. Our fiscal 2022 target for the final landfill rate was 2.0% or less. By switching to industrial waste disposal contractors capable of higher recycling rates, we were able to reduce final landfill volume to 3.1 metric tons, down by 36.6% from the previous fiscal year. The final landfill rate was 1.3%, which exceeded the target. The total amount of waste discharged was 242.0 metric tons (down 19.2% from the previous fiscal year).

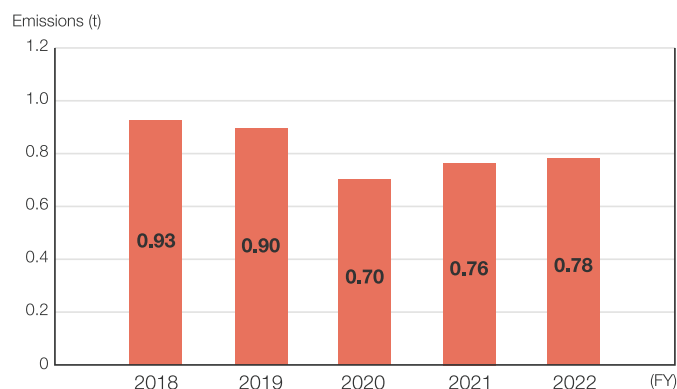


Managing and Reducing Chemical Substances

The Tsuneyoshi Office of our subsidiary Tobutsu Techno Co., Ltd. uses toluene, a substance restricted under PRTR*, for manufacturing thread-locking adhesive to prevent screws and bolts from loosening.

In fiscal 2022, toluene emissions were 0.78 tons (an increase of 2.6% year-on-year) due to the growth of the operation.

* PRTR: PRTR: Under Japan's PRTR (pollutant release and transfer register) system, businesses handling a certain amount of any of the 354 substances designated by the authorities are obligated to report on the amounts of these substances that are released and/or transferred.



CO₂ Emissions in Scope 3

Techno Associe views environmental conservation efforts as a top-priority management issue. In order to realize a low-carbon society, we ascertain not only directly produced Scope 1 and 2 CO₂ emissions, but also emissions throughout the entire value chain.

Total CO₂ emissions in fiscal 2022 were 357,037 (t-CO₂).

The breakdown is as follows:

Scope 1 . . . 178 (t-CO₂)

Scope 2 . . . 1,103 (t-CO₂)

Scope 3 . . . 355,757 (t-CO₂)

and Techno Associe recognizes that Scope 3 has a considerable impact on CO₂ emissions, and Category 1 (purchased products and services: 97.0%), in particular, account for a large portion of emissions.

Techno Associe will continue to review the calculation methods and data extraction methods to improve accuracy.

[Notes]

As of this evaluation (FY2022 CO₂ emissions calculations), the calculation methods for Category 1 and Category 4 have been changed as detailed below.

Category 1 (purchased products and services)

Previously, purchased products were applied to one of five industry categories of the “Input-Output Table-Based Emissions Intensity”. This time, purchased products were categorized more specifically, into one of fifteen “Input-Output Table-Based Emissions Intensity” industry categories.

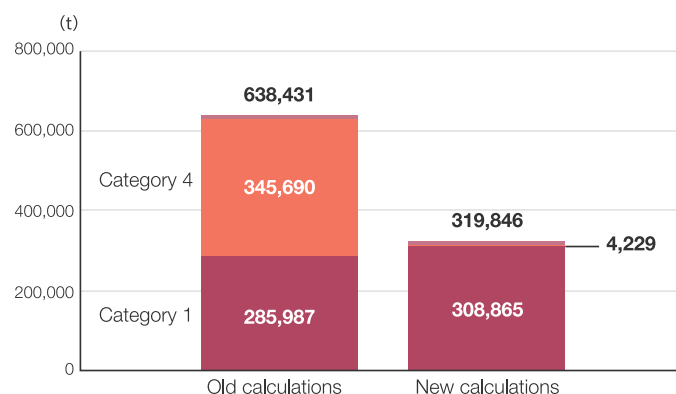
Category 4 (Upstream transport & delivery)

Previously, emissions during transport and delivery when we were not the transporter were calculated using the ton-kilo method (weight × distance traveled × emissions coefficient), but this calculation was inaccurate due to matters that were beyond our ability to influence. This time, we have changed to a consumption-based calculation method (value × emissions coefficient). Additionally, emissions at warehouses, which had been considered difficult to calculate, were also calculated.

Effects

The reduction in transport and delivery in Category 4 results in a significant reduction in total Scope 1, 2, and 3 emissions, with more than 90% of the emissions now coming from Category 1 purchased products and services.

■ Comparison of 2021 emissions using the old and new calculation methods



Category		CO ₂ emission amount (t)	Proportion	Calculation method of Scope 3 (reason if not calculated)
Emissions from the Company				
	Scope 1 (direct emissions)	177.8	0.05%	
	Scope 2 (energy-derived indirect emissions)	1,103.0	0.31%	
Scope 3 (other indirect emissions)				
1	Purchased products and services	346,392.8	97.02%	Emission amount = CO ₂ e emissions of purchased products = Cost of purchased products × emissions intensity * Calculated for each product classified according to "Input-Output Table-Based Emissions Intensity"
2	Capital goods	4,592.0	1.29%	Emissions = Amount expended by acquiring tangible fixed assets × Emissions unit value * Using the "emissions unit value per price of capital goods"
3	Fuel- and energy-related activities not included in Scope 1 or 2	103.3	0.03%	Emissions = Annual use of electricity × Emissions unit value * Using the "emissions unit value per use of electricity/heat."
4	Transportation and delivery (upstream)	4,242.4	1.19%	Emission amount = Externally paid logistics costs (shipping charges, warehousing, business outsourcing) × emissions intensity * Emissions intensity is determined according to "emissions intensity per unit of heat/electricity used"
5	Waste generated in operations	60.0	0.02%	Emissions = Amounts of waste generated × Emissions unit value * Using the "emissions unit value by type of waste."
6	Business travel	204.3	0.06%	Emissions = Business travel expenses paid (by mode of transport) × Emissions unit value * Using the "emissions unit value per transportation expenses paid by transport category."
7	Employee commuting	161.8	0.05%	Emissions = Transportation expenses paid for commuting (by mode of transport) × Emissions unit value * Using the "emissions unit value per transportation expenses paid by transport category."
8	Leased assets (upstream)	0	0.00%	Not calculated: Emissions from leased assets (commercial vehicles, PC, etc.) are calculated under Scope 1.
9	Transportation and delivery (downstream)	0	0.00%	Not calculated: Emissions from our warehouse activities are calculated under Scope 1. For commissioning to external warehouses, the calculation method will be considered in the future.
10	Processing of sold products	0	0.00%	Not calculated: Determines that it is outside of our control.
11	Use of sold products	0	0.00%	Not calculated: Because most of the sold products are processed/assembled (applicable to Category 10).
12	Disposal of sold products	0	0.00%	Not calculated: Sold products, if disposed of by returning to us, are calculated under Category 5. If disposed of due to the expiration of useful life after processing, sold products shall not be subject to calculation because they are outside of our control.
13	Leased assets (downstream)	0	0.00%	Not calculated: Not applicable
14	Franchises	0	0.00%	Not calculated: Not applicable
15	Investments	0	0.00%	Not calculated: Not applicable
	Others			

Supply Chain Management

The smooth operation of our business requires cooperation from our business partners based on their excellent technologies and services. We are committed to ensuring fair transactions and appropriate procurement, and to working together to resolve various social issues.

Message from the Executive Officer



Deputy Chief General Manager in
charge of Product Technology &
Innovation Unit

Takeshi Takahashi

Promoting CSR Procurement throughout the Supply Chain

The Techno Associe Group is committed to "putting customers first" and doing our best to provide services that meet their needs, while expanding our business in Japan and abroad with products and quality that are environmentally friendly and safe. The importance of CSR initiatives in the international community is becoming increasingly diversified and sophisticated, including matters such as global warming prevention, environmental protection, and improving labor environments with respect for human rights, and the scope of these initiatives is expanding beyond our own efforts to include our entire supply chain. In order to meet such social demands, the Techno Associe Group has established the "Techno Associe Group CSR Procurement Guidelines" which we use when engaging in CSR activities with all members of our supply chain, including business partners. In November 2022, we established the CSR Sustainability Committee as part of our efforts to strengthen our activities and promote initiatives aimed at solving social problems and enhancing corporate value, with our first priority being contribution to a sustainable society. The Techno Associe Group conducts surveys on the progress of our major business partners in the promotion of CSR initiatives and provides feedback on the survey results to help them understand the situation of their initiatives for improvement. In particular, we are making efforts to strengthen our "human rights due diligence" ? the awareness of human rights issues that companies have a responsibility to address ? and promote prevention and mitigation measures throughout the supply chain. We would like to ask our business partners for their continued understanding of the Techno Associe Group's efforts as well as for their ongoing guidance and encouragement.

Procurement Policy

Techno Associe Group Procurement Policy

1. Optimal procurement activities to support business activities and the sustainable development of society
Our group contributes to the development of the economy and society by expanding our business globally, providing superior products and services, and responding to the needs of our customers. In addition to continuing to support our business, we will conduct optimal procurement activities from a global perspective that comprehensively takes into account factors such as quality, cost, delivery time, development capabilities, continuous supply capacity, and CSR initiatives in order to contribute to the sustainable development of society.
2. Fair, transparent, and appropriate procurement activities
Our group will conduct fair, transparent, and appropriate procurement activities by providing open and fair business entry opportunities and selecting business partners based on reasonable processes and judgments.
3. Compliance
Our group complies with relevant laws and regulations and carries out procurement activities based on social norms as well.
4. Partnership
Our group believes that collaboration based on mutual understanding and mutual trust with our business partners is essential to providing customers with socially useful, safety, and superior products and services in terms of quality, cost, etc. We will conduct procurement activities that strive to improve the satisfaction of not only our customers but also our business partners so that we can continue to be a good partner trusted by our business partners.
5. Consideration for the global environment
In order to contribute to the development of a sustainable society by acting positively on the protection of the global environment, our group will conduct procurement activities with consideration given to the reduction of environmental impact in accordance with our Quality and Environmental Policy.

➤ [Techno Associe Group Procurement Policy \(English\) \(PDF:237KB\)](#) 

➤ [Techno Associe Group Procurement Policy \(Chinese\) \(PDF:372KB\)](#) 

CSR Procurement Guidelines

These guidelines deal with CSR items that are commonly demanded by society, and clarify matters that we ask our suppliers to do.

With the purpose of contributing to the sustainable growth of society, we are promoting CSR procurement that extends our CSR initiatives to the entire supply chain in cooperation with our business partners.

➤ [Requests for Compliance with the Techno Associe Group CSR Procurement Guidelines \(English\) \(PDF:317KB\)](#) 

➤ [Requests for Compliance with the Techno Associe Group CSR Procurement Guidelines \(Chinese\) \(PDF:480KB\)](#) 

Briefing on CSR Procurement

As in fiscal 2021, we held an online briefing on CSR procurement for domestic business partners in consideration of the spread of COVID-19 again in fiscal 2022. We conveyed the importance of tackling CSR efforts across the entire supply chain in order to promote responsible procurement activities in cooperation with business partners, including matters relating to human rights due diligence, which we will be strengthening moving forward.



Communication with Business Partners

Using the Techno Associe Group CSR Procurement Guidelines business partners' handbook, Techno Associe engages in awareness-raising activities that take into account business partners' individual circumstances. We also communicate with the business partners that require improvement according to our judgment based on the results of the CSR procurement questionnaire survey and make suggestions on training and improvement.

Management of Chemical Substances Contained in Products

Techno Associe Environmental Standards

In order to respond to regulations on chemical substances contained in products, such as the EU RoHS Directive, ELV Directive and REACH Regulations, we have established "Techno Associe Environmental Standards" and released the environment standards on our website, and we request understanding and compliance from our suppliers.

Transmission of chemical substances contained in products

For response to regulations on chemical substances contained in products, it is absolutely necessary to procure and transmit accurate information on chemical substances contained in products throughout the supply chain. In order to comply with various domestic and international regulations and to meet customer needs, Techno Associe gains the cooperation of suppliers for surveys on chemical substances contained in products using chemSHERPA* and other communication tools.

In fiscal 2022, we received 982 requests from customers to investigate chemical substances contained in products and responded for a total of 13,941 products.

* ChemSHERPA is a scheme for communicating information on chemical substances contained in products, and aims to reduce the burden on both the providers and recipients of information. It has been operated by the article management promotion council since April 2016.



Analytical verification of substances subject to environmental regulations

We are expanding a lineup of devices to analyze contained chemical substances. We verify that no hazardous substances are contained through periodic analysis of parts with use of a "fluorescence X-ray spectrometer" to determine whether prohibited substances are contained in a non-destructive manner and an "ultraviolet-visible spectrophotometer" to quantitatively analyze the amount of hexavalent chromium eluted.

In FY2022, 34 analyses were conducted for confirming the content of "four phthalate esters."

Responsible Raw Materials Sourcing

As stated in Techno Associe Group procurement policy, we "comply with relevant laws and regulations" and carry out "procurement activities based on social norms as well." We recognize the risks listed in Annex II of the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as one of the most significant social issues in our supply chain, including human rights violations and labor issues in conflict-affected and high-risk areas (CAHRAs), in addition to issues of conflict minerals in the Democratic Republic of the Congo and its neighboring countries and cobalt-related issues in which there have been concerns about the worst forms of child labor. In order to fulfill our corporate social responsibility in our procurement activities, we have established an internal system under the leadership of the following three Sales Units: Electronics Products Sales Unit, Automotive Products Sales Unit, and Area Sales Unit, to aim at "responsible mineral procurement" that does not use these illegal minerals as raw materials. The Techno Associe Group, including its business partners, conducts ongoing investigations and have confirmed that none of them are involved in any conflicts.

➤ [Techno Associe Group Responsible Raw Materials Sourcing Guidelines \(PDF:980KB\)](#) 

Responsible Mineral Procurement Survey Results FY2022

In fiscal 2022, the Techno Associe Group responded to a total of 199 requests for surveys from customers (110 for CMRT, 18 for CRT, 13 for MRT and 58 for EMRT) in cooperation with business partners. We will conduct risk analysis and evaluation based on the collected reporting forms, and continue to respond to them in good faith.

* We use the Conflict Mineral Reporting Template (CMRT) and the Cobalt Reporting Template (CRT), Mica Reporting Template (MRT), Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI) as research tools.

Together with Employees

TECHNO ASSOCIE considers human resources to be its most important assets and aims to be a company where everyone working for it can feel proud and rewarded. We help each employee improve and apply their knowledge and capabilities to achieve their own growth, as well as growth of the company, and ultimately contribute to society.

Message from the Senior Managing Director



Senior Managing Director in charge of
HR & Administration Department

Katsuhiko Nakajima

People are the most important driving force for the development of the company

Since its establishment in 1946, Techno Associe has continuously proposed a variety of products, technologies, and solutions with new value, creating a diverse lineup of products that respond to the needs of our customers by combining the technologies and products (Seeds) of a wide range of suppliers with our knowledge and know-how that has been cultivated over many years.

The development of our company is due to the power of the people responsible for this, and the importance of people is further increasing in the current business environment of globalized business and diversified needs.

In order to increase the power of people, the most important driving force for business development, we believe that the following two items are important:

- i. Environments that allow each person to fully demonstrate their capabilities
- ii. Initiatives to help each person strengthen their capabilities (= capacity development)

We regard the following three points as important elements for enhancing and improving environments and capacity development and are promoting initiatives for them:

- Development of a corporate culture where individuality and values are respected to strengthen the capabilities of the team as a whole
- Creation of work environments where employees can feel rewarded and challenged and recognize their own growth
- Corporate behavior that enables employees to work with pride

Specific activities to create a comfortable work environment include various types of training; the creation of lively workplaces; the promotion of diversity and inclusion through such activities as the realization of flexible working styles according to life stage and the promotion of participation and advancement of women in the workplace; health promotion activities; and our mentoring system. We also believe that it is necessary to respond to growing social challenges and social demands in a flexible manner.

Commitment to "Business and Human Rights"

International norms such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct stipulate that corporations have an obligation to promote respect for human rights. In October 2020, the Japanese Government formulated the "Action Plan on Business and Human Rights (2020-2025)," which states that business enterprises are expected to (1) adopt a human rights policy, (2) implement human rights due diligence, and (3) establish remediation mechanisms.

Regarding respect for human rights, our Group has worked hard to protect human rights in our Charter of Corporate Behavior for many years, and in order to promote initiatives in line with this social requirement, we established the Techno Associe Group Human Rights Policy, applying it not only to our Group but also to all business partners, including our supply chain (suppliers and operations upstream from them), and strive to spread awareness about preventing infringement of the human rights of people affected by our business activities, while at the same time conducting human rights due diligence. Our Code of Conduct, which was established in April 2022, also recognizes respect for human rights in all local communities where we conduct business as one of the important themes for pursuing business with integrity, and we are committed to promoting it.

The TECHNO ASSOCIE Group will continue to pursue these kinds of human resource measures to support people-driven business activities and will create workplaces where each person can grow and fully demonstrate their capabilities.

Diversity and Inclusion/Human Resource Development

Diversity and Inclusion

We recognize that the most important asset for the company is "people" based on "heart-to-heart bonds," which are part of our "business spirit." We place top priority on creating an environment in which employees can work safely and with confidence, and we are working to make the most of the capabilities that each employee possesses. As we may even be involved in manufacturing by customers while offering proposals and solutions to challenges, the practice of thinking outside the box and creating an organizational culture conducive to new ideas directly relates to boosting our corporate value and competitive strength.

To this end, we believe we must hire a diverse range of people - regardless of gender, nationality, age, educational background, and workstyle - and recognize and maximize their unique talents.

Introduction of Regional limited course

From fiscal 2018, we introduced "regional limited course." Under this system, existing employees are also provided with support systems in the event that they are unable to transfer due to personal circumstances.

Promotion of employment of people with disabilities

The employment rate of people with disabilities as of the end of fiscal 2022 was 2.2%, which increased from the previous year but was still lower than the statutory employment rate of 2.3%. We are working simultaneously on recruiting people with disabilities and creating jobs for them when they are employed. We will continue our efforts to fulfill our responsibilities based on the social requirement.

Introduction of extended retirement age

Our retirement age for employees had been set at 60, but we have made the decision to raise it by one year every two years, starting in April 2022, with a new retirement age of 65 as of fiscal 2030. This decision was made not only because of the increase in the age at which public pension payments can be received and the growing society-wide demand for employment of older workers, but also because of our belief that it is essential for these older employees with a wealth of experience and knowledge to continue to play an active role in the company.

Introduction of a job return system

In April 2023, we introduced a "job return system" in which certain employees who left their jobs due to unavoidable circumstances can request to return to the company after a certain period of separation. This will make it easier for such employees to return to the working world and also strengthen our personnel recruitment efforts. In the time between the introduction of the system and the issuance of this report, two employees have already returned to the company through this system.

Maximizing Talents of Women

Techno Associe's General Employer Action Plan under the Act on Promotion of Women's Participation and Advancement in the Workplace

Under the "General Employer Action Plan" established under the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in Japan in April 2016, Techno Associe has positioned promoting diversity as one of our key management strategies to maximize abilities of our diverse employees, and is working to promote female employee's active participation and advancement in the workplace. In accordance with the said Act, we have formulated the following action plan in order to develop an employment environment where female employees can play an active role and build a "workplace that is rewarding" for employees.

■ Planning period: April 1, 2021 to March 31, 2024 (3 years)

Issues at the Company	Numerical targets	Details of initiatives	Conducted period
1. There is a lack of systems that allow both men and women to balance work and family life, and insufficient use of such systems.	To increase the percentage of male employees taking childcare leave to 25% or more.	Provide individual explanations on childcare leave to male employees whose spouses have given birth	From April 2021
		Individual follow-up for employees returning to work after childcare leave	From April 2021
		Establishment of a consultation service for female employees during pregnancy and after returning from maternity or childcare leave	From October 2021
		Consideration of flextime system and hourly paid leave	From October 2021
		Introduction of a remote work system to help employees balance work and family life	During FY2021
		Relaxation of requirements for taking nursing care leave and consideration of expanding the period during which it can be taken	From FY2022
2. There are few women in career-track positions and the turnover rate is high. There are also few women in management positions.	Increase the percentage of female employees in management positions from the current 8% to 10%.	Relaxation of requirements for regional career-track positions	During FY2021
		Promote awareness of the system for transferring from general office work positions to career-track positions	During FY2021
3. It is difficult to understand the career advancement system for employees in general office work positions.		Introduction of a job return system	During FY2021
		Expansion of training on diversity promotion	From FY2022

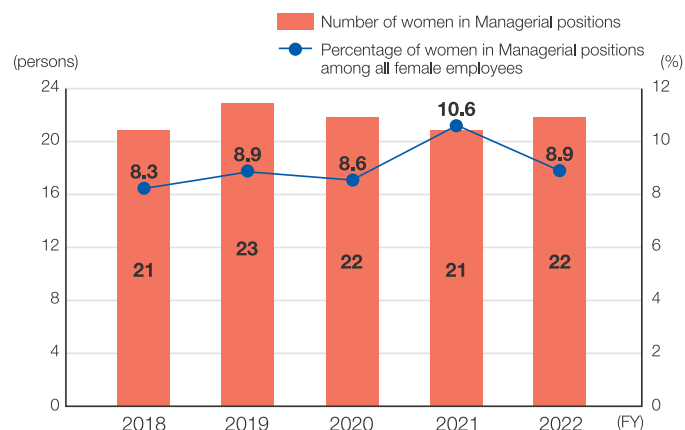
Percentage of Managerial Positions Occupied by Female Employees (As of March 31, 2023)

Number of women in Managerial positions: 22

Percentage of women in Managerial positions among all female employees: 8.9%

* non-consolidated

■ Women in Managerial positions



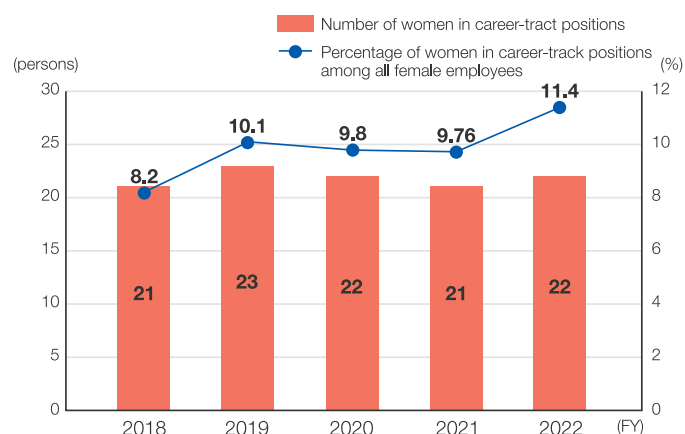
Number and Percentage of Women in Career-Track Positions among All Female Employees (As of March 31, 2023)

Number of women in career-track positions: 22

Percentage of women in career-track positions among all female employees: 11.4%

* non-consolidated

■ Percentage of Women in Career-Track Positions among All Female Employees



Certification as a Leading Company for Promotion of Women's Participation and Advancement in the Workplace

In fiscal 2017, we were certified as a Leading Company for Women in Osaka City and Aichi Women's Brilliance Company.



Data of Employees (As of March 31, 2023)

	Number of employees		Average years of service of employees	Average age of employees
	(consolidated)	(non-consolidated)		
Male	804	314	19.75 years	–
Female	549	192	16.05 years	–
Total	1,353	506	18.35 years	44.02

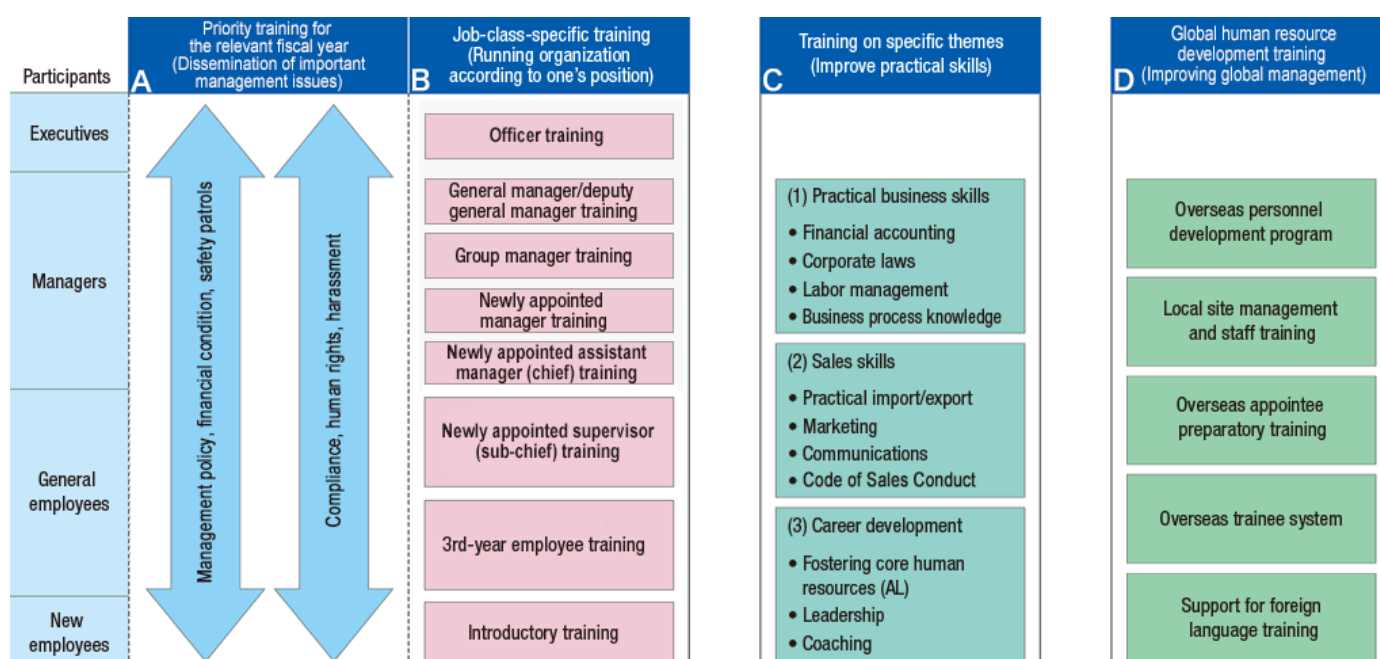
* Years of service, average annual salary, and average age are non-consolidated figures.

Commitment to Human Resource Development

In-house training system

Our in-house training system consists of the following four training:

- A) "Priority training for the relevant fiscal year" (Dissemination of important management issues);
- B) "Hierarchical training" (Organization management according to one's position);
- C) "Training on specific themes" (Improving practical skills); and
- D) "Global human resource development training."



We provide hierarchical training, which must be received on a position basis by all employees from executives to new employees, as well as thematic training, which aims to have trainees obtain specific knowledge and skills required in each section, and global human resource development training. In addition, we position Corporate Principles and Business Policy, management policies and business conditions, safety patrols, compliance, human rights and harassment (including CSR) as priority training subjects and incorporate them into the curriculum of the training programs.

Training hours per employee

	FY2021	FY2022
Overall	6,831h	6,511h
Per employee*	8.7h	8.49h

* Calculated based on training organized by the Human Resources & General Affairs Department (h) and the number of non-consolidated employees (persons)

Sales ability improvement training

This training is intended to improve sales-related skills, such as business negotiations with customers, in our young employees. Processes ranging from company explanation to product PR and closing are taught through talks from guest lecturers and role-playing, which allows employees not only to improve their sales skills, but also become able to build good relationships with customers.

Training for Overseas Personnel Development

This training was started in fiscal 2016. It is a program to learn the knowledge and practical skills required for working overseas, including lectures on business skills required for working overseas, case studies of problems, lectures by employees who have worked overseas, and training on communicating in English. It aims to motivate employees to work overseas through their participation in the training by giving them a high degree of confidence that they are expected to play an active role overseas, as well as showing them matters to be considered in practical life and work. A total of 66 employees from five groups have participated in the training, and nearly half of them, 30 employees, have been posted overseas.

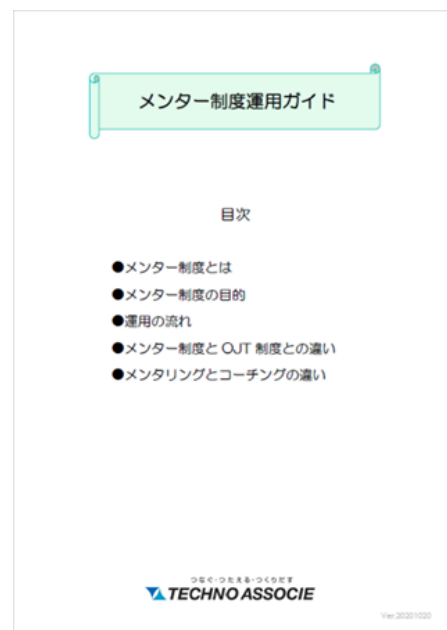
OJT trainer training

This training is provided to senior employees (on-the-job training (OJT) staff) in departments to which new employees are assigned, with the aim of improving the education level on the site. Through lectures and group work, trainees learn instruction methods such as coaching, teaching and counseling, as well as the basics of management. The curriculum is designed to encourage senior employees to grow while also nurturing junior employees in the workplace.

Mentor program

Techno Associe has introduced a program to support new employees (mentees). A senior employee, in principle outside of the mentee's assigned department, serves as a mentor to provide one-on-one support to the mentee for one year from the time of main assignment of the mentee in the fiscal year in which the mentee joins the company.

Workplace on-the-job training (OJT) staff (senior employees), supervisors, mentors, and the Human Resources Department that coordinates these efforts all work together to ensure that new employees can make a smooth start to their professional lives, which goes a long way toward improving employee retention. Additionally, by aiming to improve the communication and basic management skills of the senior employees who serve as mentors for new employees, it can also promote the growth of both parties, which will in turn revitalize the workplace.



New employee training

This training is designed to help new employees learn about our company and switch their awareness and way of thinking from that of a student to that of a working adult. Starting with three weeks of initial training that starts on their first day at our company, new employees will learn everything ranging from business skills to basic practical knowledge over a period of roughly four and a half months, which ultimately deepens their awareness of their current situation and allows them to set future goals for their thoughts and actions. During this period, there are also programs such as logistics operations training at our warehouses and technical training at our factories (manufacturing training), which allow employees to learn about our business processes by experiencing them first-hand. In this way, our training gets new employees ready for their first assignments by preparing them with knowledge from a variety of perspectives.

Systems to Promote a Work-Life Balance

We have promoted the introduction of systems that allow each employee to work with peace of mind. As a measure to prevent the spread of COVID-19, we have implemented telecommuting and allowed employees to take "special leave" for vaccinations and their side effects, so that employees who wish to get vaccinated can do so quickly and without concern.

In April 2023, we introduced a "transfer deferment system" which allowed employees to be exempted from being transferred for a certain period of time. As part of our consideration for the stability of our employees' lifestyles and family circumstances, we will continue to review and evaluate our systems flexibly and promptly in accordance with the changing times and in response to emergency situations when necessary.

Proper management of working hours

At Techno Associe, labor and management work hand in hand to ensure appropriate working hours with the aim of supporting employee health and creating a workplace where they can work without concern. To that end, we use an attendance management system that has been put in place to accurately monitor and manage employee working hours. We also lay emphasis on the proper management of working hours: for example, industrial physicians interview, and check the health of, employees having worked long hours; and based on the findings, we take steps to reduce working hours, such as instructing their superiors to prevent the subordinates from working long hours. Furthermore, every year we provide supervisors with labor management training so that they can manage the working conditions of their subordinates in an accurate and appropriate manner.

Actual annual working hours per regular employee

	FY2020	FY2021	FY2022
Employees (general employees)	1,760	1,772	1,734
Employees (supervisors)	1,754	1,754	1,745

[Calculation formula] Total annual actual working hours = Annual scheduled working hours + Annual unplanned working hours - Annual paid leave accrual - Other leave accrual

Number of regular employees who worked more than a certain number of hours in excess of the statutory limit (FY2022)

	0 times	1 time	2 times	3 times	4 times	5 times	6 times or more
Regular employees who have completed 45 hours per month (person)	231	9	2	2	1	1	0

Regular employees who annually worked more than 360 hours in excess of the statutory limit (FY2022)

	person
Regular employees who annually worked more than 360 hours in excess of the statutory limit (person)	13

Commitment Related to Working Hours

Since fiscal 2017, we have improved our system in which employees facing family circumstances, such as childcare or caregiving, and employees who experience chronic overtime work as a result of work related to overseas base operations and time zone differences can realize a more efficient and reasonable work schedule.

In the meantime, the average overtime in fiscal 2022 was 8.25 hours/month. While the length is returning to the level before the COVID-19 pandemic, it continues to be below the overtime of 12.80 hours/month in fiscal 2017.

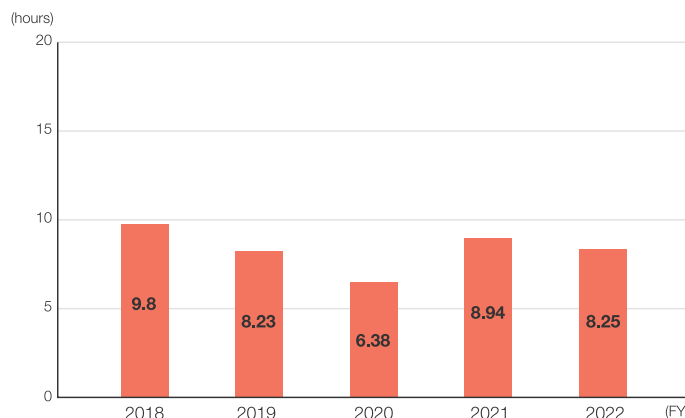
- **Flex-time system:**

As of fiscal 2022, the system has been revised to allow for more flexible and autonomous work styles by increasing the number of flex-time working hour patterns from 10 to 13.

- **Reduced hours system for childcare:**

Employees with a child or children in third-grade or younger can use this system by submitting applications therefor to the company.

■ Per-capita average overtime/month



Commitment Related to Leave Privileges

In order to maintain a comfortable work environment, employees must be able to take a leave of absence with peace of mind to refresh his or her mind and body.

We have also been expanding our leave system program since fiscal 2016, and our annual paid leave utilization rate has steadily increased.

- **Personally planned annual leave ("My Day-off Plan" annual leave)**

A system that allows employees to make plans to take five days of the annual paid leave granted each fiscal year on the dates of their choice

- **Accumulated leave**

A system that allows expired paid leave to be used for childcare, caregiving, and nursing care (as well as non-occupational injury and illness, etc.)

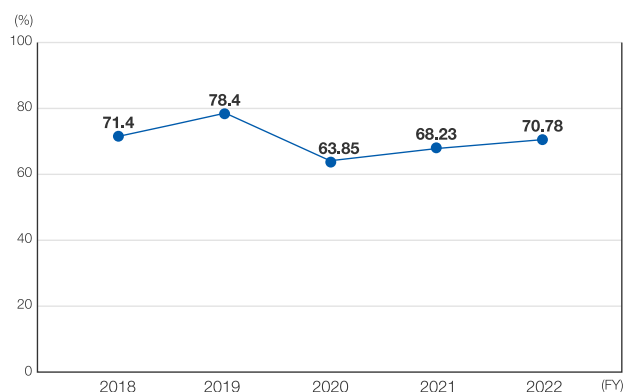
- **Hourly paid leave system**

A system allowing employees to take paid leave in one-hour increments (up to five days per year) was introduced in April 2022.

- **Volunteer leave**

In April 2023, a system was newly established to allow employees to take paid leave for the purpose of engaging in activities that contribute to society and local communities in addition to regular paid leave.

■ Per-capita average rate of taking paid holidays



■ The use of the childcare leave support system

	Scope	FY2022
The use of the childcare leave support system (person)	Male	2
	Female	23
	Total	25

Communication with Employees

In the Group, we respect the freedom of association and the right to collective bargaining based on the laws and regulations of each country, and labor-management consultations about working conditions, welfare benefits, etc. are held on an equal footing. From fiscal 2021 to 2022, we conducted roundtable talks at our domestic sites and individual interviews with young employees to obtain a diverse range of candid opinions. The general manager of our Human Resources & General Affairs Department then confirms all the content of the hearings, and if necessary, we take measures to resolve issues that arose in order to promote the revitalization of workplaces.

Respect for Human Rights

Techno Associe Group Human Rights Policy

Techno Associe's universal basic policy is to conduct fair business activities under high corporate ethics based on our basic spirit of Business Policy, Corporate Principles, and Charter of Corporate Behavior. We recognize that all of our business activities must be conducted based on the premise of respect for human rights as we continue to develop together with the global society, and we will continue to promote initiatives to respect human rights throughout the Group to fulfill our responsibilities.

➤ [Techno Associe Group Human Rights Policy \(PDF:231KB\)](#) 

Human Rights Due Diligence

Based on the "Techno Associe Group Human Rights Policy", we conduct human rights due diligence throughout the Techno Associe Group and are carrying out further efforts to promote respect for human rights within the Group. In fiscal 2022, our primary focus was on "child labor, forced labor, and migrant labor", and we took steps to correct risks identified through a survey we conducted, in accordance with international standards on respect for human rights.

➤ [Initiatives in fiscal 2022 \(PDF:267KB\)](#) 

Human Rights Education and Training

Techno Associe carries out human rights education with the goal of creating a corporate culture in which diversity is valued and employees have respect for each other's human rights. As part of the effort, we engage in continuous education and awareness-raising on the relationship between corporate activities and human rights through various in-house training programs (including e-learning). Issues such as race, gender (including sexual minorities such as LGBT), religion, nationality, sexual harassment and abuse of authority are dealt with in the programs to strengthen the literacy of employees and teach how to respond when harassment actually occurs or is reported.

Implementation of Fair Recruitment

Techno Associe hires people in a fair and equitable manner to offer a variety of career opportunities, regardless of race, ethnicity, nationality, religion, age, gender, gender identity, sexual orientation, disability, etc. Recruiters participate in new appointment and basic training for staff in charge of promoting fair screening for recruitment and human rights enlightenment sponsored by Osaka Prefecture and incorporate what they have learned in their recruitment activities.

Basically, we are working on the premise that (1) we give opportunities to applicants widely and (2) we do not recruit employees based on anything other than the abilities and suitability of the applicants.

Preventing Harassment

Techno Associe considers sexual harassment and abuse of authority serious infringements on human rights, and is committed to controlling their occurrences and providing prompt and appropriate solutions through in-house newsletters, hierarchical and promotional compliance training and e-learning. As part of management level training, harassment training has been implemented continuously.

Human Support Contact

Techno Associe has established the "Human Support Contact" from the perspective of protecting human rights of employees, and worked to make it known to employees as well as appropriately solve issues. We have set up human support counselors at all of our domestic sites and hold training sessions every year at the area and organizational level to raise skills of employees in charge of the contacts and to enhance cooperation with the HR & Administration Department, an administrative office, in order to develop a system to allow employees to easily seek advice. Harassment Counselors Training was conducted where counselors learned how to prevent harassment from occurring by appropriately engaging with others, the importance of communication based on mutual understanding, and appropriate responses when receiving harassment consultation through role-playing as counselors. This training enables them to utilize what they have learned when they actually respond to consultations.

Basic Philosophy on Safety

Like compliance, safety is one of the core issues of operations at Techno Associe.

All those in a management position in the company follow the creed of 'safety above all else.' They strive to implement occupational safety and health activities with the understanding that safety is critical to all work processes, upholding slogans and adhering to the Occupational Safety and Health Policy and Occupational Safety and Health Regulations.

Occupational Safety and Health Policy

Employees' occupational safety and health constitutes the basis for a company's existence and a company has a social obligation to guarantee such safety and health. At Techno Associe and its partner companies, we respect each individual employee and put their safety and health at the core of our occupational safety and health philosophy. To put this philosophy into action, we implement the following policies.

1. Continuously improve occupational safety and health in company work processes and in the workplace environment, and build a healthy, productive workplace free of work-related accidents.
2. Comply with legal stipulations of laws related to environmental safety and health, as well as with in-house regulations, standards, and rules.
Provide education and drills to all employees (including those of partner companies) in order to boost their sensitivity to and knowledge of occupational safety and health.
3. This occupational safety and health policy will be periodically revised to ensure its effectiveness and its compliance with laws.

Occupational Safety and Health Slogan

Boost workplace occupational safety and health
through resolve and action

Examples of Activities to Raise Awareness of Occupational Safety and Health

(1) Safety patrols by top management

Every year during the National Safety Week in July, the company director in charge of safety and health gives a talk on safety in order to raise employees' safety awareness. Directors also conduct annual work site inspections, with improvements made on items pointed out during the inspections in an effort to prevent accidents and create a more comfortable work environment.

(2) Enhancing education

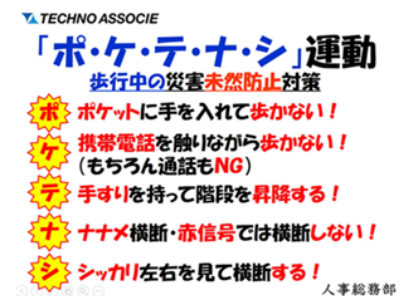
All new employees and mid-career employees receive safety and health training at the time of joining the company to enhance their awareness of safety. While a common type of accidents in our company was those involving property damage during work (company cars and forklifts), with regard to company cars, the number of such accidents has substantially declined recently as a result of providing annual e-learning training on safe driving to all drivers among our employees and organizing safe driving practical training at driving schools for young employees who are inexperienced drivers to help them improve their driving skills.

We have also taken continuous initiatives related to forklifts, such as regular lectures given by instructors from forklift manufacturers and improvement activities in warehouses, and the number of relevant accidents has significantly decreased as well.

All of our bases and affiliates in Japan take health-related initiatives including the activities of the Safety and Health Committee and health education by industrial physicians in an effort to raise awareness of health across the Techno Associe Group.

(3) Preventing accidents while walking

Even in offices and other workplaces where there is nothing in their surroundings that causes serious occupational accidents, trips and falls on steps or other objects may result in unexpected injuries and accidents. In light of that, since 2018 we have been running a walking accident prevention campaign in an endeavor to raise employee awareness by reminding them of dos and don'ts while walking—namely, do not put hands in pockets, do not use a phone, hold handrails on stairs, do not jaywalk, and look both ways before crossing.



(4) Safety and health initiatives at warehouses

Warehouses are workplaces that demand special attention to safety and health. To ensure the safety and health of employees working at warehouses and help create a better working environment, we have established Occupational Safety and Health Guidelines pursuant to our Occupational Safety and Health Regulations.

These guidelines primarily cover management structures, roles, education, guidance, and measures to be taken when injuries and other accidents occur, placing particular emphasis on the prevention of (i) heatstroke, (ii) backache, (iii) wounds from knives and other sharp objects, and (vi) trips and falls. Specific measures taken to prevent heatstroke include the installation of a clock with a wet bulb globe temperature (WBGT) monitor at each warehouse to alert workers of heat levels, taking breaks at appropriate intervals, replacing regular work clothes with those with excellent breathability and quick-drying properties, and providing neck cooling devices, air-conditioned clothing with fans, oral rehydration solutions, salt candy, etc. We are also working to prevent workers from suffering backache by supplying back belts, power-assisted suits and other tools. Thus, we are committed to reducing risks and preventing accidents.

For workers using machinery and other equipment, we have developed a safety management manual for each machinery and operation, which workers are required to comply with to work safely.

To familiarize workers with these initiatives, we continue endeavoring to raise safety awareness and improve working methods and environments by pursuing activities to enhance warehouse safety levels.

(5) Health management initiatives

To enhance and support employee health, we undertake the initiatives outlined below.

① Regular checkups

All employees must undergo regular health checkups in Japan. In particular, employees aged 40 or older are required to undergo comprehensive health checkups to examine more items in detail. Tumor marker tests, gynecological exams (cervical and breast cancer screening), etc. are also added to the test items to help detect lifestyle and other diseases at an early stage. If regular checkups detected potential problems in employees, we urge them to undergo a thorough checkup in collaboration with industrial physicians. In that way, we seek to make a regular checkup the opportunity for employees to look after their own physical health and start treatment early, rather than a once and done event. At our bases engaged in organic solvents and other operations that statutorily obligate the employer to conduct special checkups, we provide such checkups as required by the law.

② Health management education

Educational sessions by industrial physicians are provided during monthly Health and Safety Committee meetings. In conjunction with this event, we are taking measures to maintain and promote the health of our employees by giving them opportunities to learn about health management, covering topics such as preventing heatstroke, influenza, and other infectious diseases, pollen allergies, and more.

(6) Commitment to mental healthcare

Thinking that it is important for each one of our employees to recognize his or her stress levels (i.e., self-care) and for workplace supervisors to take appropriate action for mental health (i.e., line care), we are committed to the following:

① About self-care

Mental health checks are conducted every year and all employees can use the services including those of domestic affiliates, and an "external counseling contact for mental health" that all employees and their families can use at any time has been established to promote self-care.

② About line care

Emphasis is also placed on the line care of each workplace, and training is provided for supervisors. Workplaces with good ventilation so that people do not get sick have been created and action is being taken in conjunction with personnel managers and industrial physicians.

(7) FY2022 Occupational Accident Data (Non-consolidated)

Indicator	FY2021	FY2022
Frequency rate of work-related injuries ^{*1}	2.12	2.01
Severity rate of work-related injuries ^{*2}	0.00	0.00

^{*1} Frequency of work-related injuries and fatalities per 1 million total working hours

^{*2} The number of days lost due to work-related injuries per 1000 total working hours

Techno Associe Group Social Contribution Policy

The Techno Associe Group will not only contribute broadly to society by providing products, technologies, and services that are useful to society through its business activities but also actively engage in social contribution activities as a member of society for the realization of a better society in accordance with the "Corporate Principles," "Business Policy," and "Charter of Corporate Behavior."

Community Service Activities in Japan

In fiscal 2021, we, as part of community service activities, support and make donations through various organizations as shown in the following table.

■ Community Service and Support in Fiscal 2022

Charity activity	Number of times	Amount
Support for Sports, Culture and the Arts	3	1,810,000 yen
Support for Environmental Conservation	1	1,000,000 yen
Support for Regional Activation	3	12,040,000 yen
Support for Response to Humanitarian Crises	2	613,000 yen

Donation Activities for Developing Countries

Techno Associe's head office proudly supports the efforts of TABLE FOR TWO International, a specified non-profit organization that has been donating funds to cover the costs of providing school lunches in developing countries (Uganda, Rwanda, Ethiopia, Kenya, Tanzania, Philippines) since 2019. In this program, 20 yen (enough to pay for one school lunch) is donated for every healthy menu item sold in employee cafeterias. However, since our employee cafeteria is relatively small, our employees came to a general consensus to donate 20 yen for every meal eaten at the cafeteria. In fiscal 2022, donations from Techno Associe were enough to provide approximately 5,500 school lunches (more than 110,000 yen).



Support for Environment/Nature Protection Organization

National Land Afforestation Promotion Organization [Green Fund]

For the protection of biodiversity and ecosystems, we make donations to the National Land Afforestation Promotion Organization's "[Green Fund](#)." Through this donation, we are cooperating in the development and growth of healthy forests and helping to curb global warming.



Corporate Governance

Basic Concept

Under our Corporate Principles and Business Policy, Techno Associe has an unwavering commitment to contributing to society through fair business practices. We have also formulated the Charter of Corporate Behavior as a set of basic rules for earning the trust and confidence of society.

Guided by a shared awareness of these principles, we have established a framework for decision-making that ensures sound management as well as legal, appropriate, and efficient execution of business. We are also strengthening our system for monitoring and revising the aforementioned framework in an effort to raise corporate value.

Fully aware of our mission in society as a corporate entity, we will contribute to the sustainable development of society. We will do so through ongoing initiatives aimed at protecting the environment and reducing the environmental burden of our business activities.

Basic Concept

Techno Associe sees compliance as "meeting society's expectations." For us compliance goes beyond complying with laws and regulations; we are aware of society's expectations of our company and expect all employees to have the mindset to meet those expectations. In order to continue to be a scandal-free group, we expect every single employee to act with honesty and integrity, and carry out initiatives to strengthen compliance throughout the entire Group to ensure that we comply with laws and regulations and fulfill our ethical responsibilities.

Compliance Promotion System (Risk Management System)

Techno Associe's Risk Management and Compliance Committee ("RC Committee") handles risk and compliance matters across the Group. It carries out activities such as analyzing risks, discussing preventative measures, and issuing directions on specific measures to prevent the recurrence of risks.

Whistleblower (Hotline) System

The Group provides internal and external points of contact for whistleblowing in each country to receive information on illegal acts, violations of laws, etc. We have formulated whistleblower system regulations to protect the confidentiality of those who report or consult and prevent them from being treated unfavorably.

Whistleblowing cases in FY2022: 2

Compliance Training

As an initiative to enhance compliance, we provide compliance training as a priority training program for each of the positions, which are new employees, general office work positions, managerial positions and managers, in Japan.

Initiatives for Anti-corruption

In order to maintain and strengthen our relationship of trust with business partners through fair business practices, we put utmost effort into activities to prevent corruption (bribery, illicit payoffs, and conflicts of interest) and competition law violations (influence peddling, dumping, price fixing, unfair trade practices, and unfair restraint of trade), and ensure that everyone in the Group is aware of these activities. We have also issued Techno Associe Group CSR Procurement Guidelines for business partners to promote fair business practices with our suppliers, who are our business partners, and grow together with our stakeholders.

Basic Philosophy on and Measures for Eliminating Antisocial Forces

In our Charter of Corporate Behavior, we clearly state a basic policy to stand decisively against anti-social forces that threaten the order and safety of society.

Our HR & Administration Department works to gather information from relevant government organizations and other sources, has established an antisocial forces elimination system in collaboration with other relevant departments in the company, and ensures that employees are aware of such information through efforts such as providing internal training courses.

Risk Management

Basic Concept

Business and Other Risks and Crisis Management

With regard to various risks that may affect our business, Risk Management and Compliance Committee plays a central role in risk management and other activities, and basic principles are established, risks are identified, systems to appropriately manage risks are maintained, and measures against risks are considered. For example, we prepared risk check sheets for each major site in East and Southeast Asia. These activities are supervised by Risk Management and Compliance Committee and the divisions in charge in accordance with their respective manuals and policies. Corporate Auditors and the Internal Auditing Department monitor the risk management status of Techno Associe and its subsidiaries. In particular, in the event of the emergence of a serious risk, a task force shall be established to construct a framework for minimizing loss and damage.

Risk Management System (Compliance Promotion System)

Techno Associe's Risk Management and Compliance Committee ("RC Committee") handles risk and compliance matters across the Group. It carries out activities such as analyzing risks, discussing preventative measures, and issuing directions on specific measures to prevent the recurrence of risks.

Actions Against Natural Disasters

In response to the risk of natural disasters, we have formulated disaster response guidelines based on the basic policies of ensuring safety of human life, stable supply of products and services, compliance, and corporate social responsibility.

The guidelines stipulate the establishment of disaster response headquarters in the event of a major disaster, and in the event of an earthquake with a seismic intensity of 5 or higher, the safety confirmation system automatically sends emails to employees at the seismic center to confirm the safety of themselves and their families as well as damages to their residences. Disaster drills are also conducted on a regular basis, based on disaster scenarios according to the risk of crisis occurrence at each site. At the head office in fiscal 2022, drills consisted of four parts: 1) roll call, 2) tsunami evacuation, 3) reporting, initial firefighting, and evacuation guidance, and 4) evacuation in the scenario of a large-scale earthquake and fire. Furthermore, lifesaving training that includes CPR and the use of AEDs (Automated External Defibrillators) is held, the results of the training and reports from each site are verified, and the guidelines are reviewed.

In preparation for the occurrence of natural disasters, we stockpile emergency supplies, including food for three days per person, at all bases and regularly update them. We have also deployed emergency storage batteries as backup power sources that allow printers used in operation to operate at our headquarters, and emergency magnesium-air batteries, primarily for charging smartphones, at each of our sites as a countermeasure in the event of a power outage.



Disaster prevention training

Information Security

In order to ensure information security, Techno Associe has established Basic Rules for Information Security that are commonly applied throughout the entire company and govern its business activities. Based on these Rules, each division or department has a set of procedures on the handling of confidential information according to the unique nature of its business in order to implement meticulous information control.

Information security measures include reinforced security measures for computers, servers, and networks to prevent information leaking from within the company and unauthorized access from outside. All laptop hard disks are encrypted as well, to prevent leakage of confidential information in the event that one gets lost or stolen.

In the telework environment that has been introduced with the spread of COVID-19, VPN and multifactor authentication have been implemented to ensure security against unauthorized access during remote operations. As well, company data can only be copied onto encrypted USB memory devices provided by the company. We also work to boost employees' awareness of information security by providing e-learning courses on information security on a regular basis, as well as training that simulates targeted e-mail attacks.

Secure Export Control

In accordance with the Foreign Exchange and Foreign Trade Act and other laws and regulations, we have established "Secure Export Control Rules" which the Foreign Trade Administration Office follows as it takes the lead in promoting secure export control. All personnel involved in cargo exports and technical assistance are required to participate in e-learning courses related to security export control, and for employees whose work is closely related to importing and exporting, a separate training course is held on assessing the applicability of export laws.