

Priority Issues (Reconfigured to incorporate Vision 2030)

In 2016, we identified a number of issues to address through our business activities, which we refer to as the "Priority issues (Materiality) for the Aichi Steel Group," and we have continued working on those issues since then. To actively drive ESG management in response to changes in the social environment, we have reconfigured those previous priority issues to incorporate Vision 2030. In line with the expanded priority issues, we will work to further enhance our efforts and address these social issues on a global scale.

Vision 2030 Company of Choice Globally

Previous priority issues

- 1 Increase compliance awareness globally, and strengthen corporate sustainability
- 2 Encourage the creation of workplaces that are safe and comfortable for all employees
- 3 Provide highly competitive products that are safe and secure and offer new value globally
- 4 Strengthen relationships with local communities, and actively contribute to society
- 5 Strengthen initiatives toward manufacturing in harmony with the global environment
- 6 Establish a solid financial foundation to support stable and sustainable growth



Reconfigured priority issues ★ Items enhanced due to Vision 2030

| Priority issues | Components | Key performance indicators (KPIs) | Applicable section |
|---|--|---|--|
| 1 Contribute to a sustainable global environment | ★ Environmental responsibility | Volume of direct and indirect landfill waste | (Volume of direct and indirect landfill waste) |
| | ★ CO ₂ emission reductions | Breakdown of energy use (CO ₂ emissions) | (Total CO ₂ emissions) |
| | ★ Harmony with nature | Status of efforts to preserve biodiversity (number of Nakashinden indicator species, number of volunteer activities, etc.) | (Harmony with nature) |
| 2 Encourage the creation of workplaces that are safe and comfortable to improve employee happiness | ★ Safe and reassuring work environments | Status of facilities improvements based on safety evaluations, status of safety measures and efforts to strengthen safety awareness, and frequency of lost time accidents | (Frequency rate and number of lost time accidents) |
| | ★ Work-life balance enhancement | Assistance and programs for supporting diverse work styles, and their status of use | (Initiatives toward diversity) |
| | ★ Autonomous human resources production | Status of efforts to improve employee productivity | (Human resources development) |
| 3 Create a prosperous society through business reform and provide extremely competitive products | ★ Existing business reform | Initiative status and growth strategies of each Company | (A New Organizational Structure) |
| | ★ Development of business in new fields | | |
| | ★ Shift from manufacturing to building value-added service systems | | |
| 4 Strengthen relationships with local communities, and actively contribute to society | Presence in the local community | Status of social contribution activities selected under in-house criteria (number of participants; clear compilation standards based on fixed-point observation) | (Annual number of volunteers) |
| | Local communities | Status of local community development programs (plans and achievements against those plans) | (Interaction with the local community) |
| | Quality-improvement initiatives | Status of quality improvement efforts (number of recognitions received and description) | (Awards for Group companies) |
| 5 Increase compliance awareness globally, and strengthen corporate sustainability | Compliance (environment) | Results of environmental management system audit | (Environmental audit results) |
| | Compliance (society) | Status of various efforts to strengthen compliance (number of lectures and internal audits; held as a percentage of those planned) | (Compliance promotion activities) |
| | Compliance (product responsibility) | Certification and review by a third-party organization | (Third-party certifications) |
| 6 Establish a solid financial foundation to support stable and sustainable growth | Financial performance | Profitability (operating profit, ROE, etc.) | (Financial information for fiscal 2019) |
| | | Soundness, capital efficiency (Net worth, capital equity ratio, etc.) | |