

Tokai Rika Group's Materiality

After identifying risks and opportunities for materiality, goals (KPIs) are set and policies are managed.

	Materiality	Ideal situation	Risks	Opportunities	Initiatives for FY 2021	Goals (KPIs) for FY 2022	Related SDGs
Solving problems through business	Product development that solves social issues	Development stance to grasp global social issues and seek contributions	• Decline in competitiveness	• Value creation beyond the framework of existing businesses	<ul style="list-style-type: none"> • Launch of SaaS-type product "FREEKEY company-car reservation" service • Development of products that transcend the boundaries of existing areas, such as upcycled products 	• Digitalkey business: ARR (order basis) 126 million yen	
	Customer safety and quality assurance	Provision of safe and secure products and services to customers (end users, automobile manufacturers, and service providers)	<ul style="list-style-type: none"> • Damage to customers • Loss of customer trust 	• Gain of customer trust	<ul style="list-style-type: none"> • Securing the quality that achieves the No. 1 position in the industry • Provision of customer satisfaction with new services • Reinforcement of foundations to support "Tokai Rika quality" 	<ul style="list-style-type: none"> • Sold vehicles dealt with: 0 cases • Defects at delivery (regulations and functions): 0 cases 	
	Promotion of information security	Appropriate management of information assets to prevent confidentiality leakage, falsification of information, and discontinuance of services	• Decreased reputation	• New customer development	<ul style="list-style-type: none"> • Implementation of targeted email training • Development and consideration of subsidiaries' C-SIRT organizational structure 	• Security incidents affecting the supply chain: 0 cases	
Basic activities that support business	Health and safety	Achievement of physical and mental health of all employees (including indirect employment)	<ul style="list-style-type: none"> • Decrease of employee motivation • Difficulty in securing human resources 	• Fostering and securing excellent human resources	• Promotion of health management	<ul style="list-style-type: none"> • Promotion of lifestyle improvement activities • Promotion of mental health activities • Continuous acquisition of "White 500" 	
	Human resource development	Provision of the education that employees need or desire, on an equal basis	• Depletion of human resources who will lead the next generation	• Sustainable growth	<ul style="list-style-type: none"> • Implementation of individual human resource development based on the "cycle of active participation and growth" using career design sheets and 2-way communication sheets 	<ul style="list-style-type: none"> • Implementation of problem-solving training • Implementation of line manager training 	
	Diversity	Prohibition of all discrimination based on age, gender, disability, race, ethnicity, origin, religion, etc. and co-operation that recognizes others	• Uniform thinking and judgment	• Promotion of innovation	<ul style="list-style-type: none"> • Announcement of "Diversity Declaration" • Establishment of "Diversity Promotion Dept." • Activities to promote understanding of diversity (lectures held) • Highest rank of "Eruboshi" certification (third stage) 	<ul style="list-style-type: none"> • Creation of a workplace where everyone can play an active role regardless of age or gender • Promotion of women's active participation • Encouraging male employees to take childcare leave • Systematization of measures for seniors • Development of a physical environment that takes into account disabilities 	
	Response to climate change	Achievement of carbon neutrality	<ul style="list-style-type: none"> • Increase of natural disasters • Increase of energy costs 	• Contribution to solving global warming problems	<ul style="list-style-type: none"> • Energy-saving improvement in production equipment through subcommittee activities • Introduction of renewable energy • Improvement of transportation efficiency by reviewing routes 	<ul style="list-style-type: none"> • Energy CO₂ emissions: 112,806 t-CO₂ or less (consolidated) 45,846 t-CO₂ or less (unconsolidated) • Renewable energy rate: 8.3% or more (to whole power consumption) • Transport CO₂ emissions: 2,927 t-CO₂ or less 	
	Prevention of environmental pollution	Continuation of zero environmental abnormalities and complaints	<ul style="list-style-type: none"> • Production suspension due to law violation • Loss of trust due to pollution 	• Improvement of reliability from the local community	<ul style="list-style-type: none"> • Enhancement and promotion of environmental management system • Environmental risk reduction activities 	• Environmental abnormalities and complaints: 0 cases	
	Sustainable resource use	Building of a circular economy through effective use of resources	• Increase of costs for resource procurement and waste disposal	<ul style="list-style-type: none"> • Building of a sustainable production system • Increase to added value of products by using ecofriendly materials 	<ul style="list-style-type: none"> • Waste reduction activities through 3R activities • Activities to reduce packing materials by reviewing packing methods • Use of recycled water (semiconductors, plating processes) 	<ul style="list-style-type: none"> • Waste materials base unit: 0.37 t / million pieces • Packaging and wrapping materials base unit: 0.555 t / 100 million yen • Effective use of water resources according to the water conditions in each region 	
	Initiatives for biodiversity	Realization of a community where people and nature coexist	• Destabilization of procurement of natural resources	• Improving the corporate image by contributing to the local community	<ul style="list-style-type: none"> • Satoyama and wetland preservation activities in collaboration with the local community • Global tree-planting activities 	• Biodiversity preservation activities at each plant that contribute to the local community	
	Corporate governance	Building of a non-self-righteous organization that respects the opinions of stakeholders as much as possible through a CSR system that functions as a management system	• Difficulty in financing	• Increase of market value	<ul style="list-style-type: none"> • Preparation of a skill matrix for officers • Evaluation of the effectiveness of the board of directors 	<ul style="list-style-type: none"> • Formulation of a mid-term management plan after deciding on important management matters and the direction of business for the future at the board of directors meetings • Periodic reporting of effectiveness at the board of directors meetings 	
	Restructuring the company-wide CSR system		• Activities with uncertain priorities and directions	• Contribution to the sustainability of society	• Reflection and implementation of materiality in company policy		
	Anti-corruption	Preventing various forms of bribery in consideration of employee safety	• Participation in misuse of power and position	• Promotion of sound public-private and private-private exchanges	• Education for preventing bribery (education before overseas assignment)	<ul style="list-style-type: none"> • Establishment of prohibited items based on relevant laws, and regulations and guidelines for response • Narrowing down of countries with high risk and formulating activity policies 	
	Anti-competitive behavior	Prevention of recurrence throughout the company	• Promotion of unhealthy markets	• Establishment of a fair free competitive market	• Antitrust Law education	• Efforts to keep past examples from fading	
	Permeation of CSR into the supply chain	Prevention of indirect human rights violations	• Assistance for indirect antisocial behavior	• Raising the level of CSR in society	<ul style="list-style-type: none"> • Formulation of supplier CSR guidelines (published on website) • Activities to spread CSR among suppliers through supplier meetings 	<ul style="list-style-type: none"> • Implementation of grasping the current situation using the CSR checklist • Deep understanding of the content of the human rights due diligence (DD) part ⇒ Revision of CSR guidelines for suppliers 	