

# Practice of Value Creation – Contributing to the SDGs

## azbil Group's Value Creation and Approach to Realizing the SDGs

The azbil Group shares the value of sustainability with society by working with stakeholders to promote activities that contribute to the SDGs.

This leads to our sustained growth and increased corporate value.

### azbil Group's Approach to the SDGs

Since the UN adopted the SDGs in 2015, the azbil Group has used them as a compass to guide its business activities. Since then, we have engaged in SDG initiatives to achieve sustained

growth and contribute “in series” to a sustainable society. We established the Essential Goals of azbil Group for SDGs in 2019, positioning the period through FY2030 as a Decade of Action and stepping up our efforts, driven by the Corporate Sustainability Headquarters set up in 2020.

### The Steps azbil Group is Taking to Achieve the SDGs

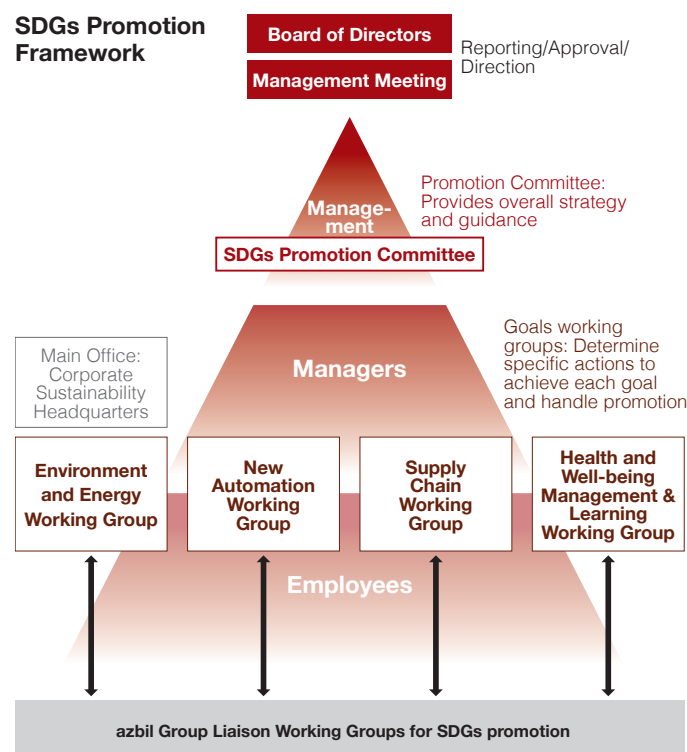


\* Essential goals: I-IV goals listed on the right page. For each goal detailed qualitative and quantitative targets have been established.

### SDGs Promotion Framework

The azbil Group's Corporate Sustainability Headquarters functions as the main office for running the SDGs Promotion Committee, which utilizes the PDCA cycle to step up the initiatives to achieve the Essential Goals of azbil Group for SDGs in FY2030. The Corporate Sustainability Headquarters formulates, executes, and evaluates plans relating to the SDGs, based on the discussions of the SDGs Promotion Committee, and reports on progress to the Board of Directors.

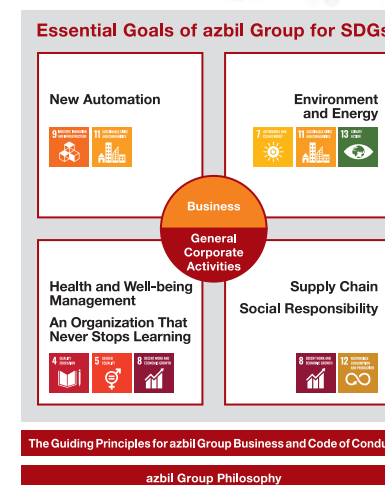
Four working groups with different themes have been set up under the umbrella of the SDGs Promotion Committee. These working groups are liaising closely through the azbil Group CSR Promotion Committee, which has a cross-organizational function, with bodies such as the azbil Group Technology Committee, as well as guiding issue resolution and SDG realization efforts on a Group-wide basis. For example, in collaboration with the Human Resources Department and Azbil Academy, a specialized organization dedicated to personnel development, the working groups are promoting greater awareness of the SDGs throughout the Group and focusing on education and training activities that will encourage proactive participation on the part of every employee. At the same time, by working closely with the Corporate Communication Task Force, the working groups are promoting SDG initiatives and disseminating ESG information that responds to the demands of society.



### Essential Goals of azbil Group for SDGs

The essential goals of azbil Group for SDGs consist of targets relevant to achieving the four essential goals. We established new targets for the essential goals.

By ensuring that all of our employees understand the goals and communicate further with our stakeholders during the course of our activities, we can collaborate with our customers, business partners, and local communities to accelerate cooperative creation aimed at solving societal problems and contribute to sustained growth for society as a whole.



### SDG Goals and Key Initiatives

Essential Goals		Targets	SDGs
I	<b>Business</b>		
	Preserving the Earth's environment and solving energy-related problems through cooperative creation	<b>Environment and Energy</b> <b>Solutions for energy (toward a decarbonized society)</b> <ul style="list-style-type: none"> <li>Effective reduction of CO<sub>2</sub> at customers' sites 3.4 million metric tons of CO<sub>2</sub>/year</li> <li>55% reduction*1 in GHG*2 emissions from our business activities</li> <li>20% reduction*3 in GHG emissions across the entire supply chain</li> </ul> <b>Environmental preservation (realization of Integrated Environmental Corporate Management*4)</b> <ul style="list-style-type: none"> <li>Creation and provision of eco-friendly products and services</li> <li>Effective use of natural resources*5 and reduction of waste generation – design all new products to be 100% recyclable*6</li> </ul>	7, 11, 13
II	Realizing a safe and comfortable society through new automation	<b>New Automation</b> <b>Providing productivity and higher value that lead to customers' peace of mind and comfort</b> <ul style="list-style-type: none"> <li>Through autonomy of manufacturing and operations, the azbil Group will improve the quality of customers' living, production, and other shared spaces, and create new value</li> <li>Realization of a smart society through technological innovation</li> <li>Providing solutions based on new ideas</li> </ul>	9, 11
III	<b>General Corporate Activities</b>		
	Fulfilling our responsibilities to society across our supply chain and contributing to local communities	<b>Supply Chain Social Responsibility</b> <b>Fulfilling social responsibilities with customers and partners</b> <p>(Expansion of azbil CSR activities to share value)</p> <ul style="list-style-type: none"> <li>Working with our business partners on achieving SDGs as a common goal and creating shared CSR value across the supply chain</li> </ul> <b>Inigorating local communities</b> <p>(Contributions around azbil Group bases)</p> <ul style="list-style-type: none"> <li>Social contribution activities rooted in local communities are run at all our business sites,*7 with active participation by every employee *8</li> </ul>	8, 12
IV	Strengthening our foundations to solve societal problems through health and well-being management and continuous learning	<b>Health and Well-being Management</b> <b>An Organization That Never Stops Learning</b> <b>Implementing health and well-being management (job satisfaction, health, diversity &amp; inclusion)</b> <p>(Creating workplaces that allow flexible work styles and a reduction in total work hours, maintaining and promoting employees' mental and physical health, and creating opportunities for diverse personnel to demonstrate their abilities)</p> <ul style="list-style-type: none"> <li>65% or more employees expressed satisfaction with working at azbil Group companies</li> <li>Double women's advancement points*9 by 2024 (versus 2017)</li> </ul> <b>Developing and strengthening "an organization that never stops learning"</b> <p>(Expanding opportunities for continuing education of globally active employees and opportunities to learn with stakeholders)</p> <ul style="list-style-type: none"> <li>65% or more employees have experienced personal growth over the past year</li> <li>Double training opportunity points*10 by 2024 (versus 2012)</li> </ul>	4, 5, 8

\*1 Base year: 2017

\*2 Greenhouse gases (i.e. CO<sub>2</sub>)

\*3 Base year: 2017

\*4 Management that integrates environmental activity such as decarbonization, resource circulation, and biodiversity conservation into business operations.

\*5 A general term for material and energy found in nature that can be used in daily human lives and that exists naturally and can be used for people's daily lives and in production activities

\*6 Best available technology (BAT) refers to the most effective technology that is both economically and technologically viable.

\*7 All offices both in Japan and overseas

\*8 The azbil Group aims to participate in activities of a scale that can accommodate the total number of employees.

\*9 Points tallied internally, with weight given based on the role, such as company executive, officer, and manager

\*10 Points tallied internally for participating in opportunities (frequency or number of employees) to learn with stakeholders

Essential Goal I Environment and Energy



**Preserving the Earth’s Environment and Solving Energy-Related Problems through Cooperative Creation**  
Solving global environmental problems is a prerequisite for achieving a sustainable society, and it is one of the key issues of the SDGs. The azbil Group recognizes that responding to

climate change is a priority, and we have set solutions for energy toward a decarbonized society and realizing environment-integrated management as our targets to achieve the SDGs. (Reference: Environmental Initiatives on pp. 67-70)

Solutions for Energy (Toward a Decarbonized Society)

**Further Effective Reduction of CO<sub>2</sub> at Customers’ Sites**  
We offer products, services, and solutions that help our customers reduce CO<sub>2</sub> emissions at their sites.

We strive to reduce society’s environmental impacts by providing automation equipment and systems for process optimization and stabilization, energy management, and other solutions to achieve a reduction in energy use and CO<sub>2</sub> emissions by way of maintenance and services on those equipment and systems after delivery. We help to reduce environmental impacts throughout our customer’s product life cycles.

The total annual effective reduction of CO<sub>2</sub> at customers’ sites for the FY2020 was 2.94 million metric tons.<sup>\*1</sup> <sup>\*2</sup> This corresponds to approximately 1/400 of the total CO<sub>2</sub> emitted in Japan each year (approx. 1.2 billion metric tons). The reduction in CO<sub>2</sub> is 0.07 million metric tons less than the

reduction of 3.01 million metric tons achieved in the FY2019, but this is because of business changes caused by the COVID-19 pandemic and a lower CO<sub>2</sub> emission factor for electric power due to the increased adoption of renewable energy sources. By FY2030, we aim to increase this effective reduction to 3.40 million metric tons of CO<sub>2</sub>. We have included overseas customer sites in these estimates since FY2014 in line with our global business expansion.

**Fiscal Year 2030 Targets**

The target of effective CO<sub>2</sub> reduction at customers’ sites

**3.40 million metric tons of CO<sub>2</sub>/year**

**web** Please visit the link below for more information.  
(Contribution to the Environment: [https://www.azbil.com/csr/basic/environment/core\\_business\\_activities/contribution/contribution-to-the-environment/index.html](https://www.azbil.com/csr/basic/environment/core_business_activities/contribution/contribution-to-the-environment/index.html))

<sup>\*1</sup> In order to assess the contribution to the reduction of environmental impact quantitatively, the effects were classified into the three categories of 1) effects from automation, 2) effects from energy management, and 3) effects from maintenance services. Global reduction impact is partially based on original methods.  
<sup>\*2</sup> A third party reviewed the estimation method.

Automation effects

Utilizing our measurement and control technologies, we contribute to reducing environmental impact with our advanced control solutions that deliver stability and optimization of automatic control systems and process equipment for buildings.



**2.69 million metric tons of CO<sub>2</sub> / year**

Energy management effects

We have reduced environmental impact, taking advantage of our energy management solution, to lower electricity consumption, energy consumption, and CO<sub>2</sub> emissions.



**0.21 million metric tons of CO<sub>2</sub> / year**

Maintenance and services effects

We have reduced environmental impact by providing the high value-added services of the azbil Group, taking advantage of the knowledge and expertise acquired at customers’ sites.



**0.04 million metric tons of CO<sub>2</sub> / year**

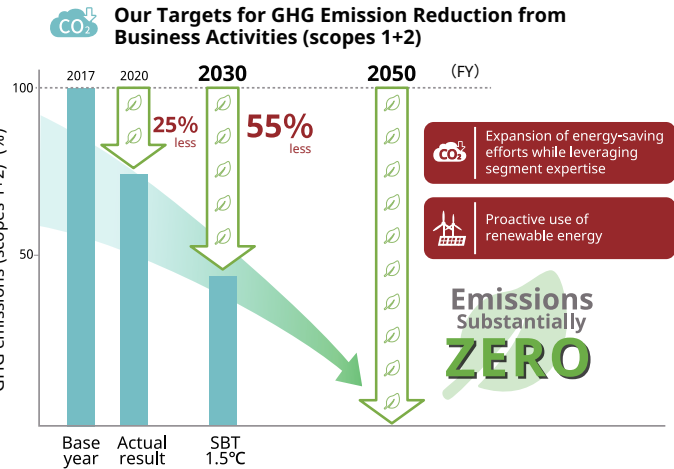
Total effective reduction of CO<sub>2</sub> at customers’ sites (FY2020)

**2.94 million metric tons of CO<sub>2</sub> / year**

GHG Emissions Reduction Target for Business Activities Reapproved by the SBT Initiative for Its 1.5°C Target

We have formulated our 2050 Long-term Vision for Reducing GHG Emissions, which lays out our goal to achieve substantially zero GHG emissions (scopes<sup>\*1</sup> 1+2) from our own business activities by 2050, and we propose to achieve carbon-neutral operations.

Moves are now being made to rapidly decarbonize all aspects of society, prompting us to update our target for reducing GHG emissions through business activities to a 55% reduction (from a 2017 base year), up from the 30% reduction (from a 2013 base year<sup>\*2</sup>) approved in 2019 by the Science Based Targets initiatives (SBTi)<sup>\*3</sup> for our goal of keeping the global temperature increase below 2°C compared with pre-industrial revolution levels (2°C target). This new target was reapproved as a 1.5°C target by the SBTi in August 2021.



Fiscal Year 2030 Targets<sup>\*4</sup>

**GHG emissions from business activities (scopes 1+2)**  
**55% reduction**  
(Ref: 2017 base year; reapproved August 2021<sup>\*5</sup>)

**GHG emissions throughout the entire supply chain (scope 3)**  
**20% reduction**  
(Ref: 2017 base year; approved May 2019)

<sup>\*1</sup> The SBTi divides targets into three categories, or scopes.  
Scope 1: Direct GHG emissions from a business (from fuel burning, industrial processes, etc.)  
Scope 2: Indirect GHG emissions from using electricity, heat, or steam provided by another business.  
Scope 3: Indirect GHG emissions related to business activities (indirect emissions not included in scopes 1 and 2)  
<sup>\*2</sup> The targets officially approved by the SBT initiative refer to base years and target years as fiscal years. As such, all years stated above are fiscal years.  
<sup>\*3</sup> An organization jointly established by the CDP (a coalition of institutional investors that promotes disclosure of information regarding corporate measures taken to address climate change), the UN Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), in order to achieve the GHG reduction targets delineated above. The SBTi is an international initiative that certifies company targets for reduced CO<sub>2</sub> emissions as being consistent with scientific evidence. The 1.5°C target is aimed at keeping the rise in global average temperatures due to climate change to no more than 1.5°C compared with pre-industrial revolution levels.  
<sup>\*4</sup> The targets approved by the SBTi are as follows: Azbil Corporation commits to reduce absolute scope 1 and 2 GHG emissions 55% by FY2030 from a FY2017 base year. Azbil Corporation also commits to reduce absolute Scope 3 GHG emissions 20% within the same timeframe.  
<sup>\*5</sup> In an azbil press release dated May 14, 2021, the revised target of a 60% reduction in GHG emissions was for a 2013 base year. An application was submitted to certify the SBTi’s goal of 1.5°C, and based on the reduction amount, the target was officially reapproved as a 55% reduction from a 2017 base year, which matches the base year for scope 3.

Environmental Preservation (Realization of Integrated Environmental Corporate Management<sup>\*1</sup>)

Effective Use of Natural Resources<sup>\*2</sup> and Reduction in the Amount of Waste

As well as creating and supplying more eco-friendly products and services, we are also helping to promote the 3Rs (reduce, reuse, recycle) through more environmentally conscious design during new product development.

In FY2020, we set a new guideline to “design all new products to be 100% recyclable.” We are working on designs that can be appropriately disassembled/separated and recycled when a customer disposes of the product, within the scope of the BAT.

Fiscal Year 2030 Targets

**Design all new products to be**  
**100% recyclable**

<sup>\*1</sup> Management that comprehensively incorporates a wide range of environmental activities including decarbonization, resource circulation, and biodiversity conservation into business operations.  
<sup>\*2</sup> Refers to a general term for substances and energy that exist naturally and can be used for human life and production activities.



TCFD  
– Initiative to Understand and Disclose Climate Change Impacts

In November 2019, the azbil Group endorsed the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)\*<sup>1</sup> to gain an accurate understanding of the impact of climate change on business activities and disclose that impact. After this announcement, we summarized azbil Group governance, opportunities, and risks connected to climate change as shown in the table below. Current evalua-

tions of each of our businesses’ opportunities and risks, based on a scenario where global temperatures are rising, indicate that the opportunities for business activities that contribute to reducing CO<sub>2</sub> greatly outweigh the risks.  
In line with the instructions by TCFD, we will continue to disclose the impact of climate change on the management of the Group.



Item	Initiative Details																								
Governance	The azbil Group recognizes that climate change is one of the top priorities in practicing the Group philosophy, and a cross-group task force led by designated officers was formed to deliberate in Management Meetings from the perspective of business and financial impacts under supervision of the Board of Directors.																								
Strategy	<p>The azbil Group promotes reducing the environmental impact of our business activities and harnessing the technologies and expertise accumulated through those initiatives. We contribute to the environment through our core businesses by utilizing our measurement and control technologies to help customers solve their environmental issues, which will lead to the realization of a sustainable society.</p> <p><b>(A) Disclosure of opportunities and risks</b></p> <p><b>If the temperature rise is controlled (the scenario assuming a rise of between 1.5°C and 2°C)*<sup>2</sup></b></p> <table><tr><th></th><th>Building Automation business</th><th>Advanced Automation business</th><th>Life Automation business</th></tr><tr><td>Opportunity</td><td>Expanding demand for energy-savings solutions and services that meet global needs</td><td>Increased demand for solutions, and sensors and other measurement instruments designed for new industries</td><td>Increased SMAaS business for gas meters using IoT technologies</td></tr><tr><td>Risk</td><td colspan="3">• Increased development costs for products and services to meet new regulations • Increased production and procurement costs due to rising energy prices • Reduced customer investment from increased burden due to introduction of carbon taxes and other costs</td></tr></table> <p><b>If temperature rise continues (the scenario assuming a rise of approximately 4°C) *<sup>3</sup></b></p> <table><tr><th></th><th>Building Automation business</th><th>Advanced Automation business</th><th>Life Automation business</th></tr><tr><td>Opportunity</td><td>Increased demand for products, services, and solutions that enable buildings to adapt to climate-related disaster</td><td>Increased demand for products, services, and solutions that offer anomaly prediction function</td><td>Increased demand for products, services, and solutions adapted to handle climate-related disasters</td></tr><tr><td>Risk</td><td colspan="3">• Operational stoppages due to abnormal weather events, inability to provide products, services, and solutions • Large reduction in customer investment due to business instability caused by abnormal weather</td></tr></table> <p><b>(B) Impact of opportunities and risks on azbil Group financial plans, and countermeasures</b></p> <ul style="list-style-type: none"><li>At this stage, we recognize that there are more opportunities than risks, as reduction of CO<sub>2</sub> emissions significantly outweighs CO<sub>2</sub> emissions from azbil Group business activities.</li></ul> <div><div><p>Main opportunity factors</p><p>Expansion of opportunities for the azbil Group's products, services, and solutions</p><ul style="list-style-type: none"><li>Expansion of CO<sub>2</sub> reduction benefits (Target: 3.40 million tons / 2030)</li><li>Expansion of corporate needs due to stricter regulations (decarbonization and energy conservation laws)</li><li>Increase in the VPP market to promote ZEBs, etc.</li></ul></div><div>&gt;</div><div><p>Main risk factors</p><p>Increase in physical risk due to increase in CO<sub>2</sub> emissions from business activities and natural disasters</p><ul style="list-style-type: none"><li>CO<sub>2</sub> emissions from business activities (diminishing based on SBT target)</li><li>Risk of shutdown due to abnormal weather, etc.</li></ul></div></div> <ul style="list-style-type: none"><li>We are actively investing in R&amp;D and equipment to accelerate new products' and services' development and their launch onto the market, to enable the azbil Group to contribute to a sustainable society.</li><li>The azbil Group is also working to decentralize the production network to reduce the risk of concentration.</li></ul>		Building Automation business	Advanced Automation business	Life Automation business	Opportunity	Expanding demand for energy-savings solutions and services that meet global needs	Increased demand for solutions, and sensors and other measurement instruments designed for new industries	Increased SMAaS business for gas meters using IoT technologies	Risk	• Increased development costs for products and services to meet new regulations • Increased production and procurement costs due to rising energy prices • Reduced customer investment from increased burden due to introduction of carbon taxes and other costs				Building Automation business	Advanced Automation business	Life Automation business	Opportunity	Increased demand for products, services, and solutions that enable buildings to adapt to climate-related disaster	Increased demand for products, services, and solutions that offer anomaly prediction function	Increased demand for products, services, and solutions adapted to handle climate-related disasters	Risk	• Operational stoppages due to abnormal weather events, inability to provide products, services, and solutions • Large reduction in customer investment due to business instability caused by abnormal weather		
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	Risk Management	The azbil Group comprehensively works to identify risks that may have a significant impact on operations, including those connected to climate change. (1) After risks are extracted and analyzed by the Comprehensive Risk Subcommittee, consisting mainly of the department managers, (2) the Comprehensive Risk Committee, headed by the executive officer in charge of risk management, identifies "risks deemed important to the azbil Group" for deliberation and decision-making by the Board of Directors. Once the risks are identified, the Company works to reduce the various types of risk by proposing countermeasures at the Management Meeting and other forums and reporting on the implementation status of measures as necessary to the Board of Directors.																							
	Indicators and Goals	<p>We promote efforts to combat climate change through our business activities which contribute "in series" to the achievement of a sustainable society, by considering indicators and goals that take into account all azbil Group customers, the Group itself, and its entire supply chain.</p> <ul style="list-style-type: none"><li>Target setting for reduced GHG (CO<sub>2</sub>) emissions at customer sites</li><li>Implementation of the 2050 Long-term Vision for Reducing GHG Emissions, which lays out our goal to achieve substantially zero emissions by 2050 by reducing GHG emissions (scopes 1+2) within our own companies</li><li>Formulation of (SBT certified) emission reduction targets for 2030 to reduce GHG emissions throughout the supply chain and help achieve the Long-Term Vision</li></ul>																							

\*1 The task force and corresponding framework designed to promote disclosure of the impact of climate change, comprised of central banks and financial institutions from the world’s leading countries. It requires the disclosure of the potential impact of climate change on business operations in the context of at least two potential scenarios.  
\*2 This scenario assumes that temperature rise is contained within a sustainable range due to the implementation of stricter regulations and the introduction of technological innovations aimed at a decarbonized society.  
\*3 This scenario assumes that no effective measures to reduce CO<sub>2</sub> emissions are implemented, resulting in continued temperature rise and an increase in abnormal weather and natural disasters.

Essential Goal II  
New Automation



Realizing a Safe and Comfortable Society with New Automation

Our customers’ business environments have undergone rapid change due to the COVID-19 pandemic and accelerating DX. As a result, the azbil Group has reviewed the social significance of automation in this new era and redefined the goal of new automation in the new medium-term plan (FY2021–2024) as: technology that, through autonomy\* of manufacturing and operations, will improve the quality of customers’ living, production, and other shared spaces and create new value.

By providing new solutions based on the concept of autonomy, the azbil Group will solve various societal problems.

\* Automation is achieved through the four stages of: (1) monitoring; (2) control; (3) optimization; and (4) autonomy. Autonomy occurs at the highest level, and autonomous systems enable minimum human intervention and reduce problems caused by human error or equipment malfunctions. We also highlight New Automation as a technology that can help to solve a range of societal problems that have emerged in recent years, including resolving manpower shortages at worksites, reducing psychological burdens, promoting work-style reform, minimizing economic losses, maximizing energy efficiency, reducing industrial waste, and preventing accidents and disasters.

Providing Productivity and Higher Value That Lead to Customers’ Peace of Mind and Comfort

Autonomous Systems in Production Spaces

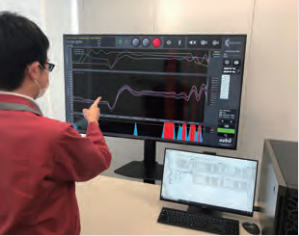
The autonomous systems built by the azbil Group independently devise the most logical and efficient action plan for the assigned production target (production volume), and then execute the tasks optimally through coordination between existing automation equipment and control software. During this process, the autonomous system foresees malfunctions

(e.g., quality defects, equipment failure); devises revised production conditions or maintenance commands and other workarounds as needed; and works to minimize production costs, waste volumes, and CO<sub>2</sub> emissions. With the autonomous system actively repeating this sort of cycle, it is possible to reduce human intervention and achieve productivity on a completely different scale than before.

Development Example 1

Online Anomaly Detection System

Our online anomaly monitoring system utilizes big data from operations of production equipment at factories and plants for AI-driven learning. The system provides real-time monitoring of quality, equipment, utilities, and environmental load and detects minute changes that are warning signs of future problems. The system is currently installed at over 50 sites for manufacturing and power generation customers and is operating over 5,000 AI models. These systems have also contributed to promoting remote operations during the COVID-19 pandemic and cultivating technical skills at the production sites, as well as to reducing manpower.



AI detects signs of anomalies from minute changes in environmental variables

Development Example 2

Automatic Optimization Scheduling System

The system can satisfy production, inventory, and delivery capacity constraints; minimize costs and lead times; and rapidly devise automated plans. At a chemical plant, the system achieved a 95% reduction in the time required for instruction planning. The system can devise highly accurate production plans while managing various events each time they occur during manufacturing (including quality issues, equipment malfunctions, and last-minute orders). The system also reduces the psychological burden on employees at the production site caused by time constraints.



Automatically create a production plan suited to the situation

Essential Goal III

Supply Chain, Social Responsibility

8

SDG 8: DECENT WORK AND ECONOMIC GROWTH

12

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

**Fulfilling Our Responsibilities to Society across Our Supply Chain and Contributing to Local Communities**  
One of the Guiding Principles is our desire to build long-term partnerships with stakeholders. For the supply chain, we act in line with our Group philosophy and Guiding Principles, understanding and complying with all laws and regulations and expanding worldwide in an equitable way with due consideration given to human rights and the environment. For our initiatives, we are working to implement corporate social responsibility

(CSR) throughout the supply chain by helping our business partners to understand our philosophy, principles, and the efforts we undertake.  
Regarding our contributions to communities and societies where we operate, we engage in a wide range of initiatives, from grassroots efforts undertaken voluntarily by employees to offering donations to areas affected by the disasters.  
(Reference: CSR Procurement on page 72)

Fulfilling Social Responsibility with Customers and Business Partners

**Sharing CSR Values across the Supply Chain**  
To fulfill our social responsibility across the supply chain, in 2021, the azbil Group reviewed and amended our Essential Goals of azbil Group for SDGs and developed original indicators in 10 major areas (see table at right), drawing on evaluations of ESG by the FTSE and other external institutions. We plan to share these indicators with our business partners and to implement CSR activities that the azbil Group is known for — ones that utilize the knowledge the Group has built up over many years in such areas as environment, quality, compliance, and health and well-being management.  
We will evaluate the direction, framework, initiatives, and effectiveness of these activities using a four-tiered system to review independent achievement levels. We will also collect the results of customer questionnaires. Through this scheme that includes the four-tiered evaluation and the review, we aim

to promote ongoing collaboration and improvements with our business partners, as well as solutions to environmental and societal issues and other types of shared CSR value in the supply chain.

Main category	Sub-category
Environmental supply chain	Climate change Pollution & resources Water security & water risk Biodiversity Environmental management
Social supply chain	Labor practices Health and safety Human rights Communities (regional society) Quality & customers

Please visit the link below for more information about our initiatives.

web <https://www.azbil.com/csr/index.html>

**Aims**  
We aim to achieve a sense of solidarity and accomplishment as the azbil Group by establishing a corporate culture that helps individual employees to plan and implement solutions to societal problems and achieve ongoing personal growth, and to participate in initiatives that bring individual employees together with various stakeholders.

**Key themes**

- Areas involving the global environment
- Areas involving people (particularly fostering the next generation)

Invigorating Local Communities

**Implementing Community-Based Social Contribution Activities across All Offices**  
In conjunction with the revisions to the Essential Goals for the SDGs, the azbil Group has also formulated the “aims” and “key themes” for the initiatives being run under the essential goal of “Implementing community-based social contribution activities across all the azbil Group’s offices with each employee actively participating.” In addition, to facilitate the practice of continuous and systematic activities, the Social Contribution Promotion Office was established in April 2021. Our aim is to contribute “in series” to the achievement of a sustainable society, by training every employee to tackle social problems in Japan and overseas with a focus on issues such as preservation of the global environment and how we foster the next generation.

Essential Goal IV

Health and Well-being Management, An Organization That Never Stops Learning

4

QUALITY

5

DECENT

8

DECENT WORK AND ECONOMIC GROWTH

**Strengthening Our Foundation to Solve Societal Problems through Health and Well-being Management and Continuous Learning**  
Another of the azbil Group’s essential goals for the SDGs is to strengthen its foundation to solve societal problems through health and well-being management and continuous learning. We are developing various measures based on feedback from

employee satisfaction survey and are running a range of different human resource development programs to promote job satisfaction and personal growth in employees from diverse backgrounds, while also motivating staff to engage in business activities that contribute “in series” to a sustainable society.  
(Reference: HR Initiatives: Achieving Human Capital Management on page 73)

Implementing Health and Well-being Management (Job Satisfaction, Health, Diversity and Inclusion) Developing and Strengthening an Organization That Never Stops Learning

**Implementing Health and Well-being Management That Revolves around Work Style Reform and Diversity and Inclusion**  
In 2019, we announced the azbil Group “Health and Well-being Declaration,” which revolves around work style reform and diversity. To make workplaces and employees healthy, happy, and lively, we are focusing on measures to improve job satisfaction for our employees and to promote greater diversity in the workforce so that women and other diverse human resources can play an active role.  
The employee satisfaction survey conducted every year has demonstrated that for job satisfaction, there is a strong correlation between “the value of own work” and “trust and appraisal from supervisor.” We are therefore providing coaching & leadership training for employees in managerial roles across the azbil Group to improve subordinate recognition and motivational capabilities as well as organizational energy. We have changed the focus of our programs from the previous concept of “turning minus into zero” (measures on health and safety, and work-life balance) to “turning zero into plus” (measures to promote self-efficacy and organizational energy), which may help increase employee job satisfaction even further.

**Developing Human Resources as an Organization That Never Stops Learning**  
An organization that never stops learning can respond flexibly to changes in the business environment and promote operational reforms through the creation of new business and new ways of working, so that each employee grows autonomously to become a globally engaged human resource.  
To continuously develop such human resources, the azbil Group is adding to its existing training programs by expanding opportunities to learn with stakeholders, including technical training with distributors, partner companies, and customers, as well as site tours for local community members. We also offer employee training that allows employees to experience personal growth through diligent study.  
To encourage career development through various experiences provided at work and foster employees’ personal growth, the azbil Group has defined two indicators of progress: a point system to log educational opportunities, and the ratio of employees who experienced personal growth over the past year. These benchmarks guide our activities as an organization that never stops learning.

**Targets for FY2024 and FY2030**

**Double the points for promoting the success of women compared with 2017\*1**  
(by FY2024)

**Achieve a 65% or more\*2 ratio of employees who find satisfaction in working at the azbil Group**  
(by FY2030)

\*1 Points tallied internally with weight given based on the role, such as company executive, officer, and manager.  
\*2 Employee satisfaction survey conducted annually.

**Targets for FY2024 and FY2030**

**Double the points for educational opportunities compared with 2012\*3**  
(by FY2024)

**Achieve a 65% or more\*4 ratio of employees who experienced personal growth over the past year**  
(by FY2030)

\*3 Points tallied internally (by frequency or number of participating employees) for opportunities to learn with stakeholders at internal training, internships, and training and briefings for customers.  
\*4 Employee satisfaction survey conducted annually.

Health and well-being management overview

