

azbil ESG Databook 2022

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The azbil Group's Sustainability Management

■ Group Philosophy, Guiding Principles & Code of Conduct

“Human-centered automation,” the azbil Group philosophy, reflects the concept of “freeing people from drudgery” that informed the founding of the original company in 1906. And it is this philosophy that underpins the Group’s pursuit of new value creation through automation as it seeks, through the development of its business, to contribute to the sustainability of industry and society. This is in line with the U.N.’s Sustainable Development Goals (SDGs) that aim to achieve a sustainable society. The azbil Group has positioned the SDGs as important guideposts for management, from the perspective of contributing “in series” to the achievement of a sustainable society and sustainability. The essential goals of the azbil Group for the SDGs were established in 2020, and in 2022 we identified 10 material issues to be tackled over the long term.

1. Group Philosophy

azbil Group Philosophy

To realize safety, comfort and fulfillment in people’s lives and contribute to global environmental preservation through “human-centered automation.”
To achieve our philosophy,

- We create value together with customers at their site.
- We pursue our unique value based on the idea of “human-centered.”
- We think towards the future and act progressively.

2. Guiding Principles

Guiding Principles for azbil Group Business

— Guideposts for the azbil Group, to implement its philosophy —

In order to implement our corporate philosophy, we will take action based on the 5 Guideposts (Guiding Principles for business), aiming to serve as a *guiding bridge that interconnects our worldwide customers and leads us all into the future.*

1. Realizing a safe and comfortable social environment through *cooperative creation* by human ingenuity and technology
2. Contributing *in series* to the achievement of a sustainable society
3. Building long-term partnerships with stakeholders
4. Creating dynamic value through diverse human resources and teamwork
5. Growing constantly through innovation and a corporate culture of continual learning

We, the azbil Group, fulfill our corporate social responsibility (CSR) by respecting the Group Philosophy and Guideposts (Guiding Principles) as well as our Code of Conduct, and thereby continue to be a corporate organization that has value for society.

Full version is available here:
<https://www.azbil.com/csr/basic/compliance/business-conduct-guidelines.html>

3. Code of Conduct

azbil Group Code of Conduct		
<u>I. Compliance with the Code of Conduct</u>		
1. Duty to Report Violations and Right to be Protected from Reprisals	25. Ban on Illegal Business Transactions	
<u>II. Maintaining the aG's Public Nature and Fulfilling Social Responsibility</u>		
2. Officers' and Managers' Responsibilities	26. Check of Intended Use and End Users	
3. Observing Applicable Laws and Regulations and Their Spirit	<u>IV. Social Conduct Based on Respect for Human Dignity</u>	
4. Acting with Responsibility and Dignity as a Member of Society	27. Ban on Discrimination and Mistreatment	
5. Timely, Appropriate, and Accurate Disclosure of Information	28. Promotion of Employment and Advancement of Diverse Human Resources	
6. Maintaining Good Communication with Stakeholders	29. Ban on Harassment	
7. Appropriate Use of Social Media	30. Protection of Personal Information	
8. Ensuring Safe Product Design	31. Elimination of Child Labor and Forced Labor	
9. Providing Warning Labels and Product Safety Information	32. Nurturing Human Resources and Conducting Fair Evaluations	
10. Prompt Handling of Complaints and Appropriate Countermeasures for Non-conforming Products	33. Strict Compliance with Workplace Safety Rules	
11. Prohibition of Insider Trading	34. Observing Labor-related Rules and Managing Healthcare	
12. Rejection of Groups that Engage in Anti-social Behavior	<u>V. Management and Operation of Company Property</u>	
13. Contributing to the Local Community	35. Maintaining Accurate Records	
14. Activity That Contributes to Society	36. Proper Accounting	
<u>III. Compliance with Fair Trade and Prevention of Corruption</u>		
15. Ban on Cartels, Bid Rigging, etc.	37. Protection of Intellectual Property	
16. Ban on Exaggerated or False Labelling	38. Ban on the Use of Company Property for Non-business Purposes	
17. Ban on Bribery of Public Officials	39. Confidentiality	
18. Ban on Giving or Receiving Gifts or Entertainment Beyond the Scope of Accepted Practice	40. Handling of Confidential Information after Separation from the Company	
19. Sound and Transparent Relations with Politics and Government	41. Non-infringement of Another Company's Patent Rights	
20. Observance of International Rules and Local Laws and Regulations	42. Non-infringement of Copyright	
21. Fair and Impartial Decisions on Business Terms and Conditions	43. Appropriate Management and Use of Other Companies' Confidential Information	
22. Compliance with Fair Trade	44. Ban on Wrongful Acquisition of Confidential Information	
23. Fair Trade with Suppliers	<u>VI. Protecting the Environment</u>	
24. Ban on Sales or Intermediary Activity for Personal Profit	45. Compliance with Environmental Laws and Regulations	
	46. Proper Handling of Waste	
	47. Consideration of the Environment in Business Activities	
	48. Information Disclosure for Environmental Protection	

Full version is available here:
<https://www.azbil.com/csr/basic/compliance/business-conduct-standard.html>

■ Material Issues (Materiality) to be Tackled over the Long Term

1. Material Issues (Materiality) to be Tackled over the Long Term

Material issues	Our aim
Climate change	Help to solve environmental problems to achieve a decarbonized society
Resource recycling	Provide environmentally friendly products and services
Innovation	Seek new forms of automation to achieve a safe and comfortable society
Supply chain	Share CSR values (environment, human rights, etc.) within the supply chain
Contribute to local communities	Contribute to livable communities through community-based action
Human rights, safety, and health	Promote corporate activities based on "human-centered" values and health and well-being management
Learning and employee development	Develop a corporate culture as "an organization that never stops learning" and strengthen the foundations for education
Product safety and quality	Provide high-quality products and services that prioritize customer safety and security
Corporate governance	Continuously raise enterprise value through highly transparent management
Compliance	Fulfill our social responsibilities based on high corporate ethics

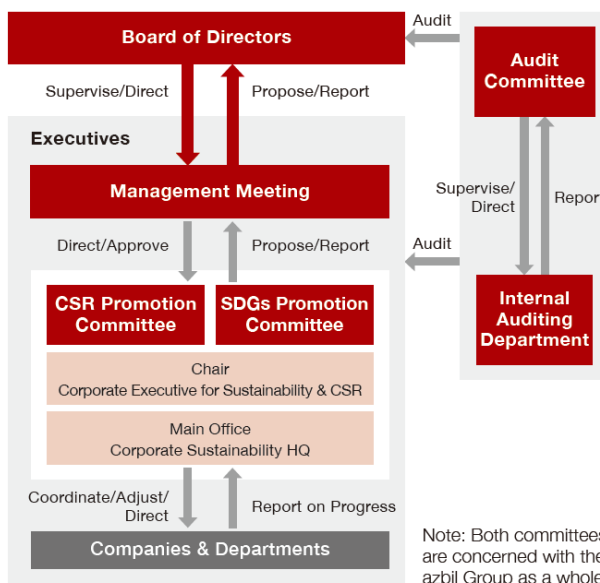
■ Sustainability Policy & System for Promoting Sustainability

1. Sustainability Policy

The azbil Group's Sustainability Policy

The azbil Group is committed to continuously enhancing enterprise value based on mutual trust with stakeholders, to realizing "safety, comfort, and fulfillment in people's lives" and contributing to global environment preservation, and to contributing "in series" to a sustainable society. These are achieved through practicing the azbil Group's philosophy of "human-centered automation" and respecting the value of contributing to society for people's well-being based on the founding spirit of "freeing people from drudgery"

2. Framework for Promoting Sustainability



3. CSR Promotion Committee

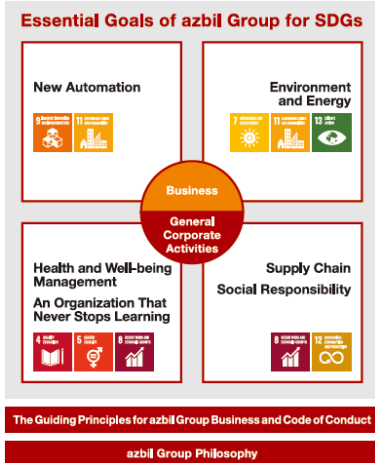
Chair	Corporate Executive for Sustainability & CSR
Participants	Staff responsible for CSR initiatives (Internal Audit Department, Corporate Planning Department, Group Management Headquarters, Human Resources Department, General Affairs Department, Legal & Intellectual Property Department, Information Systems Department, aG Quality Assurance Department, aG Safety Management Department, Environment Promotion Department, Service Headquarters, International Business Headquarters, Home Comfort Headquarters, Production Management Headquarters, BSC Quality Assurance Department, AAC Business Control Department); also managers of CSR promotion departments within each azbil Group company Audit Committee members participate as observers.
Main office	Corporate Sustainability Headquarters
Frequency of meetings/reports	The CSR Promotion Committee meets 4 times a year. These meetings are reported to the Management Meeting & Board of Directors every year.
Aim	To plan/promote the azbil Group's CSR activities
Agenda items	① Planning and formulation of CSR strategy
	② Selecting and promoting CSR initiatives, ensuring thorough departmental implementation, monitoring progress
	③ Propelling/supporting the promotion of CSR activities
	④ Communication/exchange of common CSR-related information
Topics	Thorough implementation of compliance; strengthening legal compliance; disaster prevention, BCP; preventing information leaks; response to IT system failures; strengthening group governance; correct accounting, enhanced internal controls for subsidiaries; enhancing CSR within the supply chain (procurement); creating healthy workplaces; workers' health & safety; handling product-related accidents involving customer safety; contributing to the global environment; ensuring compliance with environmental laws & regulations; contributing to society

4. SDG Promotion Committee

Chair	Corporate Executive for Sustainability & CSR
Participants	Executives & managers of sustainability-related departments, staff in charge of sustainability promotion at azbil Group companies
Main office	Corporate Sustainability Headquarters
Frequency of meetings/reports	The SDG Promotion Committee meets 6 times a year (4 times in Japan, 2 times overseas). These meetings are reported to the Management Meeting & Board of Directors every year.
Aim	To plan/promote the azbil Group's SDG initiatives
Agenda items	① Planning and promotion of SDG-related activities
	② Creating and maintaining system for promoting SDGs
	③ Setting SDG targets and monitoring progress
	④ Promoting and supporting the SDG-related activities of Group companies
	⑤ Sharing information regarding SDG-related initiatives

Key ESG Issues & SDGs

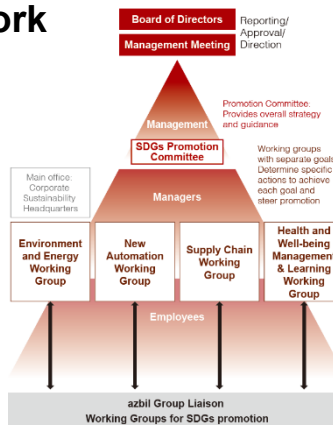
1. SDG Targets











*1 Base year: 2017 *2 Greenhouse gases (i.e. CO₂)
 *3 Base year: 2017 *4 Management that integrates environmental activities such as decarbonization, resource recycling, and biodiversity conservation into business operations. *5 This design strives to create and provide products that contribute to solving global environmental issues (through decarbonization, resource recycling, and biodiversity conservation). *6 A general term for materials 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 *7 BAT refers to the most effective technology that is both economically and technologically viable. *8 All offices, in Japan and overseas *9 The azbil Group aims to participate in activities of a scale that can accommodate the total number of employees. *10 Points tallied internally, with weight given based on the role, such as company executive, officer, and manager *11 Points tallied internally for participating in opportunities (frequency or number of employees) to learn with stakeholders

Essential goals	Targets	Progress in FY2021
Business I Preserving the Earth's environment and solving energy-related problems through cooperative creation	Solutions for energy (toward a decarbonized society) <ul style="list-style-type: none"> Effective reduction of CO₂ at customers' sites: 3.40 million metric tons of CO₂/year 55% reduction^{*1} in GHG^{*2} emissions from our business activities 20% reduction^{*3} in GHG emissions across the entire supply chain Environmental preservation (realization of Integrated Environmental Corporate Management^{*4}) <ul style="list-style-type: none"> Creation and provision of eco-friendly products and services Design all new products to meet the azbil Group's own sustainability standards^{*5} Effective use of natural resources^{*6} and reduction of waste generation Design all new products to be 100% recyclable^{*7} 	→ Total of 2.94 million metric tons of CO ₂ /year → 27% reduction compared to 2017 → 23% reduction compared to 2017 → As this is a new target, progress will be disclosed in FY2023 → Revised the definition of Best Available Technology (BAT): Built a progress management system
II Realizing a safe and comfortable society through new automation	New Automation Providing productivity and higher value that lead to our customers' peace of mind and comfort So that our customers can benefit from greater security, comfort, and a sense of achievement, we will solve the irregular issues confronting society and create new added value by promoting digitalization for production spaces, office spaces (in large buildings) as well as living spaces, and the autonomy of manufacturing and operations. <ul style="list-style-type: none"> Realizing automation that is resilient to changes in the business environment <ul style="list-style-type: none"> Prediction & diagnosis of changes in the internal business environment (e.g. equipment malfunctions, raw material quality) and autonomous decision-making and control Prediction & diagnosis of changes in the external business environment (e.g. natural disasters, impact of social conditions) and autonomous decision-making and control Realizing a stress-free work environment <ul style="list-style-type: none"> Reduction of work errors and unscheduled work through data-based work support Creation of a comfortable and energy-efficient environment that enhances labor productivity Realizing an environment conducive to diverse work styles <ul style="list-style-type: none"> Creation of optimal working environments suited to different times and locations Creation of work environments that are neutral (re. age, gender, skills, etc.) 	→ Identification of areas where we contribute to the SDGs through our targets → Realizing automation that is resilient to changes in the business environment → Realizing a stress-free work environment → Realizing an environment conducive to diverse work styles
General Corporate Activities III Fulfilling our responsibilities to society across our supply chain and contributing to local communities	Supply Chain Social Responsibility Fulfilling social responsibilities with customers and partners (Expansion of azbil CSR activities to share value) <ul style="list-style-type: none"> Working with our business partners on achieving the SDGs as a common goal and creating shared CSR value across the supply chain Invigorating local communities (Contribution around azbil Group bases) <ul style="list-style-type: none"> Social contribution activities rooted in local communities are run at all our business sites,^{*8} with active participation of every employee^{*9} 	→ Encouragement of our business partners to establish a PDCA cycle based on cooperation Revision of the azbil Group Basic Procurement Policy Explanation of the CSR Procurement Guidelines to business partners → Enhancement of social contribution system Creation of a system for employee participation Promotion of regional activities
IV Strengthening our foundation to solve societal problems through health and well-being management and continuous learning	Health and Well-being Management An Organization That Never Stops Learning Implementing health and well-being management (job satisfaction, health, diversity and inclusion) (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) <ul style="list-style-type: none"> 65% or more employees expressed satisfaction with working at azbil Group companies Double women's advancement points^{*10} by 2024 (versus 2017) Developing and strengthening "an organization that never stops learning" (Expanding opportunities for continuing education of globally active employees and opportunities to learn with stakeholders) <ul style="list-style-type: none"> 65% or more employees have experienced personal growth over the past year Double training opportunity points^{*11} by 2024 (versus 2012) 	→ 59% of employees found satisfaction in working for the azbil Group 2 percent points higher than FY2019). → 58% of employees experienced personal growth over the past year 1 percent point higher than FY2019).

2. SDG Promotion Framework



3. ESG/SDG Chart

ESG	Major ESG Topics	Main Initiatives of the azbil Group	SDG Targets	Related SDGs
E Environment	Climate change Carbon neutrality	Contribute to decarbonization at customer sites	7.3, 13.2, 13.3	       
		Reduce mid- to long-term CO ₂ emissions from business activities (scopes 1+2)	7.3, 13.2, 13.3	
		Offer energy management solutions	7.3, 13.2, 13.3	
		Greatly increase the energy efficiency of batch polymerization reactors at chemical plants around the world through control performance optimization services. Also, energy management through autonomy.	7.3	
		Promote the introduction of renewable energy with virtual power plant technology	7.2, 13.2, 13.3	
	Environmental considerations for products and services	Promote environmentally conscious design	8.4, 9.4, 12.2, 12.5	
		Promote compliance with regulations on chemical substances in products both in Japan and overseas	12.4	
	Pollution & resources	Prevent environmental pollution. Promote effective use of resources (including waste reduction). Air pollution, water pollution, hazardous waste, waste reduction, raw materials, etc.	12.2, 12.4, 12.5	
		Support waterworks infrastructure development and water resource management in developing countries, popularize remote monitoring systems for wide area water supply facilities using cloud services	6.1, 6.3, 6.4, 14.1	
	Water security & water risk	Provide a usage environment for a waterworks information utilization system (as promoted by Japan's Ministry of Economy, Trade and Industry and Ministry of Health, Labour and Welfare) to help waterworks operators achieve sustainable operations through the use of monitoring and operation services (a cyber-physical system or CPS for waterworks)	6.1	
		Respond to water withdrawal restrictions, strengthening of wastewater regulations, and natural disasters	6.4, 14.1	
		Biodiversity	14.1	
	Environmental supply chain	Help conserve ecosystems through our operations (for example, by providing equipment and other solutions for ballast water treatment systems in large ships)	15.1, 15.4	
Natural environmental conservation efforts centered on business sites		13.3		
Environmental management	Reduce mid- to long-term CO ₂ emissions across the entire supply chain (scope 3)	12.2, 12.4, 12.5		
	Promote green procurement and the management of chemical substances contained in products, reduce industrial waste	12.2, 12.4, 12.5, 13.3, 14.1		
S Society	Labor practices, health, and safety	Provide working environments for any age, gender, and skill level and prevent work errors through work support based on data from supporting work in the field	8.5	
		Promote health and well-being management (supporting new ways of working, diversity, and inclusion), recruit and develop personnel, prevent the spread of COVID-19	3.3, 4.4, 5.5, 8.5	
	Human rights	Respect fundamental human rights, work to implement the 10 principles of the UN Global Compact, recruit personnel in accordance with each country's laws and compliance regulations, eliminate harassment, promote diversity and inclusion	4.4, 4.7, 5.1, 5.2, 8.5, 8.7	
		Provide a usage environment for a waterworks information utilization system (as promoted by Japan's Ministry of Economy, Trade and Industry and Ministry of Health, Labour and Welfare) to help waterworks operators achieve sustainable operations through the use of monitoring and operation services (a cyber-physical system or CPS for waterworks)	9.1	
	Community	Sponsor community events, volunteer, and donate to organizations that contribute to society	4.4, 4.7, 5.5, 7.3, 8.5, 12.5, 13.3	
		Social supply chain	5.1, 8.5, 8.7	
	Quality & customers	Greatly increase the productivity (quality, energy efficiency, automation rate) of batch polymerization reactors operating at chemical plants around the world through control performance optimization services. Also, improve productivity through autonomous production.	9.4	
Increase both comfort (predicted mean vote, PMV) and energy savings for users of office spaces (buildings)		11.3, 12.8		
Provide products and services with high quality, long life, high safety, environmental friendliness, and long-term supply stability to meet the life-cycle needs of customers		9.4, 11.3		
G Governance	Corporate governance	Offer total solutions through an integrated system including development, production, sales, engineering, and services	9.4, 11.3, 12.2, 12.4, 12.5	
		Fortify supervisory and audit functions (by transitioning to a company with a three-committee Board structure, setting criteria to assess Board independence, etc.)	5.5	
	Risk management	Bolster management transparency and soundness (introduce a skill matrix, introduce a stock compensation system and make other changes to the remuneration system for directors and officers, etc.)	16.7	
		Clarify responsibility system and promote dialogue (in accordance with the Corporate Governance Code, the corporate communications officer, etc.)	12.6	
Compliance	Expand the comprehensive major risk management system (The azbil Group General Risk Management Committee and the azbil Group General Risk Committee), emergency and critical event management, business continuity management (disaster preparedness, disease prevention, BCP)	12.4, 13.1		
	Increase awareness of the Group philosophy, Guiding Principles, and Code of Conduct	4.7		
	Enhance compliance training, conduct and analyze the results of regular company-wide awareness surveys, improve the hotline function	4.4, 16.3, 16.5		

Active contributions to society through support of the Azbil Yamatake General Foundation



Environment

■ Policy, System & Initiatives

1. Basic Environmental Policy

azbil Group Basic Environmental Policy

The azbil Group realizes safety, comfort, and fulfillment in people’s lives and contributes to preservation of the Earth’s environment through “human-centered automation.”

Based on this philosophy, we consider preservation of the Earth’s environment as one of our most important missions. To help to achieve a sustainable society, we will be a company that applies our unique business models to proactively provide solutions for environmental problems.

To help to achieve a sustainable society,

1. We will continuously reduce the environmental impact of our own business activities.
2. We will proactively offer solutions to the environmental challenges faced by our customers and society based on our measurement and control technologies.

2. Environmental Promotion System



3. Long-term Vision for Reducing Greenhouse Gas Emissions (Greenhouse gas emission reduction targets for 2030 & 2050)

Regarding greenhouse gas emissions (scopes 1+2)*¹ associated with our own business activities, we have already launched specific initiatives. Aiming to achieve zero emissions by 2050, we have developed our long-term vision for reducing greenhouse gas emissions, and we have also established 2030 targets for reducing greenhouse gas emissions (approved as science-based targets) that span our entire supply chain.

- **2050 Long-term Vision for Reducing Greenhouse Gas Emissions**

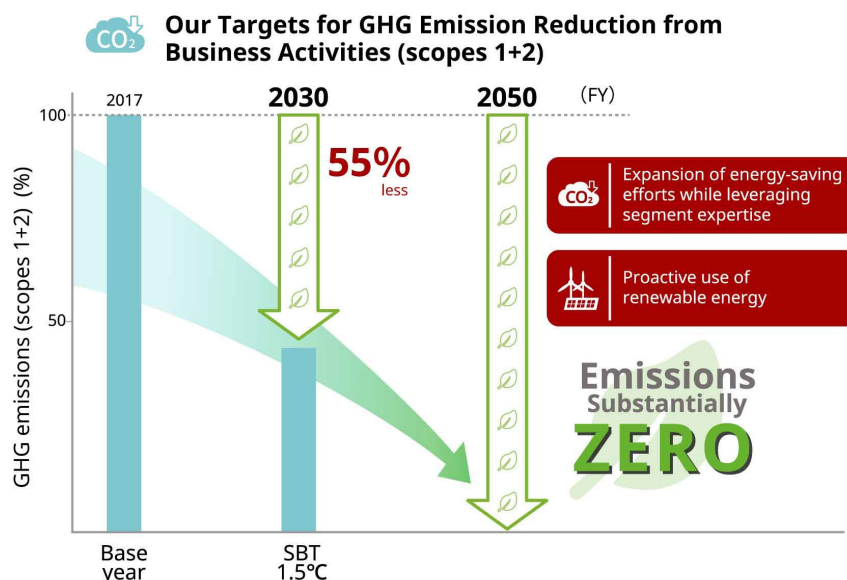
We have established our vision to aim to achieve substantially zero greenhouse gas emissions (scopes 1+2) from our business activities by 2050. We have also endorsed the “Actions by the Business Community on Long-term Global Warming Countermeasures up to 2050” proposed by the Keidanren (Japan Business Federation).

- **2030 Targets for Reducing Greenhouse Gas Emissions**

Actions are now being taken to rapidly decarbonize all aspects of society, prompting us to update our target for reducing GHG emissions through business activities from 30% to 55%. This target was reappraised as a 1.5°C target by the Science Based Targets initiative (SBTi)*² in August 2021. We will accelerate our initiatives to achieve our long-term vision.

GHG emissions (scopes 1+2) from own business activities **55% reduction (2017 base year)**

GHG emissions (scope 3*³) across our entire supply chain **20% reduction (2017 base year)**



*1 Scope 1: direct greenhouse gas (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.

*2 The Science Based Targets initiative (SBTi): An international initiative—jointly established by the CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF)—to certify that corporate CO₂ emission reduction targets are consistent with scientific evidence. The 1.5°C target is to limit the increase in global average temperature caused by climate change to no more than 1.5°C compared to pre-industrial levels.

*3 Scope 3: indirect GHG emissions related to business activities (emissions not included in scopes 1 and 2)

■ Data

1. Environmental Management

1) Environmental Education

Environmental Education Costs

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Environmental education cost	¥1,000	3,599	6,496	7,603	5,098	5,322

Included: Azbil Corporation production sites [Fujisawa Technology Center, Shonan Factory, and Isehara Factory (up to FY2019)], Azbil Taishin Co., Ltd.

No. of People in Environmental Education

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
No. of people in environmental education (aggregate)	Persons	11,184	10,798	11,078	10,978	11,104

Included: Azbil Corporation production sites [Fujisawa Technology Center, Shonan Factory, and Isehara Factory (up to FY2019)], Azbil Taishin Co., Ltd.

2) Environmental Accounting

Environmental Accounting

Category	Unit	2017 Fiscal Year		2018 Fiscal Year		2019 Fiscal Year		2020 Fiscal Year		2021 Fiscal Year		
		Invested	Expended	Invested	Expended	Invested	Expended	Invested	Expended	Invested	Expended	
Costs within business area	Pollution prevention costs	¥1 million	6.9	9.1	0.0	10.2	7.3	6.3	0.0	18.1	13.0	5.6
	Global environmental conservation costs	¥1 million	54.1	40.7	14.3	53.6	45.4	36.5	30.2	50.4	44.2	32.7
	Resource circulation costs	¥1 million	0.0	22.7	0.0	61.0	11.7	37.7	0.0	32.2	0.0	23.3
Upstream/downstream costs	¥1 million	0.0	12.0	0.0	12.0	0.0	12.0	0.0	12.0	0.0	12.0	
Administrative activity costs	¥1 million	1.8	206.0	30.6	222.7	49.0	205.9	6.5	218.9	1.4	241.9	
R&D costs	¥1 million	0.0	652.7	0.0	389.6	0.0	372.4	0.0	571.3	0.0	365.9	
Social activity costs	¥1 million	0.0	0.1	0.0	2.2	0.0	0.8	0.0	0.0	0.0	0.0	
Total*	¥1 million	62.9	943.4	44.9	751.3	113.4	671.5	36.7	902.9	58.7	681.3	

Included: Azbil Corporation production sites [Fujisawa Technology Center, Shonan Factory, and Isehara Factory (up to FY2019)], Azbil Taishin Co., Ltd.

* Each total may not equal the sum of all items above as a result of rounding.

Environmental Conservation Costs

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Environmental conservation cost	¥1 million	1,006.3	796.2	784.9	939.5	740.0

Included: Azbil Corporation production sites [Fujisawa Technology Center, Shonan Factory, and Isehara Factory (up to FY2019)], Azbil Taishin Co., Ltd.

Economic Benefit Associated with Environmental Conservation Activities

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Revenue	¥1 million	7.8	7.2	10.8	8.5	19.2
Savings from energy conservation	¥1 million	-25.9	-92.9	94.7	54.3	-43.5
Savings from reduced resource consumption (water)	¥1 million	-4.5	1.3	3.6	11.8	0.1

Included: Azbil Corporation production sites [Fujisawa Technology Center, Shonan Factory, and Isehara Factory (up to FY2019)], Azbil Taishin Co., Ltd.

3) Environmental Enlightenment Initiatives

Eco-Test

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
No. passing Eco-Test	Persons	1,741	1,815	1,849	1,862	1,873

Included: Azbil Corporation, Azbil Trading Co., Ltd., Azbil Kimmon Group, Azbil Taishin Co., Ltd., Azbil TA Co., Ltd., Azbil Kyoto Co., Ltd.

2. Climate Change

1) Effective Reduction of CO₂

Effective Reduction of CO₂ at Customers' Sites

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Through automation	10,000 metric tons of CO ₂ /year	288	269	271	269	266
Through energy management	10,000 metric tons of CO ₂ /year	28	24	25	21	23
Through maintenance/ servicing	10,000 metric tons of CO ₂ /year	12	5	5	4	5
Total	10,000 metric tons of CO ₂ /year	328	298	301	294	294

In order to quantitatively assess the contribution to the reduction of environmental impact, the effects were classified into the three categories of 1) effects from automation, 2) effects from energy management, and 3) effects from maintenance and services to theoretically estimate the difference between adopting and not adopting azbil Group products, services and solutions at customers' sites. Global reduction impact is partially based on original methods. A third party reviewed the estimation method in FY2018.

Despite the effects of a reduction in the CO₂ emission factor from electricity generation due to the increased introduction of renewable energy sources across society as a whole, the effective reduction of CO₂ remained on the same level as for FY2020 due to a growth in businesses that contribute to reducing the environmental impact.

2) CO₂ Emissions

Scope 1

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Scope 1	Metric tons of CO ₂	4,735	4,205	4,306	4,093	3,797

Included: Azbil Corporation, domestic consolidated subsidiaries, major overseas production sites [Azbil Control Instruments (Dalian) Co. Ltd., Azbil Production (Thailand) Co. Ltd., Azbil Telstar, S.L.U.]

We have received third-party verification for our CO₂ emissions figures (scope 1) for FY2017 onwards. Azbil Telstar, S.L.U. was added to this in FY2021.

Calculations are made using the emission factors in the *Guidelines for Calculating Greenhouse Gas Emissions from Businesses* (Draft ver. 1.6).

Scope 2

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Scope 2 (market-based)*1	Metric tons of CO ₂	21,516	20,870	20,068	15,975	15,249
Scope 2 (fixed)*2, *3	Metric tons of CO ₂	15,696	15,707	14,998	13,969	14,349

Included: Azbil Corporation, domestic consolidated subsidiaries, major overseas production sites [Azbil Control Instruments (Dalian) Co. Ltd., Azbil Production (Thailand) Co. Ltd., Azbil Telstar, S.L.U.]

*1: Third-party verification was obtained for FY2021 scope 2 (market-based) CO₂ emissions.

*2: We have received third-party verification for our CO₂ emissions figures (scope 2, fixed value) for FY2017 onwards. Azbil Telstar, S.L.U. was added to this in FY2021.

*3: A fixed value (0.378 kg-CO₂/kWh) is employed as the CO₂ emission factor for electrical power.

Scope 3

Category	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Purchased products and services	1,000 metric tons of CO ₂	363.5	355.1	319.1	308.2	413.2
Capital goods	1,000 metric tons of CO ₂	17.6	3.4	17.5	9.1	24.4
Fuel and energy-related activities not included in scopes 1 and 2	1,000 metric tons of CO ₂	6.8	8.1	9.2	3.6	3.9
Transportation/delivery (upstream)	1,000 metric tons of CO ₂	21.1	19.5	22.3	22.9	26.0
Waste generated from business	1,000 metric tons of CO ₂	1.1	1.7	2.1	1.8	1.8
Business travel	1,000 metric tons of CO ₂	1.5	1.5	1.5	0.6	0.7
Employee commuting	1,000 metric tons of CO ₂	3.7	5.0	5.1	2.8	3.1
Leased assets (upstream)	1,000 metric tons of CO ₂	0.0	0.0	0.0	0.0	0.0
Transportation/delivery (downstream)	1,000 metric tons of CO ₂	0.0	0.0	0.0	0.0	0.0
Processing of products sold	1,000 metric tons of CO ₂	0.0	0.0	0.0	0.0	0.0
Use of products sold	1,000 metric tons of CO ₂	689.3	571.5	459.8	355.7	364.8
Disposal of products sold	1,000 metric tons of CO ₂	1.9	1.4	1.5	1.2	9.7
Leased assets (downstream)	1,000 metric tons of CO ₂	0.0	0.0	0.0	0.0	0.0
Franchises	1,000 metric tons of CO ₂	0.0	0.0	0.0	0.0	0.0
Investments	1,000 metric tons of CO ₂	0.0	0.0	0.0	0.0	0.0
Total	1,000 metric tons of CO ₂	1,106.6	967.1	838.0	705.9	847.6

Included: Azbil Corporation, consolidated subsidiaries

Since 2018 we have obtained third-party verification of scope 3 CO₂ emissions.

3) Energy

Energy Consumption (electricity used, energy generated, renewable energy)

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Energy used	MWh	37,176	42,408	40,562	38,204	38,873
Energy generated	MWh	74	59	84	51	20
Renewable energy purchased	MWh	0	0	0	1,817	3,365
Renewable energy percentage	%	0.20	0.14	0.21	4.89	8.71

Included: Azbil Corporation, domestic consolidated subsidiaries, major overseas production sites [Azbil Control Instruments (Dalian) Co. Ltd., Azbil Production (Thailand) Co. Ltd., Azbil Telstar, S.L.U.]

3. Resource Circulation

1) Water Usage

Use of Water Resources

		Unit	Fiscal Year				
			2017	2018	2019	2020	2021
Water acquired	Urban water (tap water)	1,000m ³	141.93	136.59	127.07	104.39	107.55
	Surface water (rivers, lakes, etc.)	1,000m ³	1.18	2.74	3.66	2.15	2.47
	Groundwater	1,000m ³	0.00	0.00	0.00	0.00	0.00
	Total	1,000m ³	143.11	139.33	130.73	106.54	110.02
Wastewater	1,000m ³	143.00	139.22	130.58	106.38	109.90	
Water consumed	1,000m ³	0.11	0.11	0.15	0.16	0.12	
Recycled water	1,000m ³	14.82	4.11	3.38	0.20	0.00	
Recycled water percentage	%	10.4	3.0	2.6	0.2	0.0	

Included: Azbil Corporation, domestic consolidated subsidiaries, major overseas production sites [Azbil Control Instruments (Dalian) Co. Ltd., Azbil Production (Thailand) Co. Ltd.]

2) Waste

Waste Amounts

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Amount of water discharged	t	2,814	2,649	2,605	2,370	2,389
Amount of water recycled	t	2,789	2,640	2,583	2,354	2,360
Final disposal amount	t	25	9	21	16	29
Recycling percentage	%	99.1	99.6	99.2	99.3	98.8

Included: The domestic production sites of the following azbil Group companies: Azbil Corporation, Azbil Kyoto Co., Ltd., Azbil Taishin Co., Ltd., Azbil TA Co., Ltd., Azbil Kimmon Co., Ltd. and its consolidated subsidiaries

Disposal Ratio

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Final disposal amount ÷ Total amount of waste discharged	%	0.9	0.4	0.8	0.7	1.2

Included: The domestic production sites of the following azbil Group companies: Azbil Corporation, Azbil Kyoto Co., Ltd., Azbil Taishin Co., Ltd., Azbil TA Co., Ltd., Azbil Kimmon Co., Ltd. and its consolidated subsidiaries

4. Biodiversity

1) Environmental Conservation Activities

Events & Participation

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Environmental conservation activities	Events	6	6	5	4	5
Participants (employees, family members, etc.)	Persons	120	110	90	50	94

FY2020 & FY2021 events were held online.

5. Environmental Regulations

1) Environmental Regulation Compliance

Environmental Regulation Compliance

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Major environmental non-conformity*	No.	0	0	0	0	0
Total amount of environmental fines & penalties	¥1,000	0	0	0	0	0

Included: Azbil Corporation, domestic consolidated subsidiaries, major overseas production sites [Azbil Control Instruments (Dalian) Co. Ltd., Azbil Production (Thailand) Co. Ltd., Azbil Telstar, S.L.U.]

* Major environmental non-conformity: An environment-related fine, penalty, violation of law, or proceeding resulting in an administrative order.

2) PRTR Law*

Total Amounts Reported under PRTR Law

Substance	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Ethyl benzene	t	12.300	10.900	11.600	10.000	8.100
Xylene	t	14.140	12.680	13.280	11.370	9.460
Toluene	t	16.300	16.100	15.800	11.700	10.890

Included: Azbil Corporation (Shonan Factory), Azbil Kimmon Energy Products Co., Ltd. (Shirasawa Factory, Shirakawa Factory, Wakayama Factory)

Figures are the sum of the values reported for the above factories.

Discharge/Disposal of Materials Governed by Japan's PRTR Law

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Discharged into the atmosphere	t	42.300	39.100	38.500	31.600	27.000
Disposed of as waste	t	0.440	0.580	2.180	1.470	1.450
Total	t	42.740	39.680	40.680	33.070	28.450

Included: Azbil Corporation (Shonan Factory), Azbil Kimmon Energy Products Co., Ltd. (Shirasawa Factory, Shirakawa Factory, Wakayama Factory)

Figures are the sum of the values reported for the above factories.

* Law promoting confirmation and improved measurement and management of emissions of specified chemical substances into the environment.

- Report on materials governed by Japan's PRTR (Pollutant Release and Transfer Register) law* used in quantities of 1 ton or more by the Group.
- Azbil Corporation (Fujisawa Technology Center) and Azbil Taishin Co., Ltd., are not included as they use less than 1 ton of those substances subject to the PRTR Law.

Social

■ Policies, Initiatives

1. azbil Group Health and Well-being Declaration — Investing in and Enhancing the Value of Human Capital Based on “Human-centered” Values

Investing in and Enhancing the Value of Human Capital Based on “Human-centered” Values

Through “people-focused” management founded on the principle of “conduct based on respect for human dignity” encapsulated in the azbil Group Code of Conduct, we are working on initiatives to enhance the value of human capital to produce sustained growth in enterprise value.

- Implementing health and well-being management that revolves around work-style reforms and diversity and inclusion.
- Human resource development spearheaded by our specialized personnel training institution, Azbil Academy

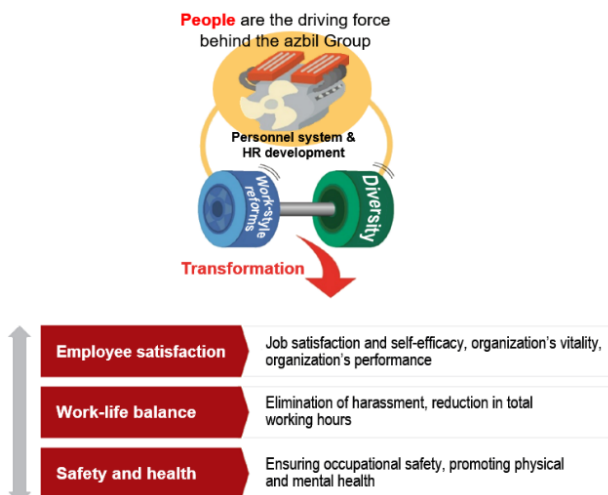
azbil Group Health and Well-being Declaration

Making workplaces and employees healthy, happy, and lively

The azbil Group believes that the health of each employee is an important basis for corporate activities, and aims to create workplaces where each and every person at an azbil Group company works in a lively, healthy, and comfortable way, with a feeling of safety and peace of mind, and in a manner that suits each person. When each person is able to express his or her diverse abilities and to live a fulfilled life both at work and at home, productivity and performance will improve, resulting in innovation and contributions to society.

We declare our intention that companies and employees proactively work together to create a comfortable work environment, to enhance the mental and physical health of employees, and to make workplaces and employees healthy, happy, and lively.

- Health and Well-being Management overview



2. Approach to Human Rights—My Declaration of Human Rights

Since its founding, the azbil Group has contributed to society for human well-being with the spirit of "freeing people from drudgery."

Each employee will respect internationally recognized human rights and act in compliance with international human rights obligations and related domestic laws and regulations, based on the social behavior of respect for human beings stipulated in the Code of Conduct.

Presented to the Ministry of Justice and the National Federation of Associations of Human Rights Volunteers

3. Health and Safety Basic Policy

Aiming to realize the azbil Group philosophy, to ensure the health and safety of everyone in the workplace as well as visitors, we have established hazard prevention standards, clarified responsibilities and, by promoting voluntary health and safety activities, we are striving to create a comfortable work environment.

azbil Group Health and Safety Basic Policy

The azbil Group contributes to global environmental preservation while bringing safety, comfort and fulfillment to people through "human-centered automation."

In keeping with this ideal, we will act to ensure a safe and healthy work environment for all azbil Group employees.

Code of Conduct

1. We will work with knowledge of and in compliance with laws and the azbil Group's standards for health and safety.
2. We will press forward with activities in line with the 5S + 1S policy (Sort, Straighten, Shine, Spotless, Self-Discipline + Smile) for better relationships with each other.
3. We will check that there are no hidden dangers in the workplace, and strive to remove or reduce risk.
4. We will set health and safety targets, implement a worker health and safety management system, and make efforts at continuous improvement.
5. We will guard our safety and health through health and safety education and training.

■ Data

1. Employees

1) General Information

No. of Employees by Gender & Age (non-consolidated)

	Category	Unit	Fiscal Year				
			2017	2018	2019	2020	2021
Overall	Male	Persons	4,174	4,124	4,199	4,172	4,141
	Female	Persons	869	1,027	1,170	1,185	1,188
	Total	Persons	5,043	5,151	5,369	5,357	5,329
	Female percentage	%	17.2	19.9	21.8	22.1	22.3
Age	Under 20s	Persons	474	486	504	536	549
	30s	Persons	751	756	851	839	868
	40s	Persons	1,964	1,818	1,691	1,499	1,336
	50s	Persons	1,833	2,053	2,274	2,429	2,516
	60s and over	Persons	21	38	49	54	60

Here the number of employees is the number of full-time employees, including employees on loan from other companies but not those on loan to other companies.

Average Age & Average Years of Service (non-consolidated)

	Category	Unit	Fiscal Year				
			2017	2018	2019	2020	2021
Average age	Male	Years	45.2	45.3	45.5	45.7	45.8
	Female	Years	44.4	45.7	45.5	45.7	45.9
	Total	Years	45.1	45.4	45.5	45.7	45.9
Average years of service	Male	Years	20.2	20.3	20.1	20.1	20.2
	Female	Years	21.7	20.7	19.7	19.8	20.0
	Total	Years	20.5	20.4	20.0	20.1	20.1

Here the number of employees is the number of full-time employees, including employees on loan from other companies but not those on loan to other companies.

No. of Temporary Employees (non-consolidated)

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
No. of temporary employees*	Persons	1,257	1,145	934	882	902

* The number of temporary employees is the average number of such employees over a 12-month period (April to March). Included are part-timers, retired employees who have been rehired, and contract employees; staff dispatched by temp staffing agencies are not included.

Employees (domestic, consolidated)

	Category	Unit	Fiscal Year				
			2017	2018	2019	2020	2021
Full-time	Male	Persons	5,239	5,210	5,291	5,266	5,210
	Female	Persons	1,205	1,408	1,571	1,590	1,605
	Total	Persons	6,444	6,618	6,862	6,856	6,815

Figures here represent the employees of domestic consolidated companies as of March 31 (for each fiscal year).

Here the number of employees is the number of full-time employees, including employees on loan from other companies but not those on loan to other companies.

2. Health and Well-being Management

1) Work-style Reforms

Data Related to Work-style Reforms (non-consolidated)

	Unit	Fiscal Year					
		2017	2018	2019	2020	2021	
Total annual hours worked per employee	Hours	1,963.8	1,963.5	1,925.2	1,989.2	1,983.0	
Average monthly overtime hours	Hours	20.2	20.0	18.8	20.2	18.9	
Annual paid leave granted	Days	20.6	20.0	20.3	20.4	20.4	
Annual paid leave taken	Days	17.0	16.7	15.8	15.1	15.8	
Annual paid leave taken as a percentage	%	82.5	83.5	77.8	74.0	77.3	
Employees taking maternity leave	Persons	32	22	16	25	21	
Employees taking childcare leave	Male	Persons	31	32	20	21	23
	Female	Persons	28	29	21	36	47
Employees returning to work after maternity or childcare leave	Male	%	100	100	100	100	100
	Female	%	100	100	100	100	100
Employees taking leave of absence to care	Persons	8	3	9	2	4	
Employees resigning for personal reasons	Persons	41	64	41	26	59	
Turnover rate due to above resignations	%	0.7	1.0	0.9	0.6	1.1	
Employees resigning within 3 years*1	Persons	2	7	9	4	1	
Periodic health checkup rate*2	%	98.0	100	98.3	99.9	99.9	
Stress test checkup rate	%	92.5	90.5	84.1	85.9	96.9	
Employees on leave for mental health reasons	Persons	34	45	54	45	62	

*1: Those hired as new graduates who have left by the end of their third year with the company

*2: Excluding employees on leave of absence

Schemes for Promotion of Work-life Balance (non-consolidated)

Scheme	Details
Hybrid work	An employee can combine working at the office and working from home.
Maternity leave for spouse	5 days of paid leave are granted when an employee's spouse gives birth.
Leave of absence to care for a young child	This leave is granted when a child is less than two years old.
Childcare work	An employee can work for fewer hours per day and/or fewer days per week until a child completes the 6th grade of elementary school (end of March).
Child-nursing leave	An employee can take up to 5 days of leave per year to look after a child until the child completes the 6th grade of elementary school. This leave may be taken in half-day or hourly increments.
Nursing leave	To look after family members in need of care, an employee can take up to 5 days of leave per person per year, or up to 10 days per year for 2 or more family members. This leave may be taken in half-day or hourly increments.
Leave of absence to care for the elderly/disabled	For each family member in need of care, an employee can take this leave divided up to 5 times over a period of up to 2 years.
Nursing work	If there is a family member in need of nursing care, an employee can work for fewer hours per day and/or fewer days per week over a period of up to 5 years per family member. The reduced working hours/days can be arranged in blocks up to 5 times.
Half-day leave	An employee can take annual leave in half-day units.
Hourly leave	An employee can take annual leave in one-hour increments up to 5 days per year.
Refreshment leave	Employees who have been with the company for 15, 25, and 35 years receive 3 or 5 days of special leave and bonuses.
Pre-retirement leave	Employees who have been with the company for 15 years or more receive 5 days of special leave and a bonus as they approach retirement age.
Volunteer leave	An employee doing volunteer work for disaster emergency relief can take up to 10 days of leave at a time up to twice a year.
Leave of absence to accompany spouse overseas	To accompany a spouse going overseas for their work, etc., an employee can take a leave of absence for a period of not less than six months and not more than three years. This leave is only allowed once.
Leave of absence to study	To study at a university or graduate school in Japan or to study abroad, an employee can take a leave of absence for a period of not less than six months and not more than two years. This leave is allowed twice.

Occupational Health and Safety (domestic, consolidated)

	Unit	Fiscal Year					
		2017	2018	2019	2020	2021	
Sites certified under ISO 45001 (Occupational Health and Safety Management System) as a percentage* ¹	%	39	42	42	41	43	
No. of serious work-related accidents* ²	Involving employees	No.	0	1	3	0	1
	At partner companies* ³	No.	2	1	6	4	4
No. of work-related deaths	Involving employees	Persons	0	1	0	0	0
	At partner companies* ³	Persons	0	0	0	0	0
Frequency rate of lost-time injuries* ⁴	Involving employees	–	0.16	0.08	0.55	0.24	0.78
	At partner companies* ³	–	0.09	0.19	0.52	0.36	0.66
Severity rate of lost-time injuries* ⁵	Involving employees	–	0.04	0	0	0.01	0.01
	At partner companies* ³	–	0.02	0.01	0.01	0.01	0.01
No. of infractions of regulations/standards related to occupational health & safety	No.	0	0	0	0	0	

*1 In FY2019 certification was transferred from OHSAS 18001 to ISO 45001.

*2 LT injuries resulting in 4 or more lost workdays which were covered by disability compensation (or which could have been); included are incidents that result in a worker's death or permanent incapacity to work.

*3 Including employees dispatched by staffing agencies.

*4 No. of fatalities & injuries resulting from occupational accidents per million actual hours worked.

*5 Total lost days of work per thousand actual hours worked.

2) Diversity and Inclusion

No. of Employees in Management Positions, Percentage of Female Managers (non-consolidated)

	Gender	Unit	Fiscal Year				
			2017	2018	2019	2020	2021
Overall	Male	Persons	1,054	1,067	1,077	1,085	1,091
	Female	Persons	51	56	59	65	71
	Total	Persons	1,105	1,123	1,136	1,150	1,162
	Female percentage	%	4.6	5.0	5.2	5.7	6.1
Below department head level	Male	Persons	913	934	944	958	971
	Female	Persons	50	53	58	62	68
	Total	Persons	963	987	1,002	1,020	1,039
	Female percentage	%	5.0	5.3	5.8	6.2	6.8
Department head level or higher	Male	Persons	141	133	133	127	120
	Female	Persons	1	3	1	3	3
	Total	Persons	142	136	134	130	123
	Female percentage	%	0.7	2.2	0.7	2.3	2.4

No. & Employment Rate of People with Disabilities

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Actual number of employees with disabilities*	Persons	112	115	115	113	111
Employment rate of those with disabilities*	%	2.26	2.29	2.35	2.32	2.25
Statutory employment rate	%	2.0	2.2	2.2	2.2	2.3

No. of Foreign Employees (non-consolidated)

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
No. of foreign employees	Persons	46	47	49	56	55
No. of foreign managers	Persons	3	3	4	6	6

Included: Azbil Corporation, Azbil Yamatake Friendly Co., Ltd., Azbil Kimmon Co., Ltd., Azbil Trading Co., Ltd., Azbil TA Co., Ltd.

* Data points as of June 1, each fiscal year

3. Recruitment/Development

1) Recruitment

No. of Full-time Employees Hired (non-consolidated)

	Gender	Unit	Fiscal Year				
			2017	2018	2019	2020	2021
New graduate hires	Male	Persons	73	75	73	85	87
	Female	Persons	9	28	26	21	23
	Total	Persons	82	103	99	106	110
	Female percentage	%	11.0	27.2	26.3	19.8	20.9
Mid-career recruitment	Male	Persons	25	37	34	24	29
	Female	Persons	4	4	2	3	4
	Total	Persons	29	41	36	27	33
	Female percentage	%	13.8%	9.8%	5.6%	11.1%	12.1%

2) Development

Training Programs (non-consolidated)

			2021 Fiscal Year	
			No. of participants*1	Hours*2
Types	Advanced training	Executive training	8	60
		Managerial training	73	45
		Manager training	22	14
	Basic training	Hierarchical training	604	84
		New employee training	113	700
	Solutions training	Career life planning seminar	193	8
		DX seminar	140	9
		Software engineer development	115	19.5
	Compliance training	CSR training*3	2,978	2
		CSR leader training	1,008	2
	Information security training	New employee training	–	1.5
		All employee training	–	0.5

*1 Total number of those participating

*2 Total hours of training

*3 CSR training for all employees conducted via e-learning

4. Human Rights

1) Freedom of Association

Basic Approach to the Right to Organize & the Right to Collective Bargaining

Azbil Corp and the Azbil labor union follow the “Joint Declaration on Productivity by Labor and Management” of 1978, which stresses the importance of consultation. The labor agreement stipulates that the union retains the right to collective bargaining and the right to strike.

No. and Percentage of Labor Union Members (non-consolidated)

	Unit	Fiscal Year					
		2017	2018	2019	2020	2021	
No. of union members ^{*1}	Persons	3,937	3,873	3,885	3,872	3,844	*1 Data points as of March 31, each fiscal year *2 No. of union members ÷ no. of eligible employees (excluding managers and those stipulated by the labor agreement)
Union members as a percentage ^{*2}	%	100	100	100	100	100	

5. Supply Chain

1) Policy, Promotion Framework

Our Basic Approach

Based on its corporate philosophy, the azbil Group has been actively working to realize a sustainable society and preserve the global environment through its business activities. These initiatives include the Sustainable Development Goals (SDGs). As regards our supply chain, we are therefore promoting initiatives that will enable us to fulfill our social responsibilities hand-in-hand with our business partners. And as guidelines for specific initiatives, we have compiled and published our “Basic Procurement Policy” and “CSR Procurement Guidelines,” which explain the azbil Group’s basic approach.

Our business partners are requested to appreciate the core purpose behind these guidelines and to promote activities that conform with them.

azbil Group Basic Procurement Policy

Based on the azbil Group philosophy and Guiding Principles for azbil Group business, the azbil Group works proactively to achieve a sustainable society and preserve the Earth's environment while maintaining high ethical standards and understanding and complying with the law in order to implement procurement-related activities fairly and equitably, taking into consideration human rights and the environment in Japan and abroad.

By undertaking, together with our business partners, procurement activities that consider corporate social responsibility (CSR) throughout the supply chain, we intend to build long-term trust relationships with customers, to cooperate with them to achieve mutual prosperity, and to contribute to the local community and society.

1. The public nature of the company and the fulfillment of our responsibilities to society

We disclose timely, appropriate, and accurate information to our business partners, and act so as to earn their trust by our openness.

We receive the opinions of our business partners with sincerity, foster good communications with them, and act to fulfill our social responsibilities together with them.

2. Fairness in commercial transactions

In dealing with our business partners inside and outside Japan, we observe international rules and laws and do not engage in unfair actions such as abusing a dominant position with respect to business partners.

In selecting business partners, we compare and evaluate them in a fair and equitable manner, considering each company's management foundation, quality, price, stability of supply, technological development, and efforts to achieve a sustainable society.

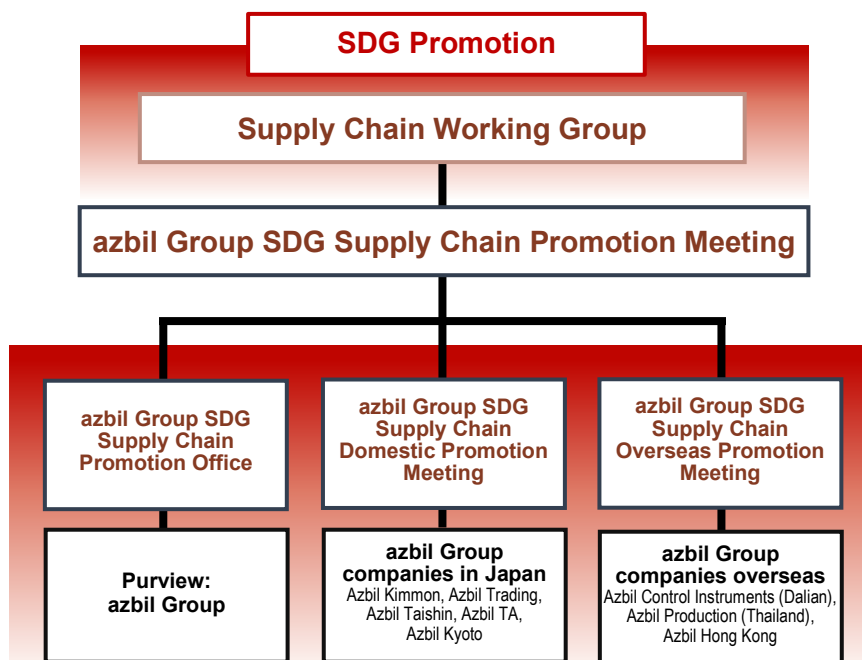
3. Respect for human rights

In our procurement activities, we stand together with our business partners in opposing behaviors that violate human rights, such as child labor, human trafficking, forced labor, and overwork, and we strive to eliminate discrimination based on race, sex, religion, etc., and to reduce unkind behavior such as harassment.

4. Protection of the environment

In our procurement activities we, together with our business partners, observe the laws related to environmental protection. We strive continuously to reduce greenhouse gas emissions; promote efficiency in the use of energy, resources, and water; manage the chemical substances contained in products; promote environment-friendly design; work to minimize climate change; recycle resources; preserve biodiversity; and help to preserve the Earth's environment.

Supply Chain Promotion Framework



Participating azbil Group companies are developing an appropriate framework that enables them to encourage their business partners and develop measures in target areas, spearheaded by their CSR (SDGs) managers in coordination with related functional departments.

Main category	Intermediate category	Key departments
E (Environmental supply chain)	Climate change	Department in charge of environment
	Pollution, resources	
	Water security, water risk	
	Biodiversity	
	Environmental management	
S (Social supply chain)	Labor practices	Human Resources Department
	Health & safety	Department in charge of health & safety
	Human rights	Department in charge of CSR, Human Resources Department
	Community	Department in charge of CSR
	Quality, customers	Department in charge of quality, Department in charge of procurement

2) CSR-focused Procurement

CSR Procurement Guidelines

We created CSR Procurement Guidelines for the azbil Group to help our business partners to understand the concept and necessity of the SDGs and to take specific measures to achieve them. The guidelines summarize the direction of our extensive CSR activities in the supply chain and points for compliance, based on the fundamental approach contained in the Group philosophy and the azbil Group Guiding Principles.

Areas for SDGs Supply Chain Initiatives

Main category	Intermediate category	Subcategory
E (Environmental supply chain)	Climate change (Greenhouse gases, energy)	Initiatives to combat climate change (including CO ₂ /GHG emissions)
	Pollution and resources (Air, wastewater, hazardous waste, waste reduction, raw materials, etc.)	Green procurement
		Management of chemical substances in products
		Reduction of resources use
		Reduction of industrial water
		Recycling
	Water security and risk	Promotion of renewable energy use
	Biodiversity	Reduction of water use and wastewater emissions
Environmental management	Preservation of biodiversity	
S (Social supply chain)	Labor practices	Environmental management activities in conformity with ISO 14001
		Abolition of child labor and forced labor, reduction of overwork
		Prohibition of discrimination, equal opportunity
	Health and safety	Promotion of diversity
		Health and safety management
	Human rights	Work-style reform, work-life balance
	Community (regional society)	Respect for basic human rights (including exclusion of antisocial forces and conflict minerals)
	Quality, customers	Regional promotion, activities tied to social contribution
Observance of fair commercial transactions (including legal compliance)		
	Quality management	

CSR Procurement Guidelines for the azbil Group, Second edition, issued in August 2022
https://www.azbil.com/corporate/procurement/policy/csr_guideline/index.html

3) Encouraging the Supply Chain

Status of Supply Chain Initiatives

The azbil Group's CSR procurement (SDG supply chain) initiatives started in FY2021. First, we explained the Group's initiatives and procurement guidelines for achieving our SDG targets to our major business partners in Japan to obtain their understanding and cooperation. We have also shared with them our future plans.

Furthermore, azbil Group's major domestic and overseas business partners were tasked with assessing the environment, labor, human rights, etc. at their own companies. We requested 558 business partners — representing 80% of the total cost of supplies purchased by the Group—to complete this self-assessment questionnaire, and responses were received from 502 (90%) of them.

Based on the results of this questionnaire, we provided feedback to each business partner regarding possible improvements, requesting that they make the necessary changes.

Future Initiatives

In FY2022, we are planning specific measures to address climate change (reducing CO₂ emissions) and to protect human rights (due diligence), issues which are of special concern to society. We will be encouraging and collaborating with our business partners to implement these measures.

The azbil Group's *SDG Supply Chain Annual Report*

The azbil Group publishes the *SDG Supply Chain Annual Report*, which summarizes initiatives for CSR procurement (SDG supply chain) implemented during the year.

<https://www.azbil.com/corporate/procurement/supplychain-annualreport/index.html>

Other Guidelines

- | | |
|--|---|
| Green Procurement | <ul style="list-style-type: none"> • The azbil Group's Green Procurement Standard for business partners, Sixth edition, issued in June 2019 • Requirements for Managing Packaging Materials for the azbil Group, First Edition, issued in March 2015 • The azbil Group's Green Procurement Evaluation Sheet, Third edition |
| Management of Chemical Substances in Products | <ul style="list-style-type: none"> • The azbil Group's Guidelines for the Establishment of Chemical Substance Management Systems, Third edition, issued in March 2022 • Standards for Hazardous Substances Contained in Products, Ver. 12.0, issued in November 2022 |
| Preservation of Biodiversity | <ul style="list-style-type: none"> • A Request from the azbil Group Regarding Biodiversity Preservation, issued in March 2015 |

6. Community

1) Social Contribution Activities

Donation Amounts (non-consolidated)

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Social contributions, etc.*1	¥1 million	210	129	35	27	33
Recovery support*2	¥1 million	0	15	10	55	0

*1 Donations for general social contribution activities

*2 Donations for specific causes (disasters, earthquakes, floods, epidemics, etc.)

Major Donations (non-consolidated)

Fiscal Year	Details	Receiving organization/fund	Unit	Sum
2021	-	-	-	-
2020	Donation for the July 2020 torrential rain disaster	Japanese Red Cross Society	¥1 million	5
	Donation for the COVID-19 pandemic	UNICEF	¥1 million	20
		Japan Red Cross Society	¥1 million	15
		Central Community Chest of Japan (Red Feather Community Chest)	¥1 million	15
2019	Support for the victims of Typhoons No.15 and No.19 and for reconstruction in the affected areas	Central Community Chest of Japan (Red Feather Community Chest)	¥1 million	10
2018	Support following Typhoon No. 21 and the 2018 Hokkaido Eastern Iburi Earthquake	Central Community Chest of Japan (Red Feather Community Chest)	¥1 million	5
	Donation for the victims and areas affected by the July 2018 torrential rains	Central Community Chest of Japan (Red Feather Community Chest)	¥1 million	10
2017	-	-	-	-

Support from the azbil Honey Bee Club*1

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
azbil Honey Bee Club support	¥1 million	2.5	3.8	4.2	4.7	5.3
Azbil Corporation matching gift	¥1 million	1.3	2.0	2.5	2.7	3.1
Total*2	¥1 million	3.8	5.7	6.7	7.4	8.5
Recipient organizations	No.	26	38	43	48	54



March, the azbil Honey Bee Club's mascot

*1 azbil Honey Bee Club: Members are employees of azbil Group companies who wish to participate in this voluntary social contribution support program, which was started in FY2010. Members decide how much they wish to contribute (through monthly payroll deductions) in increments of 100 yen. They nominate organizations to support and then vote to select the recipients each year.

*2 Financial support provided by the azbil Honey Bee Club plus the matching gift provided by Azbil Corporation.

Major Social Contribution Activities

Activities

- Dispatching employees to instruct social studies classes at elementary schools
- Dispatching employees to lecture at universities
- Accepting student interns (from universities and technical colleges)
- Collaborating with an NPO to donate money (from collecting PET bottle caps) for vaccines
- Nature conservation activities in collaboration/cooperation with local governments, etc.
- Accepting factory and research facility tours
- Promoting communication with local communities around production sites
- Cooperating in the promotion of local youth sports
- Azbil Yamatake General Foundation is providing three programs (scholarships, support for education and awareness, and research grants).



Azbil Yamatake General Foundation

We established the Azbil Yamatake General Foundation in February 2016 to provide a stable learning system and educational opportunities for promising children, and to provide research grants and support the development of new technologies in the fields of science and technology. We offer three programs—scholarships, support for education and awareness, and research grants—under the motto “For the future of youth.”

2) Organizations & Initiatives

Major Memberships and Initiatives

• Business & Industrial Organizations
KEIDANREN (Japan Business Federation)
Japan Electronics and Information Technology Industries Association
Building Automation Association
Japan Association of Energy Service Companies (JAESCO)
Japan Electric Measuring Instruments Manufacturers' Association (JEMIMA)
NIPPON ELECTRIC CONTROL EQUIPMENT INDUSTRIES ASSOCIATION
The Japan Institute of Industrial Engineering
Robot Revolution & Industrial IoT Initiative
• Other Organizations & Initiatives
Japan Climate Leaders' Partnership (JCLP)
Japan Climate Initiative (JCI)
GX League (Ministry of Economy, Trade and Industry)
Challenge Zero (KEIDANREN)
Keidanren Initiative for Biodiversity Conservation (KEIDANREN)
Task Force on Climate-related Financial Disclosures (TCFD)
United Nations Global Compact*
Japan Women's Innovative Network (NPO J-Win)

Listed here are our major memberships in economic, industry and other associations as well as major initiatives in which we participate.

* Support for the United Nations Global Compact

Azbil Corp. has signed and joined the United Nations Global Compact (UNGC) in April 2021. In Japan, we have also joined the Global Compact Network Japan (GCNJ), and actively participate in its various subcommittees.

The UNGC has set forth 10 principles in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. It can be said that the azbil Group has been working on these principles for many years since all ten are aligned with the spirit of the azbil Group philosophy of "human-centered automation."

The azbil Group will continue to support and cooperate with the UN Global Compact, contributing "in series" to the achievement of a sustainable society.

7. Contributions & Donations

Political Contributions (non-consolidated)

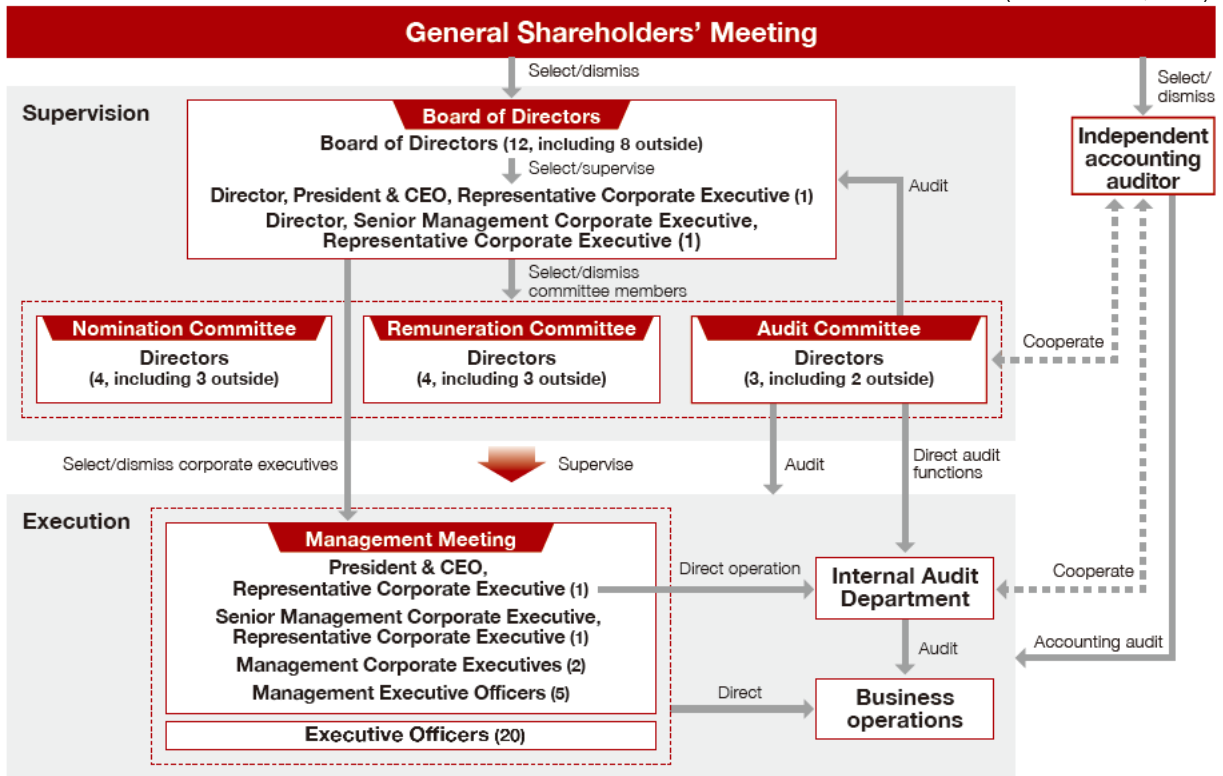
	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
Political contributions	¥1,000	40	54	20	0	0

Governance

■ Promotion Framework, Initiatives

1. Corporate Governance Framework

(As of June 23, 2022)



Azbil Corporation has transitioned to a three-committee Board structure, following the approval of the Ordinary General Meeting of Shareholders held on June 23, 2022.

FY2021 (Company with an Audit & Supervisory Board)	FY2022 (Company with a three-committee Board structure)																								
<div style="border: 1px solid #ccc; padding: 5px;"> <p style="text-align: center; background-color: #800000; color: white; margin: 0;">Supervision</p> <p style="text-align: center; color: #800000;">Board of Directors (11 persons)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Internal</td> <td style="text-align: center;">Independent outside</td> </tr> <tr> <td>Male</td> <td style="text-align: center;">6</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Female</td> <td></td> <td style="text-align: center;">2</td> </tr> <tr style="border-top: 1px solid black;"> <td>Total</td> <td style="text-align: center;">6</td> <td style="text-align: center;">5</td> </tr> </table> <ul style="list-style-type: none"> ● Percentage of independent outside directors: 45.5% <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; text-align: center; margin: 5px 0;"> Nomination and Remuneration Committee (voluntary) </div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-top: 10px;"> <p style="background-color: #800000; color: white; margin: 0; padding: 2px;">Audit</p> <p style="margin: 0;">Audit & Supervisory Board (5)</p> </div> </div>		Internal	Independent outside	Male	6	3	Female		2	Total	6	5	<div style="border: 1px solid #ccc; padding: 5px;"> <p style="text-align: center; background-color: #800000; color: white; margin: 0;">Supervision</p> <p style="text-align: center; color: #800000;">Board of Directors (12 persons)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Internal</td> <td style="text-align: center;">Independent outside</td> </tr> <tr> <td>Male</td> <td style="text-align: center;">4</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Female</td> <td></td> <td style="text-align: center;">2</td> </tr> <tr style="border-top: 1px solid black;"> <td>Total</td> <td style="text-align: center;">4</td> <td style="text-align: center;">8</td> </tr> </table> <ul style="list-style-type: none"> ● Percentage of independent outside directors: 66.7% ● 2 internal directors are non-executive. ● The chairperson is a non-executive internal director. <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; text-align: center; margin: 5px 0;"> Nomination Committee (statutory) Chairperson: Outside director </div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-top: 5px;"> <p style="background-color: #800000; color: white; margin: 0; padding: 2px;">Audit</p> <p style="margin: 0;">Audit Committee (statutory) Chairperson: Outside director</p> </div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; text-align: center; margin-top: 5px;"> Remuneration Committee (statutory) Chairperson: Outside director </div> </div>		Internal	Independent outside	Male	4	6	Female		2	Total	4	8
	Internal	Independent outside																							
Male	6	3																							
Female		2																							
Total	6	5																							
	Internal	Independent outside																							
Male	4	6																							
Female		2																							
Total	4	8																							

Roles of the 3 committees

- **Nomination Committee** Responsible for deciding proposals for the selection/dismissal of directors to be submitted to the General Meeting of Shareholders, and for deliberating matters related to selecting/dismissing members of statutory committees (Nomination, Audit, and Remuneration), selecting/dismissing corporate executives, and planning for succession.
- **Audit Committee** Responsible for auditing the execution of duties by corporate executives and directors, for preparing audit reports, for drawing up detailed proposals for the selection, dismissal, or non-reappointment of the accounting auditor, and for promoting systematic auditing.
- **Remuneration Committee** Responsible for determining policies related to the remuneration system for corporate executives and directors, for determining individual remuneration, and for deliberating on the establishment, revision, or abolition of remuneration systems as well as other matters related to remuneration for directors and officers.

2. Remuneration Policy for Officers

Basic Policy Regarding Remuneration for Officers

Aiming to realize the Group's philosophy*, we have adopted the following basic policy for the remuneration of company officers to motivate them not only for short-term performance but also to achieve medium- and long-term performance goals and to enhance enterprise value.

- Taking into consideration the nature of our business, remuneration should encourage awareness of the necessity to enhance enterprise value from a medium- to long-term perspective and further promote value sharing with our shareholders.
- Remuneration should help to secure talented management personnel to realize the company's management philosophy and achieve the medium- to long-term performance goals.
- The remuneration system should be highly independent and objective, and should enable us to fulfill our duty of accountability to stakeholders.

*For the Group Philosophy, see p.01.

Remuneration Levels

Remuneration levels are set by resolution of the Remuneration Committee after it has verified their appropriateness using data supplied by an external research agency. Also, the committee reviews remuneration levels as necessary in response to changes in the external environment.

Remuneration Structure

The remuneration structure for corporate executives (including those concurrently serving as directors) consists of basic remuneration, which is a fixed monthly amount based on their roles and responsibilities; bonuses, which are short-term incentives; and stock-based compensation*, which is a medium- to long-term incentive. In order to ensure a remuneration structure that motivates officers to achieve our medium- and long-term performance targets and enhance enterprise value, the incentive component of remuneration has been increased, and the combined remuneration for corporate executives will be typically determined thus: basic remuneration 56%, bonus (base amount) 33%, stock-based compensation (base amount) 11%. The remuneration for directors (not including those concurrently serving as corporate executives) consists of basic remuneration and stock-based compensation.

* A base amount of stock-based compensation is set for each position. Half of the base amount for corporate executive is performance-linked, while the remaining 50% is non-performance-linked. All stock-based compensation for directors is non-performance-linked. In principle, stock-based compensation is paid after retirement.

• **Corporate Executives**
Bonus KPIs and evaluation weighting

The remuneration is designed so that the higher the officer’s position, the higher the weighting of financial indicators. As an example, the KPIs and their respective evaluation weightings for the president and CEO are shown at right.

Bonus KPIs		Evaluation weighting
Financial indicators	Net sales	45%
	Operating income	45%
Non-financial indicators	Improved customer satisfaction, increased efficiency and productivity, HR development and revitalization of the organization, CSR management	10%

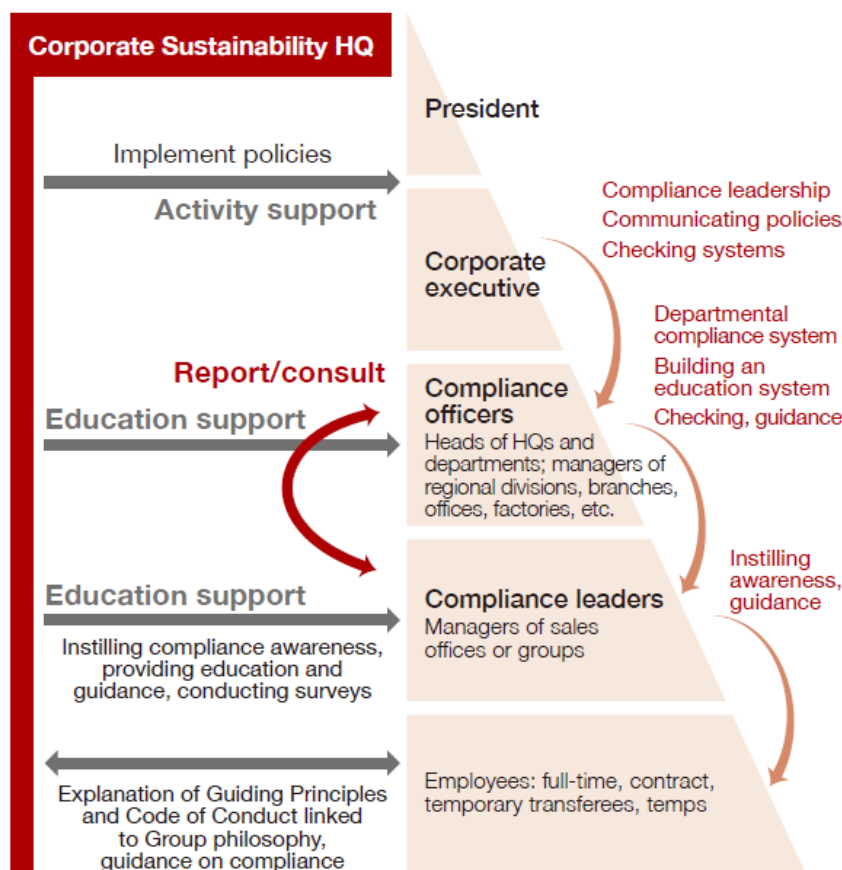
• **Corporate Executives**
Stock-based compensation KPIs and evaluation weighting

Stock-based compensation KPIs		Evaluation weighting
Financial indicators	Relative TSR (relative to TOPIX, including dividends)	50%
	Operating income margin	30%
Non-financial indicators	Effective CO ₂ reduction	20%

Non-payment of Stock-based Compensation

If it is determined that an officer is responsible for serious misconduct or a serious violation, the company can deny all or part of the company shares, etc., that were to be transferred to the officer under the stock-based compensation plan.

3. Compliance System



4. azbil Group General Risk Committee

Chair	Director in charge of risk management
Participants	Directors with responsibility for risk-related matters appointed by the Chair Audit Committee members participate as observers.
Office	Corporate Planning Department, Corporate Sustainability Headquarters
Frequency of meetings	Once per year
Aim	To select material risks—that is, factors that may hinder the achievement of our business goals; to monitor and manage the progress of actions to mitigate these material risks
Agenda items	① Identifying/selecting critical risks over the coming year
	② Managing ongoing mitigation actions for risks chosen in the previous fiscal year

■ Data

1. Corporate Governance

Governance Structure

			Unit	Fiscal Year					
				2017	2018	2019	2020	2021	2022
Directors	Internal	Male	Persons	6	6	6	6	6	4
		Female	Persons	0	0	0	0	0	0
		Total	Persons	6	6	6	6	6	4
	Outside	Male	Persons	3	3	4	3	3	6
		Female	Persons	0	1	1	2	2	2
		Total	Persons	3	4	5	5	5	8
	Total		Persons	9	10	11	11	11	12
Average tenure			Years	8.4	6.2	6.6	5.3	6.3	3.9
Independent outside directors as a percentage			%	33.3	40.0	45.5	45.5	45.5	66.7
Female directors as a percentage			%	0.0	10.0	9.1	18.2	18.2	16.7
Audit & Supervisory Board members	Internal	Male	Persons	2	2	2	2	2	-
		Female	Persons	0	0	0	0	0	-
		Total	Persons	2	2	2	2	2	-
	Outside	Male	Persons	3	3	3	3	3	-
		Female	Persons	0	0	0	0	0	-
		Total	Persons	3	3	3	3	3	-
	Total		Persons	5	5	5	5	5	-
Average tenure			Years	5.6	6.6	6	7	8	-
Independent outside Audit & Supervisory Board members as a percentage			%	60.0	60.0	60.0	60.0	60.0	-
Female Audit & Supervisory Board members as a percentage			%	0	0	0	0	0	-

Data as of the end of the General Meeting of Shareholders, held each fiscal year. The average length of tenure for FY2022, which is given here by way of reference, is the expected number of years as of the end of the FY2022 General Meeting of Shareholders.

Azbil Corporation transitioned to a three-committee Board structure, effective June 23, 2022.

No. of Meetings Held, Attendance Rate

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
No. of meetings of the Board of Directors	No.	12	12	13	13	12
Average attendance rate of directors at meetings of the Board of Directors	%	99.1	99.1	99.3	100	100
Average attendance rate of Audit & Supervisory Board members at meetings of the Board of Directors	%	100	100	100	100	100
No. of meetings of the Audit & Supervisory Board	No.	14	14	14	14	14
Average attendance rate at meetings of the Audit & Supervisory Board	%	100	100	100	100	100

Data for each fiscal year (April-March)

Executive Remuneration

	Remuneration, etc.	Unit	Fiscal Year				
			2017	2018	2019	2020	2021
Directors (excluding outside directors)	Total remuneration	¥1 million	412	356	350	381	385
	Fixed remuneration	¥1 million	261	267	256	278	287
	Performance-linked remuneration	¥1 million	150	89	93	103	97
	Stock options	¥1 million	-	-	-	-	-
	Retirement allowance	¥1 million	-	-	-	-	-
	No. of persons remunerated*	Persons	6	8	6	7	6
Audit & Supervisory Board members (excluding outside members)	Total remuneration	¥1 million	49	50	51	52	52
	Fixed remuneration	¥1 million	49	50	51	52	52
	Performance-linked remuneration	¥1 million	-	-	-	-	-
	Stock options	¥1 million	-	-	-	-	-
	Retirement allowance	¥1 million	-	-	-	-	-
	No. of persons remunerated*	Persons	2	2	2	2	2
Outside directors and outside Audit & Supervisory Board members	Total remuneration	¥1 million	62	75	89	94	94
	Fixed remuneration	¥1 million	62	75	89	94	94
	Performance-linked remuneration	¥1 million	-	-	-	-	-
	Stock options	¥1 million	-	-	-	-	-
	Retirement allowance	¥1 million	-	-	-	-	-
	No. of persons remunerated*	Persons	6	7	10	9	8
Total		¥1 million	524	482	491	528	532

* Figures given here regarding the number of directors and Audit & Supervisory Board members, their remuneration, etc. include those directors and Audit & Supervisory Board members whose retirement coincided with the Ordinary General Meeting of Shareholders. Note that no remuneration, etc. was received by outside directors or Audit & Supervisory Board members from the Company's subsidiaries.

Note: FY2017 remuneration was divided into basic remuneration and bonus; from FY2018, following a revision to the law, this was changed to the current structure (fixed remuneration + performance-linked remuneration).

2. Compliance

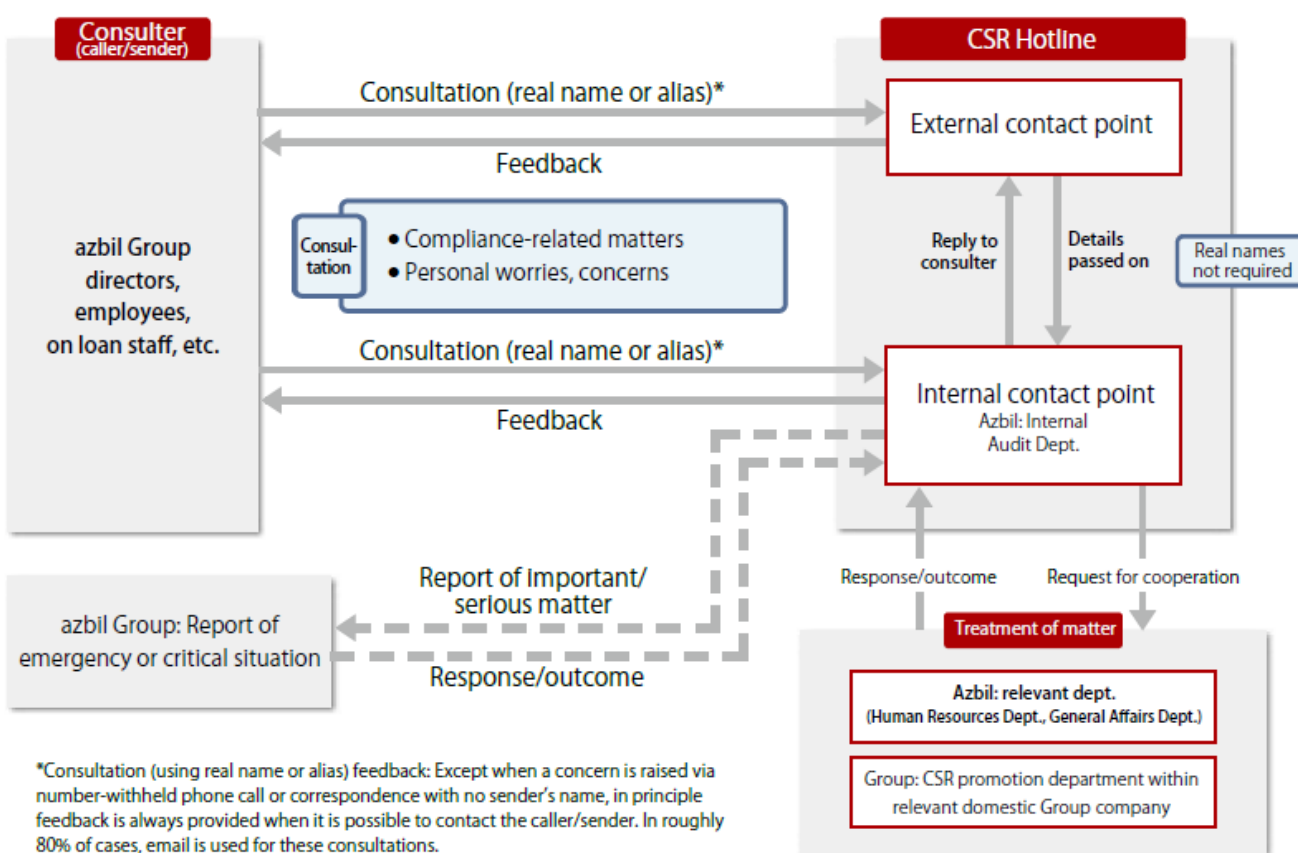
No. of CSR Hotline*1 Consultations

	Unit	Fiscal Year				
		2017	2018	2019	2020	2021
CSR Hotline consultations*2	No.	128	127	181	175	202

*1 Our CSR Hotline receives so-called whistleblower reports as stipulated by the Whistleblower Protection Act. It also receives reports on possible compliance infringements such as any departure from the azbil Group's Guiding Principles and Code of Conduct. Also, reflecting our own policy of Health and Well-being Management, we welcome a wide range of consultations, including concerns that are related, directly or indirectly, to business operations, as well as the employees' own personal matters.

*2 These figures are for consultations from both domestic and overseas Group companies, excepting European Group companies, which have their own arrangements.

■ CSR Hotline operational flow



Notes: An external contact point is only available in Japan and China.
This operational flow does not apply to European Group companies, which have their own arrangements.

Scope of the azbil ESG Databook 2022

■ Reporting Period, List of azbil Group Companies

Reporting period: From April 1, 2021 through March 31, 2022 (FY2021)

This report covers the Azbil Corporation, its consolidated subsidiaries as well as some non-consolidated subsidiaries and affiliates

Notes: Wherever the reporting scope differs, the names of the companies whose data is included are indicated. In addition, the following terms are used:

- “Non-consolidated” and “Azbil” refer to Azbil Corporation.
- “Consolidated” refers to Azbil Corporation and its consolidated subsidiaries.

Environmental data are rounded to the nearest whole number.

List of azbil Group Companies

(As of March 31, 2022)

	Company Name	Business Segment				Business Type			Scopes 1+2, 3 ^{*2}	Consolidated Employees
		BA	AA	LA	Other	Production	Engineering/Sales	Other		
Japan	Azbil Corporation	●	●	●		●	●		●	●
	Azbil Trading Co., Ltd.		●		●		●		●	●
	Azbil Yamatake Friendly Co., Ltd.*1				●			●	◎	
	Azbil Kimmon Co., Ltd.			●		●	●		●	●
	Azbil Kyoto Co., Ltd.		●			●			●	●
	Azbil TA Co., Ltd.		●			●	●		●	●
	Azbil Taishin Co., Ltd.		●			●	●		●	●
	Tem-Tech Lab.*1				●	●	●			

	Company Name	Business Segment				Business Type			Scopes 1+2, 3 ^{*2,3}	Consolidated Employees
		BA	AA	LA	Other	Production	Engineering/Sales	Other		
Overseas	Azbil Korea Co., Ltd.	●	●				●		○	
	Azbil Taiwan Co., Ltd.	●	●				●		○	
	Azbil Kimmon Technology Corporation			●		●	●		○	
	Azbil Vietnam Co., Ltd.	●	●				●		○	
	Azbil India Private Limited	●	●				●		○	
	Azbil (Thailand) Co., Ltd.	●	●				●		○	
	Azbil Production (Thailand) Co., Ltd.	●	●			●			●	
	Azbil Philippines Corporation	●	●				●		○	
	Azbil Malaysia Sdn. Bhd.	●	●				●		○	
	Azbil Singapore Pte. Ltd.	●	●				●		○	
	PT. Azbil Berca Indonesia	●	●				●		○	
	Azbil Saudi Limited		●			●	●		○	
	Azbil Control Instruments (Dalian) Co., Ltd.	●	●			●			●	
	Azbil Information Technology Center (Dalian) Co., Ltd.*1				●	●				
	Azbil Control Solutions (Shanghai) Co., Ltd.	●	●				●		○	
	Shanghai Azbil Automation Co., Ltd.		●			●	●		○	
	Yamatake Automation Products (Shanghai) Co., Ltd.		●				●		○	
	Azbil Hong Kong Limited	●	●				●		○	
	Azbil North America Research and Development, Inc.	●	●					●	○	
	Azbil North America, Inc.		●				●		○	
Azbil VorTek, LLC		●			●	●		○		
Azbil Mexico, S. de R.L. de C.V.*1		●				●				
Azbil Mexico Services, S. de R.L. de C.V.*1		●				●				
Azbil Europe NV		●				●		○		
Azbil Telstar, S.L.U.			●		●	●		●		

*1 Unconsolidated subsidiary

*2 Scopes 1+2, 3=●, scopes 1+2=◎, scope 3=○

*3 Included for scopes 1+2, 3 is a former subsidiary, Azbil Brazil Ltd., which was liquidated in February 2022.

azbil