

Basic Policy and Achievements

Mitsuboshi Belting's approach

The Mitsuboshi Belting Group views human resources as the most important source of growth that simultaneously supports increase of its social value and achievement of sustainable growth, and lists the following human resources strategies in the FY2030 "Target Position" presented in the Mid-Term Business Plan (FY2021-2023).

FY2030 "Target Position"—Human resources strategy

Cultivation of change-promoting personnel

- > Enhancement of the personnel affairs system, education system, and workplace environment so as to enable maximization of individual capabilities
- > Fostering a corporate culture that respects diversity, valuing new ideas and a challenging spirit that is not afraid of change

In achieving the above "Target Position," we are currently undertaking corporate culture reformation and personnel cultivation with the aim of improving employee engagement, and plan to invest five billion yen in human resource investment, R&D and DX by FY2023. In today's so-called age of VUCA, the Mitsuboshi Belting Group aims to create a sustainable corporate structure that is unaffected by the business environment, and to this end, intends to create, reliably execute, and confirm the efficacy of our human resources strategy.

Results of measures related to society

Measures to be undertaken	KPIs for FY2022	FY2022 results
Promotion of diversity	Number of female managers: More than double the number of female managers (4% or more or 7 people or more) by FY2030 compared to FY2022 levels.	Number of female managers: 7 (ratio of the total number: 4.0%) Ratio of women on the Board of Directors: 16.7%
Safety / Health	_	Status of occupational accidents Serious accidents: 0 cases Lost-time accidents: 1
Creation of a rewarding workplace	Standardize an employee engagement measurement method and set a target in FY2023.	FY2022: Employee engagement measurement began (Three times by the end of March 2023)
Promotion of human rights due diligence	Establish a management organization that includes managers and establish a human rights policy to start human rights due diligence activities.	 Dec. 2022: Establish and disclose the Human Rights Policy Jan. 2023: Identify human rights risks Mar. 2023: Formulate countermeasures and develop them into an action plan
Review of the Company- Wide Code of Conduct	Revise the Mitsuboshi Belting Group Company-Wide Code of Conduct and complete its dissemination throughout the Group.	Nov. 2022: Company-Wide Code of Conduct revision

M P 7

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

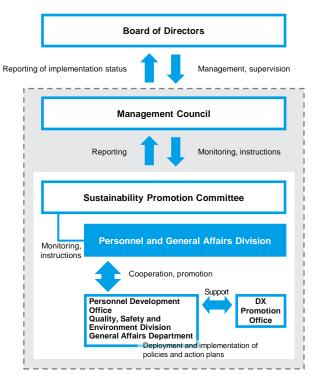
Risk Management

Governance Data

Appendix

Promotion system for human capital management

Strategies and policies regarding personnel cultivation and workplace environment improvement in the Mitsuboshi Belting Group are formulated by the Personnel and General Affairs Division (Division headed by Board Member/Managing Executive Officer), deliberated on and decided by the Management Council, and then reported to the Board of Directors.



Also, in order to implement and quickly disseminate measures regarding improvement of workplace environment and productivity across the entire organization, the Work Style Reform Promotion Committee comprising diversity (gender, age, job category, job rank) literate members has been established. This Committee establishes implementation challenges, target divisions, countermeasures and goals, monitors and evaluates the implementation status of the countermeasures, and instructs specific changes to the measures as needed. Depending on the progress of the countermeasures, details of such activities are reported to and discussed by the President and the Management Council, and the content of these reports and discussions are to be reported to the Board of Directors.

As for the Sustainability Promotion Committee, "Reinforcement of the human resources strategy" is on the FY2022 Materiality list based on the perspective of human capital management, and the promoting organization (see table on the right) is designated for each measure. Measure promoting organization reports to the Sustainability Promotion Committee on the implementation status on a monthly basis for the purpose of monitoring and evaluation of the implemented measures.

Department in charge of each measure related to human capital management

Role	Department in charge
Personnel affairs system such as transfer, compensation, evaluation, etc. Diversity & Inclusion	Personnel Affairs Department
Planning and implementation of the education system	Personnel Development Office
Workplace environment management, including health and safety, health management, etc.	General Affairs Department
System management related to workplace environment management	Quality, Safety and Environment Division
Employee engagement Improving the workplace environment, etc.	Work Style Reform Promotion Committee
Human rights due diligence	Human Rights DD Working Group

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD

Recommendations

Initiatives to Realize a Resource-Recycling Society

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Jovernance Da

Appendix

MITSUBOSHI SUSTAINABILITY REPORT 2023 50

Within the - - - frame: Executive bodies

Strategies related to human capital

We have identified the risks and opportunities pertaining to human capital (table on the right) for the Japanese members of the Mitsuboshi Belting Group.

Declining working population and the aging workforce are common issues to all Japanese company management, and in addition, the Japanese members of the Mitsuboshi Belting Group have become aware that the low ratio of female employees and managers as well as not evaluating employee engagement are also issues that must be tackled. In particular, improving employee engagement can directly revitalize business activities, and therefore, measuring, monitoring, evaluating and improving employee engagement is an important element in business activities. We also believe that by using it to set goals for personnel and general affairs measures, which has been difficult until now, the efficacy of the measures will be clarified so that personnel and general affairs activities can become more efficient.

Table) Risks and opportunities in the Mitsuboshi Belting Group human capital management

	Type	Driver	Impact	Risks	Impact	Opportunities	Countermeasures / Strategies	I ime axis
External	Policies Legal regulations	Various laws and regulations aimed at protecting human rights, responding to the declining birthrate and aging population, diversification, and work style reform	Large	Loss of credibility and decline in social value due to non-compliance with laws and regulations and compliance incidents Increase in expenses required for system operation	Large	Improvement of corporate value through legal compliance and appropriate disclosure of information	Establishment of a compliance management system and implementation of monitoring and evaluation Reinforcement of the website management system	Short- to long-term
P	Population composition	Declining working population Increase in social security costs	Medium	Decreased labor productivity due to reduced abilities of hired personnel Deterioration of profitability due to increased social security burden	Large	Improvement of labor productivity by improving employee engagement Increased profitability through automation and operational improvements	Execution and monitoring of employee engagement improvement measures Improvement of labor productivity by utilizing DX and hiring diverse personnel	Mid- to long-term
	Personnel composition (Diversity)	Age, gender, nationality, race, religion, language, etc.	Large	Loss of opportunities for change and decline in business sustainability due to loss of diversity Loss of diversity Loss of credibility and decline in social value due to loss of diversity and human rights incidents Reduced earnings due to increased fixed costs	Large	Creation of opportunities, maintaining sustainability, and increasing profitability due to maintained diversity Gaining credibility and increasing social value through maintaining diversity and timely and appropriate information disclosure	Recruitment and education activities in line with the personnel portfolio Execution and monitoring of employee engagement improvement measures Performing and improving human rights due diligence activities System design that also accommodates minorities Reinforcement of the website management system	Mid- to long-term
mal	Personnel Affairs	Legal regulations Personnel composition Human rights protection	Large	Decreased employee engagement, decreased labor productivity, and occurrence of incidents of human rights violations, non-compliance, etc. due to system deficiencies and insufficient management	Large	Improved employee engagement and labor productivity due to adoption and thorough implementation of appropriate systems Gaining credibility and increasing social value through timely and appropriate information disclosure	System operation management using employee engagement as an evaluation indicator Performing and improving human rights due diligence activities Reinforcement of the website management system	Short- to long-term
	Health and safety	Legal regulations Personnel composition	Medium	Decreased employee engagement, decreased labor productivity, and occurrence of health and safety incidents such as industrial accidents and illnesses due to system deficiencies and insufficient management	Large	Improved employee engagement and labor productivity due to adoption and thorough implementation of appropriate systems Gaining credibility and increasing social value through timely and appropriate information disclosure	Implementation of measures to improve smoking rate and body mass index Obtained third-party certification (ISO 45001) for health and safety management system Reviewing the system to accommodate minorities Reinforcement of the website management system	Short- to long-term
	Education	Legal regulations DX/Reskilling Personnel portfolio Internal systems	Medium	Occurrence of compliance/human rights incidents due to insufficient familiarization of legal restrictions Increased expenses due to improved education content Decreased labor productivity and failed human resources planning due to insufficient education	Large	Improvement of corporate value through legal compliance and appropriate disclosure of information provement of employee engagement and labor productivity due to enriched education content provement of labor productivity and reduced fixed costs due to DX utilization	Education activities in line with the personnel portfolio Development and introduction of DX education program	Short- to long-term

Impact on businesses

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

Countermeasures / Strategies

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD

Recommendations
Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Declining working population and ensuring diversity

We are aware that in Japan, addressing the declining working population is important in continuing our business. As the working population declines, we must promote DX to improve labor productivity and automation, and keep the need for increase in personnel to zero or negative as we expand our business. The DX Promotion Office was established in 2022 to ensure further utilization of DX. Also, the Personnel Development Office has started new education programs such as "IT-ization of logistics" and "Utilization of AI (artificial intelligence)." Among the various business plans that will be materialized in the future, we will create a staffing plan indicating how many personnel with what skills and knowledge are needed by when, and provide personnel education accordingly, or hire new personnel as needed.

On the other hand, the situation in which there are not enough female employees and managers (FY2022 Mitsuboshi Belting (main company) female employee ratio: 10.1%, female manager ratio: 2.4%) is clearly a diversity and inclusion issues that this company must address. Against such a backdrop, we are actively hiring women in order to support female empowerment, and working to improve the workplace environment to retain women and motivate them to pursue managerial positions.

Various systems to adjust work hours to meet the needs of individual employees are already in place, including parental leave, part-time work system, paid time off on an hourly basis, and flextime system. We are also working on promoting new ways of working that are not limited by time or location, such as the remote work system that became popular with the COVID-19 pandemic. In the future, we will set goals and work towards the dissemination of these systems so that they may effectively support the lives of each and every employee, not just women. Furthermore, with the aim of enlivening business activities and improving employee engagement, the President is currently taking the lead in creating "a company where everyone can speak their mind," and we are beginning to feel the change in the company atmosphere. We believe that these measures will be most effective in improving the female employee and manager ratios, and using the aforementioned employee engagement as an indicator, we intend to further vitalize our activities in this area.

Addressing the aging workforce

The aging workforce is a major issue in the management of Japanese companies. Employment until the age of 70 is becoming commonplace nowadays, and we are in need of measures that take advantage of "experience" while canceling out the disadvantages of "physical decline" and "obsolescence of technology." Further, given the current situation where the problem of the declining birthrate is slow to be resolved, the problem of an aging workforce is likely to remain a persistent issue. Elderly employees are expected to provide their "experience" while acquiring new knowledge and skills through reskilling. Addressing the aging workforce and Reskilling of the Elderly Employees are the two challenges that the Mitsuboshi Belting Group is undertaking in order to handle the situation of the aging workforce.

In addressing the aging workforce, the first key point is maintaining health. Our company has introduced a health checkup service system that includes comprehensive medical screening, heart screening, brain screening, and lifestyle disease checkups. To ensure that these services are effectively utilized, we will continue to improve their content while making improvements based on the recommendations of industrial physicians. In addition to maintaining health, efforts to promote health are just as important. Our primary focus is on smoking and obesity, and we will establish clear indicators to aid in our activities.

Regarding reskilling of the elderly, as mentioned above, the Personnel Development Office and the newly established DX Promotion Office will support personnel cultivation in each business division and affiliated company. The Personnel Development Office and the DX Promotion Office will develop new education programs while business divisions and affiliated companies clarify their personnel needs based on their staffing plans, develop them into personnel cultivation plans, and conduct personnel cultivation with help from the Personnel Development Office and the DX Promotion Office.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy-Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD Recommendations Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

MITSUBOSHI SUSTAINABILITY

Capability development for each individual

At the Mitsuboshi Belting Group, new employee education and initial worker education are the first phase of employee capability development in every workplace. Then, we carry out a variety of capability development programs, including rank-based training to cope with changes in roles, specialized training according to job content, statutory training, and training to support self-development (see the light table). Moreover, QC circle activities, GLOBAL GEMBA KAIZEN ACTIVITY, and their results reporting sessions greatly contribute to the development of employees' capabilities, and the rewards given to excellent activities at reporting sessions are serving as one of the driving forces behind these activities. These capability development programs are planned and executed annually by departments or designated organizations based on the skills matrix, and after evaluating their effectiveness, they are rolled out into activities for the following fiscal year.

Table) List of capability development programs

Rank	Rank-based education	Specialized education	Monozukuri/DX	Global Personnel education	Self- development etc.	
Upper management Manager	General Manager training New managerial/ professional position training		AOTS overseas practitioner training Mitsuboshi academy	Tokusei Juku	Distance education	
Mid-level employees Junior employees	Human assessment training Leadership training Third-year training New employee training	each department	Voluntary maintenance personnel training	Overseas training	e-learning	
New employee	Follow-up training Step-up training	Follow-up training Step-up training Business etiquette training PC/office training Basic training in products/materials Business documents/ bookkeeping roduction to SDGs for ultra	Problem-solving training at production sites	Online foreign language training		
			professional	Basic training in quality control	Training prior to	Star training
	products/materials Business documents/		QC certification	overseas assignment	Skill-	
	Sales/Technology/Head Office Training Safety education		Utilization of AI (artificial intelligence)	Overseas locally hired employee training	improvement seminar for working women	

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD

Recommendations
Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Governance Data

Appendix

Creating an environment to improve engagement

"To give attentive consideration to both humanity and nature" is the Corporate Philosophy of the Mitsuboshi Belting Group, and we honor individuality and diversity. Our aim is to create a workplace where all employees, regardless of gender, race, living environment, ideologies, etc., can feel safe and secure so that they may maximize their productivity and find fulfillment in their jobs. We have adopted the aforementioned "employee engagement" as a new indicator to set specific targets, and are promoting initiatives from FY2023.

Initiative status

Category	Measures	Description
Diversity & Inclusion (D&I)	Supporting female empowerment	As of the end of March 2023, the female employee ratio of Mitsuboshi Belting is 10.1%, the female manager ratio is 2.4%, and the ratio of new female employees in annual recruitment is 20%. In reviewing the Mid-Term Business Plan (FY2021-2023), Human resources strategy was positioned as an important item, which resulted in the "Reinforcement of the human resources strategy" being on the Materiality list. With the number of female managers as a KPI, we are working to promote diversity . In the same vein, we are working to update the mindset of female employees by holding one-on-one meetings with female employees and female outside directors.
	Star training	Employees returning to work after a long period of parental leave may have concerns not only about their work content but also about interpersonal relationships in the workplace. The Star training offers mental support for a smoother reintroduction to the workplace.
	Relaxation of the dress code	As part of our efforts to promote D&I, we have changed our office dress code to allow employees to choose attire other than suits or uniforms. We will continue to make such corporate climate reforms in order to realize a workplace environment where uniqueness of each employee is celebrated, and novel and unbridled ideas as well as independent thinking are welcomed and encouraged.
Creating a workplace with work-life balance	Annual paid leave system	To enable employees to continue despite changing circumstances in their lives, we have a system in which employees can take up to 40 days of annual paid leave, including carryover days. Half-day paid leave and paid time off on an hourly basis are also available as options to facilitate utilization.
	Special leave system	In addition to the annual paid leave, we have a system which allows each employee to take paid leaves for important life events, such as marriage, childbirth, bereavement, memorial service, and transfer. Memorial leave can be taken within the period of one week before and after a birthday, and employees who have completed 15 and 25 years of continued service are given refreshment leave along with travel vouchers.
Childcare/nursing care support	Parental leave, part-time work system	In accordance with the law, parental leave can be taken up to when the child reaches the age of two. After returning to work from parental leave, employees can choose to shorten their work hours by up to two hours. Employees can choose part-time work until the child enrolls in elementary school, and there is no reduction in wages until the child reaches the age of three. We also have systems in place to limit overtime work and late-night work so as to further support employees in their childrearing.
	Star system	We provide monthly financial assistance to eligible employees in order to support the childrearing of single-parent families and of children with disabilities.
	Nursing care leave	In accordance with the law, nursing care leave can be taken for up to 93 days. We also have systems in place to limit overtime work and late-night work so as to further support employees in their nursing care situations.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD

Recommendations Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Respect for Human Rights

Human rights due diligence (hereinafter "Human Rights DD")

The Mitsuboshi Belting Group recognizes that it is important to respect the human rights of all people involved in our business activities, and has adopted "Respect for human rights and personality" as a Materiality to show our commitment to Human Rights DD. Progress status of issues related to "Respect for human rights and personality" are reported from the Materiality promoting organization to the Sustainability Promotion Committee, and the said Committee monitors, instructs, judges, and evaluates the situation.

Human rights risks

In January 2023, we identified the following human rights risks in our business activities, including our supply chain, through discussions at the Working Group and Sustainability Promotion Committee, which are organizations that promote Materialities.

Identified human rights risks	Division in charge
Use of raw materials (natural rubber, cotton, etc.) involving child labor or forced labor	Sustainability Promotion Committee Secretariat + Procurement Department
Expanding the whistleblowing system "Mitsuboshi Help Line" to business partners	Sustainability Promotion Committee Secretariat + Legal Department

Initiative status

In promoting Human Rights DD, we are currently undertaking the following initiatives.

- i) Revision of the Group's Code of Conduct (Nov. 2022)
- ii) Conducting human rights risk assessments in the supply chain (Dec. 2022)
- iii) Identification of human rights issues (Jan. 2023)
- iv) Establishment of the Human Rights Policy (Jan. 2023)
- v) Implementation of employee education regarding human rights (Mar. 2023)

Our Group's Code of Conduct is based on the ten principles in four areas (human rights, labor, environment, and anti-corruption) established by the UN Global Compact, a universal value recognized by the international community. The Mitsuboshi Belting Group will continue to promote Human Rights DD while making efforts to reduce human rights risks in its entire supply chain.

P. 7 Revision of the Mitsuboshi Belting Group Code of Conduct

Mitsuboshi Belting Group Human Rights Policy

humanity and nature," the Mitsuboshi Belting Group will be collaborating with stakeholders to engage in activities that respect and honor human rights. human rights as provided in the Guiding Principles on Business and Human Rights issued by the UN.

■ Scope of application

This Policy applies to all officers and employees of the Mitsuboshi Belting Group, and we will encourage our business partners to support this Policy and make efforts to better respect human rights.

■ Compliance

Mitsuboshi Belting Group's business activities in various countries and regions are to be conducted in compliance with the laws and regulations of each country. In our efforts to respect human rights, if laws and regulations do not comply with the United Nations' International Bill of Human Rights and the as possible.

In implementing this Policy, we will regularly perform Human Rights DD to identify risks (negative impacts on human rights), identify implementation issues, formulate implementation plans, monitor and evaluate implementation details, and deploy evaluation results so as to continuously improve our undertaking.

■ Implementation system

Education

This Policy will be communicated to officers, employees and stakeholders of the Mitsuboshi Belting Group, and will be disclosed in an easily accessible manner. We will also provide appropriate education to promote awareness and deepen understanding.

In line with the Corporate Philosophy of "to give attentive consideration to both Through these activities, we will fulfill our corporate responsibility in respecting

International Labour Organization's Declaration on Fundamental Principles and Rights at Work, we will give these two international principles as much priority

Performing Human Rights DD

To ensure reliable and speedy achievement of goals set for initiatives related to respect for human rights, an organization in which officers serve as implementation managers will be formed in order to perform Human Rights DD and report the details to top management. We will also disclose information to stakeholders in an appropriate manner and actively engage in dialogue and consultation. Should a human rights infringement case arise in business activities of Mitsuboshi Belting Group or our business partners, we will immediately rectify the situation in accordance with international standards.

Brand Story of Mitsuboshi Belting The History of Mitsuboshi Belting

Business Overview

Introduction

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy-Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Value Chain Management (1) Responsible Procurement

Responsible procurement

Stable procurement of superior quality products and services at appropriate prices is a prerequisite for continuing business activities in a sustainable manner, and what serves as the foundation for this prerequisite is the relationship of trust between our Group and our business partners.

As stated in the Mitsuboshi Belting Group Procurement Policy, we are committed to engaging in "fair and impartial procurement activities" and "establishment of a mutually reliable partnerships" with all of our business partners. Through these efforts, we will work to build the type of relationships with our business partners that allow us to co-create new values.

Declaration of Partnership Building

In 2021, Mitsuboshi Belting made the "Declaration of Partnership Building" advocated by the Ministry of Economy, Trade and Industry, with the aim of creating new added value and conducting fair transactions throughout the supply chain.



Mitsuboshi Belting Group Procurement Policy

Staying true to its Corporate Philosophy of "To give attentive consideration to both humanity and nature," the Mitsuboshi Belting Group will engage in fair and impartial procurement activities and strive to establish mutually reliable partnerships with our business partners.

1. Fair and impartial business transactions

We provide fair and impartial business opportunities to business partners who wish to do business with us. When selecting business partners, we comprehensively consider quality, technical capabilities, delivery dates, prices, stability of supply, and other factors.

2. Building partnerships

We aim to build mutually reliable partnerships through fair and impartial business transactions so as to achieve mutual growth.

3. Compliance and confidentiality

When conducting procurement activities, we comply with related laws and social norms, and we do not disclose confidential information about our business partners obtained through procurement transactions to third parties without the consent of our business partners.

4. Promoting CSR procurement

We comply with laws and social norms, and promote procurement that fulfills our social responsibilities while taking into consideration respect for human rights, health and safety, information security, and timely and appropriate disclosure of information regarding such details.

5. Promotion of green procurement

To preserve the global environment and realize a sustainable society, we will work with our business partners to engage in procurement activities that aims to reduce environmental impact.

February 1, 2023

Initiatives in FY2023

For the Mitsuboshi Belting Group to contribute to the realization of a sustainable society, we must share our values with our business partners and implement CSR procurement (compliance, respect for human rights, health and safety, information security, information disclosure, etc.), and green procurement (response to climate change, biodiversity conservation, water security, circular economy, etc.) at a deeper level so as to aid in improving various social issues.

In 2023, the Mitsuboshi Belting Group intends to compile and disclose our philosophy regarding procurement and the items we would like to work on together with our business partners in the form of "Procurement Guidelines" based on the ten principles in four areas (human rights, labor, environment, and anti-corruption) established by the UN Global Compact, with the aim of revitalizing the efforts in realizing a sustainable society throughout the entire value chain.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

MITSUBOSHI SUSTAINABILITY 56

Value Chain Management (1) Responsible Procurement

Initiatives to address climate change, biodiversity conservation, and water security

Mitsuboshi Belting Group Head Office's CO_2 emissions from Scope 3 - Category 1 "Purchased goods and services" in FY2022 are approximately 38,000 tons, far exceeding the total CO_2 emissions of Scope 1 and Scope 2 in the same category, which are approximately 29,000 tons. To stop global warming, while it is important to reduce the CO_2 emissions by our Group, we must also focus on reducing CO_2 emissions throughout the supply chain.

There are also issues aside from reducing CO_2 emissions that must be addressed throughout the supply chain. Regarding the Human Rights DD activities conducted in FY2022, we have identified forced labor and child labor in production areas of cotton and natural rubber, raw materials for power transmission belts which are our Group's main product, as issues that must be addressed in our human rights protection activities.

Furthermore, a survey conducted in FY2023 on the relationship among biodiversity, water security, and Mitsuboshi Belting Group's business activities revealed that deforestation due to poorly managed natural rubber cultivation is threatening biodiversity conservation. Similarly, it has become clear that watering and pesticide contamination from poorly managed cotton cultivation are exacerbating water stress in cultivation areas that already have high levels of water stress. These two have been established as issues that this Group must address.

The business activities of the Mitsuboshi Belting Group, including the value chain, are closely associated with a variety of social issues. The Mitsuboshi Belting Group will work in coordination with business partners who share our values so as to promote initiatives that tackle these social issues.

Regarding business partner audits

The Mitsuboshi Belting Group annually conducts two-party audits (in some cases, one-party audits) in accordance with ISO 14001 (Environmental Management System (EMS)) or ISO 9001/IATF16949 (Quality Management System (QMS)) to monitor, evaluate and improve the status of business partners' efforts regarding environmental conservation and quality assurance. The business partners to be audited are narrowed down by considering past audit results.

[Unit: cases]

Business	partner audit status	2020	2021	2022
	Number performed	17	21	18
Environment	Number of non- conformities	0	0	0
	Number performed	17	21	18
Quality	Number of non- conformities	0	0	0
Business	Number performed	46	54	75
Continuity Plan	Unestablished number	8	18	14

Based on the results of our audits to date, we have determined that our business partners are doing well in terms of environmental conservation and quality assurance, but the challenge for the future is to expand the scope of auditing to include not only business partners of the Procurement Department of the Mitsuboshi Belting Group Head Office but also business partners of affiliated companies of the Mitsuboshi Belting Group.

Additionally, we have been requesting our business partners to formulate and execute Business Continuity Plans since FY2020 as part of our efforts to address climate change, and we confirm the status of their implementation through annual one-party audits. The number of one-party audits is increasing year by year, and in FY2022, 75 of our 79 major business partners, or 95%, cooperated with our audits.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD

Recommendations
Initiatives to Realize a Resource-Recycling

Society

Initiatives for Biodiversity Conservation

illiatives for bloatversity conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Value Chain Management (2) Quality

■ Thoughts on quality

The Mitsuboshi Belting Group is a *monozukuri* company. We believe that customer "trust" in our products and services is one of the sources of corporate value that will enable our Group in achieving continued sustainable growth.

As part of our quality-related initiatives, we have maintained and improved our quality management system (QMS) in accordance with ISO 9001, and have been expanding its scope to the entire Group. At our automotive industry-related locations, we have in place QMS that comply with the IATF16949 standard for the automotive industry, which has more stringent requirements. The quality-related business activities carried out in accordance with the guidelines set forth in these QMS are based on the Basic Quality Policy established under the Corporate Philosophy and the Management Principle of our Group.

QMS certification status (2022)

	Mitsuboshi Belting Ltd. (Shikoku Plant)	Belts for automobiles
	Mitsuboshi Belting Giken Co., Ltd.	Belts for automobiles
	MBL(USA) CORPORATION	Belts for automobiles
147540040	STARS TECHNOLOGIES INDUSTRIAL LIMITED	Belts for automobiles
IATF16949	MITSUBOSHI OVERSEAS HEADQUARTERS PRIVATE LIMITED	Belts for automobiles
	PT.SEIWA INDONESIA	Belts for automobiles
	Suzhou Mitsuboshi Belting Co., Ltd.	Belts for automobiles
	MITSUBOSHI BELTING-INDIA PRIVATE LIMITED	Belts for automobiles
	Mitsuboshi Belting Ltd. (Kobe Head Office, Tokyo Head Office, Nagoya Plant, Shikoku Plant) Mitsuboshi Belting Giken Co., Ltd. Mitsuboshi Belting Kohki Co., Ltd.	Belts for general industries, worm wheel blanks, engineering plastics, V-ribbed pulley, belt tensioner
	Building & Construction Materials Division (Kobe Head Office, Tokyo Head Office, Nagoya Plant)	Waterproofing sheet for building, geomembrane for civil work
	Electronic Materials Department	Metal paste, circuit board material and coating
ISO 9001	Mitsuboshi Belting Kohki Co., Ltd.	Timing pulleys
	Mitsuboshi Belting Conveyor Co., Ltd.	Resin conveyor belts
	MITSUBOSHI OVERSEAS HEADQUARTERS PRIVATE LIMITED	Belts for general industries
	PT.MITSUBOSHI BELTING INDONESIA	Belts for general industries, rubber for coupling
	PT.SEIWA INDONESIA	Belts for general industries
	STARS TECHNOLOGIES INDUSTRIAL LIMITED	Belts for general industries
	Suzhou Mitsuboshi Belting Co., Ltd.	Belts for general industries
JIS A6008	Building & Construction Materials Division (Nagoya Plant)	Synthetic polymer roofing sheet

Mitsuboshi Belting Group Basic Quality Policy

Management Principle:

To contribute to society by supplying goods of high performance, high precision, and high quality.

- "To contribute to society by supplying goods of high performance, high precision, and high quality" means creating and providing products that satisfy customers with their performance, functionality, reliability, etc., and that are useful to society.
- So as to realize this Basic Quality Policy, we will adhere to the following.
 - Develop products that satisfy customers.
 - ② Enhance and improve Total Quality Management (TQM) and ensure top-level quality in the domestic and international industries.
 - 3 Engage in work in accordance with established standards.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD
Recommendations
Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Value Chain Management (2) Quality

Management system

Responsibility and authority regarding quality-related business activities and quality issues rests with the President, and the head of the Quality, Safety, and Environment Division is responsible for managing these activities. The President convenes members of the Management Council and department heads to hold quality assurance meetings, and in the meeting reviews the status of activities reported by the head of the Quality, Safety, and Environment Division, and utilizes the results to improve strategies, policies, and plans. The revised strategies, policies, and plans are communicated to the Quality Assurance Department at each location by the head of the Quality, Safety, and Environment Division, and are developed into policies and plans tailored to each site. The implementation details of the plans are monitored and evaluated by the Quality Assurance Department at each site, compiled monthly into a report, and reported to the head of the Quality, Safety, and Environment Division.



Implementation status

Each item related to quality assurance has been reviewed to identify risks and opportunities it brings to the Mitsuboshi Belting Group business activities, and the results were developed into specific measures.

We will continue to further deepen our activities with priority on "Maintenance and improvement of QMS," "Enhancing quality education," and "Thorough process control."

Related item		Risks (\blacktriangledown) and Opportunities (\vartriangle)	Measures
Legal	Δ	Improved corporate reliability through early intervention	Maintenance and improvement of
compliance Customer service	•	Damage to corporate value due to violation of legislations and non-adherence to customer requirements	QMS • Enhancing quality education
Quality	Δ	Improved brand image by ensuring reliability	Thorough process control
improvement	•	Decline in competitiveness due to reduced quality level	Collaboration with business partners
Business	Δ	Increased opportunities to receive orders by developing new markets	QMS support for new businesses
development	•	Market shrinkage for existing products due to the shift to electric vehicles	and new products

· Maintenance and improvement of QMS

In FY2022, we underwent a third-party audit and maintained ISO 9001, IATF16949, or JIS A6008 certification at all audited sites.

· Enhancing quality education

The Mitsuboshi Belting Group has been engaged in QC (quality control) circle activities since 1967 as part of the Total Quality Management (TQM), but in recent years, it has become a place for global human resource development and improvement activities. This activity has taken root not only at domestic factories but also at each of the overseas factories. Every fall, the "Mitsuboshi Belting Global QC Circle Tournament" is held, in which presentations on on-site product quality control and work efficiency improvement are made for the purposes of mutual learning. We also actively participate in external QC circle meetings, such as having selected circles make presentations on QC circle national convention sponsored by the Union of Japanese Scientists and Engineers, in an effort to make further improvements.

FY2022, circles selected from all over the Mitsuboshi Belting Group gathered in Singapore, where the Mitsuboshi Belting Global QC Circle Tournament was held. Number of participants were limited so as to minimize the spread of the SARS-Corona virus, but the Tournament was a unifying and meaningful one with active exchanges among the circles.

In Japan, QC circle company-wide competitions are held twice a year. Aside from presenting and listening at the venue, the event is streamed online to allow many employees in different locations to participate, resulting in mutual learning that is more active than ever before.

Moreover, we conduct long-term, continuous quality control education to improve knowledge and technology as well as strengthen personnel cultivation. Quality control education begins with training as soon as employees join the company, and is provided in a wide range of areas, including specialized training required for each department and job. We aim to elevate awareness towards quality by having employees obtain specialized knowledge as well as understand and acquire QC-based perspectives and thinking, so that we can align ourselves with our Basic Quality Policy.

· Thorough process control

At production sites, production line managers conduct daily workplace patrols as one of the measures to maintain standards compliance, and site managers and other department managers also participate in patrols to prevent them from becoming routine. Although this may seem insignificant, the accumulation of small improvements contributes to complying with standards and maintaining compliance.

· Addressing PL lawsuits and recalls

PL lawsuits and recalls damage the "trust" of *monozukuri* companies, but they can also have a huge financial impact. We prepare for such risks by purchasing an insurance policy that covers the entire Mitsuboshi Belting Group.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD
Recommendations

Initiatives to Realize a Resource-Recycling Society

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Value Chain Management (3) Safety and Health

Occupational safety and employee health

The Mitsuboshi Belting Group views <u>human resources</u> as its most important source of value in achieving sustainable growth.

P. 49 Basic Policy and Achievements

We believe that ensuring the safety and health of our employees and maintaining and improving systems that manage them are priorities in management, and we strive to improve activities that benefit the health and safety of our employees based on our Basic Policy on Occupational Health and Safety.

Basic Policy on Occupational Health and Safety

Ensuring the health and safety of all employees of the Mitsuboshi Belting Group and continuously improving the system that manages them are top business priorities, and all employees are to work together to engage in health and safety activities.

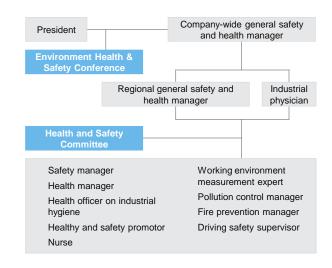
Code of Conduct

All employees strive for good communication and participate in health and safety activities.

- We maintain and improve the health and safety management system so that it continues to function effectively.
- We comply with health- and safety-related legislations and health and safety management regulations.
- We strive to prevent occupational accidents through risk assessments and health and safety education.
- We promote health management for all employees by implementing health checkups, mental health safeguards, infection control measures, etc.
- We raise road safety awareness to eliminate traffic accidents.

Management system

The Environment Health & Safety Conference chaired by the Director in Charge of Safety and the Environment and comprises all division heads is held twice a year where the company-wide general safety and health manager compiles the implementation status report. This report is reviewed by the President and the Management Council members, and the results are used to revise strategies, policies, and plans. The revised strategies, policies, and plans are notified by the regional general safety and health manager selected in each region to the Health and Safety Committee, the executing body. They are then converted into policies and plans tailored to each site. The implementation details of the plan are monitored and evaluated, and compiled monthly into a report by the Health and Safety Committee, and the report is submitted by the regional general safety and health manager to the company-wide general safety and health manager.



Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD
Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Value Chain Management (3) Safety and Health

Implementation status

Each item related to safety and health has been reviewed to identify risks and opportunities it brings to the Mitsuboshi Belting Group business activities, and the results were developed into specific measures.

We will prioritize "Enabling timely response to amendments for thorough compliance," "Preventing accidents through risk assessments," and "Maintaining and improving the health checkup system and occupational accident management system" in our activities.

Related item		Risks (∇) and Opportunities (Δ)	Measures (initiatives, activities)	
Land	Δ	Improved corporate reliability through early intervention	Internal audits, legal education and	
Legal compliance	•	Damage to corporate value due to violation of legislations and non-adherence to customer requirements	training, cultivating certified personnel, disseminating legal information including amendments	
Occupational	Δ	Synergistic effects of stabilizing production and improving safety awareness by ensuring safety	Risk assessment, KY activities, health and safety education, safety patrols, work	
safety Traffic safety	•	Decline in labor force and reduced corporate value due to increase in industrial accidents and traffic accidents	environment measurements, capital investment for safety measures, utilization of drive recorder data	
Health	Δ	Strengthening and stabilizing workforce vitality through health maintenance	Health checkups (regular health checkup, lifestyle disease checkup, special health	
management Mental health	•	Decrease in labor force due to increase in sick patients	checkup, complete health screening), stress checks, industrial physician patrols, interviews with industrial physicians	
Disaster prevention/ mitigation Business maintenance/ recovery	Δ	Business continuity, early recovery, and improved corporate reliability through early intervention	Evacuation drills, emergency communication drills using apps, capital investment for disaster prevention and	
	•	Suspension of business activities and decline in corporate value due to lack of emergency response preparation	mitigation, promotion of outcome-oriented business continuity plan, flexible and thorough measures against COVID-19	

· Enabling timely response to amendments for thorough compliance

In preparation for the transition to new chemical substance regulations in line with the amendment to the Industrial Safety and Health Act, we will comply in a timely manner, such as making it mandatory to appoint a chemical substance manager, etc., and at the same time strive to improve internal awareness regarding compliance.

· Preventing accidents through risk assessments

Risk assessment is an important tool that plays a fundamental role in preventing occupational accidents and securing the safety of our employees. We aim to identify potential dangers or hazards in all working environments, including production sites, and eliminate or reduce them. In addition to annual plans, we carry out risk assessments as necessary for process changes, etc., in an effort to prevent the occurrence of occupational accidents and work-related illnesses.

Maintaining and improving the health checkup system and occupational accident management system

The Mitsuboshi Belting Group conducts statutory health checkups such as regular health checkups, special health checkups, and stress checks, and builds programs together with health insurance association to offer lifestyle disease checkups, cancer screening, and other checks free of charge. In addition, complete health screening, brain screening, and heart screening can be received at the company's expense, if the eligibility criteria are met. In FY2022, 100% of the statutory health checkups were carried out, and as for other examinations, everyone who requested one were able to receive it.

Regarding occupational accidents, including traffic accidents, we are strengthening risk management, monitoring through internal audits, and reviewing rules so as to achieve the annual goal of "zero accidents."

Item	Unit	2018	2019	2020	2021	2022
Number of lost-time injuries	Person	0	1	6	2	1
Lost-time injury frequency rate	_	0	0.73	4.5	1.44	0.7
Number of fatal accidents	Person	0	0	0	0	0
Fatal accident frequency rate	_	0	0	0	0	0

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD
Recommendations

Initiatives to Realize a Resource-Recycling Society

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Initiatives for coexisting in harmony with local communities

All offices and plants of the Mitsuboshi Belting Group aim to grow together with their respective local communities, and to this end, conducts a variety of activities in line with the Mitsuboshi Belting Group Code of Conduct shown below.

From the Mitsuboshi Belting Group Code of Conduct

- We will value partnerships with local communities.
- We will conduct social contribution activities that will lead to solving issues of local communities.

The Mitsuboshi Belting Group in Japan promotes "town development where residents and businesses coexist" and forms a volunteer group called Mitsuboshi Belting Fureai Council consisting of Group employees. The Council plans and hosts various events that provide opportunities to foster and deepen interactions and communication between the local community and employees as well as among the employees themselves while promoting the achievement of SDGs. With movement restrictions due to COVID-19 being lifted from May 2023, we will continue to carry out social contribution activities that will help resolve issues in local communities.

In the Mano district of Nagata-ku, Kobe City, where our Kobe Head Office is located, we regularly exchange opinions with the board of directors and committees of the Mano District Urban Development Promotion Association (22 times in 2020, 22 times in 2021, 22 times in 2022). The committee members include people from government and educational institutions, and we confirming the needs of the local community, which is one of our important stakeholders, before we reflect our deliberations into the events we host.

Initiatives regarding partnerships with local communities and problem-solving (within Japan)

Office / Plant	Event title	Description
Kobe Plant R&D center, etc. (Nagata-ku, Suma- ku, etc., Kobe City)	Tanabata Bamboo Decoration	Kobe Head Office has annually hosted a Tanabata Festival since 2001. The event was canceled from 2020 and on due to the COVID-19 pandemic, and instead, Tanabata bamboo decorations were made surrounding each of the Group offices and plants. The event may not be the same as before, but we plan to continue to actively promote communications with local communities.
	The Universal Beach Initiative	A universal beach is an activity where special mats are placed on the beach to enable wheelchair users to enjoy taking a dip in the sea. Members of our SDGs Promotion Committee and others participate in the activities of Suma Universal Beach Project, an NPO in Kobe City where our head office is located.
	Beach Cleaning	Members of our SDGs Promotion Committee and others participate intermittently in the activities of Kobe Umisakura, an NPO in Kobe City. In June 2023, we held a joint environmental education/beach cleaning event with Sumitomo Rubber Industries, Ltd., and companies headquartered in Kobe deepened their interactions through beach clean activities. During the environmental education session on the same day, participants had the opportunity to gain a deeper understanding of the problem of marine microplastics, which has a huge negative impact on the environment and the ecosystem. We will continue to promote initiatives for the marine environment that supports our sustainable future.
Shikoku Plant (Sanuki City, Kagawa Prefecture)	Seine Net Experience	The Shikoku Plant hosts a seine net experience event every May on the coast adjacent to the plant. The event in 2023 was the first in four years, enabled by the lifting of movement restrictions due to COVID-19, and participating children rejoiced in such a rare and valuable experience.
	Coast Cleaning Activity	As one of our SDGs initiatives, 100 people, mainly Group employees, regularly clean the costal area (Kitamatsubara Beach) located northeast of our factory. These activities will also help with our other efforts to deepen our employees' understanding of microplastics, which is one of the causes of ocean pollution.
Tokyo Head Office (Chuo-ku, Tokyo)	Music Salon	We hold a free-admission concert once a year in Tokyo in order to repay the support we received from many people during the Great Hanshin-Awaji Earthquake recovery effort. This event is supported not only by the audience but also by the young musicians who are given the opportunity to perform in a first-class concert hall.
Ayabe Production System Development Center (Ayabe City, Kyoto Prefecture)	Yura River Cleaning Operation	In May 2023, a total of 31 of our employees and their families participated in the Yura River Cleaning Operation, which is one of the activities to protect the Yura River that the Kyoto Prefectural Ayabe High School Analytical Science Club has been working on for many years. 2023 was the 11th event, and it was participated by the largest number ever totaling approximately 400 people, including local people, organizations and corporations, collecting 256 kg of garbage.

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD Recommendations

Initiatives to Realize a Resource-Recycling Society

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

• Initiatives regarding partnerships with local communities and problem-solving (overseas affiliates)

Overseas affiliated companies also conduct initiatives to resolve various environmental, educational and social issues under Mitsuboshi Belting Group's Corporate Philosophy of "To give attentive consideration to both humanity and nature."

Office / Plant	Description						
STARS TECHNOLOGIES INDUSTRIAL LIMITED (Abbreviation: STI/Kingdom of Thailand)	 We provided upcycled backpacks made from recycled PET bottles to students at schools near the WHA industrial area. We provided food, daily necessities, school supplies, etc. to school children. We also collaborated on a project with other companies and donated school bags made from recycled plastic bottles. To contribute to reducing CO₂ emissions, we participated in a tree-planting project and distributed 828 donated trees to employees, who were asked to plant them in their homes. 						
PT. MITSUBOSHI BELTING INDONESIA (Abbreviation: MBI/Republic of Indonesia) PT. SEIWA INDONESIA (Abbreviation: P. T. Seiwa/Republic of Indonesia)	In November 2022, PT. MITSUBOSHI BELTING INDONESIA (MBI) conducted corporate CSR activities at two locations under the theme of "Go Green, One Tree Million Benefits." The first location was at a nearby school called Al Barokah, and the second location was at Pasir Jaya Ward Office. We donated 1,000 saplings to the school and 1,200 saplings to the ward office. i. Al Barokah school We donated 1,000 saplings to the students and teachers of the school, and we also gave snacks to the students. We also donated chairs and building materials to help the school build a first aid room and improve its facilities.						
	 ii. Pasir Jaya Ward Office We presented 1,200 seedlings to the ward office. The seedlings were later distributed to neighborhood associations and civic groups in Pasir Jaya. We work with the hope of contributing to reducing CO₂, improving the quality of the environment, and achieving the SDGs. MBI's activities can be viewed on the local YouTube news channel https://youtu.be/fOp9jetG1Yc. ① As part of our environmental efforts, we made a donation to a mangrove planting program through PT. Megalopolis Manunggal Industrial Development, which operates the MM2100 Industrial Town, and planted a total of 25,500 mangrove trees on Bahagia Beach in Bekasi District. This program aims to protect the coastline from erosion by planting mangroves, which have strong roots that can even withstand tsunamis. ② As part of our educational efforts, we are accepting several students from the vocational training school located in the MM2100 Industrial Town for on-the-job training. This activity supports the LINK & MATCH program run by the Bekasi District Government, 						
	which fosters talented students who can hit the ground running and introduces them to companies. 3 As part of our social initiatives, we supported the families of employees affected by the strong earthquake that occurred in the Cianjur district of West Java in November 2022 by donating 55 million rupiah through the Cianjur Earthquake Relief Program, which we collected from all our employees including labor unions, employee collectives, and the in-house mosque board.						



Tree planting project (STI/Kingdom of Thailand)



Donations to local children (STI/Kingdom of Thailand)



"Go Green, One Tree Million Benefits" (P. T. Seiwa/Republic of Indonesia)



Mangrove planting program (P. T. Seiwa/Republic of Indonesia)

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

MITSUBOSHI SUSTAINABILITY REPORT 2023

63

Initiatives regarding partnerships with local communities and problem-solving (overseas affiliates)

Office / Plant	Description
MITSUBOSHI POLAND Sp.z o.o. (Poland)	Poland has a system* that allows people to donate 1.5% of their income tax to public interest organizations. MITSUBOSHI POLAND Sp.z o.o. employees use this system to donate to organizations that support the rehabilitation, etc. of traffic accident victims. Traffic accidents in Poland temporarily saw a sharp increase after joining the EU due to the large influx of used cars, but have generally been on the decline since 2008. However, while the number of fatalities in traffic accidents is 0.86 per 100 accidents in Japan, in Poland it is 9.8, about 11.5 times as many, which means that there are many serious traffic accidents that lead to fatalities. As a parts manufacturer for automobiles, etc., we hope for zero traffic accidents and strive to raise traffic safety awareness. *OPP (Organizacja Pożytku Publicznego) system
Mitsuboshi Belting Europe GmbH (Federal Republic of Germany)	Mitsuboshi Belting Europe GmbH in Germany collected and donated unused cellphones from employees and their families by participating in the Mobile Phone Recycling Campaign run by NABU (Nature and Biodiversity Conservation Union) for the purpose of environmental protection. This contributes to environmental protection by recycling and properly disposing the circuit boards of collected mobile phones, and the proceeds from recycling are used for the NABU Insect Protection Fund.



Donation to NABU (Federal Republic of Germany)

Social contribution activities through donations

Office / Plant	Description
Activities to support the future of children (Donation to Japan Committee for UNICEF)	The Great Hanshin-Awaji Earthquake caused devastating damage to Nagata-ku, Kobe City, where our head office is located. Due to natural disasters and other causes including poverty, as many as five million children under the age of five lose their precious lives every year. Staying true to the Corporate Philosophy of "to give attentive consideration to both humanity and nature," the Mitsuboshi Belting Group began in FY2005, the tenth anniversary of the earthquake, the activity titled "Extending Love to the Children of the World." This activity donates a sum, mainly of collections from Group employees, to Japan Committee for UNICEF, a public interest incorporated foundation, in order to help these children. We made a 10 million yen donation in FY2022.
Support for victims and areas affected by the Turkey-Syria Earthquake	We donated three million yen through the Japanese Red Cross Society to support those affected by the earthquake that occurred in southeastern Turkey on February 6, 2023, and to support recovery and reconstruction in the affected areas.



Donation to Japan Committee for UNICEF

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society

Information Disclosure Based on the TCFD Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

MITSUBOSHI SUSTAINABILITY REPORT 2023

64

Initiatives related to disaster prevention

Office / Plant	Event title	Description
All Offices / Plants	Comprehensive disaster prevention training	The Mitsuboshi Belting Group conducts disaster prevention and evacuation drills at each office / plant to raise employees' awareness regarding disasters. Additionally, we have designated January 17, the day of the Great Hanshin-Awaji Earthquake, as "Mitsuboshi Belting Disaster Prevention Day," and conduct comprehensive disaster prevention drills every year. This drill assumes that a strong earthquake has occurred, and not only conducts activities to prevent and reduce the damages from natural disasters and fires that may occur at any time, but also allows each individual to think about how to respond appropriately in the event of a disaster.
Kobe Plant R&D center (Nagata-ku, Kobe City)	Disaster prevention initiatives with a local elementary school	Since we are a part of the community that looks out for the safety of its children, the Kobe Head Office continued from last year to donate disaster prevention hoods at the time of new first-year enrollment of the nearby Kobe Municipal Mano Elementary School to protect the heads of children in the event of a disaster. We will continue to work to promote the creation of a safe and secure local community.



Comprehensive disaster prevention training (Kobe Plant R&D center)

• Partnership event with local communities (in Japan)



Tanabata bamboo decoration (Kobe Plant R&D center, Jul. 2023)



Beach cleaning activity (Kobe Plant R&D center, Jun. 2023)



Sanuki handmade udon and seine net experience (Shikoku Plant, May 2023)



Yura River cleaning operation (Ayabe Production System Development Center, May 2023)

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD

Recommendations Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Social Data

Employees

					E)/00/40	5)/00/40	F1/0000	Evene	F)/0000	Corresponding
Item	Scope Description			Unit	FY2018	FY2019	FY2020	FY2021	FY2022	GRI content index
			Male	Person	598	609	608	613	620	
		Number of employees (full-time employees)	Female	Person	68	74	74	75	74	
		Number of employees (full-time employees)	Male	%	89.8	89.2	89.1	89.1	89.3	
			Female	%	10.2	10.8	10.9	10.9	10.7	102-8
			Male	Person	38	36	39	36	40	
Total number of	Non-consolidated	Number of employees (appointed/special	Female	Person	3	3	3	1	11	
employees	Non-consolidated	contract)	Male	%	92.7	92.3	92.9	97.3	97.6	102-8
			Female	%	7.3	7.7	7.1	2.7	2.4	
			Male	Person	5	5	5	5	5	
		Number of employees (long-term/short-term	Female	Person	1	0	0	0	0	
		part-time)	Male	%	83.3	100.0	100.0	100.0	100.0	
			Female	%	16.7	0.0	0.0	0.0	0.0	
		Number of new hires	Male	Person	37	36	24	22	30	
			Female	Person	7	10	5	6	4	401-1
	Non-consolidated		Male	%	84.1	78.3	82.8	78.6	88.2	
New hires and			Female	%	15.9	21.7	17.2	21.4	11.8	
terminations		Number of terminations	Male	Person	21	22	18	27	34	
			Female	Person	2	4	5	4	7	
			Male	%	91.3	84.6	78.3	87.1	82.9	
			Female	%	8.7	15.4	21.7	12.9	17.1	
		Number of clinible applicance	Male	Person	36	30	20	30	34	
	Non-consolidated	Number of eligible employees	Female	Person	3	7	3	3	7	401-3
		Number of those on leave	Male	Person	0	0	1	3	9	
			Female	Person	3	7	3	3	7	
Parental leave		Acquisition rate	Male	%	0	0	5.0	10.0	26.5	
			Female	%	100.0	100.0	100.0	100.0	100.0	
		Number of employees returning to work after parental leave	Male	Person	N.A.	N.A.	1	2	7	
			Female	Person	0	4	5	6	0	
		Retention rate after parental leave*1	Male	%	N.A.	N.A.	100.0	100.0	100.0	
			Female	%	100.0	100.0	100.0	100.0	100.0	
Paid leave	Non-consolidated	Paid leave acquisition rate*2		%	49.1	59.1	51.4	48.6	53.1	_
Employment of people with disabilities	Non-consolidated	Rate of employees with disabilities*3		%	1.7	1.7	1.5	2.4	2.2	_

Rate of employees remaining 12 months after returning to work from parental leave

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society Information Disclosure Based on the TCFD

Recommendations

Initiatives to Realize a Resource-Recycling

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

Social Data

G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

Paid leave acquisition rate = Annual paid leave taken / stipulated annual paid leave x 100

Rate of employees with disabilities = number of employees with disabilities / number of regular full-time employees

Social Data

Occupational safety and health | Diversity | Quality

Item	Scope	Description		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	Correspondi GRI conter index	
Health promotion Non-consolidated		Statutory health checkup participation rate*4		%	100	100	100	100	100		
	Non-consolidated	Health checkup service utilization rate*5		%	100	100	100	100	100	-	
		Stress check response rate*6		%	100	100	100	100	100		
		Number of lost-time injuries		Person	0	1	6	2	1		
	New researches	Lost-time injury frequency rate ⁺⁷		-	0.0	0.7	4.5	1.4	0.7	403-9	
Occupational accidents Non-co	Non-consolidated	Number of fatal accidents		Person	0	0	0	0	0		
		Fatal accident frequency rate ⁺⁷		-	0	0	0	0	0		
larly related illnesses	Non consolidated	Number of work-related illnesses		Person	0	0	0	0	0	402.40	
ork-related illnesses	Non-consolidated	Number of deaths from work-related illnesses	3	Person	0	0	0	0	0	403-10	
		Number of participants in upper	Male	D	n.d.	n.d.	n.d.	1.0	9.0		
		management training*8	Female	Person	n.d.	n.d.	n.d.	0.0	0.0	404-1	
			Male	. ,	n.d.	n.d.	n.d.	36.0	36.0		
		Upper management training hours*9	Female	hr/person	n.d.	n.d.	n.d.	N.A.	N.A.		
		N. 1. 6 22 22 22	Male		n.d.	n.d.	n.d.	37.0	36.0		
	Trainings by the	Number of participants in manager training	Female	Person	n.d.	n.d.	n.d.	2.0	0.0		
Training	Personnel Development Office	Manager training hours*9	Male	. ,	n.d.	n.d.	n.d.	39.0	43.0		
	Development Office		Female	hr/person	n.d.	n.d.	n.d.	39.0	N.A.		
		Number of participants in general staff training	Male		n.d.	n.d.	n.d.	170.0	149.0		
			Female	Person	n.d.	n.d.	n.d.	30.0	24.0		
		General staff training hours*9	Male	. ,	n.d.	n.d.	n.d.	235.5	266.5		
			Female	hr/person	n.d.	n.d.	n.d.	235.5	266.5		
		Percentage of female directors		%	0.0	0.0	0.0	0.0	11.1	405-1	
	Non-consolidated	Percentage of female managers	Section Chief	%	0.9	0.9	1.6	1.6	2.4		
			All managers	%	0.7	0.6	1.2	1.1	1.7		
Diversity	Non-consolidated	dated Ratio of women's salaries to men's salaries	All workers	%	n.d.	n.d.	n.d.	n.d.	72	405-2	
			Permanent employees	%	n.d.	n.d.	n.d.	n.d.	71		
			Part-time/Fixed-term employees	%	n.d.	n.d.	n.d.	n.d.	37		
		Number of discrimination instances		Case	0	0	0	0	0	406-1	
	Group in Japan	Number of violation risks of collective bargain	ning rights	Case	0	0	0	0	0	407-1	
Ulcons and adults		Number of child labor risks		Case	0	0	0	0	0	408-1	
Human rights		Number of forced labor risks		Case	0	0	0	0	0	409-1	
		Number of violation risks of indigenous rights		Case	0	0	0	0	0	411-1	
	Group	Number of Human Rights DD issues		Case	n.d.	n.d.	n.d.	n.d.	2	412-1	
Supplier engagement	Business partners of the Procurement Department	Business partner audit	Number performed	Case	16	18	17	21	18	308-2 414-2	
			Number of non- conformities	Case	0	0	0	0	0		
			Number of improvements*10	Case	N.A.	N.A.	N.A.	N.A.	N.A.	414-2	
		Number of sites maintaining IATF16949 certification		Site	8	8	8	8	8*11	-	
Quality control system	Group	Number of sites maintaining ISO9001 certification			11	11	11	11	11*12		

^{*4} Statutory health checkup participation rate = number examined / number eligible

Introduction

Brand Story of Mitsuboshi Belting

The History of Mitsuboshi Belting

Business Overview

Philosophy System of Mitsuboshi Belting

TOP MESSAGE

Vision and Strategy—Mid-Term Business Plan (FY2021-2023)

Deepening ESG Management

Sustainability Promotion System

Materiality

ESG-Related Initiatives to Date

E: Environment

Basic Policy and Activity Results

Environmental Governance System

Initiatives to Realize a Decarbonized Society
Information Disclosure Based on the TCFD

Recommendations

Initiatives to Realize a Resource-Recycling Society

Initiatives for Biodiversity Conservation

Environmental Data

S: Society

Basic Policy and Achievements

Human Resources Strategy

Respect for Human Rights

Value Chain Management

CSR Activities

011710017100

Social Data G: Governance

Corporate Governance

Compliance

Risk Management

Governance Data

Appendix

MITSUBOSHI SUSTAINABILITY REPORT

67

Health checkup service utilization rate = number examined / number requested

Stress check response rate = number of respondents / number of response requests

Number of lost-time injuries or fatalities per one million cumulative actual working hours
 Upper management: Refers to a person in a general manager's position or above.

^{*0} Training hours per trainee

Number of cases in which a compliance approval was given after appropriate corrective actions were taken for non-conformities identified during business partner audits

^{*11} Shikoku Plant, Mitsuboshi Belting Giken Co., Ltd., MBL (USA), MOH (Singapore), SEIWA (Indonesia), STI (Thailand), SMB (China), MB (IND) (India)

⁵ SINKKU PTAITI, WILSUOSIII Detuiting Gilkert CO., Ltd., MDL (USA), MOTT (singapore), SEIVA (Indonesia), STI (Trialianto), SMD (Ustria), MD (USD) (intida)

12 Kobe Plant R&D center, Shikoku Plant, Nagoya Plant, Tokyo Head Office, Missuboshi Belting Giker Co., Ltd., MDH (Singapore), MBI (Indonesia), SEIWA (Indonesia), STI (Thailand), SMB (China)