

# 03

## Section 03

# Realizing a Sustainable Society

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# Sustainability

# Promotion of Sustainability

Grounded in its vision of a better future for people, mobility, and the planet, G-TEKT is committed to contributing to a sustainable society and enhancing corporate value through its business activities

## Basic Sustainability Policy

### ■ Environmental Protection

We strive to protect the global environment by reducing greenhouse gas emissions associated with our business activities, as well as minimizing environmental impacts on air, water, and soil.

### ■ Technological Innovation Supporting a Sustainable Society

We support a sustainable mobility society by delivering high-quality products and pursuing technological innovation that meets the needs of customers and consumers.

### ■ Respect for Human Rights

We prohibit forced labor and child labor, and respect the human rights of all people, as well as the fundamental rights of workers. We also prohibit all forms of discrimination and respect diversity, including diverse values and individuality.

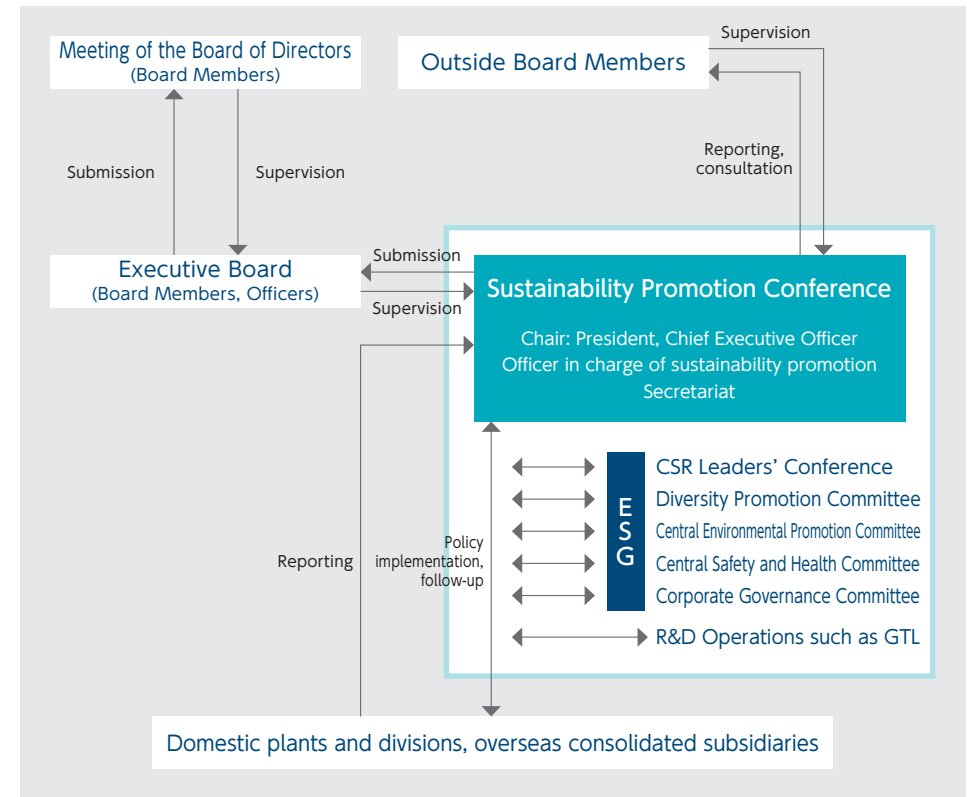
### ■ Compliance

We comply with international standards and the laws and regulations of each country and region, in particular those related to anti-corruption and the prevention of unfair or fraudulent transactions.

### ■ Maintaining and Improving an Appropriate Working Environment

We strive to enhance the workplace environment so that every employee can work safely and with peace of mind, and feel a sense of fulfillment and personal growth.

## Sustainability Promotion Framework



# Materiality (Priority Issues)

With a view to a future, decarbonized mobility society, the Company leverages the technologies and capabilities it has cultivated over the years to achieve both reduced environmental impact and business growth. While we identified four materiality areas in 2016, we keep our materiality assessment under ongoing review in light of changes in the external environment and other factors. To drive sustainable growth going forward, we will clarify the corporate responsibilities the Company should fulfil and continue to analyze and evaluate them from multiple perspectives.

## The Four Material Issues

### Strengthening Corporate Governance



As a company with operations around the world, G-TEKT recognizes that strengthening Group governance and maintaining a sound governance framework are particularly important management priorities. Accordingly, we regularly assess governance conditions at both domestic and overseas sites using checklists and other tools. We also share issues between the Head Office and local sites, and we develop improvement measures to maintain and enhance our governance standards.

### Human Resource Development



We offer a wide range of talent development programs for employees at all career stages, from new hires to experienced employees, and place strong emphasis on company-led human resource development. Guided by the belief that a company cannot grow without the growth of its people, we will continue to engage with and support each employee in order to achieve sustainable growth and ongoing transformation.

### Development of Environmentally Conscious Products and Technologies



Automobiles are among the products that require the greatest environmental consideration. In particular, fuel efficiency is strongly influenced by vehicle weight, making lightweighting a key challenge for vehicle bodies. Leveraging our proprietary design philosophy and lightweighting technologies, G-TEKT helps reduce environmental impact by achieving weight reduction without compromising performance.

### Environmental Management



Addressing climate change is a key corporate responsibility in realizing a sustainable society. To reduce CO<sub>2</sub> emissions generated by our business activities, we are taking a systematic and proactive approach, while also working to reduce environmental impacts across our value chain.

## Topics



### Top Award from a U.K. Industry Association



G-TEM (United Kingdom) received the Company of the Year award from the Confederation of British Metalforming (CBM). The company was highly recognized for its sustainability efforts, including the introduction of solar power generation, as it steadily advances initiatives toward achieving carbon neutrality by 2030.

## Message from the Officer in Charge of Environment

### Driving Corporate Value Through

### Environmental and Economic Balance

In recent years, global challenges such as climate change and resource constraints have become increasingly severe. As a result, companies are now expected not only to minimize their environmental impact, but also to act responsibly across their entire value chain.

With the aim of becoming a Tier 0.5 supplier in the automotive industry, G-TEKT is committed to contributing to a sustainable society by proposing and delivering lightweight, high-strength body components.

In terms of decarbonization, we are accelerating the global adoption of renewable energy and promoting energy-saving initiatives across our production processes in order to reduce CO<sub>2</sub> emissions toward 2050.

G-TEKT has set targets to reduce Scope 1 and Scope 2 CO<sub>2</sub> emissions by 50% by FY2030 and by 100% by FY2040 compared with FY2013 levels, and to achieve carbon neutrality, including Scope 3 emissions, by FY2050. We are steadily implementing measures to achieve these targets. In FY2024, Scope 1 and Scope 2 CO<sub>2</sub> emissions were reduced by 28% compared with FY2013, exceeding the target by 3 percentage points.

In Japan, we completed the transition to 100% renewable electricity for domestic operations in February 2024. In addition, the expansion of self-consumption solar power generation capacity at our sites in Thailand and China in FY2023 contributed to an increase in the global ratio of renewable electricity to 36% (FY2023: 34%).

Going forward, we will further reduce energy consumption by proactively upgrading to high-efficiency, energy-saving facilities.

At new plants in Japan and China, we are pursuing a seamless production system through the automation of manufacturing processes and on-site logistics. We are currently verifying improvements in energy efficiency by increasing first-pass yield and eliminating unnecessary manual processes, and plan to gradually roll out these initiatives to our global flagship plants.

More than 90% of our CO<sub>2</sub> emissions are attributable to materials such as steel and aluminum. Addressing this challenge requires tripartite collaboration among G-TEKT, materials manufacturers, and automobile manufacturers. Accordingly, we are advancing R&D aimed at commercializing large-scale modular components through the development of integral molding technologies. These initiatives target next-generation models, including electric vehicles, with the dual objectives of reducing the number of manufacturing processes and lowering vehicle body weight. Going forward, we will continue to position environmental management as a core pillar of our strategy to enhance corporate value, and will move forward together as one to achieve a balance between the environment and the economy.

We invite you to look forward to G-TEKT's continued challenge toward a sustainable future.



Senior Managing Officer  
**Mitsutoshi Nakamoto**

# Environmental Initiatives

Since obtaining ISO14001 Environmental Management System (EMS) certification in 1998, G-TEKT has proactively worked to reduce the environmental impact of its business activities.

Today, with carbon neutrality as a key goal, we are advancing initiatives to reduce greenhouse gas emissions generated through our production activities.

## Environmental policies

The Company places the highest priority on the conservation of the global and local environments. As a responsible member of society committed to passing on a green and sustainable planet to future generations, we pursue a balance between environmentally responsible business activities and environmental conservation, guided by our basic philosophy: "The Earth is our shared resource."

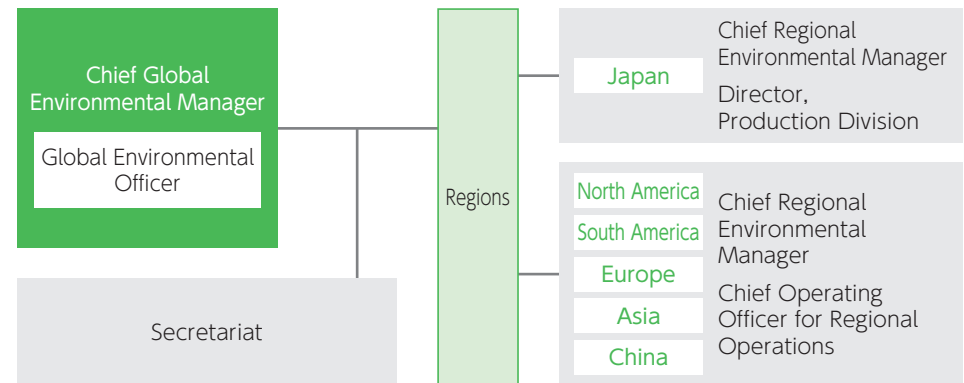
1. The Company shall assess the environmental aspects and impacts arising from all business activities, formulate voluntary improvement plans, and proactively engage in environmental conservation.
2. The Company shall comply with all applicable environmental laws, regulations, and other requirements, establish its own management standards, and strive to prevent environmental pollution before it occurs.
3. The Company shall establish environmental objectives, targets, and implementation plans, reduce its environmental burden through continuous improvement, and conduct business activities in harmony with the environment. These objectives and plans shall be reviewed and revised as necessary.
4. The Company shall promote environmental education and awareness initiatives to ensure that all employees and all persons working at the Company understand and are informed of the environmental policy.
5. The Company shall disclose environmental information externally, foster communication with local communities and society at large, and actively cooperate in environmental conservation activities.

## Environmental Management Framework

Since FY2022, the Company has established a global environmental management framework headed by the Chief Global Environmental Officer (Senior Managing Officer: Mitsutoshi Nakamoto), with the Corporate Business Planning Division serving as the secretariat. Under this framework, the Company is promoting group-wide initiatives toward achieving carbon neutrality by FY2050.

The Central Environmental Promotion Committee under the existing Environmental Management System (EMS) has been reorganized as a committee overseeing the Japan region, and continues to carry out its activities.

### Global environmental management structure



### Percentage of plants with ISO 14001: 2015 certification



\*Applicable 33 locations: Production facilities of our consolidated subsidiaries in Japan and overseas in which the Company holds an equity stake of 50% or more.  
\*as of January 5, 2026

# Environmental Road Map

• Long-term target

Scope1+Scope2

FY 2030 50% reduction \*Compared to FY 2013

FY 2040 100% reduction \*Compared to FY 2013

Scope1+Scope2+Scope3

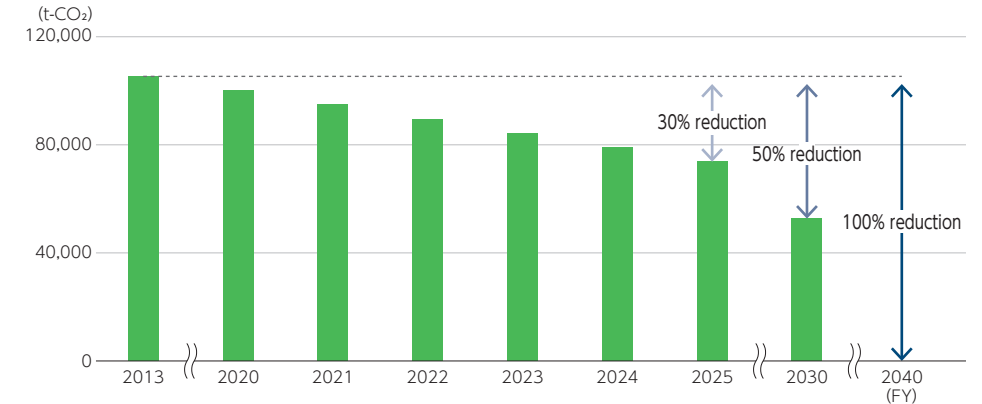
FY 2050 Virtually zero emissions

• Single-fiscal year target

This is calculated by increasing the targeted reduction (compared to actual Scope 1 + Scope 2 figures for FY 2013) by 5 percentage points every fiscal year from FY 2020 onwards.

The target for FY 2025 is a reduction of 30% compared to FY 2013 (target amount: 75,735 t-CO<sub>2</sub>)

CO<sub>2</sub> Emissions Reduction Targets (Compared to FY 2013) ■ Target value



## Environmental Road Map

In progress → Scheduled

	FY 2021 to FY 2025	FY 2026 to FY 2030	to FY 2040	to FY 2050
Energy saving (Scopes 1 + 2)	CO <sub>2</sub> emissions reduction at factories (-10% by FY 2030)			
Utilization of electricity derived from renewable energy (Scope 2)	Phase 1: Procurement of electricity derived from <b>renewable energy</b>			
	Phase 2: <b>Energy generation</b> for own use through installation of solar power generation equipment			
	Phase 3: Energy generation + Off-site renewable energy power supply + Energy supply from + <b>storage batteries</b>			
Fuel/equipment replacement CO <sub>2</sub> absorption (Scope 1)	Replacement with low-carbon fuel (for example, replacement with natural gas derived from renewable energy)			
	Replacement/substitution with decarbonization equipment			
	G-TEKT's Forestation Program (afforestation) (forest-based CO <sub>2</sub> absorption)		Utilization of new technologies	
Scope 3 action (Supply chain/materials)	Supplier engagement (Scope 3 emissions zero by 2050)			
	Switching to <b>low-carbon materials</b>			

# Taking Action for TCFD

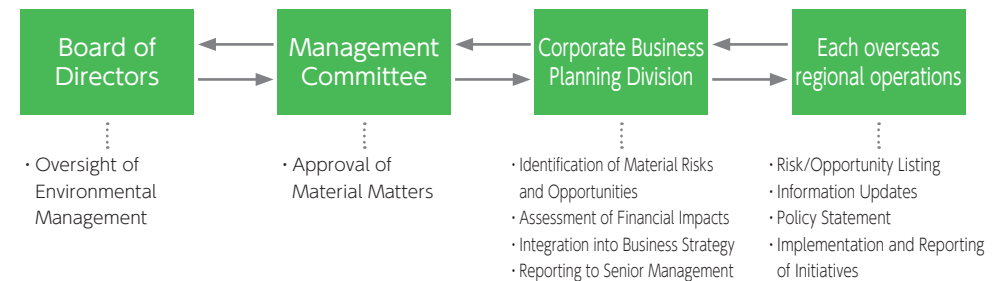
G-TEKT is taking actions based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) in order to realize a sustainable society.

## Governance

For material climate change-related matters, a Senior Managing Officer in charge of the Corporate Business Planning Division has been appointed by the President and Chief Executive Officer as the Chief Global Environmental Officer. Under this structure, business strategies that consider environmental and climate-related risks and opportunities are developed, and progress is managed through the reporting of actual and forecast CO<sub>2</sub> emissions.

Material risks and opportunities are incorporated into business strategies and policy management by the Corporate Business Planning Division and are regularly reported to and discussed by management. Depending on the matter, reports and recommendations are also submitted to the Board of Directors at least once a year.

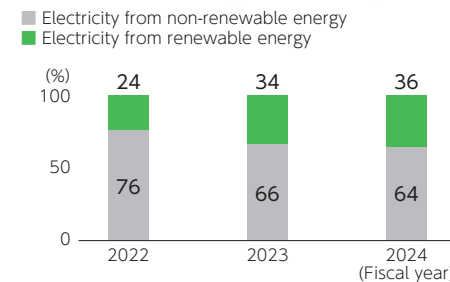
### Governance



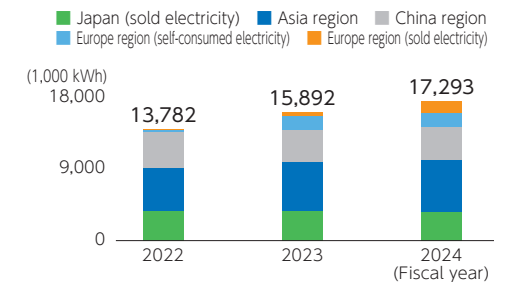
## Strategy

G-TEKT's environmental strategy for its business activities focuses on (1) energy efficiency initiatives and (2) the use of renewable energy, including on-site power generation. Going forward, we will prioritize these strategies by site on a global basis and proactively promote their implementation. Through our products, we contribute to environmental sustainability by (1) improving vehicle fuel efficiency and electric power efficiency through lightweight body technologies, and (2) supporting the wider adoption of electric vehicles by advancing the commercialization of EV-related products, such as battery housings, cell cases, and motor cores.

### Renewable Energy Electricity Ratio



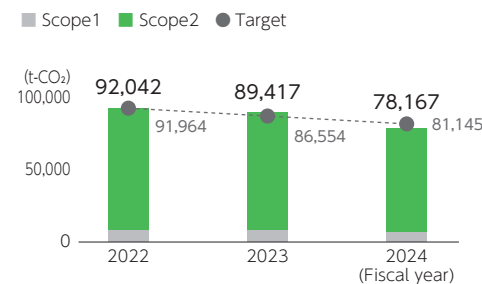
### Solar Power Generation (kWh)



## Metrics and Targets

G-TEKT has set global CO<sub>2</sub> emissions reduction targets for Scopes 1, 2, and 3 as key indicators for managing climate change-related risks and opportunities. We aim to reduce Scope 1 and 2 emissions by 50% by FY 2030 and achieve a 100% reduction by FY 2040, compared to FY 2013, and to achieve carbon neutrality across Scopes 1, 2, and 3 by FY 2050 in cooperation with the supply chain.

### CO<sub>2</sub> Emissions (Actuals)



## Risk management

### ▶ Risk Management

The G-TEKT Group discusses climate change-related risks and opportunities with the Global Environmental Department, overseas subsidiaries, relevant departments, and the Central Environmental Promotion Committee. We confirm alignment with external trends and share progress on internal measures.

We will continue to review and update strategies and actions based on external factors (e.g., regulatory changes) and internal factors (e.g., progress of overseas initiatives and emerging risks and opportunities).

Reference Scenario

- 4°C or higher scenario: RCP8.5 (IPCC AR5)
- 2°C or lower scenario: NZE (IEA, 2022)

Timescale

- Short term: less than 5 years
- Medium term: less than 10 years
- Long term: up to FY2050

### Risks and opportunities

Scenario	Risk/opportunity		Details	Timescale	Financial impact	
4°C or higher scenario	Physical risk	Acute	Sales decline from climate-related supply chain disruptions	Medium term	Large	
			Sales decline from factory shutdowns due to flooding or sea-level rise	Medium term	Medium	
		Chronic	Increased costs to maintain workplace conditions in response to rising temperatures	Long term	Medium	
2°C or lower scenario	Transition risk	Policy/legal/regulatory	Increased costs and capital investment due to stricter GHG emissions regulations (e.g., carbon pricing and carbon border measures)	Short term	Large	
		Technological	Sales decline due to lost orders from delayed technological response	Short term	Large	
		Market	Increased material costs due to higher prices for low-carbon steel sheet	Medium term	Large	
	Increased costs due to soaring energy prices		Long term	Medium		
	Opportunities			Increase in sales driven by lightweighting technologies that improve vehicle fuel efficiency and electric power efficiency	Medium term	Large
				Increase in sales of EV-related products (battery housings, cell cases, motor cores)	Medium term	Large
Decrease in energy costs through more efficient energy use enabled by digital transformation (DX)				Short term	Medium	

### ▶ Toward the achievement of a sustainable society

At present, Scope 3 Category 1 (Purchased products and services) accounts for approximately 70% of G-TEKT's total CO<sub>2</sub> emissions across Scopes 1, 2, and 3, with steel sheets used as raw materials representing approximately 99% of this category. We recognize that addressing emissions in this area is essential to achieving carbon neutrality.

Going forward, we plan to transition our raw materials from blast furnace-based steel to green materials such as electric furnace steel and hydrogen-reduced iron. As this transition progresses, it will become increasingly important for our press die and welding technologies to be capable of processing products made from such green materials. We therefore aim to internalize these capabilities at an early stage. While maintaining and improving product quality at the same level as today, we will establish a mass production system for products using green materials.

In addition, scrap generated during the press process has traditionally been collected and recycled, and we will continue to promote a circular economy through these efforts. Furthermore, we are working to increase material yield rates in order to reduce overall raw material usage.

## Biodiversity Initiatives

In FY2014, G-TEKT established the “G-TEKT Biodiversity Guidelines” as part of its efforts to conserve the global environment, one of the Company’s most important priority issues. Recognizing that our business activities may impact biodiversity, we will continue initiatives aimed at the conservation and sustainable use of biodiversity.

### G-TEKT Biodiversity Guidelines

Under the “G-TEKT Environmental Philosophy,” G-TEKT recognizes biodiversity conservation and sustainable use as a key environmental priority and aims to balance these efforts with its business activities.

1

#### Pursuit of Advanced Environmental Technologies

Contribute to biodiversity conservation by developing and mass-producing industry-leading low-environmental-impact products.

2

#### Initiatives in Business Activities

Reduce environmental impacts through continuous improvements in production efficiency, and strive to mitigate impacts on biodiversity and promote its sustainable use.

3

#### Communication with Local Communities

Actively cooperate in environmental conservation and social contribution activities in partnership with local communities, and foster ongoing engagement with them.

### G-TEKT’s Corporate Forest Program

As part of its biodiversity initiatives, G-TEKT launched its Corporate Forest Program in 2014. This program is a collaborative initiative in which municipalities provide activity sites, prefectural governments support the program, and participating companies and organizations work together under an agreement to restore and nurture forests.

Through tree-planting activities in Tokigawa Town, Saitama Prefecture, we have promoted initiatives toward a sustainable society, including forest restoration on Mt. Yumitate and environmental education in collaboration with local residents. Under the slogan, “Passing on a lush, green Earth to future generations,” G-TEKT continues to participate in this initiative.

### Received the “Saitama Prefecture Distinguished Service Award for Greenery” at the 75th National Tree Planting Festival

The “Saitama Prefecture Distinguished Service Award for Greenery” is presented to individuals, organizations, and companies that have made outstanding contributions to environmental conservation in Saitama Prefecture, including through forest management and the promotion of greening initiatives.

We view this award as recognition of G-TEKT’s ongoing Corporate Forest Program. Going forward, as part of our corporate social responsibility, we will continue to value coexistence with local communities and work to conserve and enhance the natural environment.



## Message from the Officer in Charge of Human Capital Management

We will drive global management by leveraging our people, who are the source of our corporate value.

### Human Capital Initiatives

Guided by “Respect for Human Dignity,” a core principle of G-TEKT’s Credo, the Company aims to foster an organization where employees can grow autonomously and fully demonstrate their capabilities. To respond to a rapidly changing business environment, we continuously enhance our systems and corporate culture to enable the active participation of people with diverse skills and backgrounds.

We have introduced a performance- and competency-based evaluation system that does not rely on seniority, ensuring fair assessment regardless of age or length of service. This promotes the early advancement of high-performing employees and expands opportunities for those with specialized expertise, thereby enhancing organizational vitality and competitiveness. The evaluation system is not only used for promotion decisions but also functions as a development and feedback tool, encouraging manager-employee dialogue and supporting employees’ career development.

To support employees’ autonomous career development, we have established systems such as qualification support programs and a self-reporting system. By enabling employees to express their interests, aspirations, and future career visions, these systems help provide opportunities for them to play active roles, thereby enhancing motivation and engagement. We operate these systems flexibly by incorporating feedback from employees and the Human Resources Development Committee, thereby enhancing trust in and acceptance of the programs.

Moreover, we are committed to developing our management personnel through rank-specific training programs. In evaluating

managers, we place importance on their ability to develop people, encouraging leadership that supports the growth of subordinates rather than focusing solely on performance management. In our annual management training programs, we emphasize the acquisition of practical skills required in the workplace, including communication and listening skills, as well as goal setting and effective feedback.

G-TEKT regards human capital as a source of corporate value enhancement and, based on the belief that the growth of each individual employee leads to sustainable corporate growth, will continue to implement flexible and strategic human capital initiatives. Our human capital strategy goes beyond system design and forms the foundation of our corporate culture. We believe that creating an environment in which employees can work in their own way and fully demonstrate their strengths will ultimately contribute to the Company’s sustainable growth and value creation for society.

This fiscal year, we have newly positioned “human capital” as a driving force that underpins our four existing strengths—technical capabilities, development capabilities, financial strength, and global capabilities. In light of this updated policy, we recognize global human capital issues as a key management priority and, since 2024, have begun in-depth discussions at the Global Management Committee. By taking a comprehensive, global view of human capital strategies in each region, ensuring optimal allocation of talent across the Group, and aligning policies for human resource development, we aim to maximize the value of our human capital on a global basis.



Managing Officer

**Takeshi Bamba**

# Human Capital Management

At G-TEKT, we position our employees as invaluable assets that are essential to our evolution into a Tier 0.5 company. Under our human capital development policy, we aim to provide all employees with opportunities for growth and to support voluntary skill development, while cultivating human capital capable of creating new value for the next era. Through these efforts, we seek to grow together with our employees.

As the automotive industry faces profound transformation, G-TEKT is taking on the challenge of survival and sustainable growth as a business.

We believe that it is each individual employee who carries this challenge forward, and that the Company cannot grow without the growth of its employees.

## Vision

To achieve sustainable growth in an automotive industry undergoing a once-in-a-century transformation, it is essential to create new value through the combination of diverse perspectives and knowledge. With a history spanning more than 70 years, including its predecessors, the Company has grown by emphasizing productivity improvements through homogenous groups during periods of quantitative expansion. However, in today’s rapidly changing environment—where multiple and diverse needs must be anticipated—this approach alone is no longer sufficient.

Looking ahead, it is critical for the Company to become an organization in a state of “dynamic equilibrium,” one that preserves its core values while flexibly adapting to environmental changes and continuing to grow. To this end, we are focused on providing growth opportunities that enable each employee to proactively develop their capabilities, as well as on initiatives to enhance engagement by encouraging and supporting individual performance within each organization. In line with our corporate credo of “Respect Human Dignity,” “Technological Innovation,” and “Sound Corporate Management,” we will continue to value what must be preserved, while striving to create an environment in which employees can autonomously evolve and grow in response to management strategies and changing business conditions.

## Indicators for Enhancing Human Capital Diversity

At G-TEKT, we aim to foster a corporate culture in which individuals from diverse backgrounds can thrive, thereby maximizing organizational capabilities. To ensure the steady and effective execution of our initiatives to enhance human capital diversity, we have established specific indicators and formulate and implement concrete measures every year.

Theme	Non-financial KPI	FY 2024 actual	FY2028 target
Increase the ratio of female hires	Ratio of Female Hires	9.40%	25%
Increase the proportion of women managers	Ratio of Women in Managerial Positions	1.4× FY2020 level	1.5× FY2020 level
Male Participation in Childcare	Male Parental Leave Take-up Rate	45%	30%
Systems Supporting Diverse Work Styles	Number of New Initiatives Implemented	24 (cumulative)	At least five (cumulative)

## Human Capital Management

### ▶ Training and development initiatives

G-TEKT provides education and training aligned with the three themes of management development program, business execution skills enhancement, and support for autonomous and continuous learning. Through the educational opportunities provided by these three themes, we provide support for the personal growth of employees and the taking on of new challenges.

#### Management development program

In order to nurture the next generation of executive management, we are working on our management development program.

In FY2024, a total of 298 individuals participated in training.

In the Management Essential School aimed at the section leader level, participants learn about management strategy, organizational development, finance, marketing, and innovation with the objective of acquiring the knowledge and perspectives required for executive management, and enhancing management literacy.

As part of our efforts to nurture global human resources, we have also introduced a program to enhance the linguistic abilities of selected individuals.

#### Business execution skills enhancement

Mid-ranking employees are core members of workplace teams, and play an important role in linking management with younger staff.

Moreover, the development of younger employees is a crucial issue in terms of creating the future of G-TEKT itself.

In addition to on-the-job training, G-TEKT engages in ongoing training and educational initiatives for younger and mid-ranking employees to enable them to acquire leadership, problem-solving, and other business skills, and to enhance their technical abilities.

In FY2024, we introduced selective training tailored to position in the workplace and the duties of the individual, which attracted a total of 140 participants.

#### Support for autonomous and continuous learning

In order to enhance the employee's expertise in their current duties and broaden the possibilities for the employees themselves, we support skills development and upskilling through our qualification acquisition support system and our English ability improvement program.

In FY2024, a total of 527 employees made voluntary use of the qualification acquisition support system.

To promote DX, we are also expanding our lineup of IT and digital-related qualifications.

Reflecting the importance of the overseas business, the English ability improvement program has offered learning via an app and support for taking the TOEIC test continuously since 2017, and 53.5% of employees had recorded a TOEIC test score as of the end of FY2024.

### ▶ Systems to support the empowerment of individuals and initiatives to improve engagement

#### Systems to support empowerment

G-TEKT has operated a personnel system based on role and demonstrated ability since 2016, and even today we make revisions to ensure that mechanisms for work styles and benefits take into account the conditions faced by the organization and the market environment.

For example, we have introduced a spousal leave system that enables employees to take leave to accompany spouses who have been posted overseas, which is intended to allow continuous employment at the Company, and a "comeback" system that enables employees who have previously resigned to work again at G-TEKT.

In addition, with the goal of enhancing the motivation of employees posted abroad who are involved with the further expansion of the overseas business that accounted for 80% of the sales of the Company in FY2024, we have revised the wage system for employees posted overseas.

#### Measures to improve engagement

With the aim of making "Respect human dignity" a daily practice in the workplace and improving the engagement of employees, we provide ongoing "engagement diagnosis" results feedback training to individuals at section manager and general manager levels, based on organizational surveys.

Managers come face-to-face with individual employees on a daily basis.

However, it is difficult to quantify the strengths and weaknesses of the workplace.

To address this we hold training sessions, obtain quantitative confirmation of workplace circumstances through the results of organizational surveys, and use this as the basis of actions to improve the workplace culture.



Training in progress

## Social Initiatives

### ▶ Human rights

#### Respect for human rights

G-TEKT believes that respect for human rights is an important element when conducting a variety of businesses worldwide. We have specified our policy on respect for human rights in the leaflet entitled “Our Code of Conduct” and the code is read aloud in unison at least once a year at all workplaces to make sure everyone is fully aware of the content. It outlines not only compliance with laws and regulations, but also respect for the customs, cultures, religions, and lifestyles of various countries, and explicitly states that all forms of harassment, such as sexual harassment and power harassment, are unacceptable.

The Company also supports the Universal Declaration of Human Rights proclaimed during the third session of the United Nations General Assembly on December 10, 1948 and all ILO international labor standards made up of the eight conventions specified by the International Labour Organization (ILO) including the Discrimination Convention, the Minimum Age Convention, and the Worst Forms of Child Labour Convention. In response to these, the Company has specified policies prohibiting forced labor and child labor, and guidelines prohibiting forced labor and child labor, and is endeavoring to maintain a healthy working environment.

**Reference** <https://www.g-tekt.jp/environment/social/humanrights.html>

#### Prohibition of forced labor and child labor

We respect the International Labour Organization (ILO)’s Declaration on Fundamental Principles and Rights at Work and comply with laws and regulations on forced labor and child labor. Furthermore, we do not allow forced labor or child labor of any kind.

**Reference** <https://www.g-tekt.jp/ir/governance/basic.html>

### ▶ Initiatives to improve quality

The Group voluntarily and actively conducts quality control (QC) circle activities (activities in small groups) aimed at learning QC methods for the continuous management and improvement of the quality of products, services, work, etc. Activities are conducted in an organized manner in pursuit of further enhancement of activities, with managers serving as supervisors in six regions including Japan, eight sites in North America, five sites in Asia, three sites in China, one site in Europe, and one site in South America.

### ▶ Supply chain management

#### Basic policy

- ① Compliance and green procurement
- ② Maintain a fair and healthy relationship with suppliers
- ③ Mutual prosperity based on mutual trust

#### Activity guidelines

- ① Formulate the CSR procurement policies and guidelines
- ② Investigate the current state of the supplier
- ③ Propose to the supplier and implement corrective/improvement measures
- ④ Conduct audits of the supplier

#### Promotion of sustainability throughout the entire supply chain

The Group engages in procurement activities in accordance with three basic policies and four activity guidelines.

We work to raise awareness of CSR procurement, and have included in our criteria for doing business the provision of information on the status of compliance with laws and regulations, and environmental friendliness, as well as initiatives related to human rights and the labor environment.

We ask our business partners to agree with our approach to making environmentally friendly products that comply with laws and regulations, and require them to complete a self-inspection questionnaire to assess their current situation.

We not only give them feedback on the results of the questionnaire, but also take actions aimed at identifying and resolving issues in the supply chain, which include proposals for improvement measures.

Going forward, we will continue engaging in initiatives to promote sustainability in the entire supply chain together with our business partners.

#### Measures against conflict minerals

While the Group does not use these minerals directly, we have been conducting investigations since 2013.

Based on the findings of these investigations, neither purchasing nor use of conflict minerals has been confirmed anywhere in the supply chain.

We will continue to conduct investigations into conflict minerals in the future, in order to promote responsible mineral procurement.

**Reference** <https://www.g-tekt.jp/environment/supply.html>

## Social Initiatives

### ▶ Health and productivity management

#### Health declaration

The G-TEKT Group believes that the mental and physical health of each employee and their families are the most important asset for the realization of its vision to “Shape a better future for people, automobiles, and the environment through the fusion of passion and innovation.”

We declare that we will endeavor to create a company enabling each employee to actively work in affluence, comfort and good health, and contribute to the enhancement of corporate value and the realization of an affluent society through support for activities to maintain and promote the health of employees and their families and organized promotion of health.

September 1, 2022 President, Chief Executive Officer Naohiro Takao

#### Background

We have launched a new management strategy from 2021 with the vision to “Shape a better future for people, automobiles, and the planet through the fusion of passion and innovation.” Within the strategy, we are focusing on the promotion of health and productivity management under the theme of improvement of the diversity of human resources and are working on various measures to improve employee engagement.

#### External evaluation

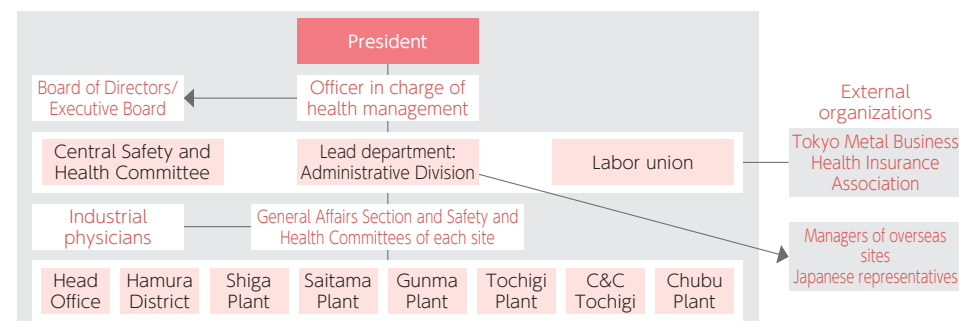


#### Priority issues

- (1) Improvement in employees' lifestyle habits: education on health awareness reform among employees/follow-up on reexaminations, etc.
- (2) Mental health: expanding mental health training/better follow-up of those with mental health issues
- (3) Raise awareness of smoking cessation among smokers: promote smoking cessation programs, support for smoking cessation

#### Implementation system

Under the leadership of the President, an officer in charge of health management has been appointed, and the Administrative Division, which is the lead department, promotes healthy management in collaboration with the Central Safety and Health Committee and the General Affairs Section and Safety and Health Committees of each site.



#### Future measures

Individual health investment activities	Specific measures
Regular distribution of in-house newsletters	Guidance on policies and distribution of health-related information
Healthcare Promotion Committee	Discussions with employees, unions, and industrial physicians regarding health management
Use of health screening data	Provision of health guidance to employees from medical specialists and public health nurses, based on the results of health checkup analysis
Measures to promote mental health issues	Training for individuals in self-care and for managers in the provision of support to subordinates, building of a support system in cooperation with specialists, formulation of improvement plans based on stress checks for each department
Support for those on leave	Structuring of back-to-work support programs involving experts
Encouragement to take paid leave, elimination of overtime	Target ratio of paid leave taken of 80%, encourage employees to plan to take five consecutive days of paid leave, improve productivity
Convey information to smokers	Provide support for cessation of smoking, convey information to enable people to avoid passive smoking

By implementing the above measures and accumulating internal data, we will develop a workplace environment in which employees are healthy and motivated to work.

**Reference** [https://www.g-tekt.jp/environment/social/employee/health\\_management.html](https://www.g-tekt.jp/environment/social/employee/health_management.html)