

S Social Activities



TAIYO YUDEN has designated the most important social issues as “materiality”—or “key issues”—and endeavors to contribute to the realization of sustainable social infrastructure.

Human Rights

Human Rights and Labor Policy

TAIYO YUDEN not only complies with the labor laws and regulations of each country in which it operates, it also supports and respects major international standards and rules, such as the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the standards of the Responsible Business Alliance (RBA). In May 2020, TAIYO YUDEN signed the UN Global Compact and has been acting in accordance with its Ten Principles, which are set out under the headings of Human Rights, Labor, the Environment, and Anti-Corruption.

Labor Human Rights Management Policy and Compliance Requirements

[Policy]

TAIYO YUDEN will be striving for creating a company trusted by society by observing the spirit of regulations/laws and international rules regarding Labor Human Rights as well as defining following compliances in terms of CSR Charter and code of conduct of the group.

[Compliance Items]

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|-------------------------------|--|
| 1. Ban of Child Labor | 5. Ban of Employment based on Discrimination |
| 2. Ban of Enforced Labor | 6. Ban of Inhuman Behavior |
| 3. Securing Health and Safety | 7. Proper Working Hour |
| 4. Freedom of Association | 8. Remuneration/Wage |

Labor Human Rights Management Policy and Compliance Requirements

<https://www.yuden.co.jp/or/company/sustainability/society/laborrightrule/>

Human Rights Due Diligence

Companies have been required to carry out human rights due diligence based on the UN Guiding Principles on Business and Human Rights. In order to strengthen its initiatives for respecting human rights, TAIYO YUDEN has defined the departments and persons responsible for handling labor, human rights, discrimination, and harassment issues; it has also established and operates a labor human rights management system that includes regular internal audits, and that conforms to the RBA Code of Conduct, and so seeks to become a company that is trusted by society. Since FY2020, we have been participating in various subcommittees such as the Human Rights Due Diligence Subcommittee and Human Rights Education Subcommittee hosted by the Global Compact Network Japan, which is the local network of the UN Global Compact. At our Japanese and overseas Group companies, we also conclude agreements on human rights and labor and conduct regular evaluations such as audits and corrective actions with employment agencies, contractors and security/cafeteria/cleaning personnel (on-site) etc.

Example Initiatives in FY2022

- We prepare learning materials containing human rights policies, harassment prevention, prohibition of discrimination based on sexual orientation, and other content, and utilize them in our Japanese and overseas bases. We ran regular e-learning courses at our Japanese bases.
- We conducted regular specialized training through e-learning for labor and human rights departments at our Japanese bases.

ESG / Social Activities

<Example initiatives for human rights due diligence>

CSR Activities for Suppliers

TAIYO YUDEN Group distributes the “TAIYO YUDEN Group CSR Procurement Guidelines (CSR Procurement Requirements)” (hereinafter referred to as “CSR Procurement Guidelines”) to new suppliers in order to have them understand the Group’s CSR policies including human rights and labor problems, and TAIYO YUDEN Group only starts to implement transactions with suppliers after they declare that they will comply with the requirements. Also, TAIYO YUDEN Group assesses “maximum working hours,” “legal minimum wages” and “avoidance of child labor,” etc. using the “CSR Self Check Sheet” prepared based on the RBA Code of Conduct, and deals with suppliers that meet the Group’s criteria.

TAIYO YUDEN Group regularly conducts assessments for existing suppliers by using “CSR Self Check Sheet”. Furthermore, TAIYO YUDEN Group conducts physical inspection audits for critical suppliers on a regular basis. TAIYO YUDEN Group requests corrective actions from suppliers failing to meet the Group’s criteria as a result of assessment.

Result of agreements with “CSR Procurement Guidelines”

Measurement Unit (KPI)

Rate of agreements with “CSR Procurement Guidelines”	
Result of FY2022	Targets for FY2023 to 2025
99%	100%

CSR Procurement Self-Assessment

Until FY2022, TAIYO YUDEN Group had received self-assessments from 535 suppliers. Based on the assessment results, no high risks have been identified from any of TAIYO YUDEN Group’s suppliers.

Measurement Unit (KPI)

Rate of suppliers in conformance with CSR assessment	
Result of FY2022	Targets for FY2023 to 2025
97%	100%

Health and Safety

TAIYO YUDEN places importance on safety in the environment where our employees work. It works to eliminate work-related accidents and reduce major risks based on the Fundamental Principle of Safety and Health, which states that “Employees are big assets to TAIYO YUDEN. To ensure the employees’ happiness, the safety shall be kept so that employees could work without anxiety and the health of employees are maintained.”

Based on this idea of placing importance on safety, we incorporated an indicator concerning safe and secure work-places as one of our social values in the KPIs which are the targets in the medium-term management plan 2025. For the specific targets we set an incidence rate of injuries and illness of less than 0.016 and an accident frequency rate of less than 0.08. These are levels which are substantially lower than the average for the Japanese manufacturing industry.

Currently, we are advancing activities to prevent industrial accidents for achievement of the target incidence rate of injuries and illness and the target accident frequency rate by clarifying action targets for each of the 5Ms (Man, Machine, Method, Material, Measurement) for achievement of the medium-term targets by FY2025. Regarding FY2022, the incidence

rate of injuries and illness was 0.015 and the accident frequency rate was 0.07, so we were able to achieve the targets in the current fiscal year.

Example Initiatives in FY2022

■ We verified and reviewed the risks of all heavy object handling work and the measures for these works, and took measures to strengthen measures.

Medium-term Occupational Health and Safety Targets

Results and Targets		5Ms for Medium-term Targets	
Incidence rate of injuries and illness	Accident frequency rate	Man	Intensive basic training and fostering “Awareness of safe behavior”
FY2025 Targets		Machine	Enhancing the level of facility safety design for designers
Less than 0.016	Less than 0.08	Method	Safe work without inconsistencies
FY2022 Results		Material	Minimization of toxicity and danger of chemical substances
0.015	0.07	Measurement	Strengthening of checking system

Materials Procurement Activities

With a basic policy on the procurement of materials, TAIYO YUDEN promotes CSR procurement activities across its entire supply chain, including suppliers of technologies, services, and products such as parts, materials, and machinery procured by the Group.

Initiatives for CSR Procurement

CSR Procurement Policy

The TAIYO YUDEN Group established the “CSR Charter” and the “CSR Code of Conduct” and promotes CSR activities in order to fulfill corporate social responsibility. We endeavor to carry out socially responsible procurement that complies with both the CSR Charter and the CSR Code of Conduct. We also share our procurement initiatives with our suppliers, distributing to them the “CSR Procurement Guidelines” that outline the items we require them to comply with, obtaining their consent to the compliance items, and carrying out transactions. Our policy for socially responsible procurement is to ensure that every part of the supply chain, including the suppliers, complies with our CSR Procurement Guidelines. In order to assess these initiatives, we also regularly distribute “CSR Self Check Sheet” to our suppliers, and use the results to gauge how socially responsible our procurement is. Where necessary, we work together with our suppliers to implement improvements.

Responsible Minerals Procurement Policy

There are concerns that the minerals such as tin, tantalum, tungsten, gold (3TG), cobalt, and mica in the Democratic Republic of the Congo and adjoining countries or Conflict Affected and High-Risk Areas (CAHRAs) can finance armed groups in those conflict regions through illegal mining and trading of minerals and raise human rights abuses or labor issues such as child labor or forced labor. To fulfill its social responsibility in its supply chain, TAIYO YUDEN Group implements appropriate measures to procure minerals, ensuring that we do not become involved in such issues through the trade of minerals used in our products. TAIYO YUDEN Group requests suppliers to understand TAIYO YUDEN’s procurement policy and cooperate with the survey in the procurement process. Furthermore, TAIYO YUDEN Group requests suppliers to procure minerals from the refiners/smelters approved by globally recognized frameworks such as RMI.

RBA-VAP Audit

TAIYO YUDEN has implemented activities to comply with the RBA (Responsible Business Alliance) Code of Conduct, which is a code of conduct related to social responsibility. Further, TAIYO YUDEN regularly undergoes RBA-VAP audits in its main bases as third-party evaluation in order to enhance the level of our activities relating to labor, health and safety, environment, and ethics.

In the audits in FY2022, TAIYO YUDEN CO., LTD. Nakanojo Plant acquired Platinum certification, the highest evaluation, and its Takasaki Global Center and NIIGATA TAIYO YUDEN CO., LTD. acquired Gold certification.

RBA-VAP Audit
<https://www.yuden.co.jp/or/company/sustainability/environment/management/>




Social Contribution

Our corporate approach is to coexist harmoniously with the local communities. We contribute to communities, such as holding and participating in volunteer activities and charity events, interacting with communities and providing factory tours.

Example Initiatives in FY2022


Tree Planting Activities

Since 2008, TAIYO YUDEN (PHILIPPINES) has planted mangrove seedlings, attracting increasing attention as a CO2 absorption source. Mangroves, which serve as habitats for shrimp and fish, play an important role in aquatic biodiversity.



Women’s Softball Team Children’s Coaching

Established in 1984, TAIYO YUDEN SOLFILLE is a women’s softball team that has consistently produced athletes that go on to represent Japan, with some even participating in the Olympics. The team regularly holds softball classes for children around Japan and, in FY2022, SOLFILLE members coached selected softball throw in local elementary schools.



The Social (S) website:
<https://www.yuden.co.jp/or/company/sustainability/society/>

ESG / Social Activities



Message from the Officer in charge

We are promoting the necessary human resources strategy for achieving our growth strategies

Satoshi Yamazaki

Operating Officer
in charge of Human Resources,
General Affairs

Due to progress in the digitalization of society, demand for electronic components is expected to grow in the medium to long term. TAIYO YUDEN has devised and is implementing growth strategies to respond to this situation. As a consequence of this, for our human resources strategy, we are advancing the development of “smart street warriors” and “human resources who can take action themselves at a moment’s notice if they see an opportunity” who realize growth without missing the opportunity of the demand expansion period.

Looking back at the history of the company, in the former TAIYO YUDEN there were a large number of the so-called “street warrior” type of human resources who opened up markets and developed our business. I think they had the strength to think for themselves, take action and carve out our business, while there were also many detours onto the wrong path and failures. Therefore, we will upgrade these street warriors to develop human resources suitable for the society of the future. In other words, our idea is to create growth without missing opportunities by increasing the human resources equipped with the abilities to take action in an organized way by making full use of the current digital technology, implementing information gathering and analysis after considering the latest findings, and making decisions using scientific rationality.

In relation to this, we are implementing education and training for each class of employee, and in particular we are focusing our efforts on management education for the managers. In the forums for leader training for select members which we have carried out for three years, we have become strongly aware of the fact that the quality and quantity of the statements by the training recipients and their thinking styles have changed with each passing year, the training recipients themselves have a clearer awareness of themselves as leaders, and they are willingly working to apply what they learned in the training at their work sites.

Further, in order to accelerate our activities for enriching the diversity of our human resources, in July 2023 we upgraded the status of the former Diversity Development Section to establish the Diversity Development Department and strengthen our systems. As a materiality in the society (S) of social value, we have established a female manager ratio of 10% or higher (FY2030 target) as one of our KPIs. As of April 1, 2023, there were 12 female managers in TAIYO YUDEN (non-consolidated), a ratio of 4.2%. That ratio is

rising year by year, and we will further enhance our initiatives for achieving the target. In addition, as an initiative for diversity other than gender diversity, we are promoting the employment of people with disabilities. In July 2023 we opened a cafe and bakery in the company as a place for people with disabilities to fulfill their potential. It has been well received by our employees and is busy with customers every day.

On the other hand, placing importance on human rights is a major premise of our approach concerning human resources. Of course we monitor child labor and forced labor but what we are tackling with particular priority is labor conditions. The entire Group implements monitoring of items including labor conditions such as working hours, leave days, etc. and consultations about harassment and discrimination, etc., and is continuously working to build a system under which human rights infringements do not occur.

We have also established a target for work engagement as a materiality in society (S). In a survey we conducted in-house we discovered that the figures were low for young employees and the production departments; therefore, as a countermeasure, we strengthened our measures for enhancing the “teaching skills” of the people developing subordinates (supervisors) and enhancing the training for the supervisors of the production departments. Further, from FY2023, we also strengthened our initiatives to enhance engagement. For example, we conduct a survey on feedback satisfaction for all employees twice a year in order to ascertain whether the content of personnel evaluations is being fed back from supervisors to subordinates appropriately.

When it comes to health-oriented management, we are promoting Focus 5, activities focused on the five items of diet, non-smoking, exercise, sleep, and stress, under the leadership of the President and Chief Executive Officer, who serves as CHO: Chief Healthcare Officer. We plan to provide support for improving employee health and raise the health consciousness of our employees based on these activities.

As we aim for achievement of the targets in the medium-term management plan 2025, we will develop the human resources who will bear the responsibility for the growth of TAIYO YUDEN and solving social issues, in particular the SDGs, continue our initiatives to support the growth and health of each and every one of our employees, and contribute to the enhancement of corporate value.