

## Human Resource Enhancement

The Yaskawa Group has established a common global human resources philosophy and a basic approach to human resources and personnel systems. The ideal is for employees to have aspirations, learn autonomously with high motivation, and continue to take on the challenge of creating new value, and we continue to work to improve our personnel systems, work styles, and human resource development to achieve this.

Through these initiatives, we aim to increase our corporate value on a sustainable basis by enhancing the job satisfaction of each and every employee while realizing that they are contributing to our customers, and leading to a virtuous cycle of employee growth to achieve their individual goals and Yaskawa Group's increased competitiveness.

### Strengthening human resources management

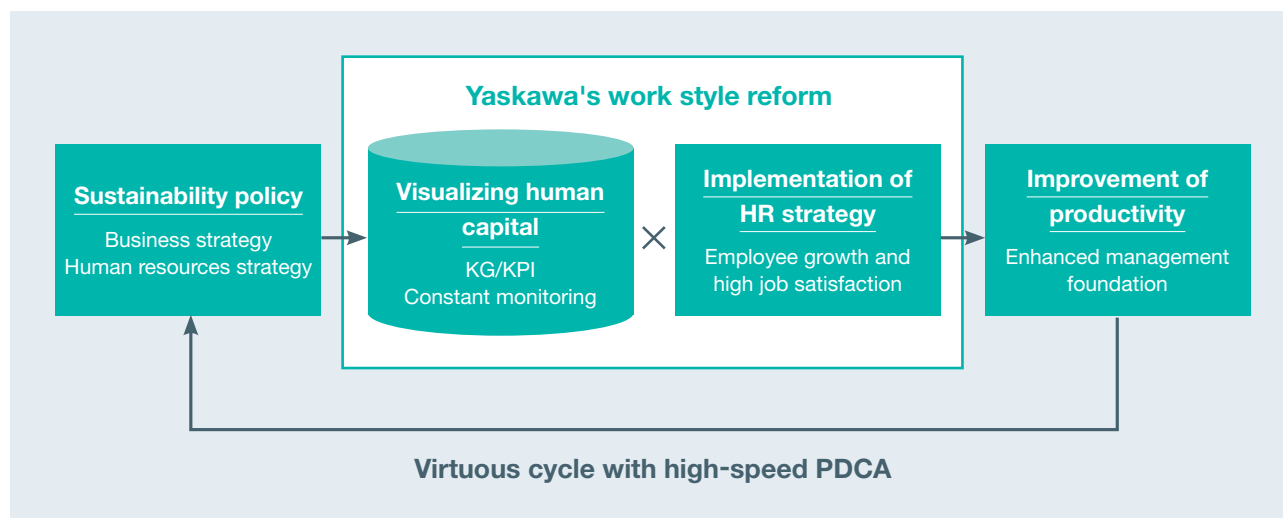
Yaskawa Group is working to link and visualize data related to human resources globally through "YDX (YASKAWA Digital Transformation)." The collected data is then linked to sustainability policy and business strategies to be analyzed in a timely manner for the speedy development of various personnel measures, including recruitment, placement, training and institutional management.

We have also established a definition of "professional human resources" for each job category that can meet the changing

and increasingly sophisticated needs of our customers, and we focus on nurturing those professionals.

Through the above strengthening measures, we will strive to strengthen our management base and increase our corporate value through a virtuous cycle of human resources management, in which the growth of individuals and the enhancement of job satisfaction increase organizational productivity and continue to provide new value to customers.

### Structure of human resource management



## Work style reform

By fostering a corporate culture and environment in which each and every employee can feel satisfied about his or her work, Yaskawa is strengthening its management base, while

at the same time implementing specific measures based on the belief that each employees' activities that create customer value will increase the corporate value.

Measures	Purpose
<b>Review of evaluation and compensation systems</b>	Evaluate work performance in a digital and fair manner, and ensure a well-defined, performance-oriented treatment
<b>Introduction of a regional work system</b>	Acknowledge diverse ways of working and work in a style that suits each individual to fairly evaluate and treat them
<b>Integration of qualifications of positions and introduction of free agent system</b>	Give opportunities to motivated people and promote voluntary growth within the principle of competition

In view of the changes in the organization, human resources and external environment to achieve Vision 2025, we are taking steps to strengthen our organizational and human resources. In addition, since FY2021, a new normal has been established for a variety of work styles, regardless of time or place due to the spread of the COVID-19, and we introduced a telework

system to provide more options for work style.

At the same time, regardless of whether an employee is in the office or not, we have developed an environment in which ICT can be used to increase the productivity of the workplace and individuals and produce results, as well as a system for supervisors to evaluate this.

## Evaluation and compensation system to realize job satisfaction

With the declining birthrate, the aging population, globalization, and the evolution of digital technology, competition for talent is increasing due to changes in the work consciousness of young talent and the increasing importance of highly specialized talent in business. Against this backdrop, in order to secure and promote the advancement of talented human resources, we revised our evaluation and compensation systems to realize attractive compensation that comprehensively takes into account hiring, improved employee performance, retention and future growth.

The new evaluation and compensation system aims to

enhance employee satisfaction by weakening the concept of evaluating the accumulation of knowledge and skills through seniority, allowing fair evaluation of the results achieved in performing duties, and enabling compensation based on the role each person plays and the size of the duties.

The new system was introduced in stages from FY2020 to FY2022, and the ES questionnaire (Employee Satisfaction Survey) quantifies the percentage of employees who feel job satisfaction on a regular basis, which has remained high at around 80%.



### Human resource development

In human resource development, based on the human resources philosophy of "Let us grow and nurture" Yaskawa promotes activities with an eye to fostering a climate in which employees develop on their own. Against this backdrop, we have recently implemented the following priority measures.

#### 1. Penetration of management principle

At Yaskawa Electric, management principle is the fundamental activity policy and judgment standard, and we are implementing ideological education to increase the number of people who have an unshakable axis and can embody our principles, even when the environment surrounding the company changes drastically.



A scene of a philosophy lecture given by an executive to new employees

#### 2. Development of professional human resources

In today's business environment, which demands global competition, it is necessary to professionalize each person in order to maintain our competitive edge as a company. We believe that the more professional talent we have, the more competitive the company will be and the more flexible we will be in our ability to respond to change and crisis.

In order to increase the ratio of professional talent, we will use skill maps to visualize the ratio of professional talent, and create a career path and visualize the skills and abilities to be acquired as well as the path to step up to create an environment where all employees actively learn the necessary abilities and skills and encourage independent (autonomous) growth. In addition, through the establishment of an education system, necessary education is provided at the appropriate time to improve the organizational capacity of the entire Group.

### Diversity and inclusion

In order to respond quickly to changes in the business environment surrounding the VUCA\* era, Yaskawa aims to evolve and enhance its competitiveness as a company that will continue to grow for the next 100 years, and is working to create a climate where the strengths of diverse human resources can be utilized, not only in the active participation of women, which is an issue in Japanese society.

In Yaskawa Group as a whole, women account for about 20% of employees and about 10% of managers, but Yaskawa Electric (non-consolidated) faces the challenge of having a low percentage of female employees as a result of

the fact that, as a manufacturer and technology-oriented company, there are many technical hires and a small percentage of female students in science, which is the mother figure. The results of the most recent internal survey also showed that while the percentage of female employees who want to pursue managerial positions has increased, gender roles awareness among men and women, while showing an improvement trend, still shows a gender gap.

To address these issues, we have set a goal of doubling the ratio of female managers (non-consolidated) in FY2025 compared to FY2021, as one of the materialities based on

our Sustainability Policy. As a specific initiative, we are actively promoting the recruitment of women, regardless of their expertise. In addition, we provide training to develop female managers, not only to improve their skills and change their minds, but also to promote awareness and engagement among workplace managers to develop female employees.

\* An acronym for Volatility Uncertainty Complexity Ambiguity. A condition in which the future is uncertain and difficult to predict



Training for women's career advancement

## ES questionnaire

Since FY2016 the Company conducts a monthly employee satisfaction (ES) survey for all non-consolidated employees. Questionnaires are used to measure employees' understanding of and penetration of management measures, their sense of busyness in the workplace, and their satisfaction with the personnel system. At the same time, questionnaires are used to resolve issues faced by employees, and the Company aims to foster a corporate

culture in which management and all employees are more united in order to realize its long-term management plan, "Vision 2025," and achieve its mid-term business plan goals. The survey response rate exceeds 90% every month, and we receive a variety of opinions and requests. We strive to publish the results of our questionnaire analysis and provide feedback to all opinions and requests.

## Occupational health and safety

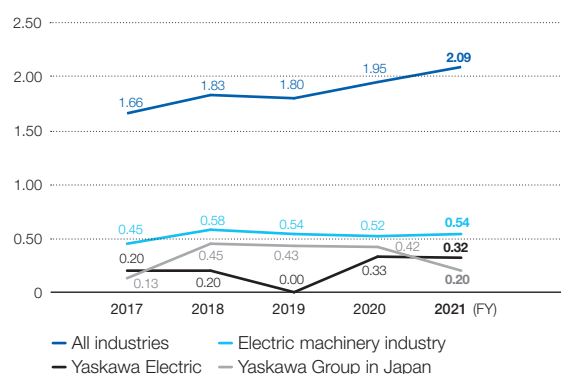
We are working to improve our lost-time injury frequency rate, aiming to eliminate work-related lost-time injuries and to create a safe and rewarding workplace and work style for each and every employee.

Group companies in Japan conducted patrols led by the safety patrol observers of each business, as well as improvement activities through various patrols, and implemented thorough measures to prevent the recurrence of disasters and ensure horizontal deployment.

We have also started to assess the current lost-time injury frequency rate at major overseas production sites, and found that the global lost-time injury frequency rate is somewhat high (0.53\*). Major overseas production sites will also be analyzed for factors and measures will be shared to improve the lost-time injury frequency rate.

### Frequency of work accidents (Frequency rate)

(Number of cases / one million hours)



\* Frequency rate of three factories in China (Shenyang, Changzhou and Shanghai) and Yaskawa India

## Dialogue and Co-creation with Stakeholders

Yaskawa Group has inherited the founder's commitment to "serve the nation and society without pursuing temporary interests" and has contributed to the prosperity of the society by taking root in local communities. As a global company, we will not only carry out business activities rooted in local communities, but also develop various symbiotic activities in line with local social issues. We will further deepen our dialogue and co-creation with stakeholders and strive to realize a sustainable society.

### To ensure customer satisfaction

**FY21 results** In order to build a system for improving quality, we integrated the service functions formerly under the sales division with the market quality promotion functions.

As a result, we have consolidated market quality information on a global basis, which we had been promoting to date, and have further strengthened the prompt collection and response of market quality information, establishing a system to realize product and service quality that does not stop customers' facilities and lines.

**FY22 initiatives** In addition to gathering market quality information on a global basis, we will strive to improve product and service quality by enhancing our data analysis capabilities and reflecting customer feedback.

In addition, we will expand and improve the functions of the Connect Service, which started in 2021 to continuously monitor customers' robots, with the aim of realizing predictive maintenance. We will also provide services that will enhance customer satisfaction by starting an annual maintenance contract for robots and remote maintenance services.

### To build a sustainable supply chain

**FY21 results** In addition to daily communication, we also disseminated the newly established Sustainable Procurement Guidelines\*1 to our major business partners at explanatory meetings and visits, and confirmed compliance with the guidelines by asking to answer the Self-Assessment Questionnaire for Sustainable Procurement (SAQ).

In FY2021, we asked 56% of Yaskawa Electric's major suppliers\*2 to conduct surveys, and received responses indicating compliance with the guidelines.

**FY22 initiatives** In order to achieve 100% compliance with the Sustainable Procurement Guidelines by FY2025, we will further strengthen cooperation with overseas Group companies and steadily promote group-wide efforts to address social issues in procurement activities.

In FY2022, we aim to achieve a 100% compliance rate with major suppliers for the entire domestic Group, and we are preparing for SAQ at overseas Group companies.

\*1 Sustainable procurement guidelines

<https://www.yaskawa-global.com/company/csr/scm/guidelines>

\*2 Major suppliers: Suppliers that accounted for 80% or more of total procurement in the previous fiscal year

### Contribution to local communities

**FY21 results** In FY2021, due to the spread of COVID-19, face-to-face activities were not realized, but we continued to support the promotion of culture, arts and sports.

Specifically, in addition to being the main sponsor of the soccer team Gilavanz Kitakyushu, we provided an exhibition using Yaskawa's industrial robots at Space LABO (Kitakyushu Science Museum). In this exhibition, three robots are reloading blocks modeled after landmarks that symbolize Kitakyushu City, such as Kokura Castle and Wakato Ohashi Bridge, to continuously create the city. Furthermore, while it was difficult to accept elementary school field trips

nationwide due to the impact of pandemic, we quickly resumed accepting elementary school field trips, albeit under an online environment. We also tried to support aspiring female engineers by holding an online Girls' Day event to support middle and high school girls' career choices.

In addition, we solicited ideas from employees and donated to eight special needs schools in Kitakyushu City. We also supported sales of creation of ornaments depicting the oriental zodiac and eco bags made with the hearts of people with disabilities.



**FY22 initiatives** In order to further accelerate unique activities, Yaskawa will enhance its programs based on its Social Contribution Policy, focusing on two directions: (1) development of human resources responsible for the evolution of manufacturing, and (2) coexistence and co-creation with local communities. For example, while the option of holding Girls' Day remotely remains open, we aim



Girls' Day



Demonstration by a robot



Yaskawa's exhibition at Space LABO

to hold a real event where people can experience actual robot operation while implementing measures against infectious diseases.

In COVID-19 crisis, we will continue to provide as much support as we can without changing the policy of our activities to contribute to the revitalization of local communities.

## Dialogue with shareholders and investors

**FY21 results** Yaskawa believes that it is important to promote constructive dialogue with shareholders and investors in order to achieve sustainable growth and increase corporate value over the medium to long term. When necessary, the president, the director in charge of investor relations, the general manager of corporate communications, and other senior management actively engage in dialogue with shareholders and investors. In FY2021, we engaged in dialogue with a total of 1,053 institutional investors and analysts. The opinions received at the dialogue are fed back to the management to improve management measures.

**FY22 initiatives** In FY2022, we will continue to disclose information necessary for making investment decisions in a timely and appropriate manner, and work to deepen relationships of trust with shareholders and investors through constructive two-way dialogue with the aim of further increasing

Activities	Results
Results briefing for analysts and institutional investors (telephone conference, etc.)	6
One-on-one meeting with institutional investors	258
Conference meeting hosted by securities companies	106
Meeting at NDR*	25
Seminar for individual investors	1

\* Due to travel restrictions caused by the spread of the COVID-19, the meetings were held online in FY21.

corporate value. In June 2022, a briefing on sustainability was held in a hybrid format, in which we explained our sustainability initiatives and introduced its facilities. We received feedback from participants that the content raised expectations for long-term growth and improved profitability.

## Respect for human rights

**FY21 results**

**1. For Employees** As part of the first round of human rights due diligence, we conducted a survey on employees' awareness of human rights in August 2021 using an in-house questionnaire system.

We also surveyed the current status of human rights initiatives at domestic Group companies.

**2. Treatment of human rights as a corporation** With the aim of building a sustainable supply chain, we have begun to grasp the status of our business partners' efforts regarding guidelines (including human rights).

**FY22 initiatives**

**1. For Employees** In FY2022, after conducting e-learning on human rights, we will continue our efforts to raise awareness of human rights by identifying changes in employee awareness through surveys.

**2. Treatment of human rights as a corporation** We will continue to investigate and confirm the status of compliance with Guidelines, which began in FY2021.

## Environmental Initiatives

Yaskawa Group's environmental management is driven by both its Green Process, which aims to reduce the environmental impact of Yaskawa's operations, and its Green Products\*<sup>1</sup>, which aim to help customers around the world reduce their environmental impact through Yaskawa products.

In particular, we recognize that addressing the issue of climate change is an urgent global issue, and in 2025, we set a unique target for reducing CO<sub>2</sub> emissions by Yaskawa products by more than 100 times the amount of CO<sub>2</sub> emissions produced by Yaskawa Group (CCE 100), and are promoting environmental management.

\*<sup>1</sup> We evaluate the degree of environmental contribution of a product from three perspectives: prevention of global warming, resource conservation and recycling, and proper management of chemical substances. Products that meet certain standards are certified as Green Products, and products that demonstrate the highest level of environmental performance in the industry are certified as Super Green Products.

### Goals and progress of the mid-term environmental plan

	Targets for FY2022	Achievements in FY2021	Self evaluation
Green processes	The Group's CO <sub>2</sub> emission reduction rate <b>10%</b> (Compared to FY2018)	The Group's CO <sub>2</sub> emission reduction rate <b>4.3%</b> (Compared to FY2018)	△
	CO <sub>2</sub> -free electric power rate <b>58%</b> (Yaskawa Electric)	CO <sub>2</sub> -free electric power rate <b>41%</b> (Yaskawa Electric)	○
	Reduce volume of waste discharged by the Group <b>FY2018 results (3,986 tons) or less</b>	Volume of waste discharged by the Group <b>90%</b> (compared to FY2018)	○
	Proper water management Reduce volume of water consumed by the Yaskawa Electric <b>FY2018 results (216,000 m<sup>3</sup>) or less</b>	Volume of water consumed by Yaskawa Electric <b>78%</b> (compared to FY2018)	○
Green products	Contribution to reducing CO <sub>2</sub> emissions through products <b>73 million t</b> or more (Cumulative since FY2016)	Contribution to reducing CO <sub>2</sub> emissions through products <b>52.15 million t</b> (Cumulative since FY2016)	○
	<b>100% compliance with the RoHS Directive</b> (six original substances plus four additional substances excluded)	<b>Target products are 100% compliant with the RoHS Directive.</b> Compliance for four additional substances is complete. Implementation of priority education at bases in China	○
Management	Increase in the number of companies covered under EMS in the Yaskawa Group <b>Environmental impact load ratio: 95% or greater</b>	Covered one new overseas Group company. <b>Environmental impact load ratio: 95% or greater</b>	○

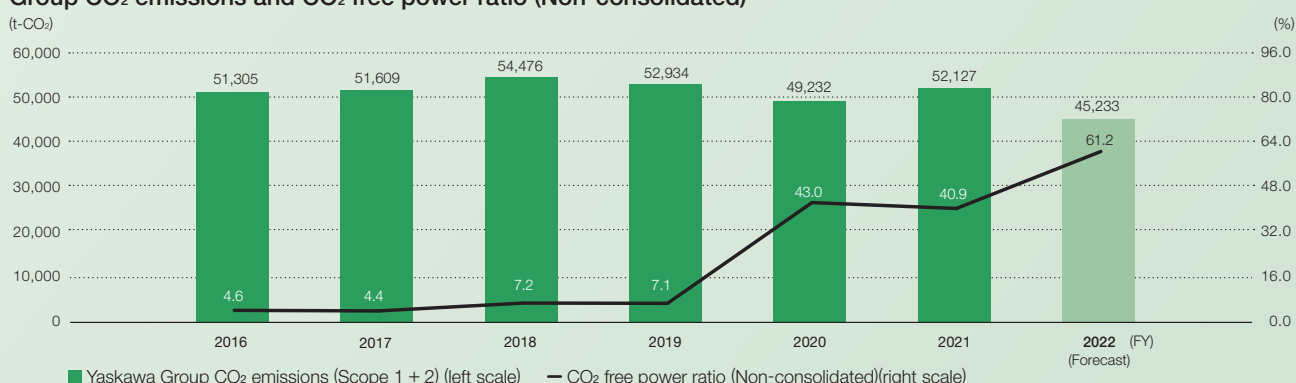
Self-evaluated achievement ratios to targets: ◎ 130% or more, ○ 100% or more, △ 50% or more, × under 50%

## Achievements and challenges of FY2021

**FY21 achievements** We were generally able to progress measures in line with the targets of the Medium-Term Environmental Plan. In the green process, the main focus was on reducing CO<sub>2</sub> emissions, and in addition to solar power generation, we actively adopted CO<sub>2</sub>-free electricity from electric power companies. In addition to the Yahatanishi Plant, the Nakama Robot Plant, the Kokura Plant, and the Nakama System Plant, we have also introduced CO<sub>2</sub>-free power purchasing at the Iruma Plant, which began in FY2019. On the other hand, we worked to reduce energy

purchases through stable operation of solar power generation facilities, investment in energy-saving equipment, and individual energy-saving activities. As a result, the ratio of CO<sub>2</sub>-free electricity generated by Yaskawa Electric alone is expected to reach about 61% in FY2022, which greatly contributes to the reduction of CO<sub>2</sub> emissions in Yaskawa Group. As for Group EMS activities, we established a promotion system for overseas Group companies and worked to raise the level of the Group by developing educational programs in response to the RoHS Directive.

### Group CO<sub>2</sub> emissions and CO<sub>2</sub> free power ratio (Non-consolidated)

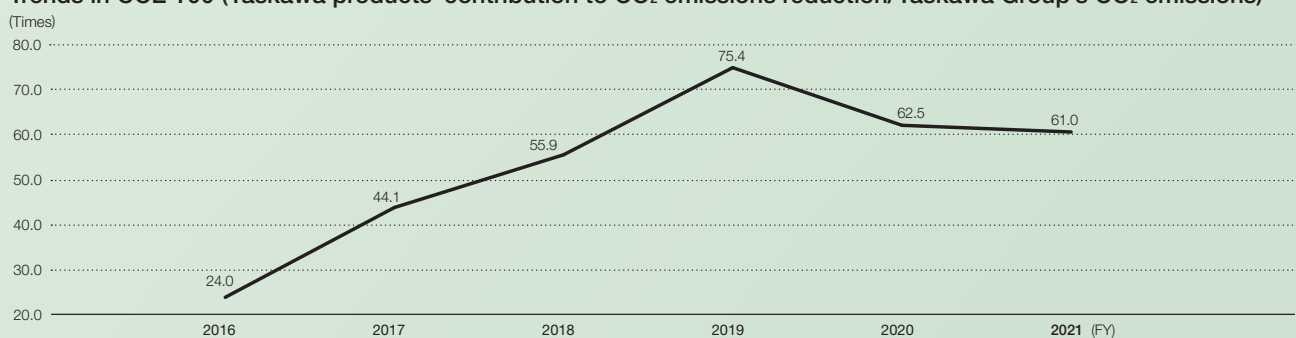


**Challenges of FY21** In FY2021, we expanded the introduction of CO<sub>2</sub>-free electricity, introduced internal carbon pricing, and established internal systems to accelerate investment in energy conservation. In FY2021, however, the Group's reduction of total CO<sub>2</sub> emissions was sluggish due to the start of new buildings and an increase in

production volume.

In addition to the above effects, mainly due to the sales expansion of products that are less involved in the reduction contribution while business performance increased, CCE 100 remained at 61 times which is around the same level as FY2020.

### Trends in CCE 100 (Yaskawa products' contribution to CO<sub>2</sub> emissions reduction/Yaskawa Group's CO<sub>2</sub> emissions)



Fiscal year	2016	2017	2018	2019	2020	2021
Yaskawa products' contribution to CO <sub>2</sub> emissions reduction	1,233	2,275	3,046	3,993	3,067	3,072
Yaskawa Group's CO <sub>2</sub> emissions	51	52	54	53	49	50

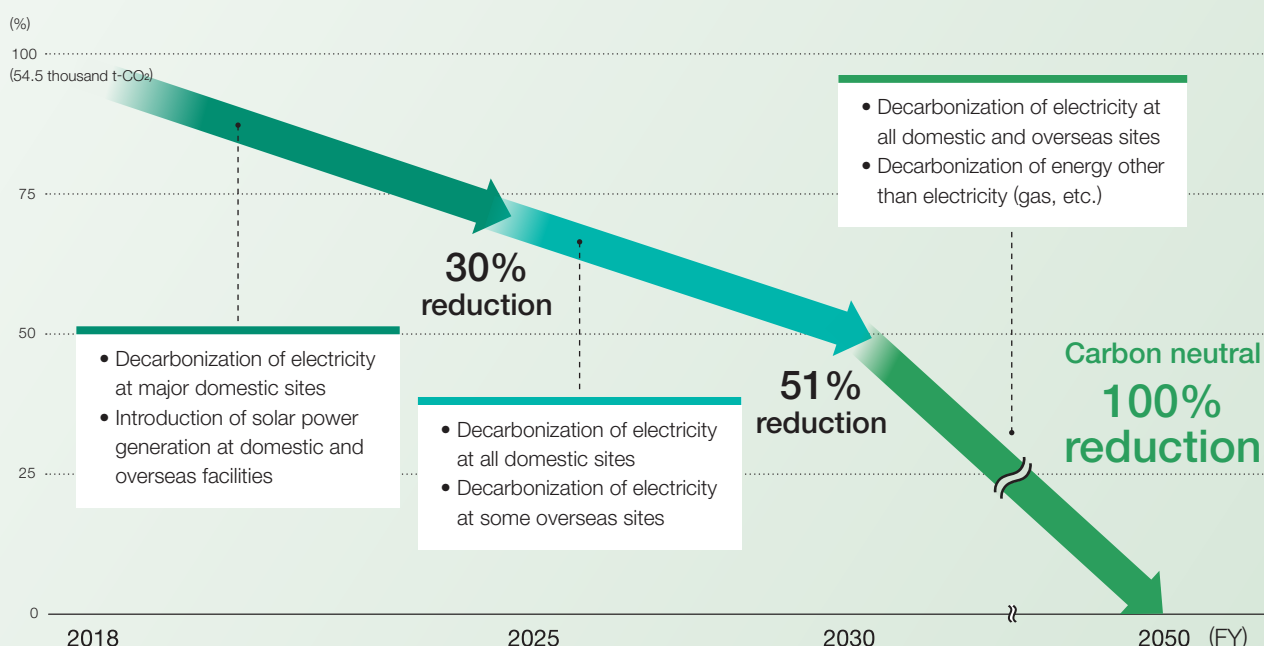


### Toward carbon neutrality

In October 2020, the Japanese government declared that Japan would be carbon neutral in 2050, and in April 2021, it clearly stated that Japan would aim to reduce greenhouse gas emissions by 46% from 2013 levels in fiscal 2030. Decarbonization policies are also progressing rapidly in Europe, the United States, China and other countries where Yaskawa Group operates, and in May 2022, Yaskawa revised its 2050 Carbon Neutrality Target, which was set in March 2021. We will actively invest in the environment to achieve our goals.

#### <Contents of revision>

1. Revised 2030 reduction target for Yaskawa Group's CO<sub>2</sub> emissions from business activities (Scope 1 + Scope 2) from - 36% to - 51% (compared to 2018 levels)
2. Set a new goal to reduce CO<sub>2</sub> emissions upstream and downstream of the supply chain (Scope 3) by 15% in 2030 (compared to 2020 levels)



### Future Initiatives

With the aim of achieving carbon neutrality by 2050, we will promote environmental management throughout the Group and accelerate the reduction of the environmental impact of production activities based on our global structure in cooperation with factories in Japan, Europe, the United States and China.

In addition to thoroughly reducing energy use through measures that have been implemented to date, such as replacing lighting with LEDs, upgrading air conditioning systems, and increasing the efficiency of production facilities, the Group will also promote group-wide decarbonization by installing photovoltaic panels at each plant and office, including overseas Group companies, and introducing CO<sub>2</sub>-free electricity. We will also increase the share of green products in revenue

for the entire Group and accelerate our efforts to increase the environmental contribution of our products and reduce their environmental impact by complying with the European RoHS Directive, REACH and other regulations and ensuring that we control the chemical substances contained in our products. In addition, in line with the results of information disclosure based on TCFD recommendations made in May 2021, we will address the risks and opportunities identified and further disclose information in light of stakeholder feedback. In order to ensure consistency with the scientific evidence for these goals, we are applying for SBTi<sup>\*2</sup> certification<sup>\*3</sup>.

<sup>\*2</sup> Science Based Targets initiative: An international initiative to certify that a company's CO<sub>2</sub> reduction targets are consistent with scientific evidence

<sup>\*3</sup> Yaskawa applied for certification as a 1.5 degree target to limit the global average temperature increase caused by climate change to less than 1.5 degrees Celsius above pre-industrial levels.

## Endorsement of TCFD Recommendations and Initiatives

Yaskawa group expressed its support for the TCFD Recommendations in September 2019, and in September 2020, we participated in the Ministry of the Environment Support Project for Scenario Analysis of Climate Risks and Opportunities in line with the TCFD Recommendations. Through these and other activities, we disclosed information related to climate change based on the TCFD recommendations in May 2021. Going forward, we will continue to enhance information disclosure related to climate change and continue to conduct business activities that are even more environmentally friendly, in order to contribute to the realization of a sustainable society and further enhance our corporate value.

### Information Disclosures Based on TCFD

<https://www.yaskawa-global.com/company/csr/env/tcf>

### Governance

Based on our sustainability policy, Yaskawa is identifying sustainability challenges and targets (materiality) in the Board of Directors and Management Committee that serve as important challenges for sustainable growth and deciding on measures to solve those challenges and targets. We have also established the Sustainability Committee, which is chaired by the president and attended by heads of related divisions and outside directors as advisors, as our sustainability promotion system in order to monitor and accelerate the deployment of sustainability measures for the Group as a whole.

For our response to climate change, we have positioned it as an important challenge in our materiality, and we are

monitoring it in the Sustainability Committee. For the overall execution of these and other measures, we are conducting PDCA (plan, do, check, action) management in the organization for environmental promotion, which is run by the corporate environmental officer appointed by the president. Additionally, the achievement of CO<sub>2</sub> emissions reduction targets through Yaskawa products is being evaluated and incorporated into the compensation of directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) with the goals of achieving sustainable corporate activities and responding to social issues.

### Strategy

We have investigated the risks and opportunities caused by climate change in motion control, robotics, and system engineering, which are our primary businesses. These risks and opportunities can be thought of as "transition" risks and opportunities caused by changes such as measures for climate change (e.g., policies and regulations) and "physical" risks caused by changes such as natural disasters and rising temperatures. We have derived these risks and opportunities and evaluated their impact on our business activities as serious, moderate, or minor.

The derived risks and opportunities (see table on the next

page) with a moderate and serious impact were analyzed with 2°C and 4°C scenarios for society in 2030.

We have also learned that the impact on our financial plan from these analysis results is a larger increase in sales due to opportunities than a reduction in sales due to risks.

As a response to these opportunities, the Yaskawa Group is working on factory automation and optimization based on "i<sup>3</sup>-Mechatronics," and moving into new challenges that expand the areas in which mechatronics are applied for the sustainable development of the society as the goal in our long-term business plan "Vision 2025."

## Business Impacts Related to Risk and Opportunity Factors

Risk/ Opportunity	Transition/ Physical	Factor	Impact	Evaluation
Risk	Transition	Carbon price	• Increased fuel and material procurement costs due to the introduction of carbon taxes by national governments.	Serious
		Government policies on carbon emissions	• Increased costs (e.g., purchasing clean energy) that accompany the introduction of emissions trading and the strengthening of emissions regulations.	Serious
		Transformation to energy savings and carbon reductions	• Production impacts due to price increases and procurement difficulties for reasons such as insufficient related materials from electrification and the transition to electric vehicles.	Serious
		Recycling regulations	• Increased costs from using substitute materials, etc., due to regulations such as those on plastics.	Minor
		Growth of low-carbon technologies	• Increased investment costs, such as R & D costs, due to increased competition in the energy saving performance of products against a background of increasing demands for energy savings.	Moderate
		Changing behavior of investors and customers	• Increased support costs due to investors and customers preferring companies that are more environmentally responsive. • Decreased company valuation and loss of business opportunities due to delayed responsiveness to environmental responsibility related to information disclosure and procurement.	Minor
	Physical	Increasing average temperatures	• Increased energy costs due increased air conditioning energy in our factories. • Need to move production sites where the risk of flooding exceeds tolerances due to sea rise.	Moderate
		Intensification of unusual weather	• Operation stoppages, reductions in production, and additional investment to restore equipment from typhoons, tornadoes, and flooding.	Serious
Opportunity	Transition	Transformation to energy savings and carbon reductions	• Increased demands for factory automation devices and industrial AC drives due to increased energy saving needs. • Expanded business opportunities for solutions that increase the productivity and energy saving performance of factories and equipment. • Expanded demand for solar power generators and wind power/geothermal power/biomass power generation equipment due to feed-in tariff incentives and so on. • Expanded business opportunities for electronics in electric vehicles as the electrification of automobiles progresses. • Expanded business opportunities for marine electronics due to increased demands for electric and hybrid ships.	Serious
		Changing behavior of investors and customers	• Increased investor valuation, increased ESG investment, and increased corporate value due to expansion of businesses that contribute to the environment.	Minor

Main scenarios used in the scenario analysis

• Used mainly to analyze transition risks:

IEA\*1: SDS\*2, STEPS\*3

• Used mainly to analyze physical risks:

IPCC\*4: RCP2.6\*5, RCP8.5\*6

\*1 International Energy Agency

\*2 Sustainable development scenario

\*3 Stated policies scenario

\*4 Intergovernmental panel on climate change

\*5 Scenario in which the average temperature of the

world rises about 2°C over the average temperature before the industrial revolution

\*6 Scenario in which the average temperature of the world rises about 4°C over the average temperature before the industrial revolution

## 2°C scenario

A certain response is required to the intensification of unusual weather, but the response to the rising cost of materials and resources is more important. On the other hand, there are opportunities created by moving forward with reductions in carbon, such as expanding demands for factory automation devices, industrial AC drives, and renewable power generation equipment, as well as a solutions business that increases productivity and energy saving performance in the factories and equipment of companies by using these devices.



Extreme weather



Rising prices of materials and resources



Equipment for renewable power generation

## 4°C scenario

Carbon reduction is not promoted and unusual weather intensifies, so the response to physical risks caused by this are considered the most important challenges.



Extreme weather



## Risk Management

The Yaskawa Group has established the Risk Management Committee with a committee head appointed by the president to swiftly and accurately handle risks that may pose a problem either directly or indirectly to the management and business operations of the Group. The Risk Management Committee evaluates, manages, plans measures, and implements those measures for company-wide risks.

This committee also evaluates and manages risks related to climate change. When a crisis occurs, this committee establishes a crisis response headquarters according to the level of the crisis and implements a suitable response.

The Risk Management Committee shares information with the Board of Directors, Management Committee, and Sustainability Committee, and it supervises and monitors risk management for the entire company while also attempting to enhance risk management company-wide by ensuring consistency in risk assessments and materiality analysis.

## Metrics and Targets

In order to prevent global warming, which is a social issue for all humankind, Yaskawa will go carbon neutral in 2050, essentially eliminating the CO<sub>2</sub> emissions (scope 1 + scope 2) that accompany Yaskawa Group global business activities, and as a milestone for achieving that goal, we have also established a target called "2050 CARBON NEUTRAL CHALLENGE" to reduce those same CO<sub>2</sub> emissions by 51% in 2030 compared to 2018. In addition, the company has also set a target of reducing its 2030 CO<sub>2</sub> emissions by 15% from the 2020 level for emissions upstream and downstream in the supply chain (Scope 3).

We are also contributing to the reduction of CO<sub>2</sub> emissions in the world through the supply of AC drives and other products that boast the world's highest performance utilizing power conversion technology, which is Yaskawa's core technology. To this end, Yaskawa is working to achieve "CCE 100," with which it will promote the reduction of CO<sub>2</sub> emissions of the world through its products and make the reduction more than 100 times the amount of CO<sub>2</sub> emitted by Yaskawa Group in 2025.

To achieve these goals, Yaskawa has introduced an internal carbon pricing system (internal carbon price: 5,000 JPY/t-CO<sub>2</sub>) and is making aggressive environmental investments.

