#### SMC SDGs PROJECT









#### Be a Part of Innovation

Our small products have a big part in shaping the future.

With our mission of "contributing to automated, labor-saving operations in industries", we at SMC continue to deliver high-quality and high-performance "automatic control equipment" to customers in all kinds of industrial sectors throughout the world.

Going forward, we will further refine our technological capabilities that we have built up over the years together with our global product supply system, which enable our "automatic control equipment" to tackle each new CHALLENGE that arises with the changing of the times.

#### Be a Part of Innovation

To be an ideal partner supporting your future at any time needed.

We listen sincerely to our customers' voices, and the needs of the times, and adapt accordingly whenever necessary, so that we are always supporting the world's innovation.

























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#### **MESSAGE**

Pioneering a sustainable future with "automated, labor-saving" operations within a variety of industries



We are striving to achieve sustainable growth and technological innovation with our core philosophy and Sustainable Development Goals (SDGs).

Along with climate change we now face a variety of societal issues. In order to resolve these issues and build a society with a rich natural environment that can be handed down to the next generation, commercial enterprises are expected to take on SDGs.

SMC takes pride in having contributed to sustainable growth and technological innovation within the society at large by continuing to supply environmentally friendly products and promoting automated, labor-saving operations in a variety of industries. Recently, we conducted a materiality analysis and identified 4 Material Issues that are strongly linked to the resolutions of problems we face as a society and drive our corporate activities as the core pillars of our management philosophy.

We will link these material issues to specific activities as defined in each "SMC SDGs TARGET". Each of these material issues will be taken on in a unified manner by the entire corporate group in order to create a sustainable future.

SMC Corporation
President

Yoshiki Takada

#### Management Philosophy

Contributing to automated, labor-saving operations

Focusing on the main business

Supplying products globally

#### **Management Vision**

The Company shall strive to develop products capable of accurately capturing customer needs and to create a framework capable of responding to customer requests for delivery dates, quality, prices, etc.

The Company shall focus on newly expanding production facilities and replacing existing facilities, establish a globally optimal production system with future vision in mind, and shall accelerate rationalization and cost reduction.

The Company shall aim to thrive amid the competitive global market and acquire a higher market share.

#### **Material Issues**

Respect human rights, Promote diversity & Ensure safe and secure work environment II

Actions to take on Climate Change & Environmental Issues Ш

Stable global product supply

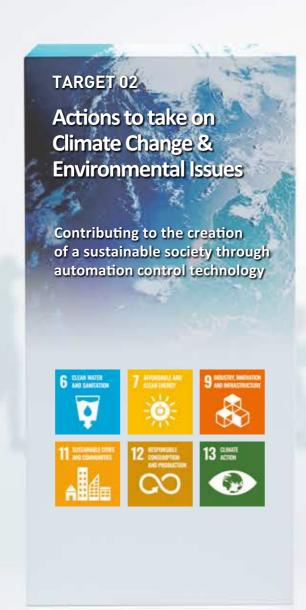
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Develop human resources & Disseminate automation control technology

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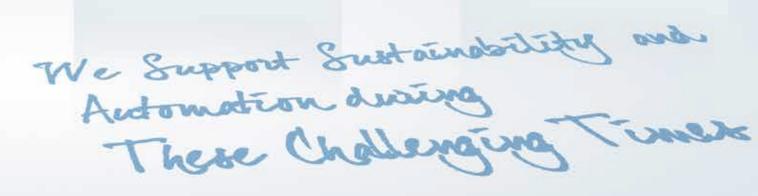
4 SDGs targets that seek to resolve issues by utilizing SMC's uniqueness as a motivating force SMC has formulated each of its SDGs initiatives to achieve a sustainable society as "SMC SDGs TARGET". These targets were determined after repeated deliberations regarding what we are doing now and what we should be doing in the future in order to resolve the problems that society confronts today, by utilizing our main business: automatic control technology.











# Respect human rights, Promote diversity & Ensure safe and secure work environment

- 1. Create a positive work environment that values human rights
- 2. Create a work environment where diverse human resources can play an active role regardless of gender or disability
- 3. Create a healthy, safe and secure work environment for employees











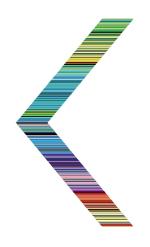
Making the most of diverse human resources, changing society from the workplace

A sustainable society will be realized when people can work with their individuality and vigor.

With this in mind, we strive to create an environment where employees can continue to work safely, securely, and with good health.

By listening to and forming the voice of each individual,

we aim to create an SMC where everyone can play an active role, regardless of gender, nationality, age, or disability.



#### **Action 01**

#### Create a work environment free of all forms of unfair discrimination

We will ensure that all employees are familiar with the Group Code of Conduct, which stipulates the prohibition of unfair discrimination.

We will conduct training for all employees for understanding of this policy.

We will utilize whistleblowing system for reporting violations.





#### Action 02

#### Prohibit child, forced, and excessive labors

We will ensure that all employees are familiar with the Group Code of Conduct, which stipulates the prohibition of unfair labor practices.

We will conduct training for all employees for understanding of this policy.

We will utilize whistleblowing system for reporting violations.





## Action 03 Increase female employment rate

We will increase the number of female recruiters.

We will introduce the activities and careers of our female employees through recruitment brochures.

We will participate in recruitment events for female students majoring in science.





#### **Action 04**

Create a work environment where employees can work safely and securely

We will strengthen our Health and Safety Committee activities.

We will expand the education system for a safe and secure work environment.



#### Actions to take on Climate Change & Environmental Issues

- 1. Develop and promote energy-saving products
- 2. Reduce environmental impacts from production to shipping













Contributing to the creation of a sustainable society through automation control technology

We contribute to the creation of a sustainable society by meeting the demands of our customers around the world. We, SMC, have set a high goal for ourselves.

This is because we believe that the spread and improvement of automation control technology that minimizes environmental impact, which is our core business,

is the path that leads to the realization of an ideal society. We will continue to promote manufacturing in harmony with nature that prevents climate change by thoroughly reducing environmental impact through our contributions to automation and labor-saving in all industries.



#### **Action 01**

Promote the planning and development of environmentally friendly products

We will conduct product assessments according to ISO14001.

We will build a monitoring system for CO<sub>2</sub> emissions (from product development to disposal) through product life cycle assessments.





#### **Action 02**

Support activities for our customers' CO<sub>2</sub> reduction by proposing energy-saving products and energy-saving systems

We will provide education regarding energy conservation with our sales activities.

We will Implement energy conservation workshops and seminars.

We will provide support with energy efficiency and conservation advice within





#### **Action 03** Promote the use of renewable energy

We will promote the use of electricity derived from renewable energy.

We will promote the installation of solar panels.





#### **Action 04**

Reduce emissions and the use of environmentally hazardous substances by promoting green procurement

We will reduce the amount of environmentally hazardous substances used and emitted with each and every product.

(We will continue activities to reduce environmentally hazardous substances mentioned in ISO14001 and consistently achieve our annual reduction targets.)



## Stable global product supply

Stable supply through BCP initiatives









Create a supply system that constantly prepares and protects against the worst, and never stops under any circumstances

Natural disasters, infectious diseases, trade friction and conflicts, price hikes and supply shortages of materials, and other risks keep changing their shape and appearing before us. However, we will continue to make every effort to ensure that we can continue to supply our products anywhere in the world, no matter what the situation. We will also continue to strengthen our security infrastructure in preparation for unforeseen circumstances, and together with our customers and suppliers, we will continue to support the world's future progress.



## Action 01 BCP initiatives in production and logistics

We will diversify our risk amongst our production bases and distribution warehouses.





## Action 02 BCP initiatives in information systems

We will strengthen our security by developing a globally unified IT infrastructure. We will build a disaster recovery system by creating a datacenter.





#### **Action 03**

Strengthen cooperation with local governments for disaster preparation

We will conclude cooperative agreements with local governments to prepare for disasters.

We will donate solar panels, storage batteries, and emergency equipment to local governments.





#### **Action 04**

Conduct responsible procurement to build relationships of trust with our business partners

We will disseminate procurement guidelines.

We will implement supply chain risk management.



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## Develop human resources & Disseminate automation control technology

- 1. Develop human resources who can play a globally active role
- 2. Improve employee motivation
- 3. Promote automation control technology







To nurture professionals in automation control technology, we will build a global human resource development system, evaluation criteria, and award system, preparing for each individual employee.

We will also communicate the value of automation control technology which contributes to a sustainable future through information dissemination and learning support for children and young people around the world, who have the potential to become future leaders.



## Action 01 Develop human resources / Provide skill acquisition opportunities

We will manage human resources globally.

We will create a mechanism to develop experts in each field.

We will create a system to pass on skills.





Action 02
Global award system

We will implement an awards system for employees who have shown excellent performance and skills in each department.





**Action 03** 

Provide opportunities to learn about automation control technology

We will provide workshops for children.

We will provide seminars for students.





## Action 04 Support higher education institutions

We will donate to universities and research institutes.

We will provide cut samples, training kits, and products.





#### **SMC** Corporation

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