

Sustainability KPIs and Targets of the Make Waves 2.0 Medium-Term Management Plan (2022/4~2025/3)

| Category | Materiality | Major initiatives | Activities, KPIs, and targets | Related SDGs |
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| Environment | Response to climate change | Reduction of CO ₂ emissions from business sites (Scope 1 + Scope 2) | <ol style="list-style-type: none"> Reduce CO₂ emissions by 5% (in comparison to fiscal 2018) through energy conservation (primarily air conditioners, compressors, and dust collectors) Increase rate of renewable energy use by 10% through solar power generation equipment and renewable energy purchasing Maintain inclusion on CDP Climate Change A List |       |
| | | Reduction of CO ₂ emissions from procurement, logistics, and product use (Scope 3) | <ol style="list-style-type: none"> Develop system for sharing reduction targets with suppliers and aggregating reductions Improve logistics packing efficiency by 5% through downsizing and container packing measures; form contracts with companies promoting reducing energy-saving products targeting improvement of efficiency of amplifier audio products, proposal of solutions for tracking and reducing network equipment electricity use and transmission traffic, reduction of in-vehicle audio equipment electricity use and speaker weight, and certification of 10 Eco-Products (energy saving) a year | |
| | | Contributions through products and services | <ol style="list-style-type: none"> Expand sales of lithium-ion battery leak testers for ensuring safety among shift toward EVs | |
| | Sustainable use of timber | Sustainable sourcing and utilization of timber | <ol style="list-style-type: none"> Practice extensive timber due diligence; achieve rate of 100% of timber purchases judged as low risks Alter designs to use timber compliant with in-house standards and certified timber standards to expand use of such timber and increase rate of sustainable timber use to 75% Preserve scarce timber resources by developing alternatives (including changing tree species) | |
| | | Promotion of forest cultivation | <ol style="list-style-type: none"> Cultivate and preserve three scarce tree species necessary for musical instrument production; expand target areas in Tanzania (African blackwood); advance activities based on the comprehensive cooperation agreement with Hokkaido Prefecture (Sakhalin spruce); and start basic studies in India (Indian rosewood) | |
| | Resource savings, reduction of waste and hazardous substances | Resource savings and improved resource recycling of products and packaging | Develop foundations for avoiding new inputs of scarce resources and curbing volume of product waste | |
| Contributions through products and services | | | <ol style="list-style-type: none"> Grow ultrasound scanner business for preventing faulty food and medicine packaging and battery laminating | |
| Reduction of hazardous chemical substances (VOCs, etc.) | | <ol style="list-style-type: none"> Complete development of basic technologies for water-based coatings for plastics and metals Complete development of basic technologies for alternatives to polyester piano coatings Develop new production methods for eliminating use of oil and volatile organic compounds in automotive interior products | | |
| Society | Contribution to an equal society and comfortable lives | Consideration for universal design and accessibility | <ol style="list-style-type: none"> Develop <i>Daredemo Piano</i> (The Auto-Accompanied Piano) that can be enjoyed by anyone, including senior citizens and people with disabilities Install voice readout and voice command functions in digital musical instruments and apps (<i>Smart Pianist</i>, etc.) |            |
| | | Remote communication | <ol style="list-style-type: none"> Realize high-quality, natural remote communication (companies, schools, etc.) Contribute to comfortable and immersive remote performances and remote lessons | |
| | | Mental and physical safety and health | <ol style="list-style-type: none"> Install <i>Listening Care</i> function for reducing burden on ears by delivering high-quality sound at low volumes into all new headphones and earphones Deploy acoustics adjustment functions in in-vehicle audio systems (prevent accidents) Reduce traffic accident damages through increased sound quality for emergency communication system (e-Call) Prevent dementia, create motivating activities, and improve quality of life for senior citizens through music | |
| | Respect for human rights in the value chain | Increase the level of supplier human rights due diligence | <ol style="list-style-type: none"> Conduct on-site audits of suppliers (60 companies) Perform due diligence activities based on management standards defined for all purchased articles | |
| Culture | Spread and development of music culture | Products, services and activities that contribute to the promotion and development of music culture | <ol style="list-style-type: none"> Broaden projects for building communities through music (<i>Oto-Machi Project</i>, 10 new projects over three-year period) Expand piano exhibition activities (<i>LovePiano</i>[®]) for trial playing to make the instrument more accessible to the public (40 activities a year in Japan, three activities a year overseas) Preserve musical instruments and music culture using Real Sound Viewing and AI Provide digital musical instruments and content capable of reproducing local musical expressions (cultivation of content creators and development of production tools) Enhance <i>Smart Pianist</i> digital musical instrument functions and develop functions for automatic accompaniment and difficulty adjustment using AI Conduct campaigns for reviving band activities (provide opportunities for joint performances and content) Provide services for supporting improvement of guitar skills Maximize inspiration via promotion of TRUE SOUND (sponsor event and hold hands-on exhibitions) Cultivate instructors and engineers necessary for developing music culture Explore demand among senior citizens through coordination with educational institutions for senior citizens Expand She's Got The Groove event for female musical instrument performers to Asia-Pacific region sales companies (15 companies) | |
| | | Contribution to the development of the next generation | <ol style="list-style-type: none"> Promote instrumental music education at schools in emerging countries (School Project); provide instrumental music education opportunities to aggregate total of 2.3 million children in 10 countries Increase number of students enrolled at overseas music school by 100,000 Contribute to healthy youth development through support of youth orchestras and bands Produce educational materials for schools to support healthy enjoyment of music with higher sound quality as part of efforts to provide acoustics education opportunities Donate instruments to schools for the children of migrant farmers in China (three times a year) Support activities of young musicians and music researchers | |
| Human resources | Increase job satisfaction | Human resource development, safety and health, work-life balance, etc. | <ol style="list-style-type: none"> Continue improving ratio of employees offering positive responses regarding motivation on employee engagement surveys Double human resources investment Cultivate and optimally position leaders for guiding business from a global standpoint Aid growth of employees through support for autonomous career development Support diverse and flexible workstyles (develop frameworks for supporting work-life balance) Redevelop mental healthcare frameworks Entrench safety education (eliminate occupational accidents resulting in lost worktime) |    |
| | | | Respect for human rights and DF&I | |
| | | <ol style="list-style-type: none"> Foster female leaders in a strategic and focused manner to increase ratio of female managers; develop individual career development planning support and mentoring systems | | |

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| <p>Targets and DE&I (diversity, equity and inclusion)</p> | <p>DE&I promotion (gender, nationality, etc.)</p> | <p>② Improve ratio of female managers (target global ratio of female managers of 19%); establish and implement diversity, inclusion, and equity action plans on a Group company level; advance diversity, inclusion, and equity initiatives focused on gender equality and company-specific issues; share best practices; and conduct unconscious bias training</p> <p>③ Clarify core position requirements and systematically implement career development programs to improve ratio of non-Japanese officers</p> <p>④ Globalize processes and develop local human resources (undertake cross-border positioning of 30 individuals); coordinate with headquarters to implement rotation-based human resources development programs, identify individual needs of corporate divisions, establish international relocation rules, conduct global training program (1–2 years), and introduce internship programs (less than six months)</p> |
| <p>Foster open organizational culture where people can proactively take on challenges</p> | <p>Employee engagement survey, creation of opportunities for dialogue, etc.</p> | <p>① Continue improving ratio of employees offering positive responses regarding workplace comfort on employee engagement surveys</p> <p>② Cultivate open workplace environment by providing diverse engagement opportunities, including dialogue between employees and management</p> |