

Sustainability Management

Basic Policy

Topia identified four key issues [Materiality ▶ P.10](#) in order to achieve a sustainable society.

Based on its materiality, we will strive to improve the quality of our sustainability management and enhance our enterprise value with the intent of satisfying all stakeholders.

Basic Sustainability Policy

We have classified the aspects of corporate social responsibility (CSR)-based management into the following three perspectives and established the “Basic Sustainability Policy.” Through the development and manufacturing of prototypes, we aim to contribute to the development of global manufacturing.

Basic Sustainability Policy

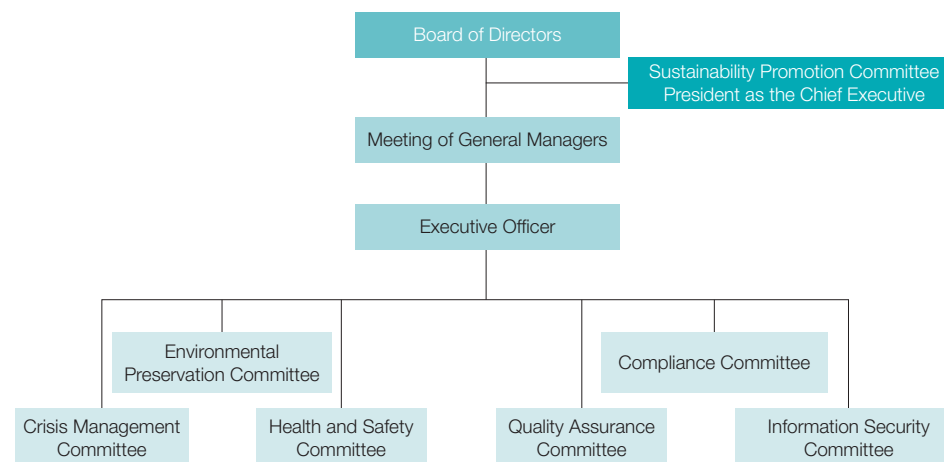
- (1) Reduce environmental impact (minimization of waste)
Develop environmentally friendly products, promote CSR management, and achieve a circular economy
- (2) Contribute to the economy (maximize benefits)
Create new technologies and solve customer issues through innovation
- (3) Employees’ happiness
Pursue diversity that contributes to enterprise value through dialogue and collaboration

Sustainability Management Promotion System

Topia established the “Sustainability Promotion Committee” in July 2021 to promote sustainability management.

The Sustainability Management System is coordinated with the six subcommittees. The Risk Management Committee, the Environmental Protection Committee, the Health and Safety Committee, the Quality Assurance Committee, the Compliance Committee, and the Information Security Committee. Each committee meets regularly. The “Sustainability Promotion Committee” reviews numerical targets for each issue, monitors progress, and oversees the implementation of sustainability management for Topia.

Sustainability Management Promotion System

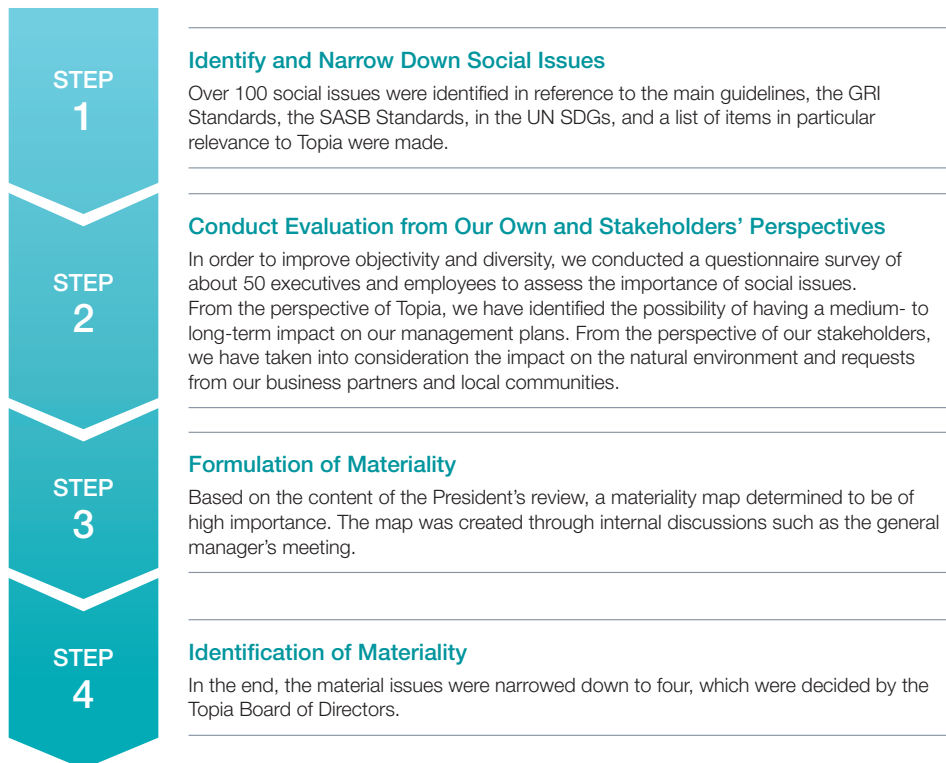


Identification of Materiality

Materiality Identification Process

Topia has identified the material factors that contribute to “sustainable enterprise and social growth.” This was in order to achieve a balance between enterprise value and social value.

These material factors consist of four, selected items that will ultimately become material issues from two perspectives: (1) environmental and social issues that we can achieve results from, and (2) issues that we can address through developing and manufacturing prototypes.

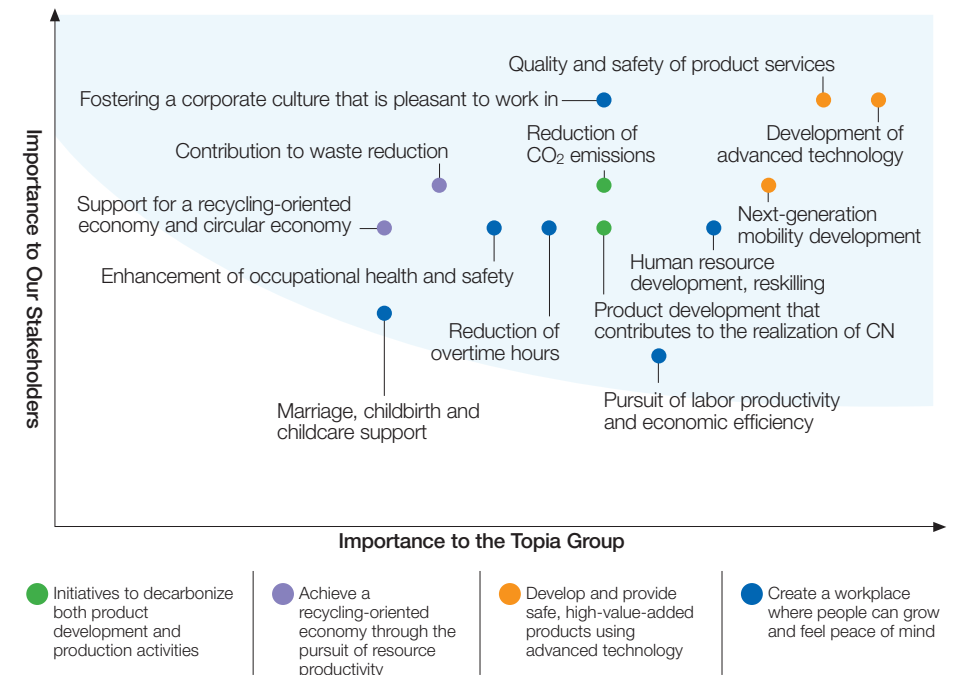


Mapping of Materiality

Topia has identified the following four materialities:

- (1) Initiatives toward decarbonization in both product development and production activities
- (2) Achieve a circular economy through the pursuit of productivity
- (3) Develop and provide safe, high-value-added products using advanced technologies
- (4) Create a workplace where people can feel growth and peace of mind

In addition to our efforts in line with the four materialities, this Sustainability Report also describes our human rights and governance initiatives, which form the foundation of our business.



Materiality

Topia has established four social issues to be resolved when prototyping a wide variety of industrial products.

We aim to solve the issues demanded in current times, contribute to the development of new manufacturing globally, and achieve a sustainable future that enriches society.



Contribute to a Decarbonized Society Through Our Business Activities

Contributing to the SDGs ▶



Topia is aggressively promoting the introduction of renewable energy to reduce greenhouse gas emissions from its business activities. We aim to achieve carbon neutrality by reducing our environmental impact.



Contribute to a Circular Economy

Contributing to the SDGs ▶



We are working to recycle waste materials and steel materials generated in our business activities. We will also accelerate our paperless and digital transformation (DX) initiatives.

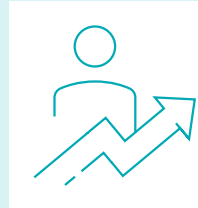


Provide Safe, High-Value-Added Products Through Advanced Technologies

Contributing to the SDGs ▶



We will contribute to the improvement of safety performance by increasing the added value of our products, establishing an educational system and an environment that will improve the skills of all employees.







Achieve a Workplace Where Every Employee Can Feel Growth and Peace of Mind

Contributing to the SDGs ▶



Creating a good working environment for employees is essential for smooth operation of business activities. We will continue to promote initiatives not only to improve the environment, but also to encourage the growth of our employees themselves.

KPIs and Targets Based on Materiality

Materiality	Risks and Opportunities	KPIs	Mid-term Targets	Strategies	FY2022 Results	FY2023 Results
Contribute to a Decarbonized Society Through Our Business Activities 	[Risks] Increased operating costs due to the inability to respond to industry trends toward carbon neutrality Declining customer confidence [Opportunities] Increase customer confidence through proactive carbon neutrality and disclosure Expand business by developing new technologies that contribute to customers' carbon neutrality	Scope 1 and 2 emissions	FY2030: Reduce by 21% from FY2021	Reduce total CO ₂ emissions at our own plants and offices by 3% per year over a 7-year period starting in FY2024	5,857 t-CO ₂	6,928 t-CO ₂
		Scope 3 emissions Zinc alloy purchase rate	Continue 10% or less	Promote recycling of zinc alloy used in prototype mold manufacturing to minimize new purchases	10.6%	8.6%
		Renewable energy ratio	FY2030: Increase by 30% from FY2021	Actively switch in-house power consumption to electricity derived from renewable energy	1.7%	3.2%
		EV rate	FY2030: Achieve 100% HV and EV rate (commercial vehicles)	Switching company owned commercial vehicles to EV and HV vehicles	80.0%	85.4%
Contribute to a Circular Economy 	[Risks] Increased operating costs and decreased customer confidence due to continued mass disposal [Opportunities] Contribute to a recycling-oriented economy through reduction of industrial waste, reduction of chemical load, prevention of air and water pollution, and an effective use of resources	Amount of waste generated Sand recycling rate	Continue 95% or more	Promote recycling of sand materials used in the production of prototype molds, and minimize the amount of waste	96.9%	97.2%
Provide Safe, High-Value-Added Products Through Advanced Technologies 	[Risks] Declining customer confidence due to non-conforming products [Opportunities] Expand business and increase customer confidence by developing safe, high-quality products that respond to diverse values and social issues	Amount of added value per employee	FY2030: Increase by 5% from FY2021	Maximize profits through high value-added businesses	63.8%	65.0%
Achieve a Workplace Where Every Employee Can Feel Growth and Peace of Mind 	[Risks] Decreased productivity due to lower employee engagement Increased cost of recruiting human resources and difficulty in recruiting [Opportunities] Improve productivity by increasing employee engagement Enhance the ability to respond to issues through the active participation of human resources with diverse values	Percentage of female managers	FY2030: 20%	Promote the establishment of workplaces where employees can demonstrate their abilities regardless of gender	7.7%	7.5%
		Percentage of male employees taking maternity leave	FY2030: 85%		66.7%	38.5%
		Number of work-related accidents	Zero	Further improve internal health and safety and reduce the number of the work-related accidents	0	1
		Overtime work hours	FY2030: 25 hours or less per month	Improve operations through DX, etc.	23.6 hours	23.4 hours
		Japanese Language Proficiency Test certification rate (N3 or higher)	FY2030: 75%	Support foreign employees and trainees to obtain the Japanese Language Proficiency Test	52.1%	32.3%