

Glory's CSR Philosophy

» Basic Philosophy

Our corporate philosophy states that “we will contribute to the development of a more secure society through a striving spirit and cooperative efforts.” Under this philosophy, the Glory Group will continue to contribute to the realization of a sustainable society by applying its accumulated core technologies and developing innovative technologies with the potential to create new value to solve social issues.

» CSR Education

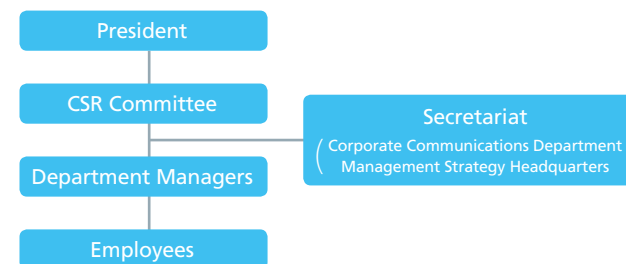
Every employee in the Glory Group receives a copy of the *Guidelines of GLORY* handbook, which contains information such as the corporate philosophy, management creed, and the Corporate Action Guidelines. The handbook is available in eight different languages to ensure that employees around the world have the shared understanding needed to realize Glory's corporate philosophy. Glory also seeks to deepen employee understanding of CSR through an e-learning program and the publication of CSR-related information on its intranet.



Guidelines of GLORY
handbook

» CSR Promotion Framework

CSR efforts in the Glory Group are led by the CSR Committee, which is chaired by the president and made up of management-level employees. The committee convenes twice a year, at which time it deliberates on the basic direction and plans for CSR management and establishes policies for major annual CSR initiatives.



» Participation in the United Nations Global Compact

The Glory Group operates in more than 100 countries. We contribute to every region in which we operate by matching technologies and services to the issues faced by customers and society, and as responsible corporate citizens, we conduct our work with awareness of the issues of the international community. To further clarify our stance on social contribution, Glory signed the United Nations Global Compact, an international framework for sustainable development, in March 2014.

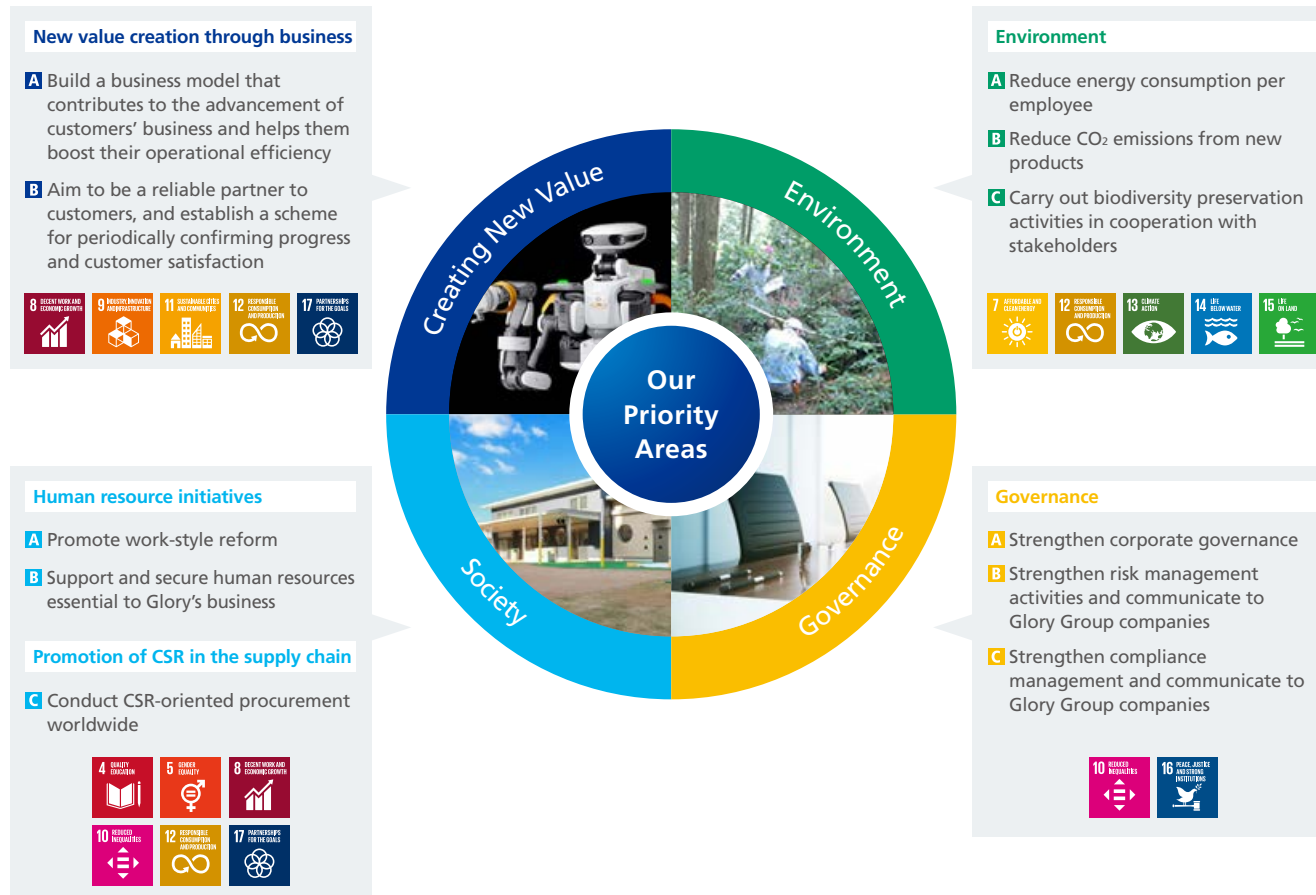


Glory promotes various other CSR Activities.
For further information, please visit our website.
<https://corporate.glory-global.com/csr/>

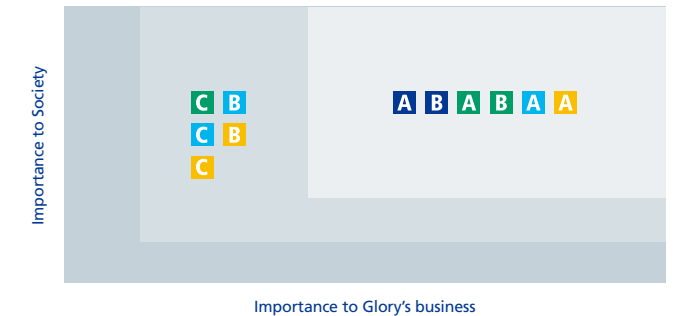
Committing to Material Issues and the SDGs

We strive to take action on important societal challenges by building solutions for stakeholders in light of a much broader group of needs defined by the 17 Sustainable Development Goals (SDGs) set by the United Nations in 2015. We want our solutions to provide comprehensive and positive contributions to the realization of sustainable society.

» Material Issues Identified at Glory











» Materiality Matrix



» Process for Identifying Material Issues

- STEP 1 Find and Extract CSR Issues**
Based on international standards such as the Global Reporting Initiative (GRI) guidelines and ISO 26000, the social impact in all stages of the value chain (planning, development, procurement, manufacturing, sales, maintenance, others) were assessed, and CSR issues were found and selected.
- STEP 2 Assess the Materiality of CSR Issues from the Standpoint of Both Glory and Its Stakeholders**
A questionnaire was administered in both the business and corporate departments to assess materiality. Responders ranked the priority of CSR issues from the two standpoints of "materiality in businesses" and "level of impact on stakeholders."
- STEP 3 Experts Assess Validity**
Two outside experts assessed the validity of materiality. Based on these assessment results, a materiality map was created and issues were sorted out.
- STEP 4 Identifying Material Issues**
Based on the materiality map, 11 items considered material issues at Glory were chosen and these were classified into five priority CSR themes. Following approval from management, these were identified as material issues.
- STEP 5 Associated with SDGs**
Associated identified material issues with SDGs.

CSR Material Issues

Category	Priority CSR Themes	Material Issues	Targets for Fiscal Year 2019	Results for Fiscal Year 2019	Targets for Fiscal Year 2020	Linkage to SDGs
Creating New Value	New value creation through business	<ul style="list-style-type: none"> Build a business model that contributes to the advancement of customers' business and helps them boost their operational efficiency 	<ul style="list-style-type: none"> Build solutions using diverse data 	<ul style="list-style-type: none"> Provision of a prescription input support system based on OCR technology for insurance pharmacies Demonstration of a biometric payment system using a combination of facial recognition and speech recognition for the practical application of personal authentication platform Demonstration of the application, "Rejitomo," a service that aggregates cash register sales through the use of a smartphone Trial launch for the commercialization of store business support application, "Shoppers Cloud" 	<ul style="list-style-type: none"> Implement external proof of concept (PoC) for the facial recognition payment system Provide electronic know your customer (eKYC) solutions 	
		<ul style="list-style-type: none"> Aim to be a reliable partner to customers, and establish a scheme for periodically confirming progress and customer satisfaction 	<ul style="list-style-type: none"> Select model customers and periodically review 	<ul style="list-style-type: none"> Support for store reform by analyzing customer and employee behavior through the use of AI Beacon at model customers' experimental stores 	<ul style="list-style-type: none"> Conduct regular reviews with model customers based on big data analysis 	
Environment	Environmental protection	<ul style="list-style-type: none"> Reduce energy consumption per employee 	<ul style="list-style-type: none"> Reduce energy consumption per employee by 1% (base year: fiscal year 2010) 	<ul style="list-style-type: none"> Annual average energy consumption per employee reduced by 2.2% (base year: fiscal year 2010) 	<ul style="list-style-type: none"> Reduce energy consumption per employee by 1% (base year: fiscal year 2010) 	
		<ul style="list-style-type: none"> Reduce CO₂ emissions from new products 	<ul style="list-style-type: none"> Improve energy efficiency of newly developed products by at least 15% compared to previous models 	<ul style="list-style-type: none"> Average reduction of 11.1% (targets achieved for 7 out of 14 models, which were approved as G-Eco products) 	<ul style="list-style-type: none"> Improve energy efficiency of newly developed products by at least 15% compared to previous models 	
		<ul style="list-style-type: none"> Carry out biodiversity preservation activities in cooperation with stakeholders 	<ul style="list-style-type: none"> Carry out 100% of activities planned for this fiscal year 	<ul style="list-style-type: none"> 100% achievement ratio for yearly plans Himeji: - Forest conservation activity (82 participants, including six from one supplier) - Nature experience event for families (82 participants including nine from one supplier) Kanto area: - Kamikawa in Hachioji, Tokyo (designated greenery conservation area) - Forest conservation activity (53 participants, including five from one supplier) - Arakawa riverside in Tokyo - Riverside clean-up project (21 participants) 	<ul style="list-style-type: none"> Carry out 100% of activities planned for this fiscal year 	
Society	Human resource initiatives	<ul style="list-style-type: none"> Promote work-style reform 	<ul style="list-style-type: none"> Implement and verify new ways of working 	<ul style="list-style-type: none"> Introduction of teleworking (mobile work, working at home) Trial of the flextime system 	<ul style="list-style-type: none"> Implement and establish new ways of working Further promote health management 	
		<ul style="list-style-type: none"> Support and secure human resources essential to Glory's business 	<ul style="list-style-type: none"> Offer job-level-specific training and support candidates who can lead the company in the future 	<ul style="list-style-type: none"> Implementation of Glory Business College training for future executives (total of seven programs) 	<ul style="list-style-type: none"> Continue offering job-level-specific training and support candidates who can lead the company in the future 	
	Promotion of CSR in the supply chain	<ul style="list-style-type: none"> Conduct CSR-oriented procurement worldwide 	<ul style="list-style-type: none"> Continue to use the CSR voluntary checklist, and work to improve assessment score Spread activities to overseas sites 	<ul style="list-style-type: none"> Implementation of survey using the CSR voluntary checklist (451 primary suppliers), feedback to companies that responded (98% response rate) Implementation of survey by GLORY Products Ltd. using the CSR voluntary checklist (62 primary suppliers), feedback to companies that responded (95% response rate) Implementation of survey by GLORY IPO Asia Ltd. using the CSR voluntary checklist (80 primary suppliers), feedback to companies that responded (76% response rate) Preparation for further expansion of the CSR voluntary checklist at overseas sites Preparation for the memorandum on CSR procurement 	<ul style="list-style-type: none"> Continue to use the CSR voluntary checklist, and work to improve assessment score Pursue activities at the purchasing division at Glory Global Solutions (Singapore) Pte. Ltd. 	
Governance	Strengthening of governance	<ul style="list-style-type: none"> Strengthen corporate governance 	<ul style="list-style-type: none"> Conduct activities in line with the Corporate Governance Guidelines 	<ul style="list-style-type: none"> Decision to transition to a company with Audit & Supervisory Committee Amendment of the Corporate Governance Guidelines (June 2019) Reinvigorating, streamlining, and digitizing Board meetings through paperless management 	<ul style="list-style-type: none"> Strengthen supervisory functions of the Board and accelerate decision-making in line with the transition to a company with Audit & Supervisory Committee (delegation of authority) Amend the Corporate Governance Guidelines (June 2020) Revitalize Board meetings further and streamline proposals 	
		<ul style="list-style-type: none"> Strengthen risk management activities and communicate to Glory Group companies 	<ul style="list-style-type: none"> Conduct risk management from a global perspective and communicate activities to Glory Group companies 	<ul style="list-style-type: none"> Unification of risk assessment items and criteria with overseas Group companies Implementation of Glory's business continuity plan (BCP) training for emergencies such as major earthquakes and cyberattacks, and reviewing the effectiveness of existing manuals 	<ul style="list-style-type: none"> Develop risk assessment items further with overseas Group companies Respond to the COVID-19 pandemic 	
		<ul style="list-style-type: none"> Strengthen compliance management and communicate to Glory Group companies 	<ul style="list-style-type: none"> Conduct job-level-specific compliance education, and strengthen collaboration with Glory Group companies 	<ul style="list-style-type: none"> Implementation of job-level-specific compliance education for Glory and Group companies in Japan and overseas 	<ul style="list-style-type: none"> Enhance and strengthen legal functions in line with business development Enhance of the global compliance system Implement job-level-specific compliance education for Glory and Group companies in Japan and overseas 	

Environment

Glory Environmental Vision

To promote the reduction of environmental impact and the preservation of natural resources on a global scale, we will contribute to “a solid future” for the global environment.

To create a sustainable society, the Glory Group has formulated an environmental vision with three areas of focus: products, business, and awareness. The themes for our environmental activities are the prevention of global warming, the management and reduction of chemical substances, the effective use of resources, and the preservation of biodiversity. Under our environmental vision, we have created the 2020 Medium-Term Environmental Plan covering the three years from fiscal year 2018. We are now implementing group-wide initiatives based on this plan.

» Developing Environmentally Friendly Products



The Glory Group develops environmentally friendly products that minimize environmental impact throughout each product’s life cycle—from material procurement and customer use of the product through final disposal.

Glory certifies products as G-Eco products if they satisfy certain in-house standards for environmental friendliness—for example, if they exhibit electric power efficiency at least 15% better than existing products and if they conform to regulations on chemicals contained in products.

Approximately 22% of the new products that were developed in fiscal year 2019 are certified as G-Eco products, and the power consumption of the coin and banknote recyclers for tellers <RB-700> has been reduced by approximately 20% compared with our traditional series of machines. We have also achieved a recyclability rate of approximately 85% for this model.



Coin and banknote recyclers for tellers <RB-700>

» Preserving Biodiversity



Since the year ended March 2012, Glory has strived to protect and maintain biodiversity through initiatives such as forest conservation activities and nature appreciation events at the Glory Yumesaki Forest (Himeji City, Hyogo Prefecture), with the aim of conveying to young people the importance of nature. Since the year ended March 2014, we have expanded the scope of these activities to the Kanto area and are engaged in biodiversity activities in collaboration with an NPO.

Another example of group-wide contributions to biodiversity preservation is the participation by employees of GLORY (PHILIPPINES), INC. in the Adopt-A-River Project since the year ended March 2014.



Participating in the Adopt-A-River Project

Society

Human Resource Initiatives

We will support flexible work styles for our office workers, promote the health management of our employees, and strive to create an enriching and pleasant work environment.

» Supporting Flexible Work Styles



Glory is promoting teleworking, and in the year ended March 2020, we introduced a work-at-home program for office workers. We are also working to establish a framework of rules and improve the surrounding environment for field workers in order to ensure smooth operation. In addition to improving work-life balance and productivity, we are continuously developing an environment in which employees can work flexibly, regardless of location or time. We believe this is important to business continuity in the event of large-scale disasters, epidemics, or pandemics, as seen in the recent advances to prevent the spread of infection in the COVID-19 crisis.

» Promoting Health Management



Glory has established the “Health Management Declaration,” recognizing that maintaining the health and well-being of its employees is an important management issue in its business activities.

We are promoting various measures to maintain the health of our employees. In March 2020, we were certified as an “Excellent Health Management Corporation 2020” by the Ministry of Economy, Trade and Industry, and recognized by the Nippon Kenko Kaigi (Japan Health Council) in the large enterprise category for the Certified Health & Productivity Management Organization Recognition Program.



https://www.meti.go.jp/english/press/2020/0302_001.html

» Creating a Satisfying Workplace



With the aim of creating a satisfying workplace, Glory conducts employee awareness surveys with executive officers, employees, and managers on topics such as employee engagement, work motivation, harassment awareness, and awareness of CSR activities. This survey will be conducted periodically to monitor current conditions and changes over time, identify issues, work toward the formulation and implementation of improvement measures, and confirm the effectiveness of those measures in subsequent surveys.

TOPIC

Glory Global Solutions Ltd. uses surveys provided by Great Place to Work® to measure the job satisfaction of employees, and uses these to improve employee engagement, the workplace environment, and career development. As a result of these efforts, Glory Global Solutions (International) Ltd., Glory Global Solutions Inc., and Glory Global Solutions (Switzerland) A.G. received the Best Workplaces™ award in the survey for the year ended March 2020.



Supply Chain Management

We, the Glory Group, procure parts from our suppliers in a fair and transparent manner in all aspects of our transactions, while strictly observing related laws and regulations, and establishing a relationship built on trust with them as their partner. We also proceed in our procurement activities by taking into consideration the concept of both CSR and environmental conservation for developing sustainable societies.

» CSR Procurement



In March 2014, we produced the “Glory CSR Procurement Guidebook” with the aim of further enhancing our CSR procurement performance.

This guidebook defines the Glory Group’s basic stance on CSR and specifies our requirements for suppliers in relation to human rights and labor, health and safety, the environment, and other areas. We continue to work with our suppliers to implement CSR initiatives in our supply chains.