

# Meeting the Changing Needs of Society by Providing Our Unique Value

**Applying automation technology in three growth fields to enhance productivity and the quality of indoor spaces and minimize resource and energy use**

The azbil Group has set new long-term targets for 2030 and has made a new 2021–2024 medium-term plan for achieving those targets. Following this plan, the Group will continually raise enterprise value and ensure medium-to-long term development by contributing “in series” to the achievement of a sustainable society.

**In a changing business environment, advancing business as the role of automation expands**

Guided by the azbil Group philosophy of providing “safety, comfort, and fulfillment” in people’s lives and helping to preserve the environment through human-centered automation, Azbil Corporation has been reorganizing and strengthening profitability in its Building Automation (BA), Advanced Automation (AA), and Life Automation (LA) businesses so that it can main-



**Kiyohiro Yamamoto**  
President and Group CEO

tain continuous growth and respond at any time to rapid changes in the business environment.

In June 2020, Kiyohiro Yamamoto became president & Group CEO, taking over for Hirozumi Sone, who led the azbil Group until that point. Under new management, an initiative to raise enterprise value was launched. Just at that time, the spread of COVID-19 brought many difficulties and economic activity came to a standstill. Nevertheless, the azbil Group continued production and continued providing services such as engineering and installation to maintain public infrastructure and customers’ important facilities, while putting the safety of employees and others first. We received requests from central and local governments around the globe to continue doing business, an experience that assured us that azbil Group companies are needed by society. We are convinced that in this period of coexistence with the virus, Azbil’s core capabilities in automation technology and service & engineering will play an ever more important role.

**Giving customers a competitive advantage by renewed efforts in the three growth fields**

In May, one year after the new management took the reins, the azbil Group set new long-term targets for further growth, while keeping the previous fundamental poli-

cies. The new long-term targets for 2030 call for improving the quality of customers’ indoor spaces and improving their productivity while helping to minimize their use of resources and energy. By making these kinds of “in series” contributions toward a sustainable society, we aim to ensure our medium-to-long term development and continuously increase enterprise value.

Our new 2021–2024 medium-term plan was established as the process by which we will achieve these long-term targets. With the aim of global growth, we will develop the BA, AA, and LA businesses to continuously create solutions focused in the three core business growth fields of (1) new automation, (2) the environment and energy, and (3) life-cycle solutions, all of which have a common foundation in automation technology.

First, in new automation, we will support our customers and help them to gain a competitive advantage in this changing business environment through our products and services, by providing comfortable, safe, and secure indoor spaces that improve productivity. In the field of environment and energy, we will improve the quality of indoor spaces and productivity at customers’ buildings with minimum use of resources and energy. With a view to a carbon-neutral future, we will both improve customer’s assets and minimize their resource and energy use. Likewise, in the life-cycle solutions field, we will strength-

## ■ Three growth fields that share a common foundation of automation technology



en our ability to provide products and services that help our customers to achieve both improved spaces and productivity at their sites and minimized use of resources and energy. Also, we will develop these three growth fields both inside and outside of Japan.

To accelerate the development of new products and services in these areas, the azbil Group is investing in research and development, making capital investments, and proactively promoting digital transformation (DX) for higher value-added services and business efficiency. As a part of these efforts, we have made our Shonan Factory a “mother factory” and we are constructing new factory buildings at Azbil Control Instruments (Dalian) Co., Ltd., to expand its production capacity and improve its production processes to respond to growing global demand. Elsewhere in Asia, Azbil (Thailand) Co., Ltd., established its Solution and Technology Center in 2020 to provide next-generation intelligent services that utilize IoT and AI technology. Also, in Singapore, the Strategic Planning & Development Office for Southeast Asia, which is responsible for strategic functions in Asia, is conducting demonstrations of innovative building automation technology, in partnership with a major local real estate company, in order to support the development of smart cities. Further, for advanced system solutions and strengthened development of devices with advanced functions and high accuracy, we intend to strengthen the Fujisawa Technology Center as an R&D base. The construction of new

buildings there is underway and slated for completion in 2022.

### Quantitative SDG targets announced: contributing “in series” to a sustainable society

On another front, the azbil Group, viewing the SDGs\*1 as important guideposts for management, has set azbil Group SDG targets for (1) Environment and Energy, (2) New Automation, (3) Supply Chain and Social Responsibility, and (4) Health and Well-being Management and an Organization That Never Stops Learning. We are developing various measures to achieve a sustainable society. For example, in the area of Environment and Energy, we announced a 2030 target of effectively reducing 3.40 million metric tons of CO<sub>2</sub> per year at customers' sites, and in May we toughened the target for reducing greenhouse gas (GHG) emissions from our business activity. The previous target of a 30% reduction (compared with 2013) was revised upward to a 55% reduction (compared with 2017). Additionally, by 2030, we will aim to design all new products to be 100% recyclable. For Supply Chain and Social Responsibility, we are collaborating with our business partners to achieve the common goal of the SDGs and are sharing with them our vision of achieving sustainability even across our supply chain. We are now making efforts to evaluate the effectiveness of our policies and systems by creating our own index linked with an external ESG\*2 index.

In the area of human resources, we have

the goal of promoting Health and Well-being Management and being an Organization That Never Stops Learning. We established as 2030 targets a 65% rate of employees who are satisfied with working in the Group, a 65% rate of employees who experienced personal growth over the past year, and a doubling of the points (according to an internal point system) for women's success and educational opportunities compared with 2021. Since 2017, we have fostered a diversity network to promote women's success through educational and inspirational activities, but starting in this fiscal year we are broadening it to encompass diversity in the real meaning of the word, regardless of gender, nationality or other characteristic.

Based on the accomplishments of fortifying company health, establishing business foundations, and strengthening risk management, the azbil Group is implementing measures to respond to new problems and needs resulting from COVID-19 and changes in society and values brought about by DX. In so doing, we will contribute to customers and society while striving to achieve the new medium-term plan and long-term targets.

#### \*1 ▶ Sustainable Development Goals (SDGs)

International goals adopted at a United Nations summit in 2015 for the period from 2016 to 2030. Seventeen goals and 169 targets were established to achieve a sustainable, diverse, and inclusive society where no one will be left behind.

#### \*2 ▶ ESG criteria

ESG is an abbreviation for the words environmental, social, and governance. These three considerations are thought to be necessary for the sustainable growth of society and of companies.

This article was published in January 2022.