

# CSR Report 2021

Pioneer Group

CSR Report for the Year Ended  
March 31, 2021





## Group Philosophy

# Move the Heart and Touch the Soul

Everyone desires a heart-moving experience unlike anything they have ever encountered before.

“Share our passion with as many people as possible by bringing our products and services.”

The Pioneer’s philosophy, “Move the Heart and Touch the Soul,” expresses this aspiration.

Hand in hand with all our stakeholders, including customers, shareholders, employees, business partners, and local communities, we aim to create a better society. This CSR report is designed to serve as a platform for further dialogue with stakeholders.



## Corporate Creed

- We contribute to society by meeting and exceeding the expectations of our customers, shareholders, employees, and other stakeholders and by delivering long-term growth and profitability.
- We earn the trust and respect of people in society by providing high-quality, affordable products and services in a timely manner.
- We take pioneering approaches to developing new products and services, innovating the way we do business, and taking on the challenge of achieving individual and common business goals.
- We find the right balance in everything we do, including between planning ahead and maintaining flexibility, and between acting with mind and acting with heart.
- We trust, respect, and work with each other in pursuing the success and best interest of the company.

## Contents

### Part 1 Pioneer's Vision

- 02 Message from the President
- 05 Corporate History
- 06 Corporate Information
- 08 Basic Approach to CSR
- 09 Stakeholder Engagement

### Part 2 Pioneer's Material Issues

- 10 Value Creation Process
- 11 Pioneer's Material Issues
- 12 Material Issues and Achievements

### Part 3 Pioneer's Creating Shared Value

- 15 Special Feature 1:  
Creating the Future of Mobility Experiences  
“Piomatix”, a Mobility AI Platform
- 17 Special Feature 2:  
“NP1”, a Conversational Driving Partner
- 18 Special Feature 3:  
“Vehicle Assist” Contributes to Overall Efficiency and Safety of Society, and Environmental Protection

### Part 4 Promoting CSR Management

- 21 To Win Customers' Satisfaction and Trust
- 25 To Realize a Rich and Safe Global Environment
- 27 Living in Harmony with Communities
- 28 To Work Energetically and with Mutual Respect for Each Other
- 31 Corporate Governance and Fair Operating Practices

**Pioneer's Vision**

## Message from the President

**By providing solutions that help solve social issues, we aim to achieve sustainable growth and become a trusted global player.**

Under its Group Philosophy “Move the Heart and Touch the Soul,” Pioneer has launched a series of world-first, industry-first products and services, driven by its strong commitment to innovation and state-of-the-art technology. Today, leveraging our years of expertise and experience in manufacturing, we will harness a wide range of data by AI-driven analytics using edge devices and cloud computing to tackle issues facing society, as we continue our feat to be a provider of solutions to them.

**Shiro Yahara**

President and CEO





## Pioneer's Vision

# Message from the President

## Strengthening Governance as the Fuel to Accelerate Growth Strategies

I was tapped to become president in the summer of 2019 when structural reforms had already been completed and the concept and direction of the growth strategy designed to revitalize Pioneer were being finalized.

My slight bewilderment upon receiving the offer turned to a conviction that Pioneer will regain its strength and it will be an extremely fulfilling job to support it, as the growth strategy was presented to me at roundtable discussions with shareholders and the management team.

In a nutshell, Pioneer's growth strategy aspires to deliver new services in the mobility domain leveraging its strength in manufacturing as a provider of solutions to help resolve social issues. I do not have a background in technology, but on the notion that my experience as an executive leading reforms at several companies might be of some value, I took office as president in January 2020.

My mission is to lead the growth strategy that is already underway and to further accelerate its progress. To that end, after taking office, I invited some seasoned professionals from outside the Company to help me as the Chief Financial Officer (CFO) and the Chief Human Resources Officer (CHRO). At the same time, I worked to raise the transparency and speed of the decision-making process and promoted organizational reforms to enable a significant delegation of authority. In three months, a structure for accelerating growth was up and running.

## Creating A New Corporate Vision and New Business Models to Materialize the Vision

In our pursuit of the growth strategy, we set forth our new Group Vision "Creating the Future of Mobility Experiences" in fall 2020. It is a manifest to those inside and outside the Company, of Pioneer's resolve to continue expediting growth even amid the COVID-19 pandemic.

To make this Group Vision a reality, we channeled the collective strength of the Group into an exhaustive discussion on how we wanted to shape the Pioneer of the future, with the help of insight from external advisors. The conclusion we arrived at after much brainstorming was to use our unique technologies and data to build "Piomatix", a new service platform in the mobility domain that could provide a wide range of stakeholders with new experiences as a next-generation platform provider. "Piomatix" is already operational.

( → See Special Features on P.15-16 for more details.)



"NP1" will be the first product due for launch to communicate the value of "Piomatix" to users.  
( → See Special Feature on P.17 for more details.)

## Transforming into a Solution Services Company Ensuring that Our Sustainable Growth Helps Resolve Social Issues

We recognize it is our duty to create and provide solutions designed to solve social issues and that this process is essential for generating sustainable growth. With this mission, we are steered toward achieving the Group Vision by transforming into a solution services company that solves the various issues faced in the mobility domain by combining products and services. We will drive transformation by focusing on key issues ("Materiality") we have identified in which our business growth will have a direct positive impact: reduce traffic accident risks; resolve labor shortages/last one mile issues; resolve issues of excessive information/complexity in traveling; and support mobility in aging and globalized society. We are currently pursuing both B2C and B2B avenues for creating solutions. We are currently pursuing both B2C and B2B avenues for creating solutions.

In addition to the above key issues, the logistics industry in the B2B sphere in particular is faced by the major challenge of reducing CO<sub>2</sub> emissions to achieve carbon neutrality by 2050. We offer cloud-based services that can help reduce CO<sub>2</sub> emissions mainly by optimizing



## Pioneer's Vision

### Message from the President

distribution routes, which I believe has a huge positive impact on the industry. (→ See Special Features on P.18-19 for more details.)

#### Achieve a High Level of ESG Commitment as a Trusted Global Player

In today's world, problems such as climate change and widening income differentials are becoming increasingly apparent and, increasingly, companies are being expected to help solve these social issues. The importance of environment, society, and governance (ESG) measurements as a corporate evaluation tool has increased dramatically, and, equally, companies are recognizing that developing a solid ESG response is essential to forming a management base that can support sustainable growth.

Automobile-related industries and global players in particular are inevitably obliged to pursue ESG-conscious management, and we, as a company, want to achieve a high ESG commitment by determining priority themes for the three E, S, G areas.

Specifically, on the environment (E), our targeted theme focused on contributing to a sustainable global environment. Within that theme, we aim to maximize the positive impact that the growth of the growth of the above-mentioned solution services will have on users'



decarbonization efforts. We are also focusing on reducing our negative impact on the environment by conserving energy and resources and reducing CO<sub>2</sub> emissions and waste in our manufacturing processes.

Our theme for society (S) focuses on customer satisfaction and product safety, talent development, and health and safety and risk initiatives. We have galvanized a more diverse pool of human resources by promoting the appointment of external talent, which is proving even more effective than we had predicted. Unfortunately however, we have not yet achieved the desired level of active participation of women in the workplace. I have experienced firsthand the positive impact that diversity and inclusion (D&I) can have on business at a foreign-affiliated company I used to work for, so I want to proactively appoint more female managers going forward. On the topic of risk management, in addition to conducting periodic risk management reviews using risk mapping, we have also formulated more in-depth business continuity planning (BCP) to boost our emergency preparedness given the growing risk of natural disasters and infectious diseases, etc.

With regard to governance (G), our priority theme relates to developing a responsible supply chain and establishing a sound corporate culture and management base. We accelerated our growth strategy and completed the transformation of our large-scale organization, rules, guidelines, and processes by the end of fiscal 2021. Moving forward, we will strive to further strengthen and enhance governance.

Furthermore, we will conduct regular reviews of initiatives related to the achievement of SDGs by 2030, and our CSR Committee will encourage improvements by utilizing feedback from external CSR evaluations and interacting with individual Group companies and departments.

#### To Our Stakeholders

Right now, Pioneer is turning its attention back to fulfilling our "Move the Heart and Touch the Soul" Group philosophy that has inspired the cultivation of new markets to date and directly linking that quest to the solving of social issues. At the same time, we are proactively developing new services businesses that emphasize Pioneer's unique pursuit of ultimate comfort and enjoyment.

We aim to provide solutions that help solve the problems facing society and make a valuable social contribution by ensuring many users are able to use our products and services comfortably and enjoyably.

I hope you will continue to choose Pioneer's products and services and kindly support us in this current challenge.

## Pioneer's Vision

## Corporate History

Pioneer founder Nozomu Matsumoto was impressed by the sound of speakers manufactured overseas. His aspiration to create remarkable sound with Japanese technology was the start of Pioneer. Through repeated trial and error, he perfected the first made-in-Japan dynamic speaker. Pioneer's history, which is based on the pioneer spirit expressed by the company's name, has been a journey of inspiring the world with unprecedented products and services.

## The beginning of Pioneer's legacy

**1938-1950**  
**Early Year**

Nozomu Matsumoto uses his ingenuity to design and develop the A-8 dynamic speaker in 1937. Fukuin Shokai Denki Seisakusho (precursor of Pioneer) is established in Tokyo the following year.



## Becoming a full-line audio company

**1951-1970**  
**Years of Early Growth**

Fukuin Denki changes its trade name to Pioneer Electronic Corporation and becomes listed on the Tokyo Stock Exchange in 1961. Releases the world's first separate stereo system with detached speakers as a comprehensive audio manufacturer the following year.



## Growing into a global audio brand

**1971-1989**  
**Years of Accelerated Growth and Expansion**

Becomes the first in the world to introduce component car stereos and establishes its name in the audio industry. Pioneer brings out LaserDisc optical video discs and players, which offer new forms of audio/video entertainment for home and for commercial applications such as LD karaoke. Develops a global production and sales network.



## Leading the way through innovation

**1990-2005**  
**Years of Technology Leadership**

Continues to capitalize on Pioneer's technological advantage ahead of the industry to develop attractive products that create new markets. Introduces in the market a string of innovative world-first products such as GPS car navigation systems, DVD recorders, HDD car navigation systems, DJ CD players, and 1080p plasma displays.



## Structural reforms to get through rough times

**2006-2019**  
**Years of Hardships**

Withdraws from the display business in the wake of the Global Financial Crisis and shrinking plasma display market. Also transfers the home AV and DJ equipment business and decides to concentrate on its car electronics business. Subsequently, works on rebuilding its business in order to overcome the once-in-a-century revolution in the automobile industry.



## Evolving into a new Pioneer

**2019-**  
**Years of Revitalization and New Growth**

Pioneer launches a new management team and structure under the Pioneer Revitalization Plan. Strengthens governance structure and reviews business portfolios. Introduces in the market "NP1" conversational driving partner as the first step towards becoming a solutions service company that provides new value and excitement in the mobility domain.






## Pioneer's Vision

## Corporate Information

## Corporate Outline

## Originated

January 1, 1938 (as Fukuin Shokai Denki Seisakusho)

Capital **57,381**  
million yenNet Sales **280,868**  
million yen  
(consolidated, fiscal 2021)Number of  
Employees **10,293**  
(consolidated, as of September 30, 2021)

## Data Solutions

We provide cloud-linked solutions designed to help realize a safe and secure mobile society by utilizing our vast stores of mobility data collected over many years, along with video data from intelligent cameras and location information. These solutions have been adopted by various companies that utilize vehicles for transport, sales, or nursing care, etc.

Vehicle  Assist ビーフルアシスト

## NP Business

In the mobility domain, we are planning and developing new business models that utilize our "Piomatix", a mobility AI platform that creates the future of mobility experiences.

We have released our first "NP1" product in this series.

→ See Special Features on P.15-17 for more details about "NP1" and "Piomatix".



## Pioneer's Vision

## Corporate Information

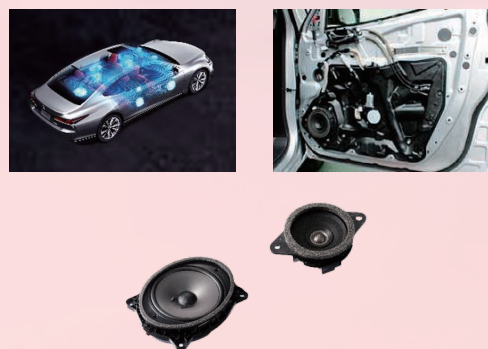
## Consumer Market Business

We provide in-vehicle equipment, such as car navigation systems, car AV, car speakers, and event data recorders under our Carrozzeria and other brands for the Japanese market. We also suggest new car lifestyles facilitated by connective devices such as in-vehicle Wi-Fi routers that shift interior vehicle environments online.



## OEM Business

We provide high-quality in-vehicle equipment such as car navigation, car AV, and car speakers to automobile manufacturers. We also propose solutions for next-generation vehicles that exploit our unique advanced technologies.



## Optical Storage Devices

We provide BD/DVD drives for PCs with high reading and recording accuracy, including Ultra HD Blu-ray compatible models.





## Pioneer's Vision

# Basic Approach to CSR

**We aim to realize a sustainable society and increase corporate value.**

The Pioneer Group's ultimate CSR commitment focuses on realizing a sustainable society and enhancing corporate value through activities that are linked to our vision and medium-term management plan and are based on our Group Philosophy and Corporate Creed. To achieve that, we engage in CSR initiatives in both our corporate and business activities. (→ See Value Creation Process on P.10 for more details.)

In our corporate activities, we are committed to fulfilling our social responsibility in terms of seven themes: Group-wide organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

In our business activities, we aim to accomplish our goal of creating shared value (CSV) through the provision of products and services by contributing to the achievement of the 17 Sustainable Development Goals (SDGs) defined by the United Nations with a view to resolving social issues and the new Society 5.0 social approach advocated by the Japanese government.

## 1. Pioneer Group Charter for Corporate Operations

The Pioneer Group's structure ensures integrity in business execution through the systematization of rules, with its "Pioneer Group Charter for Corporate Operations" as the foremost component, in order to realize the Group Philosophy.

### Pioneer Group Charter for Corporate Operations

<https://global.pioneer/en/society/csr/code/charter.php>

### Pioneer Group Code of Conduct

Decision criteria ensuring awareness of our social responsibilities and of our obligation to act in good faith in performing our duties

<https://global.pioneer/en/society/csr/conduct/>

### Rules of the Pioneer Group

A common rulebook applicable throughout the Group

## 2. Utilization of ISO26000

Utilizing the international standard ISO26000, we systematically promote CSR activities.

→ See Promoting CSR Management on P.20-34 for more details.

## 3. Contribution to achieving the SDGs and Society 5.0

The Pioneer Group contributes to the achievement of the SDGs and Society 5.0.



The 17 Sustainable Development Goals (SDGs) and 169 associated targets to be achieved by 2030 were adopted by the United Nations in 2015.



Society 5.0 is a human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace and physical space.

This illustration of Society 5.0 was compiled from the Japan Cabinet Office website:  
[https://www8.cao.go.jp/cstp/english/society5\\_0/index.html](https://www8.cao.go.jp/cstp/english/society5_0/index.html)

## Pioneer's Vision

## Stakeholder Engagement

## Basic Approach

The Pioneer Group seeks to fulfill its corporate social responsibilities by responding to the expectations and demands of various stakeholders, including customers, shareholders, employees, business partners, and local communities, and to contribute to resolving social issues.

## ■ Key Stakeholder Initiatives

Stakeholders	Overview of Initiatives	Example Initiative	Relevant Pages
Customers	We are promoting quality improvement and manufacturing from users' perspectives to win customers' satisfaction and trust.	<ul style="list-style-type: none"> <li>● Mechanisms for utilizing customer opinion</li> <li>● Conducting customer satisfaction surveys, etc.</li> </ul>	→ P.21-24 To Win Customers' Satisfaction and Trust
Shareholders	In order to meet the expectations of our shareholders, we strive to increase corporate value by pursuing sustainable growth and to ensure accountability by guaranteeing regular communication between outside directors, who represent our shareholders, and company management.	<ul style="list-style-type: none"> <li>● Appoint several outside directors at a General Meeting of Shareholders</li> <li>● Outside directors regularly attend important meetings, such as Group Executive Committee meetings</li> </ul>	—
Employees	We emphasize employee and company engagement and build environments that ensure diverse employees can play an active and autonomous role. Based on our basic policy that accords the highest priority to protecting health and safety, Pioneer strives to ensure safe, hygienic workplaces where employees can work with peace of mind.	<ul style="list-style-type: none"> <li>● Establish and promote human resources and workstyle-related systems (teleworking, etc.)</li> <li>● Diversity promotion measures, such as encouraging the active participation of women, helping employees balance work, childcare and nursing care commitments, and promoting the employment of people with disabilities.</li> <li>● Talent development (acquiring necessary skills for the job, carrying out career-specific training programs tailored to individual life stages and providing autonomous learning opportunities)</li> <li>● Supporting employees' mental and physical health</li> <li>● Global health and safety initiatives</li> </ul>	→ P.28-30 To Work Energetically and with Mutual Respect for Each Other
Business Partners	The Pioneer Group Code of Conduct requires the Group to deal fairly with its business partners on an equal footing in accordance with relevant laws, regulations, and agreements. In addition, it requires its suppliers to act with awareness of their social responsibility, including observing laws and regulations of the countries and regions where they do business and respecting international agreements of the United Nations, the ILO*1, the OECD*2, and so on.	<ul style="list-style-type: none"> <li>● Environmentally and socially responsible initiatives in cooperation with business partners (CSR procurement policy, etc.)</li> </ul>	→ P.34 Promotion of Social Responsibility in the Supply Chain
Local Communities	The Pioneer Group seeks to engage with local communities as part of our aim to create a rich and sustainable society. Each Group company and business site gets actively involved in various areas by, for instance, participating in local events and collaborative initiatives while always taking into account the needs of the local community.	<ul style="list-style-type: none"> <li>● Corporate citizenship activities (Hands-on craft workshop, Listen through the Body concerts, Pioneer Forest, etc.)</li> </ul>	→ P.27 Living in Harmony with Communities

\*1 ILO stands for the International Labour Organization.

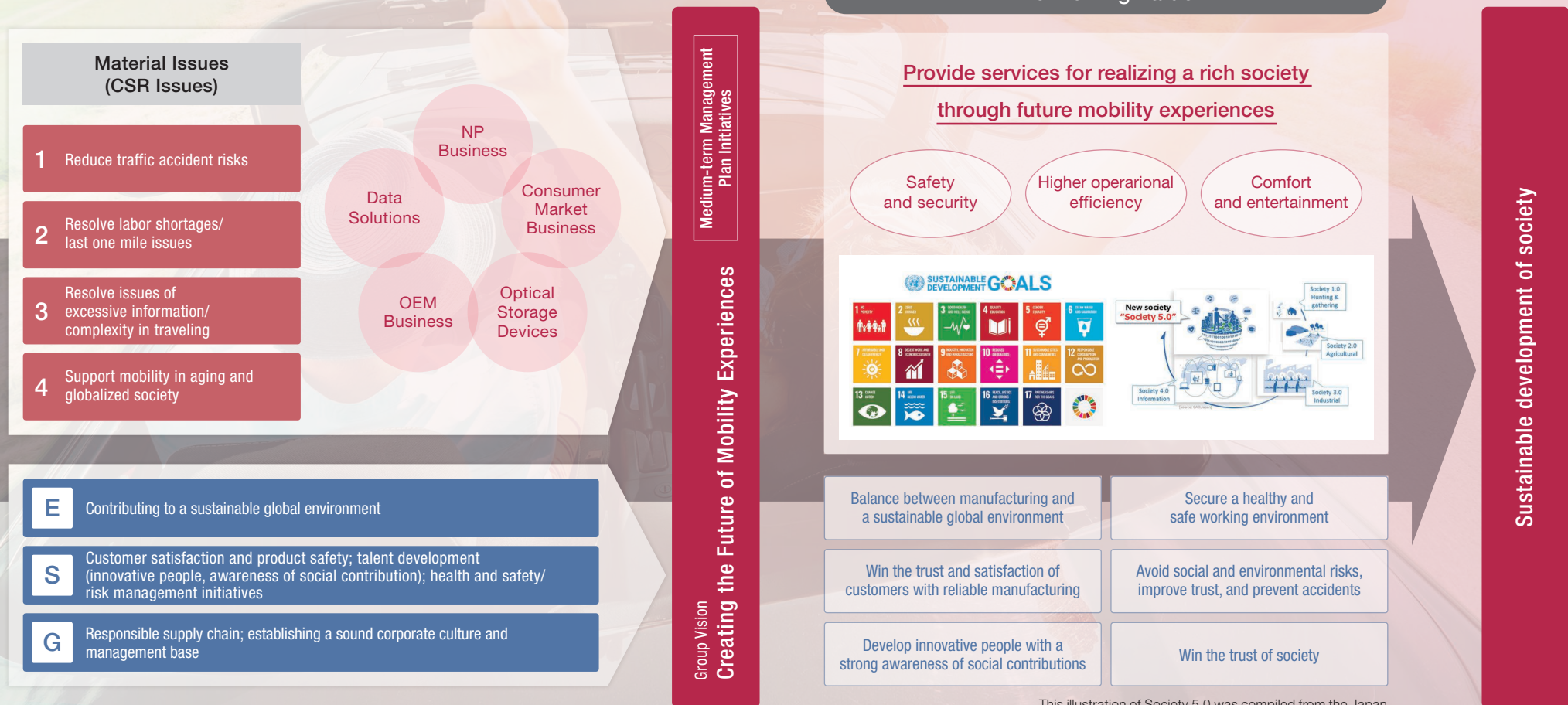
\*2 OECD stands for the Organisation for Economic Cooperation and Development.



## Pioneer's Material Issues

# Value Creation Process

The Pioneer Group contributes to promoting sustainable social development by seeking to solve social issues through our business, consider ESG factors in our business processes, and by reducing risks.



This illustration of Society 5.0 was compiled from the Japan Cabinet Office website:  
[https://www8.cao.go.jp/cstp/english/society5\\_0/index.html](https://www8.cao.go.jp/cstp/english/society5_0/index.html)

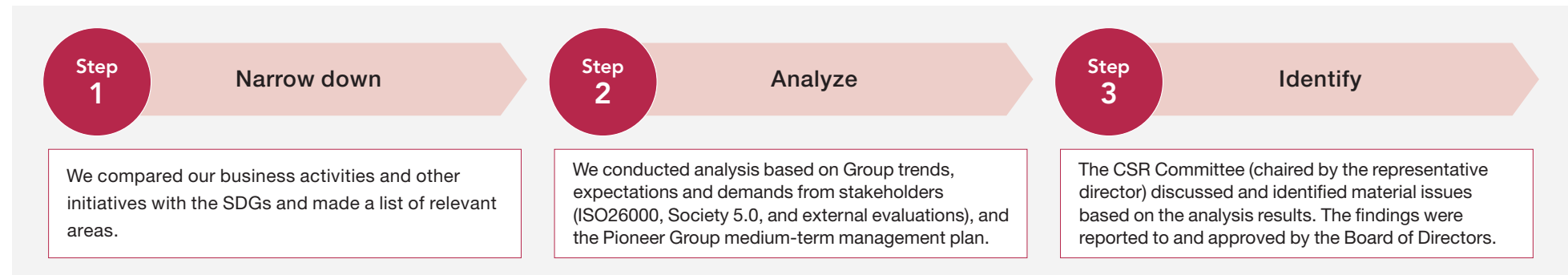
## Pioneer's Material Issues

# Pioneer's Material Issues

The Pioneer Group identifies material issues to be addressed as priority themes, with an aim to contribute to the sustainable development of our society.

### Identifying the Material Issues

We linked our social and environmental initiatives thus far to our business strategies and identified our material issues in fiscal 2021.

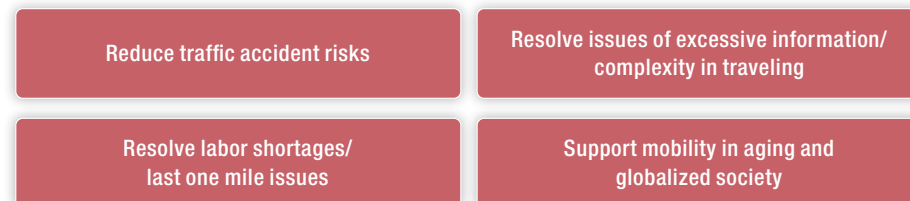


### Pioneer Group's Material Issues

We summarized the identified material issues from a CSV and ESG perspective.

### CSV Perspective

Themes designed to help solve social issues through businesses



### ESG Perspective

Themes that form the foundation of management


























## Pioneer's Material Issues

## Material Issues and Achievements

We regularly monitor the status of our materiality-related initiatives in order to improve them. The results of individual initiatives are shown below.

Material Issues	Initiatives	Results for Fiscal 2021	Relevant SDGs
Reduce traffic accident risks	Increase the number of subscribers of telecommunications event data recorders to help support safe driving	<ul style="list-style-type: none"> <li>50% annual increase in subscriber numbers for communications event data recorders for insurance companies</li> </ul>	  
	Actively propose safety features for navigation models to the market	<ul style="list-style-type: none"> <li>Broadly achieved domestic sales targets for commercial car navigation systems (Cyber Navi and Raku-Navi).</li> </ul>	 
Resolve labor shortages/last one mile issues	Promote solutions for the distribution and delivery industry that help solve various vehicle operation-related issues	<ul style="list-style-type: none"> <li>40% annual increase in contracts for "Vehicle Assist", a cloud-based operation management service for fleet vehicles</li> </ul>	    
	Actively participate in MaaS-related consortiums and provide mobility solution services that utilize our core assets to solve regional and social issues	<ul style="list-style-type: none"> <li>Continuing to participate officially in the consortium, currently promoting regular consortium meetings and individual work projects</li> </ul>	 
Resolve issues of excessive information/complexity in traveling	Launch and grow sales of "NP1", a conversational driving partner that helps prevent traffic accidents by providing optimal driving support tailored to the individual	<ul style="list-style-type: none"> <li>Started developing the "NP1" for launch in the second half of fiscal 2022</li> </ul>	  
	Actively promote to the market easy-to-use operability features installed in navigation models and display audio models that are driver-friendly while driving	<ul style="list-style-type: none"> <li>Broadly achieved our domestic and overseas sales targets for commercial car navigation systems (Raku-Navi) and display audio models.</li> </ul>	 
Support mobility in aging and globalized society	Offer in-vehicle HMI*1 solutions that enable everyone to move around safely and comfortably in the face of increasingly diverse driver needs and mobility scenarios	<ul style="list-style-type: none"> <li>Conducted joint research with Kanagawa Institute of Technology and held briefing on the results</li> <li>Conducted joint research with Kyushu University and held briefing on the results</li> <li>Participated in AMECC2*2 R&amp;D</li> <li>Held interim briefings on data analysis of driving simulators</li> </ul>	 
	Aim to improve universal design support in the GUI*3 field	<ul style="list-style-type: none"> <li>98.77% universal design coverage in GUI*3 field</li> </ul>	 
























\*1 Human Machine Interface: A general term for a means to enable people and machines to exchange information, and the tools such as devices and software it requires.

\*2 Automotive and Medical Concert Consortium 2: A consortium that seeks to eliminate traffic accidents stemming from health issues. Its aim is to conduct R&D on the early detection of dementia based on driving risk assessments of elderly drivers whose cognitive functions have declined and on daily life data such as driving habits.

\*3 Graphical User Interface: A general term for information and operations displayed on a screen. Here, it refers to overall screen design of car navigation products, etc.

## Pioneer's Material Issues

## Material Issues and Achievements

Material Issues	Initiatives	Results for Fiscal 2021	Relevant SDGs
Contributing to a sustainable global environment	Reduce CO <sub>2</sub> emissions derived from the Company in fiscal 2030 by 30% compared to fiscal 2018 (Japan and overseas)	● Reduced CO <sub>2</sub> emissions by 21% compared to fiscal 2018	 
	Reduce CO <sub>2</sub> emissions across the product and service lifecycle	● Determined calculation method and made calculations for two models	 
	Visualize the size of contribution by products and services	● Progressed visualization of contributions	 
Customer satisfaction and product safety	Build an operational system that boasts a high degree of customer satisfaction in order to grow our service business*	● Examined processes to reflect customer feedback in services as soon as possible, and started employing them.	
Talent development (innovative people, awareness of social contribution)	Foster innovative personnel by creating opportunities for autonomous growth*	● Conducted employee engagement surveys, provided feedback on results, and promoted improvement activities ● Expanded teleworking system to the whole Group and actively promoted its use	    
	Foster personnel with a high awareness of social contribution	● 23 employees participated in social contribution events as volunteers (total annual number of employees)	
Health and safety/ risk management initiatives	Global health and safety initiatives	● Occupational accidents requiring leave: 12	  
	Risk management initiatives*	● Maintained and managed individual BCP	  
Responsible supply chain	Promote the exchange of memoranda related to CSR procurement with major business partners	● Exchanged memoranda with 81% of partners	 
Establishing a sound corporate culture/ management base	Foster a corporate culture that prioritizes customer peace of mind by raising awareness of compliance with the Pioneer Group Code of Conduct and laws and regulations	● Provided compliance e-learning at Group companies in Japan (97.6% attendance rate)	
	Establish systems for ensuring customer peace of mind by determining policies on how to respond to privacy regulations and ensuring thorough awareness of those policies	● Provided compliance e-learning at Group companies in Japan, including compliance with privacy regulations (97.6% attendance rate)	

\* represents Pioneer's initiatives. All other items are Pioneer Group's initiatives



## Special Feature

Solving social issues to promote sustainable growth

# Pioneer's Creating Shared Value

What should we aim to do to meet society's expectations? We at Pioneer believe it is our mission to help solve problems in the mobility domain, which we have been developing our businesses for a long time. We aim to continuously increase corporate value by actively taking on new challenges as our businesses grow.



## Material Issues from a CSV Perspective

Themes designed to help solve social issues through business

Reduce traffic accident risks

Resolve issues of excessive information/  
complexity in traveling

Resolve labor shortages/last one mile issues

Support mobility in aging and globalized society

Relevant SDGs



Services that lead to CSV

"Piomatix", a mobility AI platform that creates  
the future of mobility experiences

"NP1", a conversational driving partner

"Vehicle Assist" contributes to overall efficiency and  
safety of society, and environmental protection

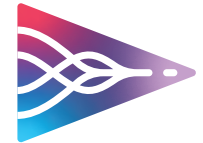
## Pioneer's Creating Shared Value

### Special Feature 1: **"Piomatix"**, a Mobility AI Platform That Creates the Future of Mobility Experiences



What can Pioneer do to progress the sustainable development of society? What challenges in the mobility domain can we help solve through our businesses? "Piomatix", a revolutionary platform that creates a new commonplace environment, serves as a driving force for our growth as a solution services company.

**Piomatix**  
Pioneer Informatics Architecture



#### "Piomatix" That Drives Our Groupwide Strategies

The idea of seeking to create the future of mobility experiences and transforming ourselves into a solution services company that solves various issues faced in the mobility domain by combining products and services was inspired by discussions within the Pioneer Innovation Team. The team brings together members from each department to concentrate on successfully reinvigorating Pioneer. That idea was subsequently converted into our Group Vision and detailed in written form.

To realize this Vision, we have built an innovative service platform that enables us to provide new experiences to a wide range of stakeholders by collecting together and appropriately rearranging the technological assets we have accumulated since our founding and new technologies that are currently under development. We have called this platform "Piomatix". We continue to evolve the platform on a daily basis as the strategic instrument that is driving our transformation into a solution services company.

#### "Piomatix" Solves Various Social Issues in the Mobility Domain

Modern vehicle interiors contain more and more multilayered touch panels and operational switches and a growing volume of information, such as a huge amount of on-screen information. They are also increasingly complex to operate. This can be very stressful for the driver, which makes driving more tiresome and affects safety.

We have been working to help solve social issues by combining our long-amassed technology of sound with added value extracted from the vast amounts of mobility data we have accumulated over many years.

"Piomatix" is a solutions platform that solves various social issues using voice HMI and advanced prediction capabilities that free up the driver's eyes and hands.



**Piomatix**





## Pioneer's Creating Shared Value

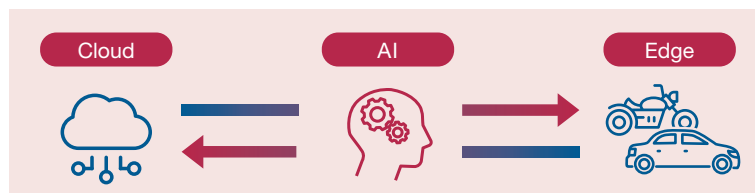
## “Piomatix”

## “Piomatix” Technology

“Piomatix” boasts two main technologies. The Predictive Engine technology predicts potential changes in a driver's state by utilizing various technologies such as voice, sensing, and location information. The Voice Human Machine Interface (Voice HMI) frees up the driver's eyes and hands by using voice and conversation, as opposed to conventional operational buttons and displays, to convey information.

Predictive Engine technology can predict a driver's behavior in terms of when, from where, to where, and by which route he/she wants to travel, infer how hard the driver is finding things depending on the complexity of the road conditions and any utterances the driver makes, sense when a driver will want to access a certain type of content, and then make the best suggestions at the right time. Also, by including a voice HMI that drivers can use safely and at appropriate times in the service, we have been able to create a stress-free, relaxed, and comfortable mobile space.

## Piomatix



**Predictive Engine × Voice HMI Technology**

Mobility AI platform

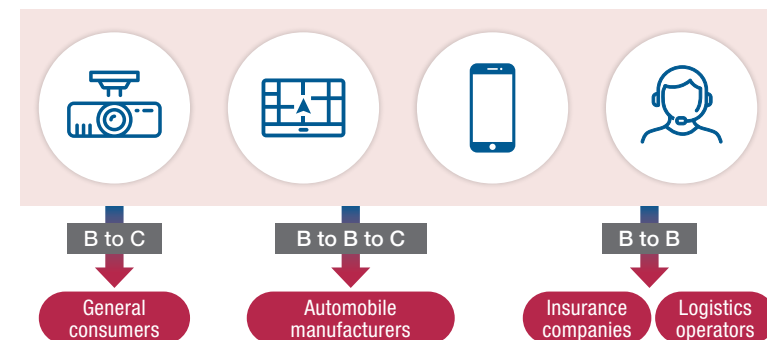
## Expand into a Wide Range of Mobility Markets

Pioneer has determined four material issues (CSR issues) as priority themes that should be addressed through our businesses: reduce traffic accident risks; resolve labor shortages/last one mile issues; resolve issues of excessive information/complexity in traveling; and support mobility in aging and globalized society. When developing “Piomatix”, we focused first on resolving issues of excessive information/complexity in traveling. We aim to expand our services not only in the B2C market, but also across a wider range of B2B and B2B2C markets. Our ultimate aim is to grow into a sustainable business that can help solve a greater range of issues in the mobility domain, such as our other three material issues and reducing environmental impact.

Furthermore, “Piomatix” is an open platform. As a platform provider in the mobility domain, we will strive to help realize a sustainable society by accelerating strategic partnerships with other companies and solving even more problems.

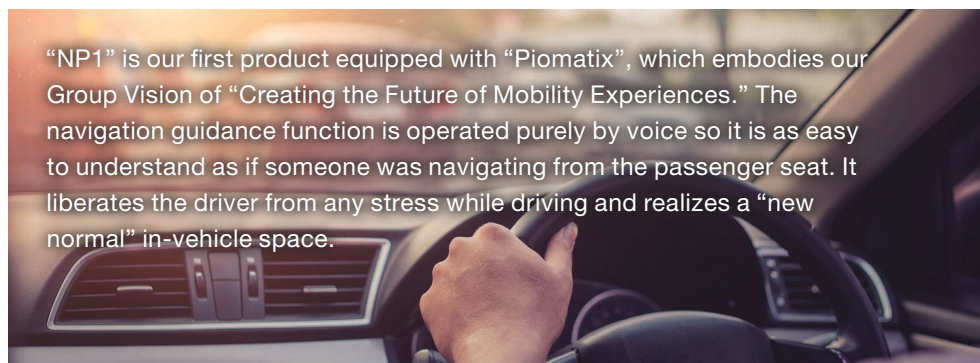
\* Any forward-looking statements are based on current company expectations. There is no guarantee that these statements will be realized as expected in the future.

## Piomatix



## Pioneer's Creating Shared Value

### Special Feature 2: "NP1", a Conversational Driving Partner



#### Related SDGs



Reduction of traffic accidents by issuing heads-ups



Expansion of technological innovation



Mobility support for elderly drivers



New product: "NP1"

This first product equipped with our new "Piomatix" is like a partner who transforms driving into something completely different through voice and communication.

#### Aim to Solve Various Social Issues through Diverse Functionality and Growth

The "NP1" has multiple functions that are all operated entirely through voice, such as Smart Voice Navi, Cloud Drive Recorder, Car Wi-Fi, Drive Call, and Drive Topics. The "NP1" will help advance the provision and evolution of various services through communication and is also capable of self-growth by adapting itself to individual drivers. "NP1" will enable us to help solve problems in a wide range of fields, such as reducing stress while driving and improving safety, realizing a safe and friendly driving environment for elderly drivers, and promoting regional revitalization through improved mobility experiences.

Going forward, we also intend to make a broader economic contribution by developing the product for local governments and businesses. Our ultimate aim is to achieve sustainable growth as a business while also solving problems.

#### 1 Reduce Stress and Improve Safety While Driving

By providing only immediately necessary information through voice and enabling mechanisms to be operated entirely through voice commands, this system allows drivers to concentrate on driving, frees drivers from stress caused by information overloads when on the move, and helps ensure the safety of pedestrians, surrounding areas, and the driver him/herself.



#### 2 Realize a Safe, Friendly Driving Environment for Elderly Drivers

We are able to avoid dangerous driving and accidents by supporting the movement of less-confident elderly drivers through driving technology diagnosis, scoring, and protective monitoring services. As the population ages, we expect these solutions will help address social issues such as when a driving license should be voluntarily relinquished due to old age, etc.



#### 3 Promote Regional Revitalization Through Improved Mobility Experiences

"NP1" can facilitate smooth mobility at travel destinations. It will also enable local governments seeking to promote tourism and revitalize regions to guide drivers of personal or rental cars fitted with "NP1" by sending up-to-date information on local sightseeing spots, gourmet restaurants, and events, etc.



\* Any forward-looking statements are based on current company expectations. There is no guarantee that these statements will be realized as expected in the future.

## Pioneer's Creating Shared Value

### Special Feature 3: **"Vehicle Assist"** Contributes to Overall Efficiency and Safety of Society, and Environmental Protection



Pioneer applied its technologies and know-how of car electronics business to the development of "Vehicle Assist" for companies. "Vehicle Assist" is a solution that seeks to support the logistics and transportation industry, which is facing a variety of issues such as the need to reduce CO<sub>2</sub> emissions and traffic accidents, and address labor shortages. Since its launch in 2015, "Vehicle Assist" has been adopted not only by the logistics and transportation industry, but also by multiple business sites that use vehicles, and it is currently helping to solve corporate issues.

#### Related SDGs



Reduction of traffic accidents by issuing heads-ups



Reduction of CO<sub>2</sub> emissions by shortening required mileage and time through operational management



Fuel efficiency Improvement by supporting safe driving and optimal routing



Partnerships (collaboration between companies)



Productivity improvement by streamlining driving routes

### Helping Solve Various Vehicle Operation-Related Issues



"Vehicle Assist" is a cloud-based operation management service that provides firm support for companies seeking to solve various problems relating to vehicle operations, such as improving operational efficiency and conserving labor in operational management, as well as reducing accidents.

#### Issues to solve



Reduction of accidents



Boost of operational efficiency



Labor conservation in operational management

#### ■ "Vehicle Assist", a cloud-based operation management service for fleet vehicles

##### High-performance in-vehicle devices

For trucks, commercial vehicles, courtesy cars, etc.

##### Smartphones/tablet devices

For hired cars, rental cars, bicycles, etc.



##### What customers should prepare

An internet contract and a computer or tablet with internet connectivity.

"Vehicle Assist" uses car navigation, event data recorders, smartphones, and other devices as terminals, and uses communication lines to connect to cloud-based servers. The server uses driving data transmitted from the terminals, such as vehicle location and driving speed, to provide advance operational management and support, which might include dynamic management of vehicles or notification and analysis of dangerous driving. Customers can use the system anytime, anywhere as long as they have a computer or a tablet that can connect to the internet.

Corporate Website: Pioneer's Professional Car Solutions Webpage  
<https://mobility-service.pioneer.jp/> (Japanese text only)



## Pioneer's Creating Shared Value

## “Vehicle Assist”



## Case 1

## Helping Solve Issues: Case Study 1

## Business Profile

Business support for used car dealers

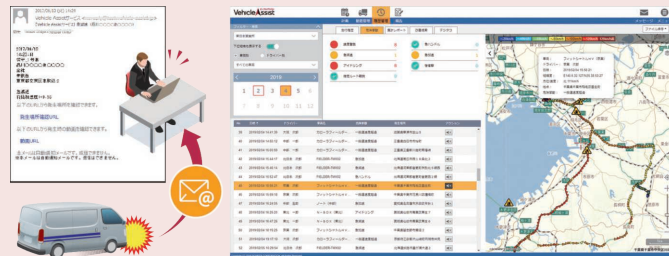
## Reason for Implementation

Improving sales efficiency and driving safety awareness

We introduced “Vehicle Assist” here with the aim of visualizing and improving the efficiency of a business that uses sales vehicles and raising awareness of safe driving. The system had generated effective results within as little as three months, with required business hours being reduced by 10%, business opportunities increasing by 16.7%, and contract acquisitions rising by 13.9%. “Vehicle Assist” enables operators to accurately grasp the time required for sales staff to conduct external operations. The automatic generation of daily reports that used to be written by hand has also helped generate considerable efficiency improvements.

Employees commented on their improved awareness of safe driving behavior, saying they had become much more conscious of safe driving because “Vehicle Assist” issues voice alerts when it detects any dangerous driving. As a result, actual examples of dangerous driving, such as sudden acceleration, deceleration, or turning of the wheel, halved in the three months.

## ■ Illustration



Reduction of accidents



Labor conservation in operational management

## Case 2

## Helping Solve Issues: Case Study 2

## Business Profile

General freight car transportation business

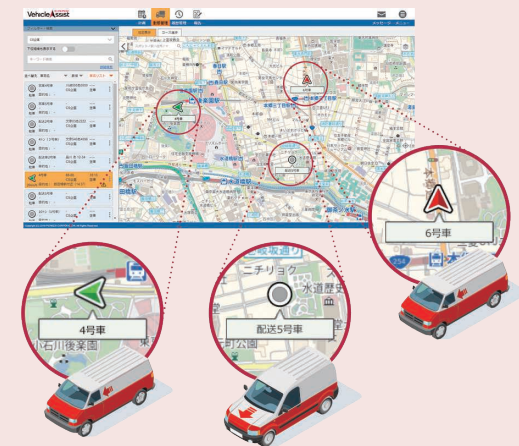
## Reason for Implementation

Preventing traffic accidents, achieving more efficient vehicle operations

In the past, the only way to contact the driver of a truck that had left the depot was by telephone. Knowing what a vehicle was doing at any one moment and adjusting its tasks without understanding the full situation has always been a difficult, long-standing issue. The key advantage of “Vehicle Assist” is that it enables operators to see the respective locations of dozens of vehicles in real time from the office. This not only improves operational efficiency by ensuring accurate vehicle dispatch, but it also increases service reliability by facilitating a swifter response to requests and a swifter emergency response.

In addition, thanks to the consistent vocal notifications by the “Vehicle Assist” of any dangerous driving, those incidents decreased to near zero within the six months and drivers had hardly any accidents. As a result, the company was able to reduce its insurance premiums.

## ■ Illustration



To become an enterprise that fulfills the trust and satisfaction of all stakeholders

# Promoting CSR Management

Adhering to the ISO26000 international standard, we endeavor to contribute to a better society through cooperation with all our stakeholders, including customers, shareholders, employees, business partners, and local communities, and are committed to fulfilling our social responsibility for the seven core subjects of ISO26000.

ISO26000: 7 core subjects



## To Win Customers' Satisfaction and Trust

ISO26000: Consumer issues

### Related SDGs



Human-centered design from users' perspectives



Approach to universal design



Waste reduction by offering repair services

## To Realize a Rich and Safe Global Environment

ISO26000: The environment

### Related SDGs



Resource saving and resource recycling; management of chemical substances



Prevention of global warming

## Living in Harmony with Communities

ISO26000: Community involvement and development

### Related SDGs



Co-creation activities with government and universities



Contribution to culture and diversity by holding Listen through the Body concerts, etc.



Forest conservation activities

## To Work Energetically and with Mutual Respect for Each Other

ISO26000: Labor practices / human rights

### Related SDGs



Promotion of women's participation and advancement



Promoting the employment of people with disabilities

## Corporate Governance and Fair Operating Practices

### Related SDGs



Supply chain management



Organizational governance (corporate governance); fair operating practices

## Promoting CSR Management

# To Win Customers' Satisfaction and Trust

Related SDGs



## Offering Products and Services that Generate Satisfaction and Confidence

The Pioneer Group believes that ensuring quality should be our fundamental commitment when pursuing our Group Philosophy “Move the Heart and Touch the Soul” and, as such, we have established the following quality assurance principles.

### Quality Assurance Philosophy

**“Offering customers products and services that generate satisfaction and confidence.”**

We utilize customer feedback and various types of data to inspire confidence and satisfaction in as many people as possible. In addition, our Quality Assurance Division and Customer Support and Aftersales Service Division cooperate with all operational and functional divisions to define three important quality assurance elements and generate further improvements.

### Important Elements

Product safety, compliance with public regulations, product quality

Quality of aftersales services

Pursue improvements from the customer's viewpoint

## Product safety, compliance with public regulations, product quality

### Initiatives for Inspiring Confidence Among Our Customers

#### Quality Assurance Division

##### Quality improvement

- Actively gather and analyze information on product quality and safety from customers and dealers/distributors to achieve continuous quality improvement.
- Execute integrated management of information related to safety and swiftly report such information to management as well as provide appropriate information to customers and dealers/distributors.
- Collect information on laws and regulations, international/industrial standards from countries and regions where products are to be sold. Such information is deployed and reflected in product development.

#### Customer Support & Aftersales Service Division

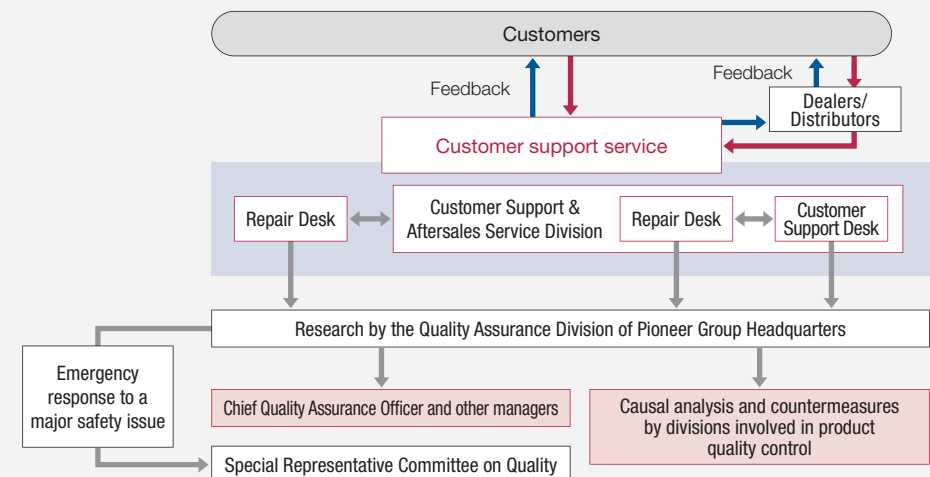
##### Daily activities

- Collect and analyze daily inquiries from end users/dealers/distributors, in order to feed back market issues to Quality Assurance Division and Product Planning Division. Such information is used for product improvement.

##### Periodic information exchange

- Distribute a monthly report, “The Voice of Customers” to board members, heads of related divisions and all staff involved, to share actual inquiries and complaints received from customers.

### Outline of Information Flow from Customers Concerning Product Safety





## Promoting CSR Management

## To Win Customers' Satisfaction and Trust



## Quality of aftersales services

## Wholehearted Support &amp; Aftersales Service

## Customer support from the customers' viewpoint

Our customer support center accepts consultations from customers by phone or email.

We are also striving to improve customer satisfaction by enhancing the content of our frequently asked questions (FAQ) on our website to help customers solve problems even outside of business hours, improving convenience, and resolving issues at an early stage.



## Provide universal aftersales services worldwide

We have set up directly managed service centers and service stations in each major city in Japan and we assign skilled service engineers to swiftly solve any specific problems relating to in-vehicle equipment. We also provide community-based services. Service engineers are also assigned to our overseas sales companies. We are working to improve aftersales services in each region by utilizing an efficient centralized system.



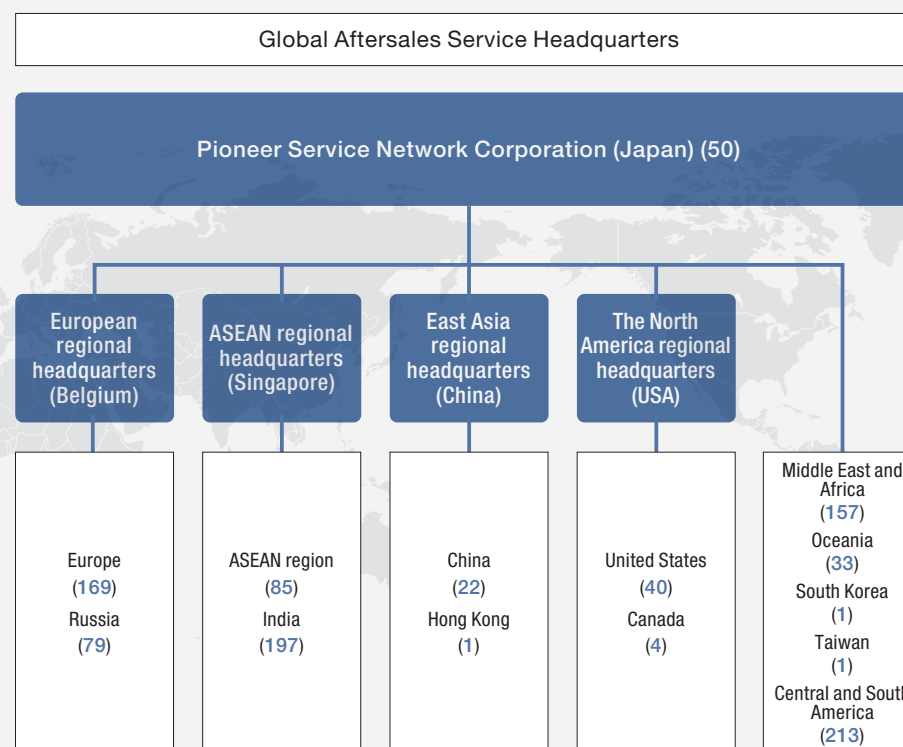
## Results of the Independent Customer Satisfaction Survey in Japan (FY2021)

Response rate	94.4%	Overall satisfaction following repairs as reported by the survey	83.4%
Customer satisfaction with the customer support	99.2%		

- The above data are results of the customer satisfaction survey conducted by Pioneer.
- "Overall satisfaction following repairs as reported by the survey" is the percentage of respondents who selected "Good" or "Fairly good" from four options ("Good," "Fairly good," "Not so good," and "Poor") for several questions in the postcard/online questionnaire.
- "Response rate" and "Customer satisfaction with the customer support" are the percentages of respondents who selected "Very satisfied" or "Fairly satisfied" from four options ("Very satisfied," "Fairly satisfied," "Somewhat dissatisfied," and "Dissatisfied") in the survey by automated voice response after completion of response by call center staff.

## Global Aftersales Service Organization

Figures in ( ) refer to the number of service bases and agents, which there are 1,052 worldwide.



Corporate Website: Customer Support

<https://global.pioneer/en/support/>

## Promoting CSR Management

## To Win Customers' Satisfaction and Trust



## Pursue improvements from the customer's viewpoint

## We strive to provide products that satisfy our customers by pursuing improvements from the customer's standpoint.

The Pioneer Group strives to make continuous improvements in order to enhance customer satisfaction.

- Process improvements: Initiatives based on international quality management systems
- Solution services: Shifting from customer support that seeks to solve customer problems to customer success that proactively and continuously supports customer achievements
- Product development: Product creation that uses human-centered design to meet the fundamental needs of our customers

## Major quality-assurance international accreditations held

- ISO9001 Quality management system
- IATF16949 Quality management system for automotive

## Continuous Improvement Activities and Cybersecurity Response Based on Quality Management Systems

Having established quality management systems based on the international standards for quality management (ISO9001 and IATF16949), we are working to achieve continuous improvements through the Plan Do Check Action (PDCA) cycle.

We strive to meet customer expectations by ensuring our commitment to improvement is embedded into our organizations and making our existing processes more competitive. As products and services have evolved over recent years, we have also been focusing on cybersecurity measures, launching PSIRT<sup>\*1</sup>, joining J-Auto-ISAC<sup>\*2</sup>, and building processes that comply with ISO21434<sup>\*3</sup>.

<sup>\*1</sup> Product Security Incident Response Team: An organization that seeks to improve the level of security and respond to any incidents that occur in relation to the products and services that we develop and manufacture.

<sup>\*2</sup> Japan Automotive Information Sharing and Analysis Center: An organization to promote information sharing and analysis of cybersecurity risks and strengthening of our cybersecurity response capabilities to ensure the safe and secure use of vehicles and related services in Japan.

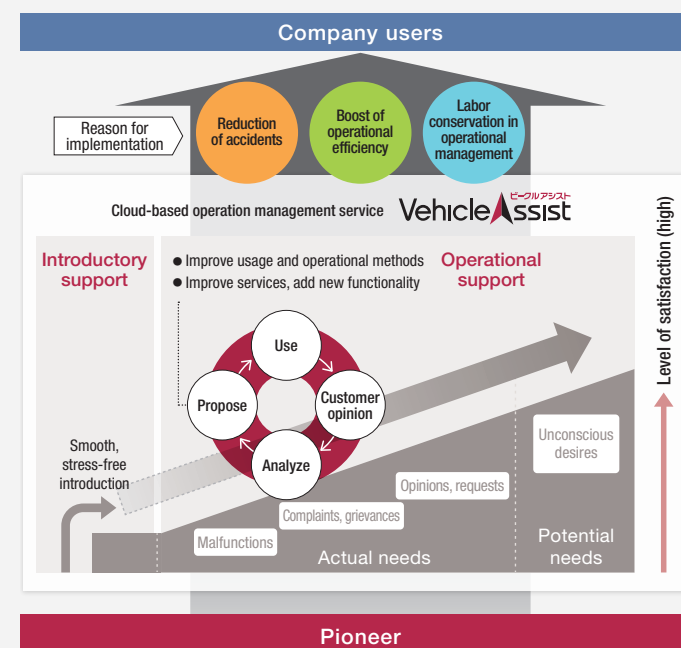
<sup>\*3</sup> ISO21434: International standard for automotive cybersecurity measures.

## Customer Success Activities Within Solution Services

We are developing "Vehicle Assist" for companies as a service that provides operational management and operational support. Many of the companies that have adopted the "Vehicle Assist" service are seeking, for instance, to reduce traffic accidents in company-owned vehicles and improve operational management efficiency. We have set up a Customer Success Department to help these companies achieve their goals and we work with customers from the introductory to the operational stage to help solve any anticipated problems.

In addition to alleviating any nervousness when the service is first introduced, we also pay close attention to the opinions of those actually using the service once it is up and running. We then use our own expertise to analyze those experiences and suggest ways to optimize usage and improve operation in order to maximize the merits of using the service. We are also committed to continuously adding new functions to the service and improving existing services in order to instill greater confidence, improve the level of satisfaction, and help new company users achieve their goals.

## "Vehicle Assist" Customer Success



## Promoting CSR Management

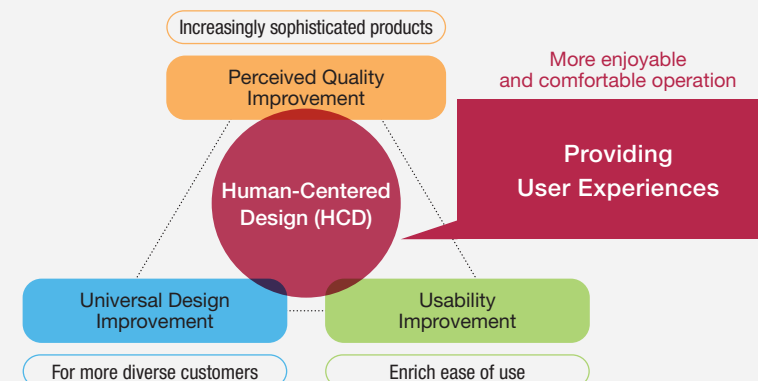
## To Win Customers' Satisfaction and Trust



## Excellent User Experience through Promotion of Human-Centered Design

The Pioneer Group promotes Human-Centered Design (HCD), which is supported by perceived quality, universal design, and ease of use. The Group is constantly striving to offer a user experience for customers to enjoy and be pleased to use our products with excitement.

\* Human-Centered Design (HCD): Design based on ISO9241-210. Refers to the process of developing products and services based on user requests and experience at the time of use.



## ● Initiative to heighten perceived quality

We define perceived quality as product quality perceptible by the senses of vision, touch, and hearing. Our aim is to enhance quality in terms of texture and precision (vision), hand feeling and operability (touch), and operating noise, etc. (hearing).



Captivating illumination

## ● Approach to universal design



Map that is sensitive to color characteristics

Our main priority in product development is to ensure each and every customer can use a service comfortably and enjoyably. When it comes to car navigation and other screen design, we focus on addressing color sensitivities. We work on design that uses priority information and color combinations that enable users to easily identify and understand the key meaning even when various color sensitivities exist.

## ● Approach to Usability

The Pioneer Group regularly examines user tests in diverse operating environments to evaluate the adequateness of our products in our customer's daily use. First, we look for problems, then analyze causes, and finally, we take countermeasures.



User tests of various elements displayed on a map

## INTERVIEW

## Design that Captures Customers' Hidden Thoughts

As a user experience (UX) designer, I am always conscious of human-centered design in my daily work. More specifically, we identify customer needs and issues by analyzing the raw opinions and actions of target users through surveys and interviews. Then we design UX that serves as a pointer for product and service development.

I believe it is especially important to create anticipatory UX by incorporating customers' hidden dissatisfaction and desires that are not apparent on the surface and staying abreast of their feelings. I think this is what makes customers feel surprised, impressed, and excited when experiencing our products and services. I want to promote human-centered design while always remaining attentive to this commitment.



**Hiroaki Hashimoto**  
Design Department



## Promoting CSR Management

# To Realize a Rich and Safe Global Environment

Related SDGs



## Philosophy on Environmental Preservation

The Pioneer Group deeply recognizes that maintaining and improving the global environment and passing it on to the next generation is one of the missions, and strives to always contribute to the realization of a rich and safe environment.

## Concept of Environmental Management

The Pioneer Group aims to provide solutions (maximization of positive output) that contribute to solving environmental problems in order to realize a sustainable society. To achieve this goal, we address about environmental consideration (minimization of input) during life cycle of products/service and reduction of environmental impacts (minimization of negative output) emitted by our company.

## Efforts Toward Carbon Neutrality

The international community has begun significant efforts toward achieving carbon neutrality by 2050. For its part, the Pioneer Group has set a milestone target to reduce our direct CO<sub>2</sub> emissions (Scope 1\*<sup>1</sup> + Scope 2\*<sup>2</sup>) 30% by fiscal 2030 compared to fiscal 2018, and is driving activities to achieve this. Thanks to continued efforts such as carrying out energy conservation activities, restructuring businesses, and improving the efficiency of telecommuting and other working styles, emissions for fiscal 2021 saw a 21% decrease compared to fiscal 2018. We will continue striving to achieve our targets as quickly as possible, while considering other measures such as implementing and procuring renewable energy. The Pioneer Group understands that achieving carbon neutrality will mean a major transformation of social and industrial structures in relation to energy. In the industries we operate, the spotlight has been on green growth strategies such as transforming vehicle use and logistics that accompany efforts toward carbon neutrality. In order to fulfill our corporate responsibility in a carbon neutral society, we will calculate and reduce CO<sub>2</sub> emissions across the supply chain (Scope 3\*<sup>3</sup>) in our businesses. Furthermore, we will actively conduct LCA\*<sup>4</sup> to produce products and services that contribute to this in the field of mobility.

\*1 Scope 1: An organization's direct GHG emissions (fuel combustion, industrial processes, etc.)

\*2 Scope 2: Indirect emissions associated with the use of electricity, heat, or steam supplied from another company.

\*3 Scope 3: Indirect emissions besides those from Scope 1 and 2 (emissions from other companies related to the reporting organization's activities)

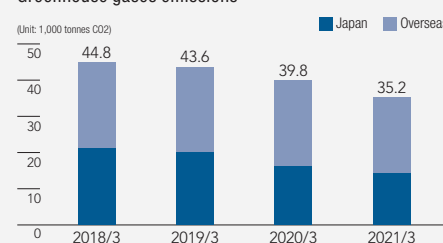
\*4 LCA: Life Cycle Assessment. A methodology for assessing the environmental impact of products and services.

## Pioneer Group Environmental Data (fiscal year ended March 31, 2021)

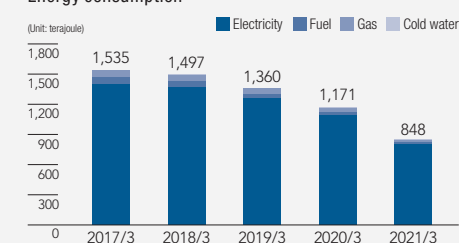
### Reduction of GHG and Energy Consumption

Greenhouse gas emissions for fiscal 2021 from the Pioneer Group's business sites fell 21.4% compared to fiscal 2018. And energy consumption fell 27.6% compared to the previous fiscal year.

Greenhouse gases emissions



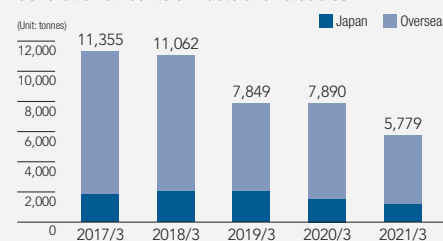
Energy consumption



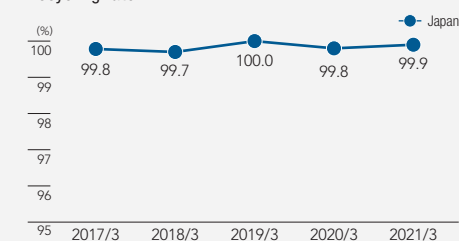
### Reduction of Waste and Valuables

We carry out activities to minimize landfill waste by reducing the production of and recycling waste and valuables. Our recycling rate for fiscal 2021 was 99.9% (in Japan).

Generation amounts of waste and valuables



Recycling rate



Corporate Website: Environmental Data  
Visit the page below for detailed environmental data.

<https://global.pioneer/en/corp/sustainability/environment/data/>

## Promoting CSR Management

## To Realize a Rich and Safe Global Environment



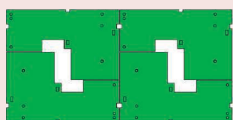
### Environmental Considerations (Minimization of Input)

#### Improving the effective utilization rate of printed circuit boards

Our products use printed circuit boards (hereinafter “circuit boards”) on which electrical components are mounted. The circuit boards are cut and mounted onto products in the production line, and the unused portion is recycled. Wanting to reduce the portion that is recycled, we defined an “effective utilization rate” (calculated by dividing the used area by the total area) as an indicator, set a target, and began managing it in product development. At the same time, we also optimized the shape of our circuit boards with the shape of the circuit board panels supplied from manufacturers. This enabled the circuit board manufacturers to use raw materials efficiently, and for us it led to reducing recycled circuit board material, raising awareness on wastefulness, and accelerating cost reduction. It had a positive effect on lowering the environmental impact across the supply chain by reducing waste and CO<sub>2</sub> emissions from the manufacturing and transportation of circuit boards.

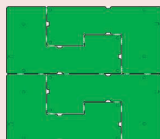
#### Before improvement

Effective utilization rate:  
90.4%



#### After improvement

Effective utilization rate:  
97.7%

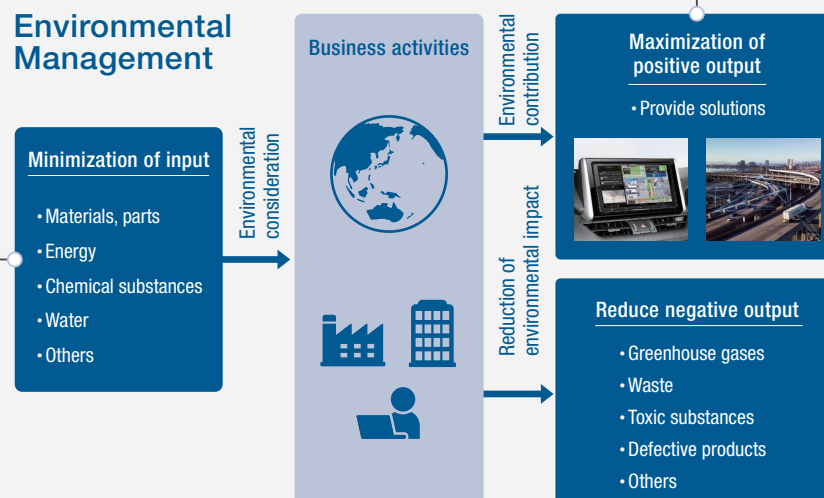


### Environmental Contribution (Maximization of Positive Output)

Our cloud-based operation management service helps companies that implement it reduce travel time and distance. And it contributes to the environment by helping increase the efficiency of energy such as gasoline and electricity, and reducing the CO<sub>2</sub> emissions they produce. Furthermore, using the real-time driving support information we provide can help drivers reduce the risk of driving associated with climate change (e.g. sudden weather changes).



### Environmental Management



### Reduction of Environmental Impact (Reducing Negative Impact)

#### Recycling packing film into plastic bags

The Kawagoe Plant Recycling Center recycles stretch film the plant uses for packing into plastic garbage bags, and the bags are used at the plant. In June 2021, 285 kg of film waste was recycled, helping conserve resources and reducing 839 kg worth of CO<sub>2</sub> emissions.



Stretch film used for packing parts and products

### INTERVIEW



#### Masayuki Kamada

General Administration  
Operation Department,  
Human Resources & General  
Administration Management  
Group, Human Resources &  
General Administration Division

### Commitment to creating a circulation society

I work at the Kawagoe Plant Recycling Center. To me, the role of the recycling center is to create a circulation society by reducing waste. Under this commitment, we worked to make improvements with the input of suppliers, and successfully recycled stretch film into plastic bags. I think it is important for a business to reuse the waste it produces. We will continue contributing to the creation of a circulation society, which is also an objective of the SDGs.

## Promoting CSR Management

## Living in Harmony with Communities

Related SDGs



## We will strive to create a rich and sustainable society through a wide range of community projects.

Under the Group Philosophy, “Move the Heart and Touch the Soul,” we help make society richer through activities that meet the needs of the community in a wide range of areas. Specifically, we leverage our technology and knowhow to carry out corporate citizenship activities with a focus on audio, educational support, and environmental protection, and conduct R&D in collaboration with the government and universities.

## Audio

## “Listen through the Body” Concerts

The concerts, which have been held regularly since 1992, are one example of Pioneer’s societal contribution and volunteer activities. Using “Bodysonic”, a system invented by Pioneer founder Nozomu Matsumoto that changes sound into vibrations, people who are hearing impaired can also enjoy the pleasures of music.



## Educational Support

## Hands-on Craft Workshop

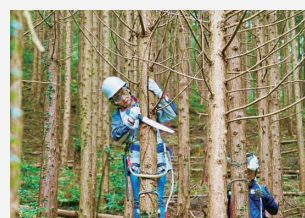
Pioneer provides activities for children and others to experience the fun of making things. The workshop was held a total of four times in fiscal 2021, including online workshops due to the COVID-19 pandemic. At the Hands-on Craft Workshop for elementary school children, participants learned about the principles of sound and the structure of speakers, after which they attempted to make an actual speaker using paper. We at Pioneer will continue efforts to give children the experience of joy and excitement that comes from hearing sound come out of a speaker they made themselves.



## Environmental Protection

## The “Pioneer Forest”

The “Pioneer Forest”, born after an agreement with the Saitama Prefectural Forestry Public Corporation to take over regular management of cypress forest near Kamakita Lake in 2005, has grown bright and leafy thanks to the work of Pioneer employees and their families volunteering regularly thinning and pruning trees. In 2016, Saitama Prefecture also became involved, and the Saitama Prefecture Forest Development Agreement was concluded. We will continue to enhance our activities in the forest, including nature experience workshops for children.



## Co-creation Activities with Government and Universities

The Pioneer Group carries out co-creation activities with government and universities, with a focus on human-centered HMI\*1 solutions that can alleviate worries and concerns in driving. In collaboration with the Kanagawa Institute of Technology (KAIT), we are conducting research to mitigate driver distraction\*2—said to be a major cause of traffic accidents—via a system that learns the driver’s behavior and various effects on their mental state, and provides them appropriate information. We have also been collaborating with Kyushu University on researching AUI\*3 design and usability\*4 in noisy driving environments. Projects with KAIT and Kyushu University have both been running for more than 10 years. Recently, we have joined the AMECC2\*5, a consortium organized by the National Institute of Advanced Industrial Science and Technology (AIST), and are deliberating on how to provide support for elderly drivers based on the results of analyzing driver behavior data.

Going forward, we will continue taking on challenges in close partnership with the government and universities to develop solutions tailored to the needs of all people in the increasingly diversifying field of mobility.



## Corporate Website: Corporate Citizenship Activities

<https://global.pioneer/en/corp/sustainability/social/contribution/>

## Corporate Website: Social Welfare and Interaction with Local Community

<https://global.pioneer/en/corp/sustainability/social/contribution/others/>

\*1 HMI (Human Machine Interface): A method to enable people and machines to exchange information, and the hardware and software it requires. \*2 Driver distraction: When a driver’s driving performance is hindered due to turning their attention to something besides driving. \*3 AUI (Auditory User Interface): A method for exchanging information with machines via sound that takes into account the characteristics of people’s sense of hearing. \*4 Usability: The degree of which targets for effectiveness, efficiency, and satisfaction have been attained when using a system, product, or service. \*5 AMECC2 (Automotive and Medical Concert Consortium 2): A consortium that seeks to eliminate traffic accidents stemming from health issues. Its aim is to conduct R&D on the early detection of dementia based on driving risk assessments of elderly drivers whose cognitive functions have declined and on daily life data such as driving habits.



## Promoting CSR Management

## To Work Energetically and with Mutual Respect for Each Other

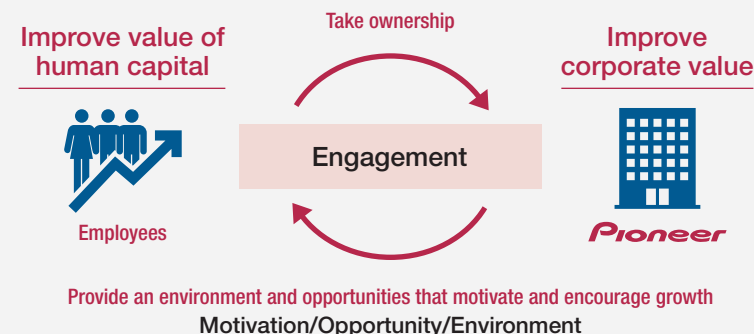
Related SDGs



## Prioritizing engagement between employees and the company, we will create an environment where a diverse team of employees can work autonomously.

The Pioneer Group is working to achieve the ideal state for employees and the organization: to create an environment that encourages autonomous growth by prioritizing engagement between employees and the company.

We will strive to improve corporate value by providing an environment and opportunities that motivate and encourage growth to enable our worldwide team of diverse employees to autonomously take on challenges through fair competition and improve the value of human capital. To accomplish this, since 2020 we have been regularly conducting employee engagement surveys and using them to review management and personnel measures.



### Helping Employees Balance Work and Child/Nursing Care

Pioneer actively promotes initiatives to help employees balance work and child/nursing care. In terms of balancing work and childcare, we provide proactive support, for example by offering training to employees who are going to take childcare leave and to their supervisors, sharing information while they are on leave, and having a program in place for employees returning to work.

Furthermore, we distribute leaflets explaining the child/nursing care programs and hold seminars to promote understanding of employees who take such leaves and to prevent employees from leaving their jobs due to childcare and nursing care.

#### INTERVIEW

#### The understanding of others on balancing childcare and work led to greater autonomy

Since taking about two months off would help lessen some of the burden for my wife, plus the fact that this is our first child, I chose to take childcare leave because I wanted to support and participate in parenting. And thanks to the support of those around me, the time off and return to work went smoothly. Now that I'm back, I've been able to work comfortably with the understanding and cooperation of my coworkers. Today I telecommute and engage in my work more autonomously, and keep a good balance between work and childcare while sharing in parenting duties with my wife.



**Shota Sato**

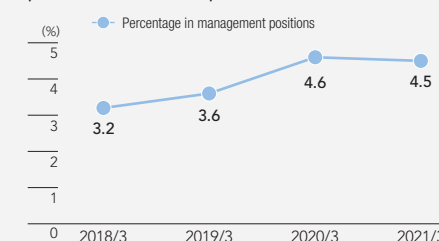
Predictive Technology Development  
Department, Piomatix Core  
Technology Management Group,  
SaaS Technology Center

### Promotion of Women's Participation and Advancement

Female staff in management positions accounted for 4.5% of all managers as of the end of March 2021. To achieve our target of 5.0% by the end of March 2024, we are implementing the following programs:

- (1) Program to nurture awareness in female employees to pursue career development
- (2) Training program on diversity

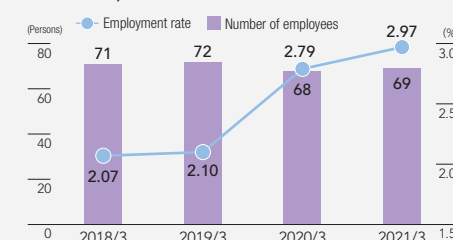
Changes in percentage of female staff in management positions at Pioneer Corp.



### Promoting the Employment of People with Disabilities

In order to fulfill its corporate social responsibility and to employ a diverse workforce, the Pioneer Group is undertaking initiatives to employ people with disabilities. Going forward, Pioneer will not only take active steps in this direction but also work to expand the range of occupations available to them throughout the Group.

Changes in the number of employees with disabilities at Pioneer Corp.



## Promoting CSR Management

## To Work Energetically and with Mutual Respect for Each Other



## Systems and Measures to Enable Flexible Working Styles

In order to create a comfortable and productive workplace, Pioneer has implemented systems that enable flexible working styles and make it easy to take leave. Since 2020 we have been actively promoting the use of such systems, for example by expanding eligibility of the telecommuting system from only employees with childcare or nursing care needs to all employees, paying a telecommuting allowance, and providing e-learning courses on telecommuting.

## Options for working styles and leave at Pioneer

- Flexible working hours system
- Paid leave, half-day leave
- Paid leave by hour
- Telecommuting
- Flex vacation (Paid leave for 5 successive working days)
- Shortened working hours system (childcare/nursing care)
- Refreshment leave (long-term paid leave at the age of 35, 45, and 55)

## Personnel Development

Pioneer offers a range of training programs designed to help diverse human resources flourish.

The programs include not only those for learning necessary skills for work but also those for career development and self-development to provide employees in various life stages opportunities for autonomous growth and support their attainment of professional goals.

## Main Initiatives, Systems, and Programs

Promoting understanding	Career support	Autonomous learning
Business ethics training	Mentorship program	Challenge training
Compliance training	Career assessment system	Anywhere challenge training (external course)
Harassment training	Career design course	
Childcare/nursing care leaflets	Junior leadership program	Language course

## Measures to Prevent COVID-19 Infection

## Policy and Prevention Measures

On January 30, 2020, we established the COVID-19 Response Task Force to ensure the safety of all stakeholders including employees, their families, and customers, and have been undertaking measures with top priority placed on preventing the spread of infection. One of our main initiatives has been encouraging all employees who work in the headquarters area, Kawagoe Plant, and other locations to telecommute, with the goal of reducing the number of employees working at an office or plant by 70%, excluding those in manufacturing and other operations who cannot telecommute. We achieved that goal for the headquarters area, and are working to establish telecommuting as a new working style.

Corporate Website: Pioneer's Measures to Prevent COVID-19

[https://jpn.pioneer/ja/support/oshirase\\_etc/other/info200402.php](https://jpn.pioneer/ja/support/oshirase_etc/other/info200402.php)  
(Japanese text only)

## INTERVIEW

## Expanded opportunities in the new normal

I work at the administrative office for the "Listen through the Body" concerts — one of Pioneer's corporate citizenship activities. I'm hearing impaired, so I make use of this perspective to ensure that the people who attend the concerts enjoy themselves. I have experienced some difficulty communicating in the workplace before, but thanks to Pioneer implementing telecommuting and a chatbot system, I've been able to communicate more with text. It's made communication with my coworkers much easier. And using an application that converts voice to text has made meetings and conferences go smoother too. Opportunities for me to participate more actively are gradually expanding. For example, recently I served as chair of a chat meeting.



**Mayumi Sugihara**

Human Resources Planning  
Department, Human Resources &  
General Administration Management  
Group, Human Resources & General  
Administration Division

## Promoting CSR Management

## To Work Energetically and with Mutual Respect for Each Other



## Supporting Employees' Mental and Physical Health

Pioneer views employee health management not only as a safety and health issue, but also as a key management issue for the growth of both the Company and its employees, and is implementing various measures accordingly. We take a preventive approach to mental health care, such as by holding seminars for employees, distributing promotional materials to raise awareness of the issue, improving its Health Care Section, and building a counseling service system. In addition, we have developed a program for helping employees who have experienced mental health issues to return to the workplace. We also consider helping employees balance work and medical treatment to be an important theme.

## Pioneer's measures for health management

- Mental health training sessions
- Interviews and consulting with industrial physicians
- Efforts to encourage employees to take paid leave
- Program for employees returning to work after experiencing mental health issues
- Various health seminars by industrial physicians

## Health and Safety Initiatives

The Pioneer Group's basic philosophy on health and safety is to accord the highest priority to protecting health and safety. The Global Health and Safety Committee, which spearheads and oversees health and safety initiatives across the Pioneer Group, works with our business partners to ensure the health and safety of all people involved in our business activities.

## Raising Awareness in Health and Safety through the President's Message

On April 25, "Safety Day" for the Pioneer Group, the president conveyed a message to employees to raise awareness on health and safety.

## Excerpt from the President's Message

## ■ Review of Activities

In fiscal 2021, we worked to achieve three goals: "zero occupational accidents requiring leave," "implementation of work risk assessments in all locations," and "near-miss prevention activities." As a result, we had 23 occupational accidents, and 12 occupational accidents requiring leave from work. This is a solid improvement from fiscal 2020, in which there were 27 occupational accidents and 13 occupational accidents requiring leave from work. As for our goal of achieving "accident-free locations" (locations where there have been no accidents requiring more than one day of leave), results for fiscal 2021 were the same as fiscal 2020: nine out of 15 applicable production sites were accident free.

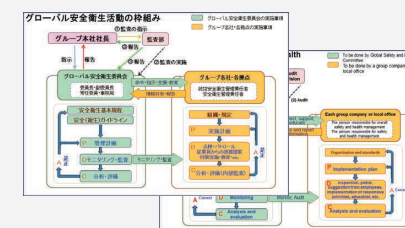
## ■ Next Steps

We set two health and safety goals for fiscal 2022: "zero occupational accidents requiring leave" and "zero new mental health leaves caused by changes in the workplace environment." Let's continue doing our best to create a workplace environment that is safe and comfortable for all employees in the Pioneer Group worldwide.

## ■ Examples of Activities

## Safety Guidelines

Companies in the Pioneer Group formulate and maintain guidelines to carry out a PDCA cycle for and make improvements to safety activities.



## Commendation for zero occupational accidents requiring leave (April 2020 – March 2021)

Nine locations in the Pioneer Group were granted an award for having zero occupational accidents requiring leave from the chairperson of the Global Health and Safety Committee via remote conference.



Corporate Website: Respect for Employees

<https://global.pioneer/en/corp/sustainability/social/employee/>



## Promoting CSR Management

## Corporate Governance and Fair Business Practices

Related SDGs

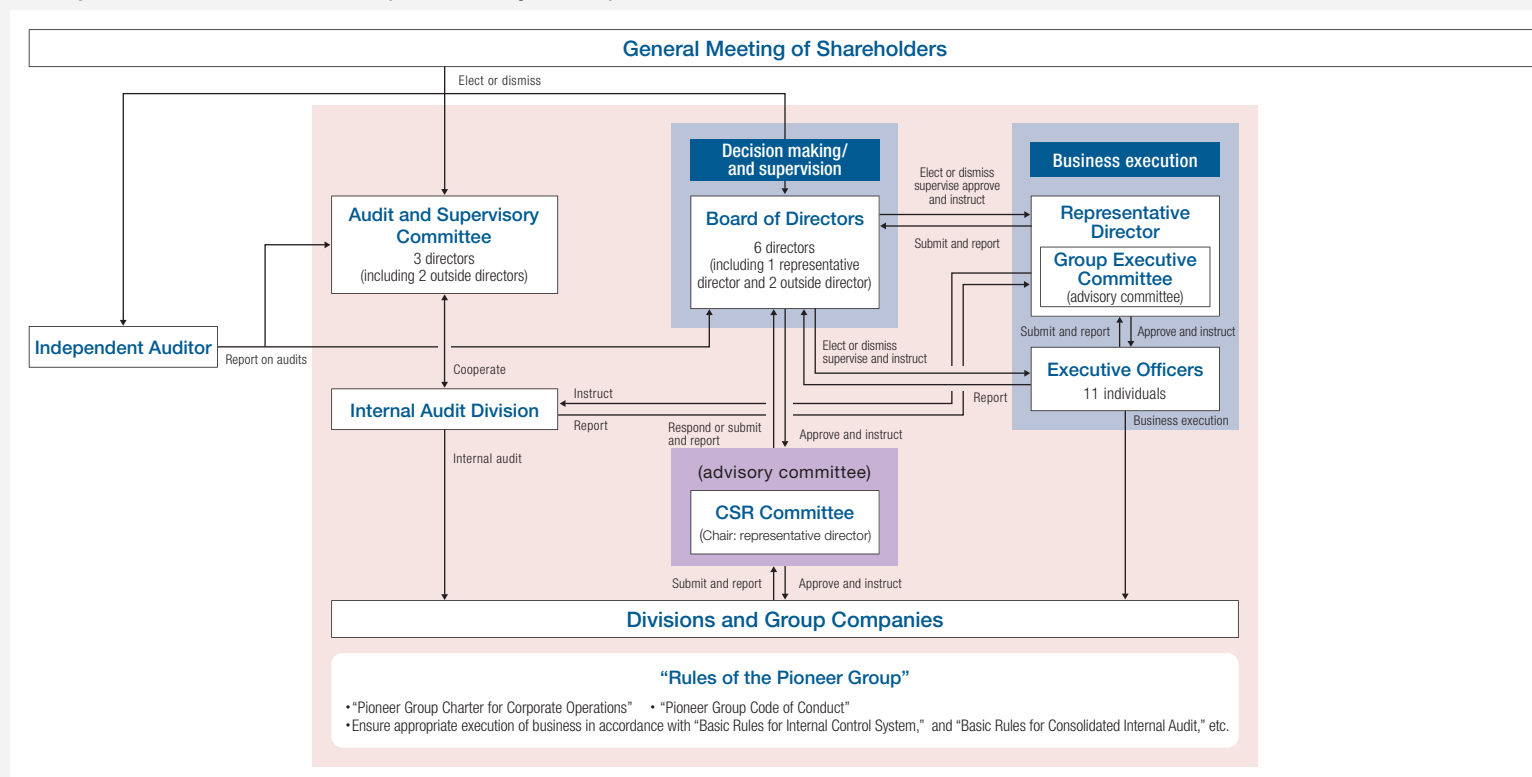


For the purpose of achieving sustainable growth of the Pioneer Group and increased corporate value over the mid- to long-term, we work to enhance the effectiveness of corporate governance and promote fair business practices.

## Corporate Governance

Pioneer has adopted an Audit and Supervisory Committee system of corporate governance. Under this system, the Company has established the Board of Directors as a decision-making body for matters of the highest importance, such as management policies, and as a supervisory body. The representative director is responsible for business execution, while the Audit and Supervisory Committee is responsible for auditing. Pioneer has elected several outside directors to strengthen the supervisory function of the Board of Directors.

## ■ Corporate Governance Structure (as of January 1, 2022)



## Promoting CSR Management

# Corporate Governance and Fair Business Practices



## Executive Officers and the Group Executive Committee

In order to carry out executive functions quickly and define responsibilities, the Board of Directors elects executive officers. Directors focus on decision-making and supervisory functions from a Group-wide perspective, while executive officers enhance the executive function.

The representative director makes executive decisions within the scope delegated by the Board of Directors, and a Group Executive Committee has been established as a body to seek the opinions of executive officers and experts when items are brought before the Board for discussion.

These efforts serve to enhance both the speed and effectiveness of business execution by directors, as well as to strengthen the decision-making and oversight functions of the Board itself.

## CSR Committee

The CSR Committee is an organization chaired by the representative director. When the Board of Directors makes important decisions on CSR activity policy and organizational structure, the CSR Committee provides comments on the decision and drives CSR activities based on the decision made by the Board.

## Main Meetings and Functions

Board of Directors	Decides basic policies on the Company's business management and supervises their execution
Audit and Supervisory Committee	Audits the execution of duties of the Board of Directors, and appoints and dismisses independent auditors
Group Executive Committee	Organization to seek the opinions of executive officers and others when the representative director makes executive decisions
CSR Committee	Organization that provides comments on important matters regarding CSR activities to the Board of Directors and drives CSR activities based on decisions made by the Board

## Risk Management and Rules of the Pioneer Group

Committed to running a trusted business, the Pioneer Group has enhanced and strengthened its internal control and risk management systems to prevent risks that would hinder this commitment and to prepare for crises.

In order to ensure business is executed properly and efficiently throughout the Pioneer Group, we have established the Rules of the Pioneer Group and instill them throughout the Group. These rules are made up of several rules, first and foremost of which are the Pioneer Group Charter for Corporate Operations. It also includes the Pioneer Group Code of Conduct, rules outlining the scope of authority and responsibilities for each Group company, and other rules related to compliance.

## The Internal Whistleblowing System (Business Ethics Hotline)

Behavior that departs from accepted standards can upset the harmony of the workplace. In order to eliminate any wrongdoing and quickly detect and appropriately address behavior that is in violation of the Pioneer Group Code of Conduct, the Business Ethics Hotline has been established as an internal whistleblowing system for the entire Group.

The Hotline, operated by an external agency, is administered appropriately to ensure that whistleblowers are not treated unfavorably on account of having reported something to the Hotline while maintaining their anonymity. The details of whistleblowing reports received by the hotline are simultaneously referred to the outside director who chairs the Audit and Supervisory Committee, making it possible to respond to that information resolutely and in good faith.

## Review of Corporate Governance

The following is the review of corporate governance of the Pioneer Group for fiscal 2021.

Board of Directors	14 times
Audit and Supervisory Committee	6 times
Group Executive Committee	12 times
CSR Committee	3 times
Meetings between outside directors (Audit and Supervisory Committee members) and the independent auditor Division	4 times
Meetings between outside directors (Audit and Supervisory Committee members) and Internal Audit	10 times
Whistleblowing	18 incidents

## Promoting CSR Management

## Corporate Governance and Fair Business Practices



## Fair Business Practices

The Pioneer Group respects social norms and the moral code in promoting fair business activities with the aim of protecting peace and public order as a good corporate citizen and promoting the development of a bountiful society, as well as ensuring compliance with internal rules, laws and regulations.

#### ■ Appropriate Disclosure of Corporate Information

By ensuring appropriate disclosure of corporate information, Pioneer aims to deepen the understanding and trust of stakeholders and society at large.

#### ■ Ensuring Fair Trade Promoting Fair and Free Business Practices

To prevent violations of antitrust laws and other related laws and regulations, we have established the Rules of the Pioneer Group, prepared manuals, and provide thorough education to instill those rules.

#### ■ Protection of Intellectual Property

The Group appropriately maintains and manages intellectual property as well as respects intellectual property held by others.

#### ■ Crisis Control Measures

In order to optimize the Pioneer Group's response in the event of a crisis that has the potential to seriously impact its business and operations, the Group established the Rules of the Pioneer Group, and formed the Emergency Management Committee as a permanent organization to address and resolve crisis events and issues while overseeing the education, training and notification processes relating to crisis management.

#### ■ Security Export Control

To contribute to the maintenance of international peace and security, the Group complies with international agreements on security export control and individual countries' export laws and regulations, and implements precise control under the Pioneer Export Control Committee covering the entire Group.

#### ■ Exclusion of Anti-social Elements

The Pioneer Group shares relevant information across the Group, and takes action in a systematic and resolute manner in compliance with laws and regulations by providing guidance on handling anti-social elements and ensuring communication.

#### ■ Strengthening Protection of Personal Information and Information Security Measures

The Group complies with laws, ordinances, and regulations on privacy, and stringently safeguards customers' interests and rights. The Group also strives to strengthen its information security measures to defend against cyber-attacks and other threats.

## INTERVIEW

## Compliance is essential for corporate success

Risk management is a primary function of Pioneer's Legal Department. One of the most effective ways to accomplish this is through Pioneer's Compliance Program, which identifies significant risks that threaten our operations and addresses them with policies and procedures that help us comply with applicable laws and regulations and avoid legal and reputational harm. We communicate our compliance policies to employees through regular training and provide many different methods for reporting misconduct that may expose Pioneer to harm. Equally important, we are committed to taking appropriate steps to remediate any issues that may arise.

There are many benefits to having a robust Compliance Program. Employees are proud to join and work for an organization committed to being a good corporate citizen and "doing the right thing." External business partners, consumers and shareholders also want to associate with ethical companies that remain free from corporate scandals. Having a strong compliance culture makes Pioneer a more sought-after company and gives us a strategic advantage in an ever-increasingly competitive business environment. Compliance is at the heart of Pioneer's success.



**Kathleen Heydon**  
Pioneer Electronics (USA) Inc.



## Promoting CSR Management

## Corporate Governance and Fair Business Practices



## Promotion of Social Responsibility in the Supply Chain

The “Pioneer Group Code of Conduct” requires the Group to deal fairly with its suppliers on an equal footing in accordance with relevant laws, regulations, and agreements. In addition, it requires its suppliers to act with awareness of their social responsibility including observing laws and regulations of the countries and regions where they do business and respecting international agreements of the UN, the ILO<sup>\*1</sup>, the OECD<sup>\*2</sup>, and so on.

### ■ CSR procurement policy

The Pioneer Group’s procurement activities are based on the basic policies of fairness and impartiality, environmental preservation, and social responsibility. We issue CSR Procurement Guidelines to communicate the Pioneer Group’s CSR policies to our material suppliers.

In order to promote CSR, we recognize the importance of raising awareness on CSR procurement in the course of business activities and request our material suppliers to make vigorous efforts.

### ■ Excluding anti-social elements

The Pioneer Group requires that its suppliers not associate with, utilize, or provide funds to anti-social elements.

### ■ Prohibition on bribery

We require all our business partners to comply with regulations against bribery applicable in the countries where the Pioneer Group conducts business.

### ■ BCP promotion in the supply chain

As a manufacturer, the Group has a responsibility to recover quickly in the event of a disaster or unforeseen circumstances to ensure business continuity and continuation of supply. Therefore, we require each supplier to clarify its supply chain, develop a BCP, form an outlook of the future, and continually improve the BCP to enable swift response in the event of an accident.

In addition to risks of accidents and natural disasters, risks such as stricter environmental regulations in certain countries and the continuing pandemic may disable operations in the regions subject to those regulations.

We request our suppliers to assess risks and implement specific risk-hedging measures in their supply chains.

### ■ Addressing environmental laws and regulations

The Pioneer Group requests that our business partners make the following efforts and enhancements based on our Philosophy of Environmental Preservation whereby we hold that “maintaining, improving, and handing over the global environment to the next generation is our corporate mission.”

1. Construct an environment management system
2. Reduce greenhouse gases
3. Promote resource recycling
4. Manage chemical substances

### ■ Response to conflict minerals

It is the Pioneer Group’s policy not to procure any materials, parts or products that use mineral resources involving human rights violations, environmental destruction, child labor or other problems.

We also request our material suppliers to adopt this policy. If it is found that mineral resources involving such problems are used, we will swiftly take action to resolve the situation in cooperation with the suppliers.

<sup>\*1</sup> ILO (International Labour Organization)

<sup>\*2</sup> OECD (Organisation for Economic Co-operation and Development)

Corporate Website: Corporate Governance and Fair Business Practices  
<https://global.pioneer/en/corp/sustainability/governance/>

## Scope of the Report

### Period covered

This report covers fiscal 2021, the fiscal year ended March 31, 2021, as well as some earlier initiatives, more recent activities, and our future outlook.

### Organizations covered

Pioneer Corporation and the 59 consolidated subsidiaries of the Pioneer Group (as of the end of March 2021)

## Related Information

### Related reports and information

Information on the Pioneer Group's CSR is also presented on its website.

**<https://global.pioneer/en/corp/sustainability/>**



Information on the Pioneer Group's environmental initiatives is also presented on its website.

**<https://global.pioneer/en/corp/sustainability/environment/>**



Information on the Pioneer Group's R&D activities is also presented on its website.

**<https://global.pioneer/en/manufacturing/crdl/>**



### Reference guidelines

- Environmental Reporting Guidelines (2018 edition) published by Japan's Ministry of the Environment
- GRI Sustainability Reporting Guidelines and GRI Standards
- ISO26000 (Guidance on Social Responsibility)

For further information, please contact:

## Pioneer Corporation

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Corporate Strategy Division

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Issued in March 2022