Results of IMS Initiative in 2017 and Initiative Plan of 2018 for HORIBA Group in Japan

HORIBA

Integrated Management System (IMS) [1]

Activities in Line with the 2015 Revision of the ISO Management Systems

The 2015 revision of the ISO management systems requires companies to achieve their intended outcomes and missions. To meet this requirement, we, the HORIBA Group, have developed and used the "My Department's Situation Clarification Sheet."

This sheet is designed to identify the latest state of roles of each department, internal and external issues, particularly important laws and regulations, customer needs, and requirements of top management and stakeholders.

Through this revision, our Integrated Management System (IMS) allowed us to see all types of corporate issues related to not only the Quality Management System but also environment and occupational safety and health as being 'risks and opportunities' that match our current corporate situations, and also enabled us to implement activities that would be tied more tightly to the management strategy.

Disclosure and Taking Advantage of IMS Review Results and Internal Audit Results

In order allow departments to take advantage of IMS review results and internal audit results, we select and provide information related to each department's role.

[1].IMS（Integrated Management System）: Management system integrating ISO 9001（Quality）, ISO 14001（Environment）, OHSAS 18001（Occupational health and safety）, ISO 39001（Road traffic safety）, and ISO 22301（Business continuity）standards, as one system.

2017 IMS Target Initiative Results for HORIBA Group

The HORIBA Group sets "Group IMS targets" to ensure the effectiveness of the IMS.They consist of five categories:
①Quality, ②Safety Management, ③Health Management, ④Environment Management, and ⑤Risk Management.

[HOR]: HORIBA, Ltd.; [STEC]: HORIBA STEC Co., Ltd.; [HAT]: HORIBA Advanced Techno Co., Ltd.; [HTS]: HORIBA Techno Service Co., Ltd.

☺ = Achieved   😐 = Partially achieved   ☹ =In progress

Category	Theme	Group IMS Target	Outcome description	Result
①【Quality management】	❶Balanced division（prevention, assessment, and loss costs）and reduction of quality costs	（1）Improvement of quality costs per factory in each group company: Medium- to long-term target: Preventive costs ≥ Appraisal costs ≥ Failure costs	（1）Each company's result is as follows（prevention, assessment, and loss costs）：【HOR】1：5：3 【STEC】1：6：1 【HAT】1：1：2	☹
		（2）Reduction of failure costs from 2016	（2）The results were worse than 2016.【HOR】Needs to work on preventive actions, particularly the assuring of quality and increase of education during the design phase. 【STEC】Preventing the release of loss costs. Similar to HOR, STEC needs to work on preventive actions. 【HAT】While loss costs increased when the control of water quality measuring instruments was transferred from HOR to HAT, HAT focused on and promoted preventive actions.	
	❷Improvement of factory safety and quality	（1）BIWAKO Factory: Shorter lead times of order reception, design, production, and installation	（1）For the subject product PG-350, the target lead time was 15 days while the actual lead time was 16 days. The target lead time for the MEXA-1700 is 40 days, and an effort to reach the target is in progress. In the design process, designless specifications are used in 80% of made-to-order product designs. In the production process, the modification of inspection line equipment software has reduced man-hours. An effort to shorten the time to completion by assembly work improvement is in progress.	☹
		（2）Aso Factory: Establishment of the Group's core factory system for mass production（stable quality / cost reduction）	（2）The work was carried out while using the cost-of-defective-work rate as a key performance indicator. Although the target was not achieved, the cost of defective work in mass production decreased from the previous year. More specifically, designing team and the factory worked together and applied improvement measures to the three products with the highest defect rates attributable to their designs. They will continue to investigate the cause of defects and implement corrective measures.	☺
	❸Achievement of triple zero	Zero major complaints, zero major accidents, zero violations of laws and regulations	There were serious complaints at group companies. There were no serious incidents or violation of laws or regulations.	😐

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②【Safety management】	Safety Declaration and Action Guideline: adherence to the action plan	❶Factory equipment safety	(1) Zero accidents incidental to development/relocation of bases (a) Risk assessment and taking of safety measures for the redevelopment of the Kyoto Factory area	(1) Zero accidents in development and relocation of a factory site. (a) No risk IV or higher that would need systematic countermeasures. 　Risks are assessed on a scale from I to V. 　Risk levels are V, IV, III, II, and I in the order of severity.	☺
			(b) Implementation of safety measures for the 5th term Aso Factory construction work	(b) To secure the safety of relocation of the 5th stage expansion, the risk assessment method JHA※2 used in the head office was implemented horizontally. Safety continued to be secured during the 3rd and 4th stage expansion.	☺
		❷Industrial accident prevention	(1) Zero work-related accidents, work-related traffic accidents, occupational illnesses, and commuting accidents	(1) There were occupational accidents and commuting incidents.	☹
			(2) Zero accidents during irregular work	(2) There were no accidents.	☺
		❸Product safety	(1) Zero SA and A rank incidents in the Complaint sheet※3. SA・A case：Serious Complaint that may cause accident resulting in injury or death, fire, environmental pollution or a lot of loss to customers.	(1) Two accidents occurred at group companies. Corrective measures were implemented.	😐
			(2) Confirmation of completion of past corrective actions	(2) Corrections were checked, bad examples were shared, and preventive measures were implemented.	☺
		❹Service safety	(1) Zero injuries	(1) There were no injuries.	☺
			(2) Confirmation of completion of past corrective actions	(2) Education was provided to make sure all employees fully understood the correct service procedures (e.g., how to connect devices) for which corrective measures were implemented in the past.	☺
		❺Traffic safety	(1) Zero fatal accidents/causing of accidents resulting in injuries	(1) There were no accidents causing deaths. There were accidents causing injuries.	😐
			(2) Efforts to realize zero accidents damaging physical objects (damaging other people's property or own vehicle)	(2) There were accidents involving damage to physical objects (damage to other people's property or an employee's own vehicle).	☹

(※2) JHA: Job Hazard Analysis
(※3) Complaint sheet: sheet containing complaints from customers

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Category	Theme	Group IMS Target	Outcome description	Result
③【Health management】	❶Occupational health	(1) Maintaining zero health problems caused by exhaust, discharged (waste) water, toxic substances, radiation, or chemical substances	(1) There were no health problems.	☺
	❷Health promotion	(1) Maintaining 100% health checkup participation	(1) 100% health check-up participation was achieved.	☺
		(2) Higher second test participation rate than the previous term	(2) The second test participation rate went down.	😠
	❸Mental health	(1) Fewer employees who develop mental problems than 2016	(1) The target was achieved.	☺
		(2) Fewer employees who redevelop mental problems than 2016	(2) The target was achieved.	☺
④【Environment Management】	❶Energy and resource saving	(1) 1% increase in energy use efficiency from 2016	(1) With the sales increase, the efficiency of energy use at group companies improved by 1% compared to FY2016.	😠
		(2) Expand Activities to reduce waste materials	(2) The percentage of waste materials disposed of finally hit 1.00% or lower.	☺
	❷Environmental accident prevention	(1) Zero environmental accidents	(1) There were no environmental accidents. Note however that a non-conformity that could result in an environmental accident occurred. Corrective measures were taken for that non-conformity.	☺
	❸Maintenance and enhancement of product environmental performance	(1) More energy and resource saving	(1) Implement Eco-design for all applicable models.	☺
		(2) Early submission of information on chemical substances contained in products	(2) The information was provided at an early stage both internally and externally.	☺
		(3) Compliance with the EU RoHS Directive for products subject to the CE Declaration of Conformity	(3) 100% conformity was achieved.	☺
⑤【Risk management】	❶Information security/ confidential information management	(1) Prevention of information security incidents	(1) Measures to prevent information security incidents were implemented. Structural measures: security level enhancement Non-structural measures: security education	☺
		(2) Establish cyber security risk management system	(2) Creation of a cyber security risk control system is in progress.	😐
	❷Business continuity	(1) Reconstruction of a business continuity system based on experience	(1) After records on the experience gained after the Kumamoto Earthquake were created, the rebuilding of the business continuity system was discussed again with the review body. A system that allows better management risk assessment will be explored.	☺
		(2) Expansion of risk coverage (management, pandemic)	(2) Application was completed for vaccination for selected occupations in accordance with the New Influenza Virus Countermeasure Act.	☺

2018 IMS Target Action Plan for HORIBA Group

Starting from 2018, the HORIBA Group focuses on safety and treats it as the most important goal.

Category		Group IMS Target
①【Safety】	Safety Declaration and Action Guideline: adherence to the action plan	**1.Factory equipment safety** （1）Zero accidents incidental to development/relocation of bases thorough implementation of safety measures during the Aso Factory expansion. （2）Implementation of risk assessment and safety measures (prevention of exhaust and leakage of discharged (waste) water.）
		2.Industrial accident prevention （1）Zero work-related accidents, work-related traffic accidents, occupational illnesses, and commuting accidents （2）Zero accidents during irregular work
		3.Product safety （1）Zero SA and A rank incidents in the Complaint sheet. （2）CAPA management and checking of past implementation of corrective or preventive measures.
		4.Service safety （1）Zero on-site incidents attributable to a product or service (including potential or serious incidents). （2）Implementation of sufficient and high quality periodic workplace safety and health inspection and worksite safety and health watch.
		5.Traffic safety （1）Zero fatal accidents/causing of accidents resulting in injuries （2）Efforts to realize zero accidents damaging physical objects (damaging other people's property or own vehicle)
②【Quality】		**1.Balanced division（prevention, assessment,and loss costs）and reduction of quality costs** ・Improvement of quality costs per factory in each group company: 　Medium- to long-term target : Preventive costs ≥ Appraisal costs ≥ Failure costs ・Reduction of failure costs from 2017
		2.Improvement of factory quality （1）BIWAKO Factory: enhancement of Biwako Factory productivity. （2）Aso Factory: Establishment of the Group's core factory system for mass production (stable quality / cost reduction)
		3.Achievement of triple zero （1）Zero major complaints, zero major accidents, zero violations of laws and regulations

Category	Group IMS Target
③【Health】	**1.Occupational health** （1）Maintaining zero health problems caused by exhaust, discharged (waste) water, toxic substances, radiation, or chemical substances
	2.Health promotion （1）Maintaining 100% health checkup participation （2）Higher second test participation rate than the previous term
	3.Mental health （1）Fewer employees who develop mental problems than 2017 （2）Improvement on the Stress Check group analysis result. (①Reduction of the number of employees under severe stress / ②reduction of the overall workplace health risks)
④【Environment】	**1.Energy and resource saving** （1）1% increase in energy use efficiency from 2017 （2）Expand Activities to reduce waste materials
	2.Environmental accident prevention （1）Zero environmental accidents
	3.Maintenance and enhancement of product environmental performance （1）More energy and resource saving （2）Early submission of information on chemical substances contained in products （3）Conformance with the EU RoHS Directive.
⑤【Risk】	**1.Information security/confidential information management** （1）Prevention of information security incidents
	2.Business continuity （1）Enhancement of resilience as the benefit of the BCMS being in place. （2）Expansion of risk coverage (management, pandemic)