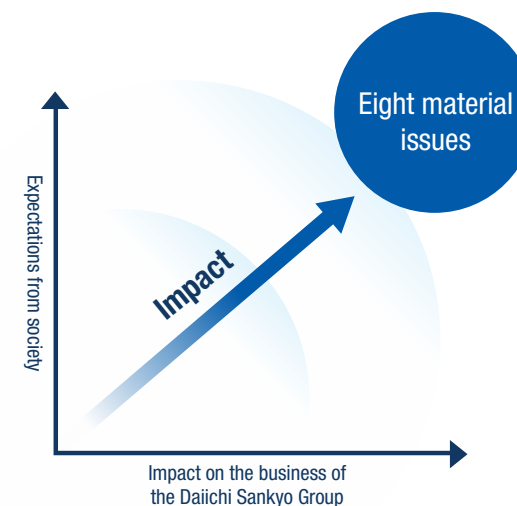


# Materiality

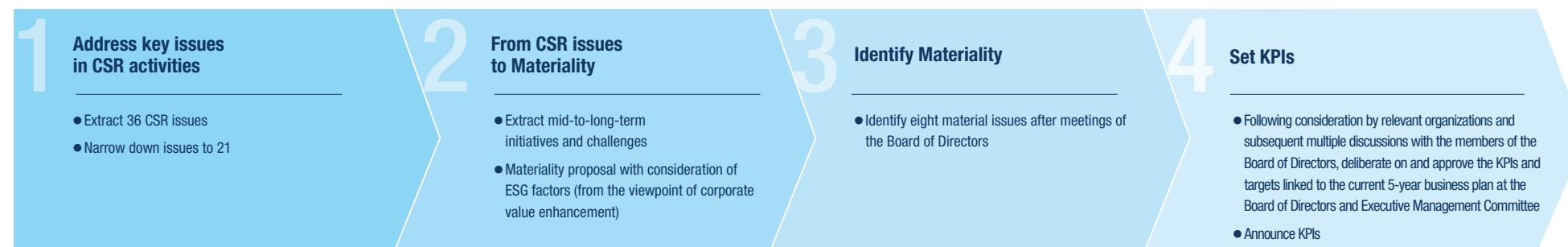
We identified eight material issues to be addressed to sustain growth based on the impact on the Group's mid-to-long-term corporate value enhancement and expectations from society. We then sorted these issues into two groups: Materiality on business and Materiality on business foundations. Upon formulating our current 5-year Business Plan, in addition to long-term targets and challenges for each Materiality, we set Materiality key performance indicators (KPIs) as initiative indicators.

## Materiality Identification and KPIs Setting Process

In identifying and sorting material issues, 36 issues were selected from the corporate social responsibility (CSR) perspective in FY2015. In March 2020, we identified eight material issues based on several reviews and active discussions at Executive Management Committee and Board of Directors, and dialogue with our stakeholders. Subsequently, we announced KPIs, indicators of initiatives for each Materiality in April 2021. Our Materiality identification and KPI setting process is shown in the figure below.



Materiality identification and KPI setting process (FY2015 to FY2021)



## Sustainability Management

Under the direction of the CEO, the Head of Global Corporate Strategy is responsible for establishing and operating a global promotion system addressing sustainability issues including human rights, Environment, Health and Safety (EHS), sustainability information disclosure, and social contribution. This system integrates measures in each organization and region into company-wide strategy. We have established a dedicated Sustainability Committee (Chair: Head of Global Corporate Strategy), which convenes at least twice a year in principle. As an advisory body to the Executive Management Committee (EMC), it deliberates on company-wide strategies and policies while monitoring annual and semi-annual plans and results. The strategies, policies, and material issues discussed and reported at the Sustainability Committee are then deliberated and reported at the EMC.

Corporate ethics and compliance promotion activities are deliberated and reported at the Ethics & Compliance Committee (which convenes at least once a year in principle), and then reported to the Board of Directors.

The Sustainability Committee met in January and March of FY2024. Discussions include the FY2025 plan and the status of net-zero transition plan for EHS, response plans for new SSBJ<sup>\*1</sup> and CSRD<sup>\*2</sup> standards for sustainability information disclosure, and human rights assessment results. Subsequently, matters related to EHS and sustainability information disclosure were reported to the EMC.

<sup>\*1</sup> Sustainability Standards Board of Japan

<sup>\*2</sup> Corporate Sustainability Reporting Directive

### Sustainability Management System

