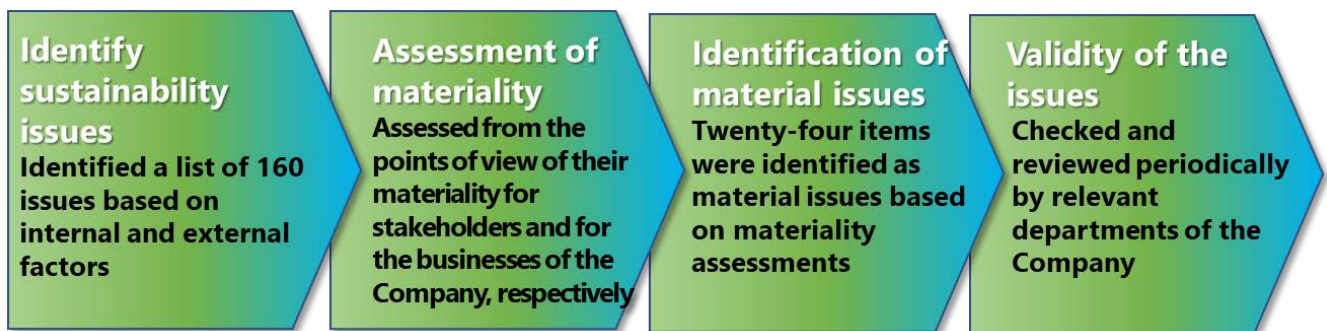# Assessment of Materiality and Identification of Material Issues

When identifying material issues, we identify sustainability issues (social issues) within internal factors such as corporate values and management policies etc., and external factors such as major international standards and social demands, and establish them as processes for assessing the social issues identified in terms of materiality from both the stakeholders' materiality and from our own business materiality. The validation of the identified material issues is confirmed and the issues are reviewed periodically by relevant departments of the Company. Within the identify process for FY2019, we also refer to the SDGs when identifying sustainability issues.

Process for identifying material issues

Identify sustainability issues
Identified a list of 160 issues based on internal and external factors

Assessment of materiality
Assessed from the points of view of their materiality for stakeholders and for the businesses of the Company, respectively

Identification of material issues
Twenty-four items were identified as material issues based on materiality assessments

Validity of the issues
Checked and reviewed periodically by relevant departments of the Company

◆**International sustainability-related standards referenced**
(1) GRI Sustainability Reporting Standards
(2) Responsible Business Alliance (RBA) Code of Conduct
(3) ISO 26000
(4) United Nations Global Compact
(5) Sustainable Development Goals (SDGs)

Identification of Material Issues based on Assessment of Materiality

Materiality for stakeholders

・Global warming, climate change
・Raw material usage, energy consumption
・Waste
・Emissions to the atmosphere
・Water resource
・Compliance with environmental laws and regulations

・Respecting diversity, and equal employment opportunities
・Work-life balance
・Personnel systems based on fair evaluation and appropriate remuneration
・Development and education of human resources
・Safe and pleasant workplace
・Employment
・Labor relations

・Coexistence and dialogue with local communities
・Social contribution activities
・Economic impact

・Elimination of discrimination and human rights violations
・Elimination of forced labor and child labor
・Freedom of association and collective bargaining rights of the union

・Contributing to customers and to society through technology and manufacturing
・Customer privacy
・Product compliance

・Promoting social responsibilities within the supply chain

Materiality for the Shinko Group businesses