

Material Issue Targets

In order to meet the expectations of our stakeholders from the perspective of sustainability, we set activity targets each year, focusing on material issues, and implement activities accordingly.

Through these activities, we also aim to contribute to the achievement of the Sustainable Development Goals (SDGs).

Our Targets and Results for FY2023

Environment

Materiality	Action Themes	FY2023 Targets	FY2023 Results
Climate change	Responding to climate change	<ul style="list-style-type: none"> ● Reduce greenhouse gas emissions <ul style="list-style-type: none"> • Reduce CO₂ emissions at all domestic sites: 16.8% or more (compared to FY2020) • Rate of renewable energy use: 34.1% or more ● Conduct survey of greenhouse gas emissions of major suppliers and assess actual conditions ● Promote green procurement (reduction of CO₂ emissions upstream of the supply chain) <ul style="list-style-type: none"> • Conduct surveys on 100% of target suppliers, with a questionnaire recovery rate of 90% or more 	<ul style="list-style-type: none"> ● Reduction of greenhouse gas emissions <ul style="list-style-type: none"> • Reduced CO₂ emissions at all domestic sites: 29.4% (compared to FY2020) • Rate of renewable energy use: 45.9% ● Survey of greenhouse gas emissions of major suppliers: Conducted on 25 companies ● Promotion of green procurement (reduction of CO₂ emissions upstream of the supply chain) <ul style="list-style-type: none"> • Conducted surveys on target suppliers: 31 companies (100%), with a questionnaire recovery rate of 100%
		<ul style="list-style-type: none"> ● Waste reduction: Reduce by at least 970 tons, equivalent to 16.2% of the FY2020 waste emissions ● Promote measures to reduce amount of plastic materials used and amount of waste plastic 	<ul style="list-style-type: none"> ● Waste reduction: Reduced 1,218 tons ● Reduced amount of waste plastic: 74.8 tons
		<ul style="list-style-type: none"> ● Reduce water use: Reduce by at least 38,270m³, equivalent to 1% of the FY2020 water use ● Promote green procurement (conservation of water resources upstream of the supply chain) <ul style="list-style-type: none"> • Conduct surveys on 100% of target suppliers, with a questionnaire recovery rate of 90% or more 	<ul style="list-style-type: none"> ● Reduction of water use: Reduced 59,166m³ ● Promotion of green procurement (conservation of water resources upstream of the supply chain) <ul style="list-style-type: none"> • Conducted surveys on target suppliers: 31 companies (100%), with a questionnaire recovery rate of 100%
Living in harmony with nature	Biodiversity conservation	<ul style="list-style-type: none"> ● Promote biodiversity conservation activities <ul style="list-style-type: none"> • Forest maintenance through participation in the adopt-a-forest program in Nagano Prefecture (Iizuna Town, Nagano Prefecture) • Biodiversity conservation at the Kurita Sogo Center • Biodiversity education and awareness activities ● Reduce negative impacts on ecosystems <ul style="list-style-type: none"> • Promote climate change and resource circulation initiatives • Proper management of chemical substances 	<ul style="list-style-type: none"> ● Promotion of biodiversity conservation activities <ul style="list-style-type: none"> • Forest maintenance: Conducted twice • Conducted natural environment surveys and extermination of invasive alien species at the Kurita Sogo Center • Conducted biodiversity education and awareness activities ● Reduction of negative impacts on ecosystems <ul style="list-style-type: none"> • Promoted climate change and resource circulation initiatives • Conducted measurement to ensure compliance with environmental laws and regulations, and conduct trainings on the assumption of leakage accidents

Social

Materiality	Action Themes	FY2023 Targets	FY2023 Results
Contributing to and coexistence with local communities	Dialogue and coexistence with local communities	<ul style="list-style-type: none"> ● Continue and expand environmental beautification activities at each plant 	<ul style="list-style-type: none"> ● Environmental beautification activities at each plant <ul style="list-style-type: none"> · Each plant: 1 time (June) (Conducted twice (June and December) at the Kohoku Plant)
		<ul style="list-style-type: none"> ● Conduct tours at each plant ● Participate in and sponsor local events; sponsor a soccer team 	<ul style="list-style-type: none"> ● Plant tours: 221 high school students and 26 university students (including those who led the students) ● Participation in and sponsorship for local events; sponsorship for a soccer team: Implemented as planned
Respect for human rights and diversity	Respecting human rights	<ul style="list-style-type: none"> ● Promote human rights education for all employees 	<ul style="list-style-type: none"> ● Implemented human rights education through company-wide Shinko Way education ● Company-wide human rights education "Toward Creating an Environment Where Diverse Human Resources Can Thrive" ● Implementation of human rights education as part of rank-specific training
	Diversity & Inclusion	<ul style="list-style-type: none"> ● Develop a working environment that promotes the active participation of women ● Hire international students ● Create a workplace environment where employees with disabilities can exercise their individual abilities and work easily 	<ul style="list-style-type: none"> ● Selection of female leaders; training for female leaders and their mentors ● Recruitment of international students (2 people) ● Establishment of special subsidiary ● Promoted employment of persons with disabilities (employment rate of 2.56% as of June 2024)
Creating a dynamic corporate culture	Work-life balance	<ul style="list-style-type: none"> ● Improve productivity and achieve work-life balance by strengthening the Transforming Work Styles initiative ● Increase male childcare participation rate 	<ul style="list-style-type: none"> ● Labor Management Council on Transforming Work Styles ● Implemented a Work-Life Balance Seminar ● Conducted questionnaires and encourage male employees to take childcare leave to increase the rate of male employees taking childcare leave
	Human resource development	<ul style="list-style-type: none"> ● Improve the training system for developing employees who will lead in the future ● Expand training programs for developing globally aware employees ● Support career development to encourage the full participation of women 	<ul style="list-style-type: none"> ● Capacity building training for manufacturing process leaders ● Expansion of business English courses and introduction of seminars on learning methods at the beginning of the courses ● Selection of female leaders; training for female leaders and their mentors ● Provided training on the promotion of women's activities in rank-specific training programs
Creating a safe and comfortable working environment	Occupational safety and health Emergency Preparedness	<ul style="list-style-type: none"> ● Promote safety and health, fire prevention, and disaster prevention activities in compliance with laws and regulations, etc. 	<ul style="list-style-type: none"> ● Promoted safety and health activities in accordance with safety and health management manual based on RBA¹ Code of Conduct ● Implemented fire prevention and disaster prevention activities, and conducted evacuation drills for all employees
		<ul style="list-style-type: none"> ● Engage in disaster prevention activities by raising employee safety awareness and complying with work procedure and rules ● Number of serious accidents: 0 	<ul style="list-style-type: none"> ● Implemented safety education for all employees, and Hazard Perception Education ● Performed periodic on-site patrols, inspections, etc. ● Conducted standing guard activities for traffic safety ● Number of serious accidents: 0
		<ul style="list-style-type: none"> ● Conduct continual risk reduction activities by identifying and assessing hazards and adverse factors 	<ul style="list-style-type: none"> ● Conducted risk assessments (during Safety Week, for non-routine work, and when new equipment is introduced) ● Risk extraction and improvement by employees, and company-wide deployment and promotion of similar disaster prevention measures
		<ul style="list-style-type: none"> ● Raise employee awareness of health care and promote the creation of a workplace environment in which employees can work with robust physical and mental health ● Specific health guidance implementation rate: 75% ● Increase attendance at health-promoting walking events by 10% year-on-year 	<ul style="list-style-type: none"> ● Obtained certification as an Outstanding Health and Productivity Management Organization and took measures to prevent long overtime hours ● Specific health guidance implementation rate: 82.8% ● Increased attendance at a walking event (in November) by 23% year-on-year

¹ RBA : Responsible Business Alliance

Materiality	Action Themes	FY2023 Targets	FY2023 Results
Promoting social responsibility in the supply chain	Responsible minerals sourcing	●Upstream surveys of raw materials using the RMI ² template and improvement activities to promote due diligence	●Conducted surveys using RMI templates ●Conducted risk assessments, hearing, and requested improvement of RMI-compliant procurement rate based on survey responses
	Promote CSR and respect for human rights in the supply chain	●Disseminate purchasing policy to suppliers	●Disseminated our purchasing policy: 709 companies in Japan and 20 companies overseas
		●Conduct CSR questionnaire surveys of major suppliers	●Conducted CSR questionnaires of main suppliers: 33 companies
		●Confirm CSR status of on-site contractors	●Conducted CSR questionnaire and on-site checks for on-site contractors: 9 companies

² RMI : Responsible Minerals Initiative

Governance

Materiality	Action Themes	FY2023 Targets	FY2023 Results
Strengthening governance	Strengthening corporate governance	●Respond to requests for disclosure of non-financial information	●New disclosures on diversity, such as wage disparity between men and women, and on specific matters deliberated by the Board of Directors, etc.
	Strengthening compliance	●Implement countermeasures to reduce compliance risks • Hold training sessions related to compliance • Operate an internal whistleblowing system • Conduct monitoring to understand risks	●Implementation of countermeasures to reduce compliance risks • Implemented various types of compliance training • Operated and handled internal whistleblowing system • Conducted employee awareness survey
	Strengthening compliance systems at overseas sites	●Implement compliance risk reduction measures • Implement various types of compliance education • Disseminate information on the whistleblowing system	●Implementation of countermeasures to reduce compliance risks • Implemented compliance training for all employees • Operated internal whistleblowing system
	Building trusting relationships with customers	●Conduct education and training for applicable departments on the security trade control system and the specified export declaration system	●Education on security trade control, etc. (for sales departments, all executives and employees, etc.) ● Implemented education on the specified export declaration system (manufacturing divisions, etc.), etc.
	Strengthening risk management	●Conduct risk assessment and hearings based on survey of potential risks; review and revise measures for addressing important risks in advance ●Conduct training to raise risk awareness ●Enhance and implement company-wide disaster prevention and business continuity management education	●Conducted potential risk surveys and reported the results of the surveys ●Training to raise risk awareness (for Corporate Officers, managers, and manufacturing process leaders) ●Implemented company-wide disaster prevention and business continuity management education ●Implemented rank-specific risk management education
		●Review and strengthen risk management system ●Strengthen ability to respond to natural disaster risks	●Establishing a risk management system for overseas sites ●Assessment of natural disaster risks by external experts, as well as study and implementation of countermeasures based on the results of the assessment ●Conducted training for the central disaster response headquarters
	Strengthening information management	●Operate an information protection management system (in-house, other companies, and for individuals) • Conduct periodic inventory checks • Raise employee awareness of information management • Comply with other countries' legal systems applied outside those countries	●Operated an information protection management system • Conducted periodic inventory checks • Information security education and related training • Revision of English version of Privacy Policy
	Respecting the intellectual property of others	●Provide intellectual property education to engineers	●Implemented intellectual property education

Our Targets for FY2024

Environment

Materiality	Action Themes	FY2024 Targets
Climate change	Responding to climate change	<ul style="list-style-type: none"> ● Reduce greenhouse gas emissions <ul style="list-style-type: none"> • Reduce CO₂ emissions at all domestic sites: 22.4% or more (compared to FY2020) • Rate of renewable energy use: 49.9% or more
Resource circulation	Reducing waste	<ul style="list-style-type: none"> ● Waste reduction: Conduct measures to reduce by at least 203 tons ● Promote measures to reduce amount of plastic materials used and amount of waste plastic ● Effective utilization rate of plastic wastes: maintain 99% or more
	Reducing water use	<ul style="list-style-type: none"> ● Reduce water use: Conduct measures to reduce by at least 38,270m³
Living in harmony with nature	Biodiversity conservation	<ul style="list-style-type: none"> ● Promote biodiversity conservation activities <ul style="list-style-type: none"> • Forest maintenance through participation in the adopt-a-forest program in Nagano Prefecture (Iizuna Town, Nagano Prefecture) • Biodiversity conservation at the Kurita Sogo Center • Biodiversity education and awareness activities ● Reduce negative impacts on ecosystems <ul style="list-style-type: none"> • Promote climate change and resource circulation initiatives • Proper management of chemical substances

Social

Materiality	Action Themes	FY2024 Targets
Contributing to and coexistence with local communities	Dialogue and coexistence with local communities	<ul style="list-style-type: none"> ● Conduct tours at each plant
		<ul style="list-style-type: none"> ● Conducting standing guard activities for traffic safety in the vicinity of each plant
		<ul style="list-style-type: none"> ● Participate in and sponsor local events
		<ul style="list-style-type: none"> ● Sponsor soccer teams
Respect for human rights and diversity	Respecting human rights	<ul style="list-style-type: none"> ● Promote human rights education for all employees
	Use of diverse employees	<ul style="list-style-type: none"> ● Expanding educational content to promote active participation by women ● Create a workplace environment where employees with disabilities can exercise their individual abilities and work easily
Creating a dynamic corporate culture	Work-life balance	<ul style="list-style-type: none"> ● Improve productivity and achieve work-life balance by strengthening the Transforming Work Styles initiative ● Increase male childcare participation rate
	Human resource development	<ul style="list-style-type: none"> ● Improve the training system for developing employees who will lead in the future ● Expand training programs for cultivating global human resources ● Expand support for career development to encourage the full participation of women
Creating a safe and comfortable working environment	Occupational safety and health	<ul style="list-style-type: none"> ● Promoting safety and health, plus fire and disaster prevention-activities in compliance with laws and regulations related to safety and health, plus fire and disaster prevention, as well as internal rules and regulations
		<ul style="list-style-type: none"> ● Conduct continual risk reduction activities by identifying, analyzing and assessing hazards and adverse factors
		<ul style="list-style-type: none"> ● Eliminating carelessness and unsafe behavior that cause industrial accidents ● Number of serious accidents: 0
		<ul style="list-style-type: none"> ● Improving safety awareness and management standards through ongoing education and training
Promoting social responsibility in the supply chain	Promotion of green procurement	<ul style="list-style-type: none"> ● Promoting efforts to reduce CO₂ emissions and conserve water resources upstream in the supply chain ● Confirming initiatives by major suppliers
	Responsible minerals sourcing	<ul style="list-style-type: none"> ● Upstream surveys of raw materials using the RMI template and improvement activities to promote due diligence
	Promotion of green procurement / Responsible minerals sourcing / Respecting human rights in the supply chain	<ul style="list-style-type: none"> ● Disseminate Shinko Procurement Policy and Procurement Guidelines to suppliers ● Confirm CSR status of major suppliers ● Confirm CSR status of on-site contractors

Governance

Materiality	Action Themes	FY2024 Targets
Strengthening governance	Corporate governance	● Respond to requests for disclosure of non-financial information
	Compliance	● Implement countermeasures to reduce compliance risks at domestic sites <ul style="list-style-type: none"> • Hold training sessions related to compliance • Operate an internal whistleblowing system • Conduct monitoring to understand risks
		● Implement countermeasures to reduce compliance risks at overseas sites <ul style="list-style-type: none"> • Hold training sessions related to compliance • Disseminate information on the whistle-blowing system • Conduct monitoring to understand risks
		● Provide intellectual property education to engineers
		● Conduct education and training for applicable departments on the security trade control system and the specified export declaration system
	Risk management	● Conduct risk assessment and hearings to related divisions based on survey of potential risks; review and revise measures for addressing important risks in advance ● Enhance and implement company-wide disaster prevention and business continuity management education
		● Reinforcing disaster risk countermeasures ● Strengthen ability to respond to natural disaster risks
	Information protection	● Operate an information protection management system (in-house, other companies, and for individuals) <ul style="list-style-type: none"> • Conduct periodic inventory checks • Raise employee awareness of information management • Comply with other countries' legal systems applied outside those countries