

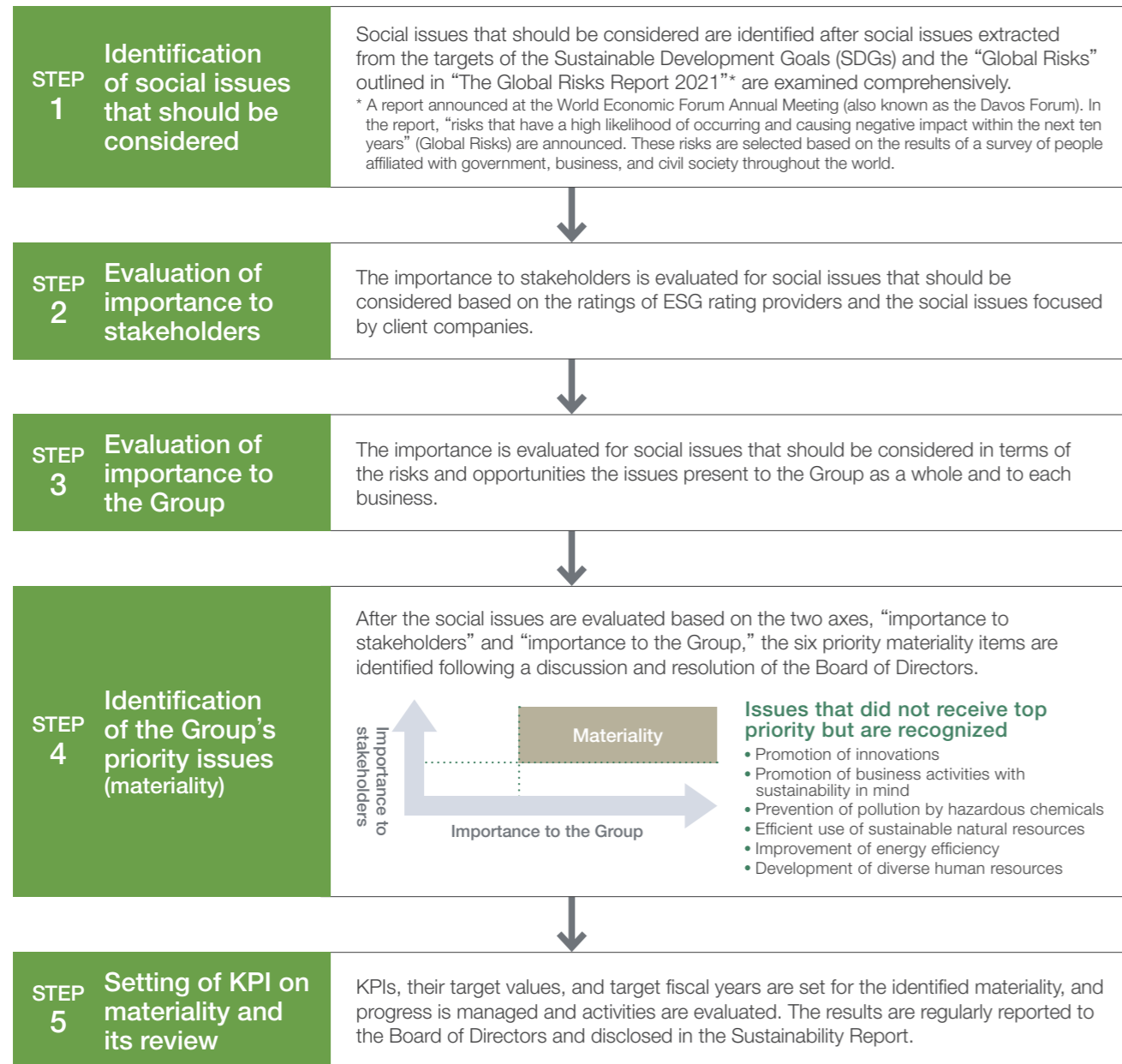
# Identification and Review of Materiality

The Group considers “contributing to the creation of a sustainable society” to be one of its key management strategies.

Taking a long-term vision of the Group’s businesses from an ESG perspective, we have identified six important issues (materiality) based on our consideration of issues that management ought to give priority to among all social issues in existence.

By setting quantitative targets and target fiscal years for each materiality and aiming to achieve them, we will continue to create new value with our diverse stakeholders and contribute to the creation of a sustainable society.

## Materiality identification and review process



## Materiality of Mitsuuroko Group



### 1 Contribution to the environment

Mitsuuroko Group is aware that it receives various benefits from the Earth, including the resources necessary for its business activities, and that it is its responsibility to preserve the global environment in a better state. The purpose of Mitsuuroko Group’s existence is to build a better society through its daily corporate activities, and it places utmost importance on making proactive efforts to solve social issues. As measures to address climate change, which is a common challenge facing the world, Mitsuuroko Group is working to reduce the CO<sub>2</sub> emissions from its business activities and those from its customers’ use of products and services, as well as contribute to the improvement of energy efficiency, aiming to achieve carbon neutrality by FY2050.



### 3 Thorough compliance

In the management philosophy, Mitsuuroko Group has set forth that it consistently conducts our business with integrity and from the customer’s perspective, advocating the need for legal compliance in management and business operation. While thoroughly maintaining internal controls that have been effective and appropriate so far, we maintain our legal compliance system through means such as conducting various types of compliance training, producing original training videos on non-compliance cases, and ensuring employees carry compliance cards. Going forward, we will continue to strive for sincere management and business activities based on high ethical standards, always from the perspective of corporate social responsibility.



### 5 Health-focused management

Understanding that human resources are our greatest asset, Mitsuuroko Group considers the health management of employees, who are the source of its future growth as an important management issue. Based on the “Mitsuuroko Group Health Care Declaration,” it respects the fact that each individual faces a variety of life stages, and it supports its employees in enabling them to autonomously and proactively manage their health through a variety of initiatives and information dissemination. As a leading company in health-focused management, it will continue to provide support and engage in even more comprehensive initiatives through further promoting physical and mental health to prevent illnesses, and promoting work styles in line with the new normal, including those that address the COVID-19 pandemic.



### 2 Contribution to local communities

The business operation of Mitsuuroko Group has been supported by many stakeholders until now. Within these stakeholders, it must not forget the indispensable role of local communities. Mitsuuroko Group has traditionally built relationships of trust with local communities through not only its business relationships but also through connecting with them in other ways, such as by participating in community cleanup activities and events as well as charity activities and sports. Mitsuuroko Group aims to coexist and prosper together with these local communities through working as hard as possible on initiatives that it can and should do in serving them as a corporate citizen, no matter how small.



### 4 Enhancement of safety and disaster response measures

Safety is an indispensable element because of the nature of all businesses Mitsuuroko Group promotes. With its mainstay energy-related products directly linked to our lives as lifelines, Mitsuuroko Group’s mission is to contribute to society through the stable supply of energy as well as safe, secure, and prompt logistics services. In light of the experience and lessons of the Great East Japan Earthquake and the impact of frequent large-scale natural disasters occurring in recent years, such as typhoons, floods, and heat waves, it recognizes the necessity and importance of disaster prevention and is working to enhance disaster response measures, including disaster prevention measures and support systems, BCP, etc.



### 6 Promotion of diversity

Mitsuuroko Group has grown from its principle of evolving and changing with the times as an “environmentally adaptive enterprise” whose subsistence derives from requirements of respective eras. Going forward, rather than having to catch up and adapt to its surroundings, it must propose solutions and create new and beneficial conditions to achieve sustainable growth. It is therefore essential that Mitsuuroko Group fosters a corporate culture that embraces diversity as a strength, creating an environment that does not discriminate based on employment status, nationality, gender, age, or whether one is a new graduate or mid-career hire. Mitsuuroko Group aspires to shaping a new era by being “an enterprise that creates favorable cycle” and “persistently seeking change.”

# Materiality & KPI

## Group-wide KPIs, targets, and progress against materiality

Materiality	Mitsuroko Group indicators			FY2021 Performance	FY2022 Performance (up to the end of February)
	KPI	Quantitative targets	Target fiscal year		
1 Contribution to the environment	1 Reduction of Scope 3 (customer)* <sup>3</sup> CO <sub>2</sub> emissions Contribution to improved energy efficiency	Customers' CO <sub>2</sub> emissions reduction rate		+3.6%* <sup>6</sup>	— * Aggregated in FY2023
	2 Reduction of Scopes 1 and 2 (the Company)* <sup>1,2</sup> CO <sub>2</sub> emissions Contribution to improved energy efficiency	The Company's CO <sub>2</sub> emissions reduction rate	Carbon neutral* <sup>4</sup>	+31.7%* <sup>6</sup>	— * Aggregated in FY2023
2 Contribution to local communities	Increase the number of locations with the Christel Vie Ensemble Foundation donation boxes	Increase from <b>11</b> locations (the number of locations in 2021)	Each year	Decrease of <b>2</b> locations (total of 9 locations) * Due to closing of stores	Decrease of <b>1</b> location (total of 8 locations) * Due to closing of a store
	Contribution to local communities and society (community cleanups, etc.)	—		Cancelled * Due to prioritizing prevention of the spread of COVID-19	Cancelled * Due to prioritizing prevention of the spread of COVID-19
3 Thorough compliance	Number of IT compliance training sessions	Once a year (for all employees)		1	1
	Number of harassment training sessions	Once a year (for all employees)	Each year	1	1
	Number of training sessions related to human rights	Once a year (for all employees)		—	1
4 Enhancement of safety and disaster response measures	Number of drills conducted in relation to confirmation of safety	Twice a year (for all employees)	Each year	2	2
	Rate of receiving regular medical examinations	Continue to provide <b>100%</b> (Ratio to all employees)	Each year	100%	88.3% (as of January 31, 2023)
5 Health-focused management	Rate of receiving thorough examinations	90% (Ratio to all employees)		74.4%	82.2% (as of January 31, 2023)
	Rate of maintaining proper weight	80% (Ratio to all employees)		62.9%	62.6% (as of January 31, 2023)
	Rate of undergoing stress checks	100% (Ratio to all employees)	FY2023	100%	100% (as of January 31, 2023)
	Rate of smoking	18% (Ratio to all employees)		32.8%	32.0% (as of January 31, 2023)
	Rate of regular exercise	40% (Ratio to all employees)		24.8%	27.2% (as of January 31, 2023)
	Rate of parental leave taken	Continue to provide <b>100% of female employees</b> <b>20% of male employees</b>	Each year, FY2023	100% of female employees 11% of male employees	— * Aggregated in FY2023
6 Promotion of diversity* <sup>5</sup>	Ratio of female employees	33%	FY2026	26.6%	27.4%
	Ratio of female managers	11%		6.9%	6.9%
	Number of diversity training conducted	Once a year for all employees		—	1
	Number of career seminars conducted	Once a year for female employees in their late 20s	FY2022	—	2 * Seminars are held in November for young male and female employees (26-28 years old) and for young female employees (29-33 years old) in December.
	Number of maternity leave and parental leave training conducted	Once a year for managers		—	1

\* The "—" symbol indicates a qualitative target.

\*1 Scope 1: Direct emissions caused by the business operator itself

\*2 Scope 2: Indirect emissions caused by the use of electricity, and heat and steam supplied by other companies

\*3 Scope 3: Indirect emissions other than Scopes 1 and 2 (upstream and downstream of supply chain)

\*4 Carbon neutral: Virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc. from CO<sub>2</sub> emissions

\*5 For training related to "Promotion of diversity," we plan to change the theme of training on a yearly basis.

\*6 Changes from FY2020 in CO<sub>2</sub> emissions (See pages 27-28 for information on the calculation standard of CO<sub>2</sub> emissions)