Sustainability Management

Indicators, Targets and Results

Piolax has established its ESG vision for FY2030 as "Piolax ESG Vision 2030." Based on this, we set targets for FY2023 and implemented activities. Items not achieved in FY2023 are reflected in the FY2024 ESG Activity Targets and the 8th Medium-Term Environmental Goals to continue our efforts.

ESG Activity Targets

Materiality	Key activities	KPIs		FY2023 targets	FY2023 results		FY2024 targets
Energy Emissions to the atmosphere Waste	Thorough efforts to conserve energy Activities toward carbon neutrality	Indirect energy consumption（Electricity)	Greenhouse gas: reducing CO$_2$ emissions	13% reduction (from FY2019)	38% reduction	○	17% reduction (from FY2019)
			Reduce energy consumption per unit of production	1% reduction (from FY2022)	3.2% reduction	○	2% reduction (from FY2022)
	Efforts to reduce waste	Reduce total waste emissions per unit of production		2% reduction (from FY2022)	0.3% increase	×	4% reduction (from FY2022)
	Effective use of resources	Improve recycling rate		80% (from FY22)	81%	○	80% (from FY22)
Employment Occupational health & safety Diversity & equal opportunity	Promote health management	Score employee engagement		Consider scoring	Implementation of condition survey	○	Selection of indicators
	Work-life balance	Reduce overtime work		10% reduction (from FY2022)	17% increase	×	10% reduction (from FY2023)
		Increase rate of paid holidays taken		60%	71%	○	More than FY2023 result
		Rate of female employees taking childcare leave		100%	100%	○	100%
		Rate of male employees taking childcare leave		More than FY2022 result	60%	○	More than FY2023 result
		Number of industrial accidents		0 accident	0 accident	○	0 accident
	Diversity	Rate of female managers		5% or more	5.2%	○	More than FY2023 result
		Rate of female new graduate hires		30% or more	22.7%	×	More than FY2023 result
		Number of foreign employee hires		2 or more people	1 person	×	More than FY2023 result
		Rate of employees with disabilities		2.3% or more	2.34%	○	More than legal requirement (2.50%)

Entity to work on: CO$_2$ emissions reduction is addressed by the Piolax Group; reduction of the energy consumption per unit of production, reduction of the total waste emissions per unit of production, and improvement of recycling rate are tackled by Piolax and its group companies in Japan; the other targets are for Piolax alone.

Sustainability Management

Materiality	Key activities	KPIs	FY2023 targets	FY2023 results		FY2024 targets
Employment **Occupational health & safety** **Diversity & equal opportunity**	Human assets development	Improve human assets development	Develop training system Improve training quality	Enhance job level-based training	○	Steady implementation
	Respect for human rights	Education on the Piolax Human Rights Policy	Implementation	Implementation	○	Implementation
		Education on harassment prevention	Implementation	85%	○	Implementation
	Improve CSR procurement	Confirm suppliers' CSR compliance status (Response rate of agreement on the Supplier CSR Guidelines)	100%	100%	○	100%
		Support suppliers' ESG management promotion	Investigate activities	100%	○	Investigate activities
		Respond to conflict mineral problems (Survey response rate)	95% or more	90%	×	95% or more
Governance **Compliance**	Corporate governance	Comply with the Corporate Governance Code	Enhance compliance with the Corporate Governance Code	Continued compliance with all principles	○	Enhance compliance with the Corporate Governance Code
		Increase stakeholder engagement	Timely disclosure	Implementation	○	Timely disclosure
		Enhance compliance system	In-house training	Implementation 1,456 people attended for a total of 364 hours	○	In-house training
	Risk management	Strengthen information security	Email training Expand usage of EDR system	Implementation	○	Email training Expand usage of EDR system
		Set up a system for disaster measures	Maintenance of manuals	Implementation	○	Maintenance of manuals

Entity to work on: Enhancing the compliance system is addressed by the Piolax Group; all other targets are for Piolax alone.