











Material Issues & KPI

Materialities (Material issues)	Opportunities and risks		Specific task	KPI				Aimed society	Relevant SDGs
	Opportunities	Risks		KPIs for 2030 goals			2023 Initiatives and achievements		
Maintain a sustainable global environment	<ul style="list-style-type: none"><li>Expansion of environment-related markets such as the circular economy</li><li>Improvement of brand image</li><li>Long-term cost reduction</li><li>Realization of open innovation based on environmental issues</li></ul>	<ul style="list-style-type: none"><li>Loss of market share</li><li>Loss of brand image</li></ul>	<ul style="list-style-type: none"><li>Promote activities related to climate change and the conservation of the natural environment (in compliance with TCFD and TNFD)</li></ul>	<ul style="list-style-type: none"><li>Consolidated: GHG reduction from FY2022: 34.3% in FY2029 58.8% in FY2034 (Scope 1&amp;2)</li><li>Engagement target with suppliers equal to 80% of purchase price (Scope 3)</li></ul>			<ul style="list-style-type: none"><li>Non-consolidated: 28.7% GHG reduction from FY2013 (Scope 1&amp;2)</li><li>ICP system was implemented</li><li>Basic Policy on Biodiversity was established</li><li>Shiga Plant's Sakata Forest ecosystem research</li><li>CDP (climate change, water security) B score</li><li>Support for the Keidanren Initiative of Biodiversity Conservation</li><li>Participation in the Japan Climate Initiative</li><li>Renewable electricity was implemented at our headquarters</li><li>Participation in the Task Force on Nature-related Financial Disclosures (TNFD) Forum</li><li>Commitment letter was submitted to SBTi</li><li>Shiga Plant's Sakata Forest was certified as a nature symbiosis site by the Ministry of the Environment (March 2023)</li></ul>	 <ul style="list-style-type: none"><li>Simultaneous pursuit of consumers' greater comfort and convenience, and the realization of a recycling-oriented society</li></ul>	
			<ul style="list-style-type: none"><li>Business activities aimed at reducing waste</li></ul>	<ul style="list-style-type: none"><li>Waste generation: Reduce by 30% in FY2029 compared to FY2022</li><li>Zero emissions: Effective resource employment rate of 99.5% or higher</li><li>Plastic waste generation: Reduce by 7% in FY2029 compared to FY2022</li></ul>			<ul style="list-style-type: none"><li>Waste generation: from production in plants: reduced by 13.4% (intensity) from non-production in plants: reduced by 3.9% (amount) 2023 target: 1% reduction from prior year</li></ul>		
			<ul style="list-style-type: none"><li>Business activities aimed at reducing water consumption</li></ul>	<ul style="list-style-type: none"><li>Reduce water use (in plant production) Reduce by 6% in FY2029 compared to FY2023</li></ul>			<ul style="list-style-type: none"><li>Monitoring environment for water consumption has been established</li><li>Cleaning water during the production process has been reduced</li></ul>		
			<ul style="list-style-type: none"><li>Adoption of renewable energy</li></ul>	<ul style="list-style-type: none"><li>Install more solar panels</li></ul>			<ul style="list-style-type: none"><li>105kW (PC 63kW) solar panels were installed in the administration building of the Shiga Plant</li></ul>		
			<ul style="list-style-type: none"><li>Establishment of a supply chain management system</li></ul>	<ul style="list-style-type: none"><li>Improve collection rate of CSR procurement surveys on a global basis</li><li>Suggestion: Build a strong supply chain management system</li><li>Improve evaluations by external rating agencies</li><li>100% environmental training attendance rate</li></ul>			<ul style="list-style-type: none"><li>The Basic Procurement Policy and the Procurement Guidelines were transmitted to suppliers through the CSR surveys</li><li>Currently working on obtaining EcoVadis medals</li><li>Environmental training attendance rate was 92.5%</li></ul>		
Supply safe and secure products	<ul style="list-style-type: none"><li>Gaining customers' trust</li></ul>	<ul style="list-style-type: none"><li>Business continuity risks associated with environmental contamination, quality incidents, and health hazards</li></ul>	<ul style="list-style-type: none"><li>Establish a global chemical management system</li></ul>	<ul style="list-style-type: none"><li>Operate and monitor the global chemical substance management system</li></ul>			<ul style="list-style-type: none"><li>Renewal of the chemical substance management system was considered</li><li>A person responsible for chemical substance management has been assigned to the Southeast Asian subsidiary. Raw materials management training has been provided and the responsible person at each Group company has been established.</li><li>Southeast Asian subsidiaries and other companies have begun to use the legal information Web service</li></ul>	 <ul style="list-style-type: none"><li>Protecting the environment and ensuring a safe and healthy life for people</li></ul>	
			<ul style="list-style-type: none"><li>Strengthen quality assurance and product management systems (Phase 3)</li></ul>	<ul style="list-style-type: none"><li>Strengthen quality assurance and product management systems (Phase 3)</li><li>Expand the global quality assurance system to achieve zero non-conformities</li><li>Establish a company-wide quality assurance system</li></ul>			<ul style="list-style-type: none"><li>Two internal quality assurance departments have been merged</li><li>A quality audit system for the Production Dept. has been established</li></ul>		
			<ul style="list-style-type: none"><li>Improve occupational health and safety, and promote health management</li></ul>	<ul style="list-style-type: none"><li>Monitor and mitigate critical risks (Phase 1)</li><li>100% safety training attendance rate</li><li>Zero serious accidents</li><li>Support for work balance, and medical treatment [Expand eligibility for medical leave (fertility treatment, cancer treatment, etc.)]</li><li>Pursue "Tomonin," or a certification to support work-caregiving balance</li><li>100% attendance to mental health workshops</li></ul>			<ul style="list-style-type: none"><li>The BCMS is now in regular operation</li><li>The new operational approval process for specially controlled substances was established and the current operational status was evaluated (Applied globally)</li><li>Safety training attendance rate was 100%</li><li>"Tomonin" certification for support in balancing work and caregiving was awarded</li><li>Mental health workshops attendance rate was 95.2% (including general employee self-care and managerial line care)</li></ul>		
Enhance R&D and technology capabilities	<ul style="list-style-type: none"><li>Increased competitiveness</li><li>Enhanced brand image</li><li>Creation of social issue-driven open innovation</li></ul>	<ul style="list-style-type: none"><li>Loss of market share</li></ul>	<ul style="list-style-type: none"><li>Product development based on Creating Shared Value (CSV)</li></ul>	<ul style="list-style-type: none"><li>Increase the percentage of plant-based products (100%) "For packaging inks</li><li>Use more plant-based materials</li><li>Create value chain</li><li>Expand our sustainable product lineup</li></ul>			<ul style="list-style-type: none"><li>Botanical ink products expanded (to over 70%) Botanical inks (gravure inks) using 100% biomass-derived ethyl acetate have been commercialized</li><li>The performance of the Botanical Ink series has been improved</li><li>Electron beam (EB) cured inks that do not require photoinitiators have been developed</li><li>Several functional coatings, such as water-based heat sealants, have been developed</li><li>New materials using inedible biomass materials have been developed</li><li>Technical meetings were held with overseas bases</li></ul>	 <p>Our products should:</p> <ul style="list-style-type: none"><li>help enrich the people's lives in developing countries</li><li>create new lifestyles that further enhance people's quality of life in developed countries</li></ul>	
			<ul style="list-style-type: none"><li>Create new businesses</li></ul>	<ul style="list-style-type: none"><li>Establish new businesses in four areas: Electronics, energy, bio-based and non-fossil materials, and healthcare.</li></ul>			<ul style="list-style-type: none"><li>Commercialization process developed (established)</li><li>Collaborative activities have been strengthened (technology integration and synergy creation)</li><li>Human resources has been developed (fostering an internal culture)</li><li>As a member of the MATSURI project to build an algae industry, we participated in NEDO's Green Innovation Fund Project</li></ul>		
Enhance corporate governance and compliance	<ul style="list-style-type: none"><li>Enhance stakeholder dialogues</li><li>Strengthen risk management</li></ul>	<ul style="list-style-type: none"><li>Damage to corporate image</li><li>Violation of laws and regulations</li></ul>	<ul style="list-style-type: none"><li>Reinforce a global management structure</li></ul>	<ul style="list-style-type: none"><li>Create and operate a global organizational structure</li><li>Consider governance structure in Asia (Phase 3)</li><li>Hold International Advisory Board (IAB) meetings twice a year</li><li>Hold various global strategy meetings once a year</li><li>Increase the number of sites covered by BCP, and implement and maintain BCP training</li></ul>			<ul style="list-style-type: none"><li>As the global project progressed, an information-sharing network was established among Group companies</li><li>The Asia regional headquarters was established</li><li>The specially controlled substance operational standards have been established on a global basis</li><li>Risk survey was conducted at PT. Sakata INX Indonesia</li><li>BCP initial response training was conducted at PT. Sakata INX Indonesia</li><li>Global BCP deployment (BCMS operational preparation is complete)</li></ul>	 <ul style="list-style-type: none"><li>Promotion of fair trade</li><li>Promotion of compliance</li></ul>	
			<ul style="list-style-type: none"><li>Strengthen risk management governance</li></ul>	<ul style="list-style-type: none"><li>Establish a global risk management system</li><li>Gradually reduce cross-holdings (Phase 3)</li><li>100% attendance rate for various compliance training courses</li><li>Zero serious compliance violations</li></ul>			<ul style="list-style-type: none"><li>The Global Whistleblower System was established (Starting with some Group companies in Asia )</li><li>The operation of the internal control system was monitored. Additionally, the system was reviewed after the change of the core system.</li><li>Cross-holdings are gradually reduced (Phase 1)</li><li>The effectiveness of the Board of Directors was assessed through a questionnaire to all directors, and current issues and actions were discussed and implemented</li><li>The SAKATA INX Group Code of Conduct and Ethics has been established</li><li>Zero serious compliance violations</li><li>The SAKATA INX Group Anti-Corruption Basic Policy has been established</li><li>Compliance training for managers was conducted</li></ul>		
			<ul style="list-style-type: none"><li>Enhance stakeholder dialogues</li></ul>	<ul style="list-style-type: none"><li>Build good relations and coexist peacefully with all stakeholders</li><li>Annual target of 200 interviews with institutional investors</li></ul>			<ul style="list-style-type: none"><li>An Integrated Report was published</li><li>Web pages have been renewed</li><li>Information dissemination through social media</li><li>IR: Communication with shareholders have was improved</li><li>IR: Investors' feedback to the Company</li><li>Support for earthquake damage in Turkey and Syria (donation of 3 million yen)</li><li>Participation in social contribution activities (178 employees in Japan)</li></ul>		
Respect for human rights and promotion of DEIB	<ul style="list-style-type: none"><li>Stabilization of business</li><li>Expectation of improved performance through diverse hiring</li><li>Reform of organizational culture</li><li>Improvement of corporate value</li></ul>	<ul style="list-style-type: none"><li>Decreased trust and credibility with stakeholders</li><li>Decreased competitiveness due to lack of human resources</li></ul>	<ul style="list-style-type: none"><li>Respect for human rights and promotion of DEIB</li></ul>	<ul style="list-style-type: none"><li>Zero serious human rights abuse</li><li>100% participation in human rights training</li><li>Conduct human rights due diligence (Phase 3)</li><li>100% attendance rate for DEIB training</li></ul>			<ul style="list-style-type: none"><li>The SAKATA INX Group Human Rights Policy has been established and disseminated</li><li>Human rights training participation rate of 96.6% (implemented in 2023)</li><li>Human rights due diligence infrastructure was developed and implemented (Phase 1)</li><li>DEIB training was provided during management training and new employee training</li><li>The "Osaka City Leading Company in Women's Participation" certification was renewed</li><li>Support for the "My Declaration of Human Rights" project</li></ul>	 <ul style="list-style-type: none"><li>Achieving a society free from discrimination</li><li>Eliminating child Labor</li><li>Realizing DEIB</li><li>Achieving a society in which women play an active role</li><li>Addressing an aging society with a declining birthrate</li><li>Achieving gender equality</li></ul>	
			<ul style="list-style-type: none"><li>Create a rewarding workplace and organizational climate</li></ul>	<ul style="list-style-type: none"><li>Maintain an annual paid leave utilization rate of 55% or higher</li><li>Keep average monthly overtime under 16 hours</li><li>100% childcare leave take-up rate (for male and female employees)</li></ul>			<ul style="list-style-type: none"><li>Annual paid leave utilization rate: 61.3% (including managers)</li><li>Average monthly overtime of an ordinary employee: under 16 hours</li><li>Childcare leave take-up rate: Female 100% Male 69.6%</li><li>Certified as a company that practices "Telework Tokyo Rule" by the Bureau of Industrial and Labor Affairs, Tokyo Metropolitan Government</li><li>Our statement on the work style reform was published under the auspices of the Osaka Labor Bureau</li><li>A new "office casual" dress code has been adopted</li><li>Joined IKUKYU.PJT, a Project to Promote Childcare Leave for Men</li></ul>		
			<ul style="list-style-type: none"><li>Career paths and human resources policies to develop global talent, etc.</li></ul>	<ul style="list-style-type: none"><li>Maintain the percentage of women employed in Japan at 30% or higher</li><li>Percentage of women in management positions 15% or more</li><li>Diversify board and executive meetings</li></ul>			<ul style="list-style-type: none"><li>Overseas training programs have been introduced and are in operation</li><li>A system for sending employees to graduate schools in Japan is in place</li><li>The percentage of women employed in Japan (new graduates and mid-career) is 45.2%</li><li>The percentage of female employees in management positions (including chiefs) is 28.5%</li><li>The female employee leader development program has been implemented</li><li>Internal systems to strengthen human resource development have been established (Career open recruitment system, intern recruitment system, intern challenge system)</li></ul>		