

May 23, 2022

TOPY INDUSTRIES, LIMITED

## Identification of Materiality (important issues) Issues for the Topy Industries Group

The Topy Industries Group (below, “Topy Group”) has identified six materiality as its important issues to be addressed on a priority basis to sustainably enhance corporate value and realize a sustainable society.

The materiality were established with the Group Basic Philosophy and Basic Sustainability Policy in mind and based on ESG issues that the Topy Group has been addressing ahead of the world, particularly in the manufacturing industry, as well as its perspective on sustainable growth with an eye to the future.

The Topy Group will integrate the materiality identified this time into its medium to long-term management strategy and promote its business activities, while aiming to contribute to solving social issues and enhancing corporate value. The materiality will be reviewed on an ongoing basis based on the business environment and recognition of issues.

### [Six Materiality and KPIs]

Materiality	Key initiatives	KPIs and targets		SDG themes (targets)
Promotion of green innovation	<ul style="list-style-type: none"> <li>Development of environmentally friendly products (green products)</li> <li>Reduction of CO<sub>2</sub> emissions</li> <li>Expanding the use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions (Scope 1 and 2)</li> <li>Energy consumption per unit</li> </ul>	Aim to reduce CO <sub>2</sub> emissions by 46% compared to FY2013 in FY2030 Continuation of 1% reduction from the previous year	
Contribution to building a recycling-oriented society	<ul style="list-style-type: none"> <li>Reduce and recycle waste</li> <li>Promotion of resource recycling within the Group</li> <li>Biodiversity conservation</li> <li>Water resource conservation initiatives</li> <li>Chemical substance management</li> </ul>	<ul style="list-style-type: none"> <li>Final disposal volume of industrial waste per unit of production</li> </ul>	Continuation of 1% reduction from the previous year	
Respect for human rights	<ul style="list-style-type: none"> <li>Establishment of human rights policy</li> <li>Implementation of human rights education</li> <li>Assessment of and response to human rights risks</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees receiving human rights education and training</li> <li>Establishment of human rights due diligence</li> </ul>	Achieve and maintain 100% every year	
Support for diverse human resources	<ul style="list-style-type: none"> <li>Global human resources development</li> <li>Promotion of diversity</li> <li>Health management initiatives and promotion</li> <li>Improvement of engagement</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of female managers</li> <li>Number of work-related accidents in Japan</li> <li>Certified “White 500” as a good health management corporation</li> </ul>	10% or more in FY2030 Aim to achieve zero lost time injuries or more severe incidents every year Aim to obtain certification in FY2025	
Contribution to society through business	<ul style="list-style-type: none"> <li>Customer relations (quality)</li> <li>Contribution through business</li> <li>Contribution to local communities</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of human rights education</li> <li>Number of complaints</li> </ul>	Continue to report zero violations every year 100% in FY2022	
Establishment of a solid management foundation	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance</li> <li>Risk management/BCP</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Number of serious compliance violations</li> <li>Basic Sustainability Procurement Policy penetration rate</li> </ul>	<ul style="list-style-type: none"> <li>Number of serious compliance violations</li> <li>Basic Sustainability Procurement Policy penetration rate</li> </ul> Continue to report zero violations every year 100% in FY2022	

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