

# Materiality KPI

Materiality		Key MGC Initiatives	KPIs				IIRC Capitals (International Integrated Reporting Council)	Relationship to SDGs (Targets)
Category	Elements		KPIs	Fiscal 2023 Targets	Fiscal 2023 Results	Fiscal 2030 Targets		
<b>Creating Shared Value</b>  CSV	<b>Contribution through business operations</b> <ul style="list-style-type: none"> <li>Contribute to development of ICT/mobility society</li> <li>Solve energy and climate change problems</li> <li>Solve medical and food problems</li> </ul>	Pursuit of the potential of chemistry and advancing a balance between social and economic value, achieving even greater corporate value.	Sales from ICT and mobility applications	320.0 bil. JPY	339.5 bil. JPY	Create new businesses that accelerate digital innovation	<b>Financial Capital</b> Capital generated through business activities or investments	 3.6 9.4
			Contribution to solving energy and environmental problems	Investment: 12.0 bil. JPY (3-year cumulative) Investment: Acquisition; Financing: Approval basis	Investment: 8.3 bil. JPY (3-year cumulative) Investment: Acquisition; Financing: Approval basis	Commercialize carbon-negative technology		 9.4
			Sales from medical and food applications	50.0 bil. JPY	57.4 bil. JPY	<ul style="list-style-type: none"> <li>Advance preventative/predictive medicine; enhance healthy longevity</li> <li>Further advance food preservation technology</li> </ul>		 3.8 12.3
<b>Foundation for shared-value creation</b>  S	<b>Cultivating a corporate culture of job satisfaction</b>  <b>Occupational safety and health / Process safety and disaster prevention</b>  <b>Highly energy- and resource-efficient production</b>  <b>Promotion of innovative R&amp;D</b>	Promoting work-life balance; offering generous child/family care systems, creating dynamic workplace environments  Continuing to conduct occupational safety and health risk assessments, daily safety activities and safety education/training in the aim of zero occupational injuries  Minimizing environmental impacts in sourcing resources; efficiently using resources (energy, raw materials, water, etc.)  Developing/adopting new processes that maximally leverage core technologies cultivated over many years; founding and developing new businesses	Percentage taking fewer than 10 days of annual paid leave <sup>*1,2</sup>	0%	0%	0%	<b>Human Capital</b> Individuals' capabilities, experience and drive for innovation  <b>Social and Relationship Capital</b> Social license allowing an organization to engage in business  <b>Manufactured Capital</b> Manufactured goods that can be used by the organization in the production of products or in service provision  <b>Intellectual Capital</b> Organizational, knowledge-based intangible assets	 8.5 8.8
			Serious occupational accidents <sup>*1,3</sup>	0	0	0		 3.9
			Serious accidents <sup>*1,4</sup>	0	0	0		 7.3
			R&D investments devoted to solving climate change problems <sup>*1,5</sup>	5% or more of R&D expenditures	14.8% of R&D expenditures	7% or more of R&D expenditures		 9.5
<b>Harmonization of shared-value creation with environmental protection</b>  E	<b>Proactive response to environmental problems</b> <ul style="list-style-type: none"> <li>Air quality control</li> <li>Water and biodiversity conservation</li> <li>Reduction of industrial waste</li> </ul>	<ul style="list-style-type: none"> <li>Formulating medium-term and annual Responsible Care(RC) plans and endeavoring to achieve their targets</li> <li>Reducing GHG emissions while supporting the Task Force on Climate-related Financial Disclosures</li> </ul>	GHG emissions vs. Fiscal 2013 <sup>*1</sup>	28% reduction	38% reduction	36% reduction	<b>Natural Capital</b> All renewable and non-renewable environmental resources and processes that form the foundation of an organization's success	 13.2
			Renewable energy as a percentage of electric power purchased <sup>*1</sup>	10%	24%	50%		 7.2
			Zero waste emission rate <sup>*1,6</sup>	0.3% or less	0.14%	0.15% or less		 12.5

\*1 On a non-consolidated basis

\*2 For employees granted 20 days of annual leave

\*3 Accidents resulting in lost work days eligible for disability compensation, including death and permanent disability, or potential disability, with four or more lost work days

\*4 Accidents that threaten third parties, including those resulting in environmental pollution involving the community or that cause damage to local residents, and other accidents involving serious damage

\*5 R&D investments including basic research, pilot plants, technical testing, etc.

\*6 Amount of final disposal/total amount of waste generated