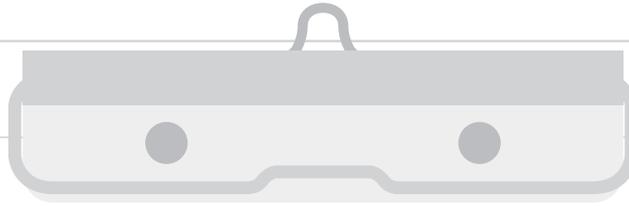


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## KOKUYO's CSR Charter

While remaining profitable and honest in its business practices, KOKUYO conducts business that is necessary for society.

In addition to complying with laws and regulations, we seek to maintain continuity of our business by acquiring the trust of all related stakeholders, investors, and, of course, our customers by fulfilling our social responsibilities as a corporate citizen.

### For Our Customers

- ❶ Without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.
- ❷ Strive to continually innovate society through our business operations by developing new products and services.

### For Regional Communities

- ❶ Strive to be a trusted 'corporate citizen' on both regional and national levels via proactive interaction and planning with regional communities, while respecting regional culture and customs and encouraging their advancement.

### For Environmental Conservation

- ❶ Concentrate the wisdom of each of our employees, and align the actions of our entire company in order to assist in reaching solutions for the common environmental problems facing the world today.
- ❷ By developing Eco Products, we strive to decrease the environmental burden over the life cycle of these Products and to introduce new environmental engineering and green procurement techniques.
- ❸ Contribute towards the advancement of a 'low carbon society' by proposing revolutionary work styles and environments, and decrease society's overall burden on the environment.

### Corporate Activities

- ❶ Conduct transparent, just, and free competition and business transactions while keeping sound and correct relations with politicians and governmental bodies.
- ❷ In order to become a trusted company, we strive for business partner relations that are consistently fair and built upon a foundation of reciprocal cooperation, allowing for mutual growth.
- ❸ Recognize our responsibility to increase our corporate value for stockholders, and maintain a corporate management style that earns the trust of society through its transparency and virtue.

### Respect for Human Rights

- ❶ Respect the human rights of all individuals involved with or affected by all of our corporate activities. We support work environments free from discrimination, and do not approve of child labor or forced labor practices.
- ❷ Strive to accept each and every employee's individual character and personal values, and become a company where many different human resources can fully express their abilities and develop themselves.

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## Reporting Period

January 1, 2020 to December 31, 2020

## Publication Period

Report published: May 2021

Next report to be published: April 2022

Previous report published: June 2020

## Scope of the Report

The KOKUYO Group refers to KOKUYO Co., Ltd., and its domestic and overseas Group companies, comprising 20 consolidated subsidiaries, certain activities involve other subsidiaries and affiliates.

## Reference Guidelines

- ISO26000
- Japanese Ministry of the Environment Environmental Reporting Guidelines 2012
- GRI (Global Reporting Initiative) Sustainability Reporting Guidelines 4th Edition

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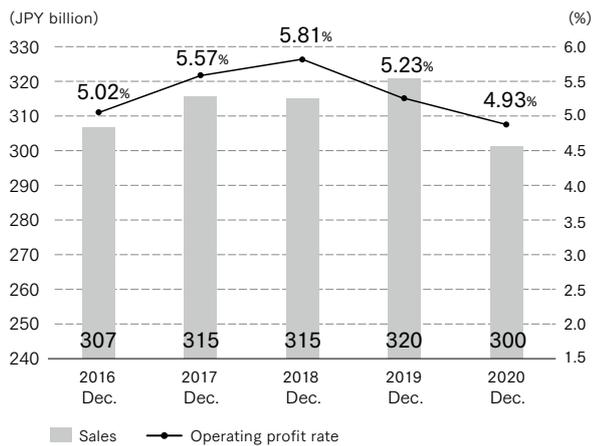
## Corporate Profile

Date . . . . .

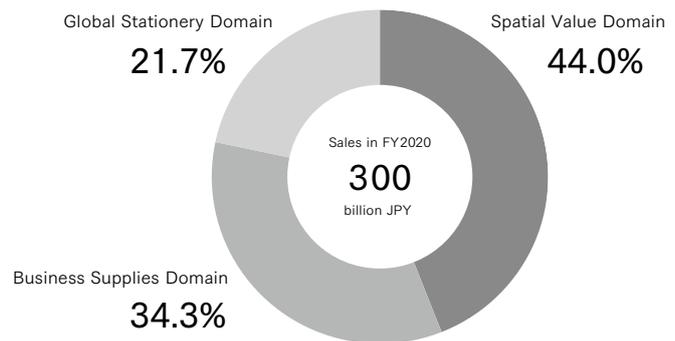
Company name	KOKUYO Co., Ltd.
Head Office location	6-1-1 Oimazato-minami, Higashinari-ku, Osaka-shi, Osaka 537-8686 JAPAN
Telephone	+81-6-6976-1221 (main switchboard)
Number of employees	6,882 (Consolidated) 2,241 (Parent company)*As of the end of December 2020
Stock listings	Tokyo Stock Exchange (First Section)
Capital	JPY 15.8 billion
Sales volume	JPY 300,6 billion (Consolidated from January 1 to December 31, 2020)
Business description	Stationery manufacturing, purchasing, and sales; office furniture manufacturing, purchasing, and sales; space design and consultation, etc.

### Financial data graphs

Sales & Operating profit rate



Consolidated sales composition



\* The sales ratios were calculated based on sales to external customers.

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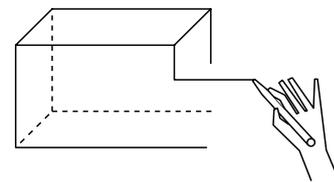
## KOKUYO's Main Business Domains

Date

In 2019, KOKUYO newly established its business domains. The domains are KOKUYO's new initiatives and challenges designed to expand the areas of value provided to customers.

### Spatial Value Domain

We will design and propose spaces with an emphasis on improving work environment of working people to accommodate changes in work styles.

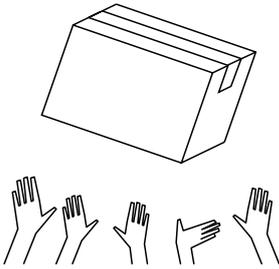


We will face the needs arising from increasingly diversifying work styles, and conduct businesses that include objects and actions, as well as services to improve future work styles and working people's ways of life. We will propose spaces that can make our customers' work, learning, and living more creative and comfortable.

Manufacturing, delivery, and assembly of furniture, and spatial design and construction for offices, medical institutions, educational institutions, and public offices and agencies; work style consulting; manufacturing, importing, and sales of interior and furniture (ACTUS), etc.

## Business Supplies Domain

We plan to “deliver” solutions from stationery to office furniture to offer comfort of “using” solutions.

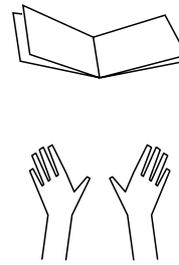


KOKUYO is unique in its capability to deliver a comprehensive range of stationery and office furniture and supplies. We provide support to improve the efficiency of the management of office supplies at customers and sales order operations at retailers. We provide services to allow customers to use our tools without stress.

“Kaunet,” which sells office products to individual and corporate customers; “KiSPA,” a web order system for stationery shops; proposal and support system for stationery and office supplies purchase system for offices

## Global Stationery Domain

We provide stationery that fosters creativity in our customers’ work, learning, and living both in Japan and overseas.



Stationery inspires the creativity of its users. We deliver stationery that enhances our customers’ work, learning, and living, thereby conducting businesses that provide services through objects. We work to meet diversifying needs of customers through manufacturing and sales of stationery in Japan and overseas as well as other businesses.

Manufacture and sale of stationery within Japan and overseas, such as in Shiga, Tottori, China, and India; development and sale of creative picture book series and tools for creativity; document digitization service @Tovas, etc.

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## KOKUYO's Initiatives and History

Date

1905		1914		1959		1965	
1908		1932		1960		1966	
1913		1956		1964		1975	
1905	Zentaro Kuroda opened the Kuroda Ledger Cover Shop, a shop manufacturing covers for Japanese-style account ledgers (wacho)	1914	Company name changed to Kuroda Kokkodo.  Started production of accounting slips, invoices, duplicate copybooks, and letter paper	1959	Survey field notebooks released	1965	Steel desks released
1908	Production of wacho began	1932	Stationery pads with high-quality colored paperboard released	1960	Entry into the office furniture business  Filing cabinets released	1966	Office swivel chairs released
1913	Production of readymade Western-style account edgers began	1956	Flat files released	1961	Company name changed to KOKUYO Co., Ltd.	1969	Japan's first Live Office is born
				1964	Scrapbooks released	1975	Campus Notebooks released  Started manufacturing of furniture for educational facilities

1981		2003		2009		2017	
1983		2005		2015		2018	
2000		2008		2016		2019	
1981	KuruKuruMeka (adjustable child desk) released	2003	KOKUYO K Heart established "Kadokeshi" plastic eraser released	2009	Harinacs (staple-free stapler) released	2017	<b>Shop and ca THINGS*</b> opened Office chair "ing" released
1983	File box FS released	2004	Segmented all KOKUYO Co., Ltd. businesses into separate companies and moved to holding corporation system	2011	Shares of Camlin Limited, India, acquired and its company name changed to KOKUYO Camlin	2018	Adhesive product brand "GLOO" released
1996	Established overseas group companies and started manufacturing, sales, and import and export operations of stationery and furniture	2005	100th anniversary with the redesign of the company logo Dot Liner (glue tape) released	2013	Kaucore launched	2019	Launch of IoT-powered stationery: Shukudai Yaruki Pen
1998	Initiatives for Universal Design began	2006	KOKUYO invested in Actus Co., Ltd.	2015	Businesses reintegrated "DAYS OFFICE" furniture brand launched		
2000	Kaunet established "PunyoPunyo Pin," universal design-compliant thumb tacks released	2008	The Eco X-mark initiative began Picture book series "The Face Notebook" released	2016	In-house office bag Mobaco released		
2002	KOKUYO DESIGN AWARDS began						

## Evolution of Campus Notebooks

Campus Notebooks has continuously evolved to accommodate the needs of users.

1975



### 1st-generation Campus Notebooks

In 1959, “thread-less binding” notebooks, which were completely different from the then mainstream thread binding notebooks, were commercialized. This series of Campus Notebooks were launched for students throughout Japan.

1983



### 2nd-generation Campus Notebooks

This series were marked with “A ruled line” and “B ruled line” in alphabets and images of ruled lines on the cover page to make it easy to find at stores. This series, with a new logo and casual and long-lasting design adopted, also gained a foothold among working people.

## Evolution of the Live Office

Applying the results of research on making things, creating spaces, and working styles to make available the results in the form of a showroom.

1969



### Japan's first Live Office

Japan's first Live Office is born. Our own KOKUYO designed office becomes a *live showroom* allowing visitors to see how our employees actually work using our products.

1990s



### Large-scale free-address office

KOKUYO is one of the first to catch on to the evolution of devices, and implements *the free-address office* where employees share space and no longer need their own individual desk.

1991



### 3rd-generation Campus Notebooks

This series was designed with attention to details for greater originality, adopting vivid colors that were not used in previous-generation products and a drastic change of design with the logo placed vertically.

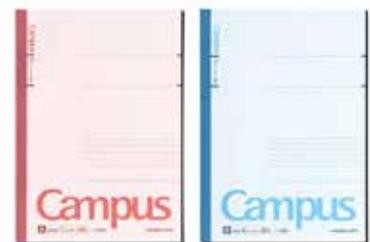
2000



### 4th-generation Campus Notebooks

In order to improve customer satisfaction, this series was developed after thoroughly researching materials. As a result of continuous efforts, we succeeded in developing a new type of cloth that is tear resistant even after the notebook is filled up to the last page.

2011



### 5th-generation Campus Notebooks

Changing the surface finish of the spine cloth made it easy to use pens to write on this series. Also, changing the specifications of base paper and ruled lines of the pages made the notebooks easier to draw lines on and use.

2000s



### Large-scale all-wireless LAN office

A wireless LAN system allows staff free movement anywhere inside the company. The practical use of IP mobile phones enables cost down.

2010s



### Offices supporting cloud work

By making the best use of evolving cloud support, better team communication is established. A new way of connection to outside the company is also created.

Now and in the future



### New and Better Experiences Office

As society becomes increasingly uncertain and changeable, the role of the office as a space that accelerates inner creativity has grown in importance. For this reason, at KOKUYO we are proposing a new way of working that offers "new and better experiences."

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## Initiatives for the Future and Society

Date

KOKUYO supports ideas that shape the future and to future environment.



### KOKUYO Design Awards

KOKUYO Design Award is a design competition that started in 2002 aimed at attracting superior product designs for commercialization from a wide range of users based on their perspectives. Hit products born from past competitions include the "Kadokeshi" plastic eraser. The competition has developed into an international product design award in recent years.



### Work Style Research

The office research center was established in 1986. Research on related products and spaces and office consultation activities began. Provide information through research and information journal ECIFFO, and work style strategy information journal WORKSIGHT.



### Yui no Mori

Through the Yui no Mori Project that started in 2006 jointly with Shimanto Forest Cooperative in Kochi Prefecture, KOKUYO is conducting forest conservation activities focusing on forest thinning and the efficient utilization of timber.



### ReEDEN Project

KOKUYO Product Shiga Co., Ltd. is conducting activities to conserve reeds, which play an important role in maintaining water quality and biodiversity of Lake Biwa. By harnessing production technologies developed to date, KOKUYO Product Shiga has been using reeds to produce copier paper and notebooks and selling them under the ReEDEN Series brand name.



### Camel Art Foundation

The principal purpose of CAF is to increase awareness of art in India. By offering platforms for artistic activities and hosting exhibitions, CAF is providing opportunities for budding artists to display works and for professional artists to raise their profile.



### KOKUYO K Heart Co., Ltd. and Heartland Co., Ltd.

KOKUYO's started hiring persons with disabilities in 1940 with the employment of students from the Osaka Prefectural Central Hearing Support School. KOKUYO provides job opportunities for employees with various disabilities at KOKUYO K Heart and Heartland, special subsidiaries engaged in printing and consignment operations, and agricultural production respectively.

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## KOKUYO's Various Initiatives

Date

KOKUYO's challenge to realize more creative and fruitful work, learning and living for our customers.



### Business Concierge

KOKUYO, through its business concierge service, offers wide-ranging services such as office operation and document design that facilitates greater productivity. By offering services based on the concept of "inspiration and ideas that go one step ahead," we will provide a comfortable environment for people who work in offices.



### Members-only work lounge "Creative Lounge MOV"

Creative Lounge MOV is a members-only work lounge for people that practice new work styles. In this lounge, people from different culture and industries meet and create a new movement through exchange of ideas and resources –a work style typical of Shibuya, Tokyo.



### KOKUYO's Picture Book

Based on the themes of "parent-child communication" and "fostering creativity," KOKUYO manufactures and sells workbooks, such as "The Face Notebook" and "Fashion Notebook," and painting tools, such as "Mix Color Pencils" and "Clear Crayons".



### Disaster Solutions

KOKUYO proposes "disaster solutions" as a company thoroughly familiar with office environment. We select emergency supplies most suitable for individual offices. If there are emergency supplies that are not available or are inconvenient to use, we do research from scratch, engaging in innovation and making improvements to devise each necessary item.



### Shop and café "THINK OF THINGS"

"Think of Things" is a lifestyle shop and café directly managed by KOKUYO and stocked with products that can be considered tools to produce stimulation and discoveries in both daily life and work. This facility is designed to create a place where we can think about and create values that KOKUYO can provide for the future.



### Interior and lifestyle "ACTUS"

ACTUS was established as a pioneering company in dealing in modern interior design imported from Europe. As a lifestyle company proposing total categories of products related to living essentials surrounding "food, clothing and housing", ACTUS suggests "high-quality and meticulous living".





**KOKUYO DESIGN AWARD 2021 with “POST-NORMAL” as the Theme**

We are bearing witness as the entire world undergoes major change, and this has inspired us to reevaluate the value of the objects that surround us. The 2021 edition of the KOKUYO DESIGN AWARD reflected on the importance of thinking about and creating products that will continue to be widely cherished over the long-term. A total of 1,401 submissions were received from Japan and overseas, from which four prizewinners—including the Grand Prix winner RAE—were selected.



**Release of concept book that proposes new ways of working and office designs**

KOKUYO has released Work Transformation, a concept book that proposes ideal future ways of working and office designs—both of which are changing due to the impact of COVID-19, the widespread uptake of teleworking, and the shift to digital. To coincide with the release of the book, KOKUYO employees held online seminars explaining and discussing the concepts it contains.

**Launch of “Genderless Resume”**

In response to increasing calls to respect diverse forms of individuality, KOKUYO launched a resume that contains no space for an applicant to mark their gender. KOKUYO thereby hopes to increase customer choice when it comes to purchasing resumes.

**Commendations**



**Shukudai Yaruki Pen receives the Kids Design Award**

The Shukudai Yaruki Pen, a new form of IoT-powered stationery that supports the habituation of studying at home, has received the Kids Design Award in the category of “Designs that stimulate kids’ inner creativity and futures,” at the 14th Kids Design Award.



**KOKUYO Received World’s Prestigious Design Award “iF DESIGN AWARD” for Four Products**

The 360° gliding chair “ing,” conference room table “CALM,” and the “True Ruler” which received the Merit Award at KOKUYO DESIGN AWARD 2014 were selected for the iF DESIGN AWARD in the “Product” design category, while the office disaster-countermeasures storage system “PARTS-FIT” was selected for the “Packaging” design category.



**Recognition as White 500 Organizations Under the 2021 Certified Health & Productivity Management Outstanding Organization Recognition Program**

KOKUYO and Kaunet were recognized as White 500 organizations under the 2021 Certified Health & Productivity Management Outstanding Organization Recognition Program selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

\* The Certified Health & Productivity Management Outstanding Organization Recognition Program honors outstanding enterprises engaging in health and productivity management based on their efforts made in line with the health-related issues in local communities and other initiatives.



**Yui-no-Mori Project receives the Forest Guardian Prize at the Corporate Philanthropy Awards**

The project was praised by the judging committee, who commented: “We would like to recognize KOKUYO’s initiatives, which seek to generate synergistic effects between environmental conservation activities and regional economy revitalization activities.”

Run by the Japan Philanthropic Association, the Corporate Philanthropy Award seeks to recognize and draw public attention to social contribution activities that organically and continually make use of a company’s management resources (personnel, expertise, technologies, information, etc.) to resolve societal issues.

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## Message from the President



Transforming the organization:  
Building a diverse portfolio for  
sustainable growth

Hidekuni Kuroda  
Representative Director of the Board,  
President and CEO

### ■ Unveiled in 2021, our long-term vision: CCC 2030

In February 2021, we unveiled CCC 2030, our long-term vision for 2030. We formulated this vision on the belief that we needed a longer-term perspective to succeed in a rapidly changing business landscape. CCC 2030 (CCC stands for Change, Challenge, Create) outlines assumptions about how the world will change in 10 to 20 years' time and sets out a vision of how we as an organization must change accordingly. The direction in which the world is changing comes as no great surprise. Much more startling is the pace of change, which has been accelerated by Covid-19. The pandemic has hastened the arrival of a new normal, entrenching new digital trends into workspaces and learning spaces. To succeed in this new normal, we must build a new strategic approach, one that targets new patterns of working and learning. This is our mission over the next ten years.

### ■ A new corporate purpose for the future: “be Unique”

When formulating CCC 2030, we spent long discussions and a lot of soul-searching on two themes. The first concerned the existential question—What is our organization's purpose in the world? What value do we offer? Our organization was originally founded for the purpose of enriching the world through products and services. Over the years, we have enjoyed business success by doing exactly that. However, we now find ourselves in a time of unprecedented change, the likes of which occur once in a hundred years. Our then statement of purpose—“enrich the world through our products and services”—had served us well down the years and it remained dear to our hearts. Nonetheless, we concluded that a new statement of purpose would be necessary to achieve success in the future. So we re-conceptualized our purpose, focusing on entrepreneurial drive—our starting point. The new purpose is expressed as “be Unique.” This slogan conveys our desire to create unique experiences through our products and services—to inspire and ignite everyone's unique creative spark. This is the role we must play in our customers' lives, and it is this role that holds the key to our future success.

### ■ Reviewing what has brought us success so far and clarifying what will bring us success tomorrow: Designed with Empathy

The second theme for CCC 2030 was to reaffirm our strength. In other words, where does our strength lie?—What will drive our future success? We felt that clarifying this matter would make our organization more surefooted for the road ahead. We concluded that our strength lies in the way we design with empathy. As a generalist-eclectic manufacturer, we had cultivated prowess in marketing, design, product planning, and the like. We also have many kinds of interfaces with customers and a range of mechanisms to meet customers' needs. Traditionally, we relied on these assets to drive our

business growth. However, with values and lifestyles diversifying, we increasingly work with customers to create new value, and such co-creative efforts have cultivated empathic bonds between us and the customer. Hence, from now on, we will regard our strength as our ability to design with empathy with customers.

By leveraging this strength in our business activities, we can go forward with greater confidence and clarity and bring new value to the world.

## Identifying material issues to entrench commitment to sustainable growth

---

A crucial part of CCC 2030 is the need to adopt a more sustainable mindset with a long-term focus. We want to achieve a successful balance between economic value (profit growth) and social value.

We will keep creating new value in an effort to solve the problems our customers face. To that end, we must protect the bottom line. However, we will eschew any kind of profit-making practice that severely harms society or the environment. Such practices, no matter how lucrative they may be, would never contribute to our success as an organization in the long run.

In an effort to drive new venture creation, we have started investing in a range of startups and joint ventures. Our investment decisions in this area are guided by the principles of sustainable management. If we maintain this stance, then our business collaborations will become a byword for the creation of sustainable business.

To communicate the direction of our sustainable management to stakeholders and to entrench commitment to sustainability among employees throughout our corporate group, we undertook a materiality analysis, which revealed five material issues: pitch ideas for new ways of working, promote diversity and inclusion, respond to the climate crisis, contribute toward a circular economy, and contribute toward a society that coexists with nature. For each of these issues, we have shown the SDGs they are linked with and have set targets for 2030. We will continue internal discussions and dialogue with stakeholders to further clarify medium-term goals and action plans.

We will work as one to realize our vision of becoming an ecosystem of diverse businesses that grow sustainably. Let me conclude by thanking all our stakeholders for their confidence in us. I look forward to continuing our journey together.

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# KOKUYO CSR

## Concepts

### Basic Concepts

The KOKUYO Group began when founder Zentaro Kuroda opened a small shop selling ledger covers made with Japanese paper in 1905. The founder moved from his village to Osaka with the aspiration of making his business the pride of his hometown Etchu (present-day Toyama Prefecture). Through the brand Kokuyo (国誉), which is the current company name KOKUYO (コクヨ), his aspiration has been passed down to the KOKUYO Group and captured in its business.

In 2004, we enacted the KOKUYO Group CSR Charter based on our corporate philosophy to establish better relations with various stakeholders as a good corporate citizen (which was partially revised in 2012). Our basic policy for ensuring the ongoing growth of society and the KOKUYO Group has been clarified in line with five key themes: our customers, regional communities, environmental conservation, corporate activities, and respect for human rights.

\*Related information: "[KOKUYO Group CSR Charter](#)"

### System for the Promotion of CSR

The KOKUYO Group promotes CSR activities on a group-wide basis through linkages among CSR-related sections. The CSR & Environmental Group formulates and reviews policies and helps to define issues and targets in order to strategically promote CSR. We also operate an environmental committee and a central health and safety committee, among other such organs tasked with dealing with important concerns. With special sections leading the way, our entire group pursues these concerns in a coordinated fashion. We will continue to strive to achieve sustained growth for society and the Group while maintaining a state of harmony with stakeholders through CSR information disclosure and dialogue.



## KOKUYO's CSR Charter

While remaining profitable and honest in its business practices, KOKUYO conducts business that is necessary for society. In addition to complying with laws and regulations, we seek to maintain continuity of our business by acquiring the trust of all related stakeholders, investors, and, of course, our customers by fulfilling our social responsibilities as a corporate citizen.

### For Our Customers

1. Without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.
2. Strive to continually innovate society through our business operations by developing new products and services.

### For Regional Communities

1. Strive to be a trusted 'corporate citizen' on both regional and national levels via proactive interaction and planning with regional communities, while respecting regional culture and customs and encouraging their advancement.

### For Environmental Conservation

1. Concentrate the wisdom of each of our employees, and align the actions of our entire company in order to assist in reaching solutions for the common environmental problems facing the world today.
2. By developing Eco Products, we strive to decrease the environmental burden over the life cycle of these Products and to introduce new environmental engineering and green procurement techniques.
3. Contribute towards the advancement of a 'low carbon society' by proposing revolutionary work styles and environments, and decrease society's overall burden on the environment.

### Corporate Activities

1. Conduct transparent, just, and free competition and business transactions while keeping sound and correct relations with politicians and governmental bodies.
2. In order to become a trusted company, we strive for business partner relations that are consistently fair and built upon a foundation of reciprocal cooperation, allowing for mutual growth.
3. Recognize our responsibility to increase our corporate value for stockholders, and maintain a corporate management style that earns the trust of society through its transparency and virtue.

### Respect for Human Rights

1. Respect the human rights of all individuals involved with or affected by all of our corporate activities. We support work environments free from discrimination, and do not approve of child labor or forced labor practices.
2. Strive to accept each and every employee's individual character and personal values, and become a company where many different human resources can fully express their abilities and develop themselves.



## KOKUYO Group Code of Conduct

After expanding overseas, we wanted to set common rules for our businesses while taking into account local cultures, values, and laws. Accordingly, in August 2012, we released the KOKUYO Group Code of Conduct together with an accompanying handbook. The code outlines common rules, while the handbook includes supplementary information on country- and region-specific business practices, regulations, and so on.

### Code of Conduct (Japan edition)

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The KOKUYO Group Code of Conduct outlines basic rules for officers and employees in order to ensure that all business practices comply with laws, regulations, and social norms.

#### 1. Purpose

The KOKUYO Group Code of Conduct (“Code”) outlines basic rules for officers and employees in order to ensure that all business practices comply with laws, regulations, and social norms.

#### 2. Scope

The Code applies to all “officers and employees,” meaning officers and employees of KOKUYO and those of companies falling under the categories provided for in the Group Governance Code—namely, Controlling Company, Core Company A, Affiliate A, and Core Company B.

#### 3. Definitions

As used herein, “KOKUYO Group” means KOKUYO Co., Ltd., and all companies falling under the categories listed in Article 2.

As used herein, “laws” means all laws, ordinances, and regulations (including but not limited to those in Japan) that are germane to KOKUYO Group’s businesses, while “internal rules” means all rules, protocols, requirements, and guidelines that apply throughout KOKUYO Group or in one or more of the companies therein.

As used herein, “officers” means members of a company’s board of directors and members of a company’s audit/supervisory committee (or equivalent thereof), while “employees” means individuals a company employs directly, including regular employees, senior employees, contract works, part-timers, and casual employees.

#### 4. Content

##### (1) Compliance with laws and internal rules and acting with integrity

We not only comply with laws and internal rules, but also act with high ethical standards and integrity.

##### (2) Respect for Human Rights and Personality

We must never discriminate based on race, ethnicity, religion, nationality, language, gender, disability, or similar status. They must never commit sexual harassment, bullying, or any other form of workplace harassment. They must never condone child labor or forced labor.

##### (3) Preservation of the global environment

We must never disregard environmental issues such as climate change and deforestation. They must engage in an organization-wide effort to reduce or mitigate KOKUYO Group’s carbon footprint.

##### (4) Free competition and fair trading

We comply with laws and internal rules related to prohibition of monopolization, fair competition and fair trading and will not engage in conduct that deviates from these standards

##### (5) Provision of safe and reliable goods and services

We must continually devote ourselves to KOKUYO Group’s mission of providing safe, reliable goods and services that win customers’ trust and leave them satisfied.

##### (6) Proper handling of company assets and protection of intellectual property

We properly manage, maintain, and utilize every tangible and intangible company asset. We respect the intellectual property rights of others.

##### (7) Proper information management and financial reporting

We honestly and properly create records of the company, as well as manage and report information collected and obtained in the course of business in accordance with proper procedures based on the materiality of such information. We carry out accounting and financial reporting in compliance with laws and internal rules relevant to financial, accounting, and tax affairs.

(8) Prohibition of acts involving conflicts of interest

We will not engage in any act that involves or may involve a conflict between personal and corporate interests.

If there is a possible conflict of interest, we will report it to our superiors.

(9) Prohibition of insider trading

We will not engage in insider trading or any act that triggers insider trading laws or regulations in connection with the trading in shares of the Kokuyo Group or any other company.

(10) Proper management of entertainment and gifts

We will not give or receive entertainment and gifts in deviation from normal business practices.

We will not illegally give entertainment or gifts to public servants or government officials.

(11) Handling of unreasonable external demands

We must refuse any unreasonable request from outside parties.

## 6. Dissemination

KOKUYO Group companies must help disseminate the Code among their officers and employees in collaboration with the organizational division responsible for managing the Code.

## 7. Penalties

Any officer or employee found to have violated the Code may be subject to disciplinary action in accordance with laws and internal regulations.

## 8. Revision, revocation

The Code may be revised or revoked with the approval of KOKUYO Group's HQ Management Board.

## Supplementary provisions

The Code is in effect as of August 20, 2012.

Revision dates

October 1, 2015

June 1, 2020

June 26, 2020

## Stakeholder relations

### KOKUYO's stakeholders

Committed to the goal of a sustainable world, we pursue an active CSR program to earn the trust of customers, shareholders, business partners, communities, and all other stakeholders.

### Examples of communication with stakeholders

Stakeholder	Dialogue opportunities	Initiatives in 2020
<p><b>Customers</b></p> 	<ul style="list-style-type: none"> <li>Customer Support Center</li> <li>Q&amp;A webpage, inquiries webpage</li> <li>Product information</li> <li>Dealers' Guide: A webpage that lets users search for stores selling KOKUYO products</li> <li>Events, seminars</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">A system for utilizing feedback from customers</a></li> <li><a href="#">Customer Support Center's system revamped</a></li> <li><a href="#">Kaunet: Kau-Box opened, opening event livestreamed on social media</a></li> <li><a href="#">China: Participating in the booming live commerce market</a></li> </ul>
<p><b>Employees</b></p> 	<ul style="list-style-type: none"> <li>Labor-management meetings</li> <li>Training programs</li> <li>Internal newsletters</li> <li>Company events</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Employee satisfaction survey</a></li> <li><a href="#">TeleCross!!!: Building an employee network</a></li> <li><a href="#">First online version of employee welcome event</a></li> <li><a href="#">Achieving a good work-life balance, Giving employees flexibility in where and when they work, Re-employment system for employees who left their jobs due to personal circumstances, and Handling re-employment of mandatory retirees</a></li> <li><a href="#">Play work: A new approach to work</a></li> <li><a href="#">Internal training course for understanding and using AI</a></li> <li><a href="#">A program for awarding ideas for an empowered workplace</a></li> <li><a href="#">Creating a cyclical process of employee growth and business growth</a></li> <li><a href="#">20% Challenge: Internal moonlighting</a></li> <li><a href="#">KOKUYO Marketing University: A training program for young employees</a></li> <li><a href="#">KOKUYO Marketing Graduate School: A training program for middle-aged employees</a></li> <li><a href="#">Employees' Safety</a></li> <li><a href="#">Using videoconferencing for risk prediction training</a></li> <li><a href="#">Construction conferences in 2020</a></li> <li><a href="#">Coronavirus taskforce, anti-infection measures in offices</a></li> <li><a href="#">In a first for the distribution industry,</a></li> </ul>

Stakeholder	Dialogue opportunities	Initiatives in 2020
		<p><a href="#">KOKUYO Logitem introduced communication device Bonx Grip</a></p> <ul style="list-style-type: none"> <li>• <a href="#">KOKUYO Logitem Okayama Distribution Center: 9,000 consecutive days without an accident</a></li> </ul>
<p><b>Business partners</b></p> 	<ul style="list-style-type: none"> <li>• On-site audits</li> <li>• Meetings, events</li> <li>• Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">ACW award livestreamed to eight offices —Online for audience participation</a></li> <li>• <a href="#">Furniture: Online conferences with production plants</a></li> <li>• <a href="#">Stationery: On-site supplier audits</a></li> <li>• <a href="#">Spatial design: KOKUYO Construction Companies Conference</a></li> </ul>
<p><b>Shareholders</b></p> 	<ul style="list-style-type: none"> <li>• IR</li> <li>• Disclosures</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Information for shareholders and investors</a></li> </ul>
<p><b>Communities</b></p> 	<ul style="list-style-type: none"> <li>• Contributions to society at large</li> <li>• Support for recovery efforts</li> <li>• Contributions to local communities</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Six KOKUYO delegates speak at Kobe University</a></li> <li>• <a href="#">“Opening a new page in Tokyo”: An Olympics themed extracurricular event for junior high schoolers</a></li> <li>• <a href="#">Simple face shields and plastic folders supplied to healthcare workers free of charge</a></li> <li>• <a href="#">KOKUYO Design Awards 2021: Post-Normal</a></li> <li>• <a href="#">Field Cast notebooks delivered to 80 thousand Olympic volunteers</a></li> <li>• <a href="#">Campus Art Awards 2020: A painting competition for junior high and high school students</a></li> <li>• <a href="#">The Job Study initiative</a></li> <li>• <a href="#">Michinoku Future Fund: A scholarship for students left orphaned by the 2011 disaster</a></li> <li>• <a href="#">KOKUYO Kitakanto Sales becomes official supplier of national sports festivals to be held in Tochigi</a></li> <li>• <a href="#">China: Donation appeal launched on internal social media</a></li> <li>• <a href="#">China: Second-hand computers donated to disadvantaged community</a></li> <li>• <a href="#">Mini science centers opened at schools near KOKUYO Camlin’s plants</a></li> <li>• <a href="#">India: KOKUYO Riddhi donates food to local villagers</a></li> </ul>

Stakeholder	Dialogue opportunities	Initiatives in 2020
<p><b>Environment</b></p> 	<ul style="list-style-type: none"> <li>▪ Fighting climate change</li> <li>▪ Conserving and recycling resources</li> <li>▪ Protecting biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>▪ <a href="#">Action against ocean plastic pollution</a></li> <li>▪ <a href="#">Showing the carbon footprint of our products</a></li> <li>▪ <a href="#">Japanese-made, locally produced materials</a></li> <li>▪ <a href="#">Yui-no-Mori Project</a></li> <li>▪ <a href="#">ReEDEN Project</a></li> </ul>

❏ KOKUYO's CSR Charter	❏ Corporate Profile	❏ KOKUYO's Main Business Domains	❏ KOKUYO's Initiatives and History	❏ Initiatives for Future and Society	❏ KOKUYO's Various Initiatives	❏ Introduction of KOKUYO's Initiatives in 2020	❏ Message from the President
❏ KOKUYO CSR	❏ KOKUYO Materiality	❏ Environment	❏ Social	❏ Governance	❏ Third-Party Assessments	❏ Content Index	

# KOKUYO Materiality

## KOKUYO Materiality

To accelerate efforts to address sustainability issues, we used a materiality assessment to identify material issues (the issues that matter most to our business and stakeholders).



## Materiality assessment process



First, we sought to identify potential environmental, social, or governance issues by referring to SDGs information and to data from MSCI Inc. and the Sustainability Accounting Standards Board (SASB). Through this process, we identified 34 potential material issues. Next, we rated each of these issues in terms of how much it matters to stakeholders and how much it impacts our business. Issues that had a high score on both metrics were defined as material. The management then reviewed whether the materiality designation was valid. Finally, we set goals/targets for the material issues.

	Perspective	Primary research (survey)	Secondary/desk research
Importance to stakeholders	Consumers	○	–
	Key clients	○	–
	Investors (MSCI, SASB)	–	○
	National and local governments (government growth strategy)	–	○
Impact on the business	Contribution of product, service, or CSR initiative to SDGs	–	–
	Product development	○	–
	Management	Discussion	

## ■ Main stakeholder feedback

### Social

#### Workstyle reform

- As we head into the new normal, you should provide information about what new working patterns are possible, what ideas you have, and what work environments are necessary to achieve these ideas. I like the attitude expressed in your slogan: (loosely translated as) “We test it out so you don’t have to.”

#### Work-life balance

- Through your products, you should offer distinctive work-life balance solutions.

#### Diversity (including employment of people with disabilities)

- As businesses have more employees from diverse backgrounds, it has become necessary to take a broad approach to the task of building an optimum office environment.
- You should do more to hire people with disabilities. Your disabled employment program should be expanded to your manufacturing and sales workspaces across the country.

## Environmental

### CO<sub>2</sub> reduction

- You are doing good work in forest conservation, so you should also try to reduce CO<sub>2</sub> emissions in your daily operations.
- You should actively invest in the fight against climate change.

### Waste reduction

- In a world with growing mountains of waste, if you could develop best practices for this issue, there would be an opportunity to package these practices as KOKUYO's distinctive solutions.
- A big issue today is the mountains of waste produced when offices are relocated or the layout changed. You should find ways to reduce the waste through recycling schemes or highly versatile reuses.

### Protect biodiversity

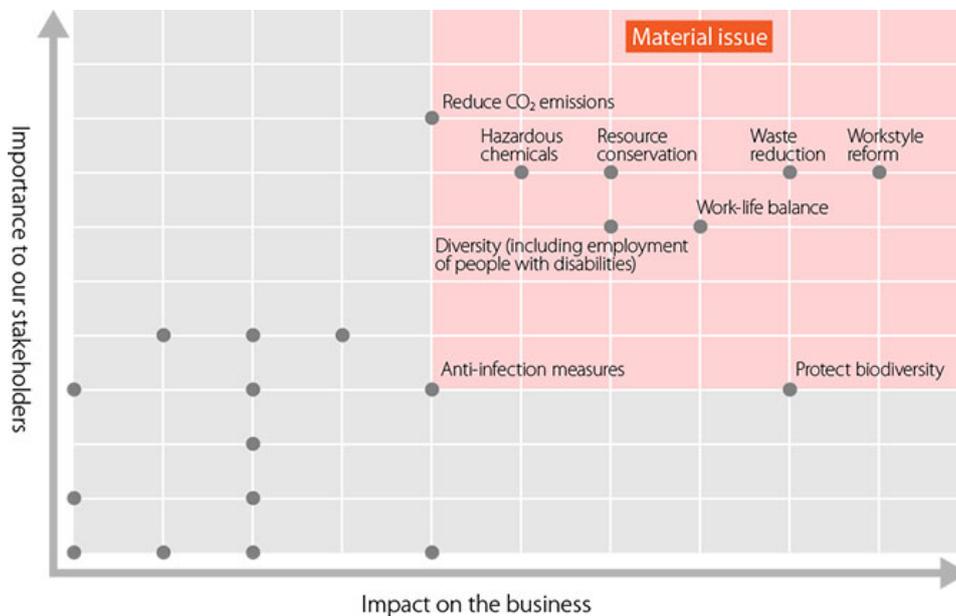
- This issue is very relevant to your organization given its use of paper in products such as notebooks.

## Governance

### Disclosing information to and communicating with business partners

- Your sales reps provide very useful information.
- Information/communications and data security are critical to our business operations.

## Materiality matrix



## Material issues and targets

Following internal discussions and dialogue with stakeholders, we define medium-term goals and established action plans.

Material issue		2030 goal
Material issue 1 Ideas for new ways of working	Pitch ideas for ways of working in the new normal, support work-life balance	Employees act on their initiative and solve problems through teamwork
Material issue 2 Promoting diversity and inclusion	Build a diverse, innovative workplace that is inclusive of gender, disability, and nationality, ect	Workforce is diverse, individual differences are respected, and employees feel empowered
Material issue 3 Respond to the climate crisis	Reduce CO <sub>2</sub> emissions through energy efficiency and renewable energy. Use forests to offset emissions	Offset CO <sub>2</sub> emissions: Contribute to absorption of at least 6,000 tons of CO <sub>2</sub> a year
		Reduce CO <sub>2</sub> emissions: Emissions down by 26% from 2013 level in 2030
Material issue 4 Contribute toward a circular economy	Promote human rights and resource conservation in supply chains to promote a circular economy	100% of waste (office, construction, inventory) recycled
		Procurement guidelines applied throughout corporate group
Material issue 5 Contribute toward a society that coexists with nature	Protect biodiversity and reduce use of hazardous chemicals to minimize environmental impacts	Promotion of the use of legal timber
		Forests: Forests thinned at 150 hectares a year
		Reedbeds: Reeds trimmed at 15 hectares a year

❏ KOKUYO's CSR Charter	❏ Corporate Profile	❏ KOKUYO's Main Business Domains	❏ KOKUYO's Initiatives and History	❏ Initiatives for Future and Society	❏ KOKUYO's Various Initiatives	❏ Introduction of KOKUYO's Initiatives in 2020	❏ Message from the President
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## Environment

### Environmental Management

KOKUYO recognizes that environmental problems, including global warming and the reduction of forest resources, are pressing issues. We will bring together the best business brains to develop sustainable solutions.

#### The Group's Vision for the Environment

Building a sustainable society will require the creation of a recycling-oriented, low-carbon society that can coexist with nature. We have established the KOKUYO Group Vision for the Environment, which states our environmental philosophy and outlines seven policies for putting the philosophy into practice: 1) fighting climate change, 2) conserving and recycling resources, 3) promoting eco-products throughout the value chain, 4) protecting biodiversity, 5) complying with environmental law and preventing pollution, 6) disclosing and communicating environmental information, and 7) integrating environmental management.

#### Environmental principles

KOKUYO was founded with the vision to enrich the world through our products and services. An enriched world is a sustainable world. Such a world requires global action to fight climate change, conserve scarce resources, and protect biodiversity. To play a leading role in this perennial worldwide challenge, we will bring together the best business brains to develop sustainable solutions.

Environmental policies		
	<b>Prevention of global warming</b>	KOKUYO is taking measures to significantly cut the amount of greenhouse gasses it emits in order to realize a low carbon output society.
	<b>Resource saving &amp; recycling</b>	KOKUYO is taking measures to promote the idea of Reduce – Reuse – Recycle by efficiently using limited resources in order to further the development of a recycling-oriented society.
	<b>Procurement, development and supply of environmentally friendly products</b>	KOKUYO is taking measures to promote the development of new environmental technologies and green procurement in order to reduce the environmental load of the entire product recycling process.
	<b>Biodiversity</b>	KOKUYO seeks to reduce its impact on the ecosystem and to maintain a low impact on it by engaging in business activities that give consideration to biodiversity.
	<b>Legal compliance &amp; preventing pollution</b>	In addition to environmental laws and regulations, KOKUYO seeks to observe the industry guidelines that have been accepted by the company and its own standards, as well as to prevent environmental pollution.

Environmental policies		
	<b>Information disclosure &amp; communication</b>	KOKUYO actively discloses environmental information, works on communication with its customers and all external entities, and is fully engaged in environmental preservation activities.
	<b>Environmental management</b>	All KOKUYO employees work together and seek to develop new ecological business models, and the company is taking measures to continuously improve its environmental load and to develop the business.

The above environmental vision was reworded to reflect our re-conceptualized purpose, “be Unique,” and our founding vision to “enrich the world through our products and services.” We are updating our environmental vision to incorporate our 2030 targets for five priority challenges that we identified in a materiality assessment.

[\\*Related information: Materiality assessment process](#)

## Environmental targets for 2030

Our materiality assessment identified three critical challenges: respond to the climate crisis, contribute toward a circular economy, and contribute toward a society that coexists with nature. There are two kinds of actions to meet these challenges: CSR actions and business actions. In 2020, we set targets measure our performance in CSR actions. We are now considering targets for business actions.

Critical challenges		2030 target
Respond to the climate crisis	Reduce CO <sub>2</sub> emissions through energy efficiency and renewable energy. Use forests to offset emissions.	Reduce CO <sub>2</sub> emissions: Emissions down by 26% from 2013 level*
		Offset CO <sub>2</sub> emissions: Forests absorbing at least 6,000 tons of CO <sub>2</sub> a year
Contribute toward a circular economy	Promote human rights and resource conservation in supply chains to promote a circular economy	100% of waste (office, construction, inventory) recycled
		Procurement guidelines applied throughout corporate group
Contribute toward a society that coexists with nature	Protect biodiversity and reduce use of hazardous chemicals to minimize environmental impacts	Promote timber legality compliance
		Forests: Forests thinned at 150 hectares a year
		Reedbeds: Reeds trimmed at 15 hectares a year

\*This target applies to the following companies: KOKUYO, KOKUYO Product Shiga, KOKUYO MVP, KOKUYO Logitem, KOKUYO Supply Logistics, KOKUYO Marketing, Kaunet, Actus, KOKUYO Finance, KOKUYO & Partners, LmD International

## This is how we performed in 2020

CO2 reduction target	CO <sub>2</sub> emissions in 2013	2030 target	2020 result	Change from 2013 level
Emissions down by 26% from 2013 level by 2030	30,683t-CO <sub>2</sub>	22,705t-CO <sub>2</sub>	22,334t-CO <sub>2</sub>	Down 27.2%
Use forests to offset CO <sub>2</sub> emissions				
Forests thinned at 150 hectares a year and absorbing at least 6,000 tons of CO <sub>2</sub> a year.		Hectares thinned: 111.9 Tons of CO <sub>2</sub> absorbed: 5,708		

## Three-year environmental strategy

2020 marked the final year of the previous three-year plan (2018–2020). We are preparing targets for the next three-year period.

Environmental policy	Action	2018 result	2019 result	2020 result	2020 target	Met/missed
Fight climate change	Reduce CO <sub>2</sub> emissions (from 1990 level)	13.0% down (Japan)	20.1% down (Japan)	32.5% down (Japan)	30% down (Japan)	Met
	Reduce energy consumption (from 2010 level) * 1% average annual rate of reduction in intensity	13.8% down (intensity)	16.1% down (intensity)	21.1% down (intensity)	10% down (intensity)	Met
Reduce, reuse, recycle	Raise recycling rate of total waste generated (includes construction waste generated by prime contractor)	95.5%	94.7%	94.7%	100%	Missed

Coverage of three-year targets:

The targets apply to the following companies: KOKUYO, KOKUYO Product Shiga, KOKUYO MVP, KOKUYO Logitem, KOKUYO Supply Logistics, KOKUYO Marketing, Kaunet, Actus, KOKUYO Finance, KOKUYO & Partners, LmD International, KOKUYO K Heart, Heartland

\* Actus and Heartland were not part of KOKUYO's corporate group during the reference years. Accordingly, their performance in the targets is measured against their results for 2018.

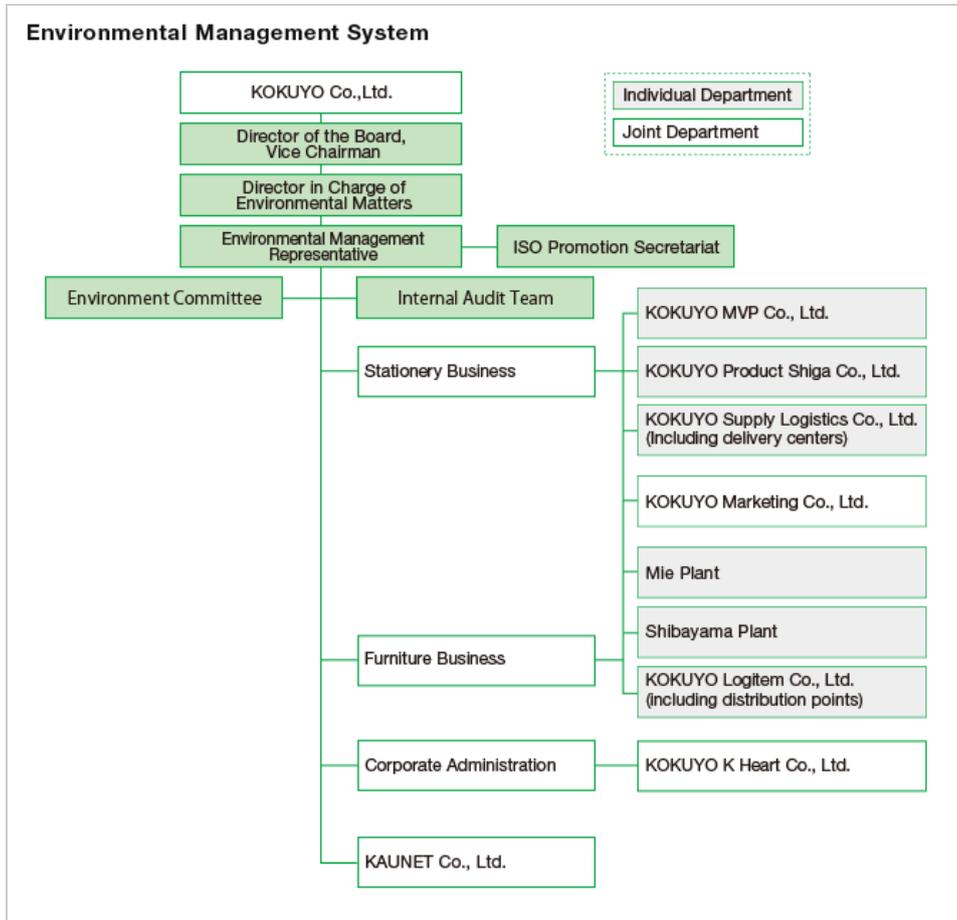
## Environmental Management System

Our Environmental Management System (EMS) consists of an integrated accreditation system for planning, R&D, production, marketing, sales, services, storage, and shipment. Since 2004, the system covers all major subsidiaries in Japan.

While keeping the core elements of the EMS consistent across the group, we differentiate according to the scale of the environmental impact. Specifically, operating companies and plants with a relatively large environmental impact get case-

specific treatment, while those with less impact get standard treatment.

We also try to give the companies sufficient leeway to manage their environmental impacts in a manner that suits the nature of their businesses. For example, we allow the companies to set environmental targets in line with their business strategies. Environment-related documents are managed under a system called MELON. In a July 2013 upgrade, MELON's coverage was expanded and the system was made more user-friendly, efficient, and accurate. We subsequently migrated the data to a new system (the 2015 system). The migration testing was completed successfully in December 2016.



## Environmental Education

To educate employees about environmental issues, inform them about the environmental targets, and train them in accident/emergency responses and management protocols, the ISO Promotion Office organizes briefings on environmental legislation and provides training to members of the internal audit team. Additionally, individual divisions and business units provide their own environment-related training programs. In 2020, most in-person training events were cancelled because of the pandemic. We are exploring alternative options for training.



Training employees to respond to spills (KOKUYO MVP)

Education/training category	Number of attendees		
	2018	2019	2020
General environmental education	2,152	1,891	2,708
Briefings on environmental targets and legislation	233	367	162
Accident/emergency response drills	169	232	211
Training for internal audit team	21	56	96
Other training	322	192	7
Total	2,897	2,738	3,184

### First-, second-, and third-party audits

First-, second-, and third-party audits are performed to ensure conformity across our corporate group. In first-party audits, the auditee (a group company) performs the audit on itself. In second-party audits, our ISO Promotion Office performs the audit on the auditee. In third-party audits, an independent body performs the audit in compliance with the requirements of ISO 14001. The audits focus most of all on legal compliance. In 2020, first-party audits were performed from July 1 to 31, second-party audits were performed from August 31 to September 14, and third-party audits were performed from November 30 to December 4. The first- and second-party audits identified 48 issues, many of which concerned compliance. For example, 12 concerned waste and seven concerned hazardous materials. The third-party audit found no issues as such, but it did highlight some “opportunities for improvement.” In light of the feedback, we recognize the need to improve education on legal matters.

As was the case in the previous year, the third-party audit identified as an “excellent aspect” the fact that our ReEDEN Project and Yui-no-Mori Project have earned plaudits for promoting biodiversity. The third-party audit in 2020 was a surveillance audit.

Year	2018	2019	2020
Sites audited	75	118	74
First-party audit	60	61	59
Second-party audit	15	16	15
Extraordinary audit	–	41	–
Issues identified	28	83	48
Minor nonconformity	8	25	13
Corrective action	20	58	35

Year	2018 (recertification audit)	2019 (surveillance audit)	2020 (surveillance audit)
Sites audited	29	17	20
Excellent aspect	1	1	1
Good aspect	8	5	2
Minor nonconformity	1	0	0
Opportunity for improvement	21	21	26



Internal audit at Shibayama plant



Internal audit at a workstation in KOKUYO's Osaka office



Third-party audit at KOKUYO Logitem's distribution center in Shiga



Third-party audit at KOKUYO Product Shiga



Third-party audit at KOKUYO's Shinagawa office



Third-party audit at KOKUYO Supply Logistics' distribution center in Ibaraki

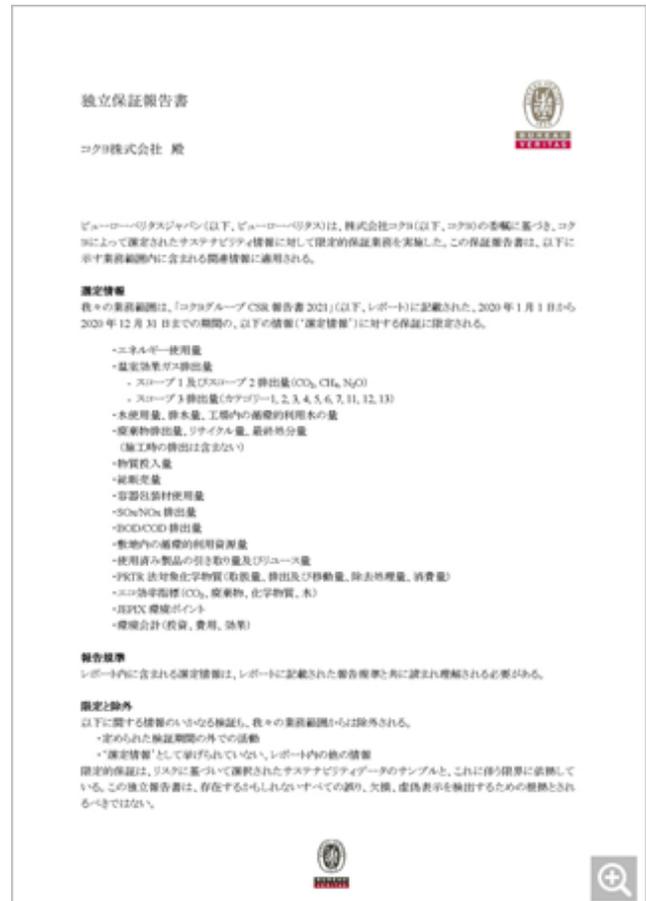
## Third-party certification

Our environmental reporting was independently reviewed and certified by Bureau Veritas Japan for the purpose of receiving independent feedback on the accuracy, transparency, consistency, validity, and completeness of the reporting.

## Process of third-party review

Bureau Veritas Japan reviewed our reporting of the environmental impacts of all 31 organizations<sup>1</sup> in the corporate group (which includes Iwami Paper Industry since 2018) as well as our scope 3 emissions data. It also visited workplaces to see how data was being measured and managed. Three Japanese workplaces were visited: KOKUYO Head Office, Iwami Paper Industry (Ato plant), and KOKUYO Supply Logistics (Kyushu distribution center). One overseas workplace was visited: KOKUYO Vietnam. The review identified eight excellent aspects and 11 opportunities for improvement. It also identified 42 issues requiring corrective action and 13 opaque aspects requiring better transparency. During the review period, we rectified the 42 issues and clarified the 13 opaque aspects. While recognizing the progress we have made in standardizing rules for aggregating data, the reviewer highlighted some instances where data was omitted or where the basis for calculation was ambiguous. In light of the issues raised, we will work harder to improve the accuracy and precision of disclosures both internally and throughout our supply chains.

Year	2018	2019	2020
Excellent aspects	9	12	8
Opportunity for improvement	6	11	11
Issue requiring corrective action	32	38	42
Aspect requiring better transparency	30	17	13



Environmental performance data  
On-site third-party check at  
Ato plant



Environmental performance data  
On-site third-party check at  
KOKUYO Head Office



Environmental performance data  
On-site check at  
KOKUYO Supply Logistics' Kyushu  
distribution center

<sup>\*1</sup> The review covered data reporting from the following organizations:

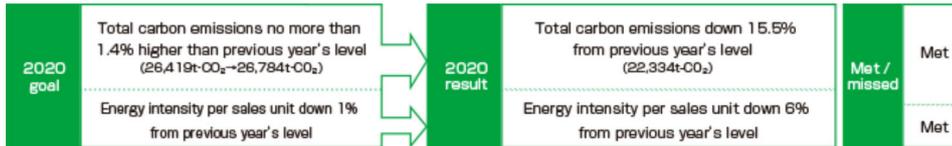
	Consolidated subsidiaries	Affiliates
Japan	KOKUYO Co., Ltd.	KOKUYO K Heart Co., Ltd., Heartland Co., Ltd., IWAMI Paper Industry Co., Ltd., KOKUYO Hokkaido Sales Co., Ltd., KOKUYO Tohoku Sales Co., Ltd., KOKUYO Kitakanto Sales Co., Ltd., KOKUYO Tokai Sales Co., Ltd., KOKUYO Hokuriku-Niigata Sales Co., Ltd., KOKUYO Sanyo-Shikoku Sales Co., Ltd.
	Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., KOKUYO Logitem Co., Ltd., KOKUYO Product Shiga Co., Ltd., KOKUYO MVP Co., Ltd., LmD International Co., Ltd., Actus Co., Ltd., KOKUYO Finance Co., Ltd, KOKUYO & Partners Co., Ltd.	
Overseas	KOKUYO Vietnam Co., Ltd., KOKUYO Malaysia Sdn. Bhd., KOKUYO (Shanghai) Management Co., Ltd., KOKUYO Commerce (Shanghai) Co., Ltd., KOKUYO Furniture (China) Co., Ltd., KOKUYO Design Consultants (Shanghai) Co., Ltd., KOKUYO International Asia Co., Ltd., KOKUYO International (Malaysia) Sdn. Bhd., KOKUYO Vietnam Trading Co., Ltd., KOKUYO CAMLIN Ltd.	KOKUYO-IK (Thailand) Co., Ltd.

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## Environment

### Global Warming Preventive Measures

The KOKUYO Group strengthens activities to ease global warming (measures for the reduction and absorption of CO<sub>2</sub> emissions) with a view to achieve a low carbon society.



#### Summary for 2020

In 2020, a total of 22,334 tons of CO<sub>2</sub> was emitted by our consolidated subsidiaries in Japan<sup>1</sup> and by our disability-friendly subsidiaries, KOKUYO K Heart and Heartland. This total represents a reduction of 4,085 tons (15.5%) from the previous year, which exceeds our carbon reduction target. The change in emission coefficients<sup>2</sup> accounts for 715 tons of the reduction. According to our estimates, the actual reduction was 3,370 tons and the breakdown was as follows: We cut 428 tons by improving operations, 179 tons by improving facilities and equipment, and 2,763 tons by consolidating manufacturing operations. The reductions for offices, production sites, and distribution channels are as follows.

#### Offices

Our offices reduced their emissions by 859 tons from the previous year's level (765 tons if the exhaust coefficient is excluded).

The breakdown was as follows: 683 tons of emissions were cut as a result of office responses to the coronavirus pandemic such as allowing remote work and more flexible working hours. Besides this, 82 tons were cut by using less air conditioning, by existing efforts to promote more efficient working patterns (such as instituting a no-overtime day and encouraging workers to leave work on time), and by installing energy-efficient LED lighting.

#### Production sites

Our production sites reduced their emissions by 2,570 tons from the previous year's level (2,121 tons if the exhaust coefficient is excluded).

The breakdown was as follows: 1,750 tons of emissions were cut because of pandemic-related production stoppages. Besides this, 320 tons were cut by operational improvements. These included cutting changeover times, tightening compliance with rules for machinery and equipment, improving inspections, making production schedules more precise, and running energy audits to ensure energy efficiency. Additionally, 51 tons were cut by installing inverters and energy-efficient LED lighting.

#### Distribution channels

Our distribution channels reduced their emissions by 656 tons from the previous year's level (484 tons if the exhaust coefficient is excluded).

The breakdown was as follows: 330 tons of emissions were cut because of shipment holdups caused by the pandemic, 31 tons were cut by ongoing efforts to save energy (operational improvements, lighting adjustments at distribution centers), and 123 tons were cut by installing energy-efficient LED lighting.

\*1 The companies are as follows: KOKUYO, KOKUYO Product Shiga, KOKUYO MVP, KOKUYO Logitem, KOKUYO Supply Logistics, KOKUYO Marketing, Kaunet, Actus, KOKUYO Finance, KOKUYO & Partners, LmD International.



Solar panels installed at the new wing of our Osaka office



Solar panels installed at Shiga Factory



Hybrid streetlights installed at our Metropolitan Area Integrated Distribution Center (IDC)

\*2  
As  
to

CO<sub>2</sub> emission coefficients for electricity, we adopt the coefficients based on Japan's Act on Promotion of Global Warming Countermeasures (base emission coefficients for each electricity company based on actual performance for 2018 and 2019).

### Total CO<sub>2</sub> Emissions by KOKUYO Group

Total emissions for all 31 organizations<sup>1</sup> in the corporate group (which includes Iwami Paper Industry since 2018) amounted to 32,299 tons,<sup>2</sup> a reduction of 7,525 tons from the 2019 level. Around 2,500 tons of the reduction was attributable to the energy provider reducing its emissions coefficients. The remaining 5,000 tons was attributable to our ongoing efforts to cut emissions as well as to reduced worker attendance amid the pandemic.

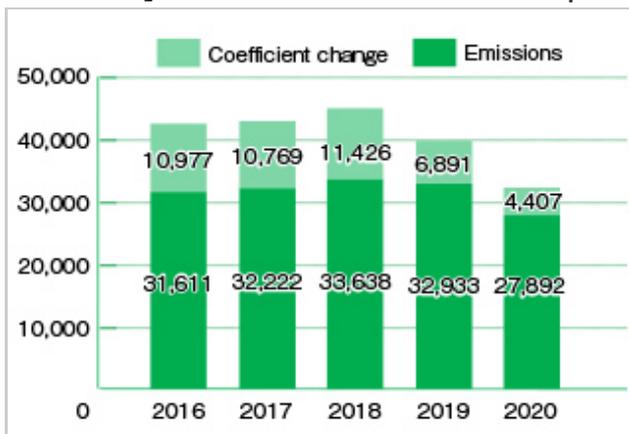
\*1 CSR Data Snapshots

\*2 As to CO<sub>2</sub> emission coefficients for electricity in Japan, we adopt the coefficients based on the Act on Promotion of Global Warming Countermeasures (base emission coefficients for each electricity company based on actual performance for 2018 and 2019). As to CO<sub>2</sub> emission coefficients for overseas electricity, we adopt the CO<sub>2</sub> Emissions from Fuel Combustion 2019 edition by the International Energy Agency. The difference due to change in coefficients is the difference with the emissions calculated based on the average of all electricity sources for 2000 (0.378 kg-CO<sub>2</sub>/kWh).

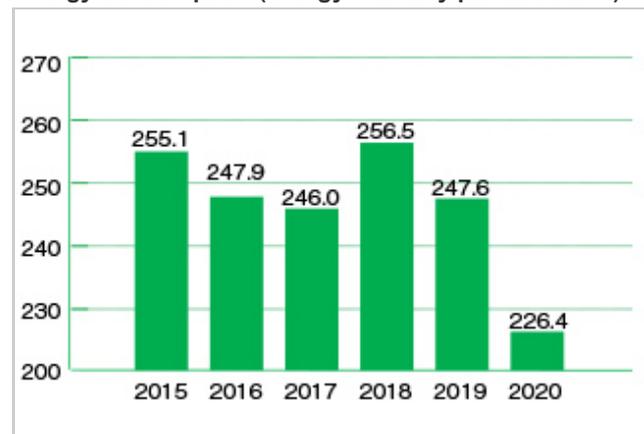


Solar panels installed at KOKUYO Camlin's Patalganga Factory

### Trend of CO<sub>2</sub> Emissions for Entire KOKUYO Group



### Energy consumption (energy intensity per sales unit)



### Improving the Accuracy of Scope 3 Data

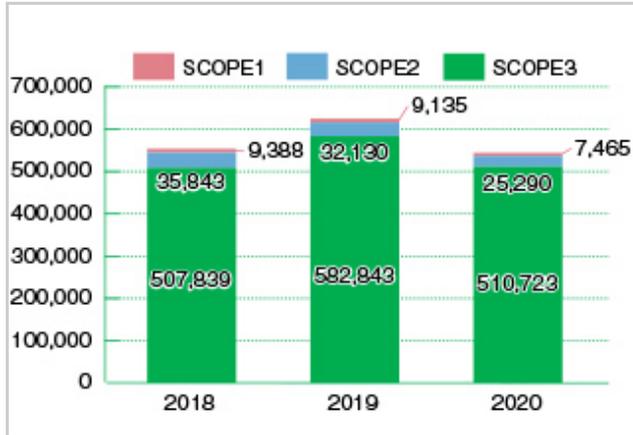
Thanks in part to the work of the Carbon Disclosure Project (CDP), there is growing interest in carbon reporting. Businesses around the world are increasingly expected to disclose information on their scope 3 emissions. Scope 3 emissions are indirect emissions throughout the value chain, including in production, shipment, consumption, and disposal. Before 2014, we were already disclosing some scope 3 emissions (such as emissions produced during shipment). Since 2014, we have disclosed scope 3 emissions in accordance with the Ministry of the Environment's Basic Guidelines on

**Calculating Volumes of Greenhouse Gas (GHG) Emissions.**

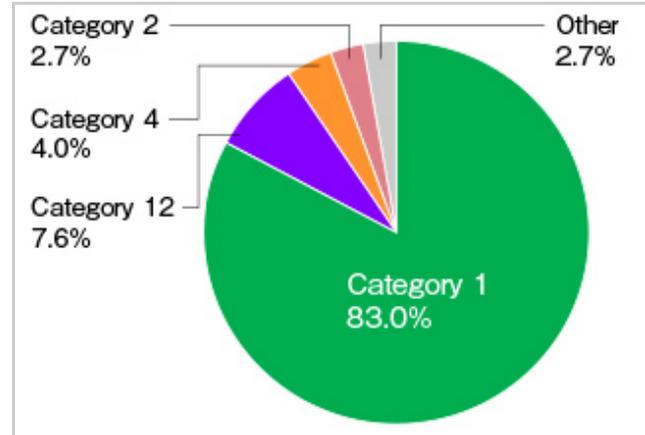
In 2020, our value chain produced a total of 543,478 tons of GHG emissions. Scope 3 emissions accounted for approximately 94% of this total. As much as 83% of the scope 3 emissions were from purchased goods and services (Category 1).

The reliability of our environmental data was confirmed in an independent assessment conducted Bureau Veritas Japan.

**Emission by Scope**



**Breakdown of scope 3 emissions**



[\\*CSR Data Snapshots \(Global Warming Preventive Measures\)](#)

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## ■ Environment

### Resource-saving and Recycling Measures

To promote the growth of a recycling-oriented society, we endeavor to reduce, reuse, and recycle by effectively utilizing limited resources.



#### ■ Summary for 2020

The volume of waste materials generated by the group's 31 business offices<sup>1</sup> in 2020 was 19,785 tons (previous year: 23,446 tons), and the recycling rate was 96.6% (previous year: 96.4%). We generated 2,973 tons of waste materials on construction sites (previous year: 4,150 tons) with a recycling rate of 82.0% (previous year: 85.2%). The responsibilities of the prime contractor with respect to the disposition of waste materials generated on construction sites have been clarified, and the obligations of the waste-generating company have been tightened. Efforts were made to contain waste materials in part through a review of the methods by which parts subject to processing at construction sites are ordered. As waste materials generated on construction sites are not homogenous, there are many cases in which recycling is difficult due to the intermingling of various types of waste materials in a given batch. Nevertheless, we will continue to properly dispose of waste materials in conjunction with the implementation of controls on their generation and aim to achieve our medium- and long-term target of 100% for the rate at which waste materials are recycled.

\*1 CSR Data Snapshots

#### ■ Office waste

In 2020, our offices produced 790 tons of waste (compared to 694 tons in 2019) and recycled 97.3% of waste (compared to 95.9% in 2019). Although there is a limit to what an office can do, our office staff are doing their bit by separating waste and going paperless.

#### ■ Factory waste

In 2020, our factories produced 9,930 tons of waste (compared to 10,999 tons in 2019) and recycled 96.7% of waste (compared to 95.3% in 2019).

Since 2009, our Japanese production sites produce zero emissions when disposing of waste. Overall, they recycled 99.8% of waste (compared to 99.4% in 2019), because plasterboard at Mie plant is now reused (material recycling) instead of being burned for energy (thermal recycling).

In 2020, our overseas production sites recycled 87.4% of waste (compared to 81.4% in 2019). We encourage each of these sites to reduce and recycle, while taking into account local recycling standards.

#### ■ Waste in distribution channels

In 2020, our distribution channels produced 9,066 tons of waste (compared to 11,753 tons in 2019) and recycled 96.4% of waste (compared to 97.3% in 2019).

Cardboard and wooden pallets used in packaging are repaired and reused.

We will continue our active efforts to use resources effectively.

## KOKUYO products: Reuse, recycle

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For certain cases, we encourage customers to return used products so that they can be reused or recycled.

In 2020, KOKUYO Logitem collected around 1,988 tons of used office furniture (desks, chairs, and so on). Around 230 tons of the collected furniture was salvaged for reuse. The remainder was dismantled and sorted for recycling.

[\\*CSR Data Snapshots \(Resource Saving and Recycling\)](#)



A desk being dismantled and sorted

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## Environment

### Legal Compliance, Anti-Pollution Measures

We are striving to prevent environmental pollution by complying with statutes and regulations relating to the environment as well as industry guidelines to which we have subscribed and our own standards.

#### Summary for 2020

Twenty-eight environmental laws and regulations are currently applicable to the KOKUYO Group within Japan. In June every year, we evaluate the status of our compliance with these laws and regulations. The 2020 evaluation revealed that some of timber products might be noncompliant with the Act on Promoting Green Procurement, as a result of discrepancies in interpreting the requirements in that law. We regard this result as indicative of the tightening of the criteria for timber legality. No other products were found to be in violation of the requirements.

#### Compliance with Air Pollution Control Act: Dealing with asbestos

The revised Air Pollution Control Act, in effect from April 2021, has toughened the regulations on preventing the release of asbestos fibers. Accordingly, we make sure that all managers responsible for safety and engineering in buildings are aware of and comply with the regulations. At the construction project conferences, the above managers are informed about the hazards of asbestos and the time periods when asbestos was used in buildings. Attendees at these conferences are also instructed to check for asbestos before starting any construction or repair work and to report back the results. Mindful that such checks are likely to uncover many more cases of asbestos in older premises, we will use construction project conferences to prevent asbestos dispersal and exposure.



Because of the coronavirus, this seminar was held online

**ココヨグループ建設業協議会: Jul.2020** 無事にカエル ココヨグループ 建設業協議会事務局

**4、大気汚染防止法が強化されます：石綿(=アスベスト)関連 その1**

**1. 法改正の背景・経緯**  
 大気汚染防止法の施行状況の検討がなされ、これまでは規制の対象ではなかった石綿含有建材（いわゆるレベル3建材）についても、不適切な除去を行えば石綿が飛散することが明らかになりました。また、解体等工事前の建築物等への石綿含有建材の使用の有無の事前調査で石綿含有建材を見落としたり、除去作業時に石綿含有建材の取り残しがあることにより、工事に伴い石綿が飛散する事例が確認されました。こうした状況を受けて、令和2年6月5日に、建築物等の解体等工事における石綿（アスベスト）の排出等の抑制を図るため、「大気汚染防止法の一部を改正する法律」（令和2年法律第39号。以下「改正法」という。）が公布されました。改正法は一部の規定を除き、公布の日から起算して1年を超えない範囲内において政令で定める日から施行されます。[環境省HP> https://www.env.go.jp/press/107831.html](https://www.env.go.jp/press/107831.html)

Seminar material

#### Handling chemical substances

We make all efforts to ensure proper management and handling of chemical substances. In June 2016, Japan tightened the legislation on chemical substances, introducing mandatory chemical risk assessments. We comply with the requirements and take steps to ensure chemical safety in the workplace. At Shibayama Plant, paints and other hazardous chemical products come with a safety data sheet (SDS) to inform the people who will handle the chemical about the chemical's hazards and the relevant requirements. As a further safety precaution, the chemical products have labels with a color coded sections that visually communicate the hazards (blue, red, and yellow). Other workplaces use similar measures.

## Promoting the Management of Chemical Substances Included in Products

We recognize that every supplier has a moral responsibility not only to avoid the use of prohibited substances but also to handle hazardous substances (substances that could harm the environment or health) safely and to communicate the hazard information. We also recognize that there has been a clear global shift in the regulation of chemical substances. Specifically, countries around the world are moving from the traditional hazard-based approach, which focuses on the inherent properties of a chemical substance that make it potentially hazardous, to a more scientific risk-based approach, which focuses instead on the circumstances in which these potential hazards may cause harm. We, too, have shifted toward risk-based assessments over the past several years. In 2014, we listed up the hazards in the chemical substances we use. Referring to this list, we started examining the risks of the substances in 2015 on a priority basis. In 2017, we released our findings on the hazards and exposure risks in a report titled Guidelines for Managing Chemical Substances Included in Product (Stationery Edition). In 2018, we organized in-house training courses on chemical substance management to tighten compliance with chemical management regulations. In 2020, we started preparations to update the guidelines to incorporate more risk information ahead of a revision to Japan's chemical management regulations. We will continue to fulfill our responsibility to comply with chemical substance regulations and communicate chemical information.



Chemicals managed and handled securely (Head Office)



Color coded sections on label communicate hazards (Shibayama Plant)



Scanning for heavy metals using X-ray fluorescence

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## Environment

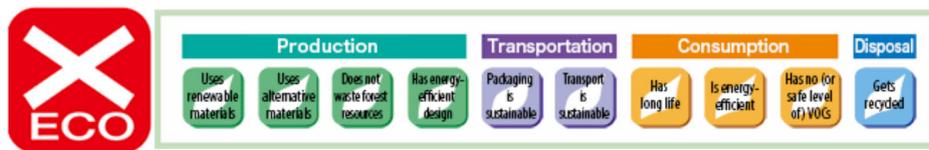
### Developing Environmentally Friendly Products and Services

The KOKUYO Group is working on new environmental technologies and green procurement in order to reduce the environmental load over the entire life cycle of its products.



#### Continuing to Ensure That No Eco-Batsu Mark Tarnishes Our Catalog

The KOKUYO Group started using the Eco-Batsu (“no good”) mark for products in the 2008 General Catalog. This mark is used for group products that are not sufficiently environmentally friendly at any stage of their life cycle, including manufacturing, distribution, usage, and disposal. We tasked ourselves with removing the Eco-Batsu mark from all of our products in three years, and this goal was reached in the 2011 General Catalog. We continue to apply the due-diligence system to products in the 2021 catalog.



#### Action against ocean plastic pollution

##### The All-Paper series

This is a series of filing products made fully from paper. When it was launched in March 2004, the series received praise for being able to be disposed without having to incur effort to separate into paper, plastic, metal and other materials. With the recent global rise in the problem of ocean plastics, the series is again gaining recognition from the perspective of moving away from plastic. In 2020, we added some more products to the series. One of the new products is a folder with a window which lets you see the contents. Another is a large-capacity flat file.

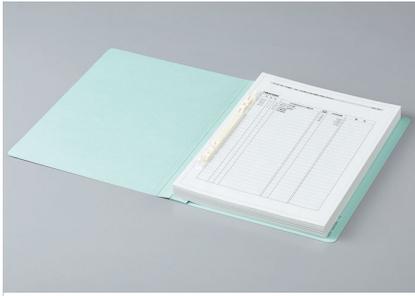
The All-Paper series is involved in the Plastics Smart Campaign established by Japan’s Ministry of the Environment toward solving the global problem of ocean plastics that supports the advancement of initiatives through the partnership and cooperation of a wide range of entities such as individuals, local governments, NGOs, companies, and research agencies. For example, we are a member of the Japan Clean Ocean Material Alliance (CLOMA), and such membership helps us stay abreast of the latest technological advances in addressing the problem of ocean plastics.

<http://plastics-smart.env.go.jp/case/?id=1060>

##### Kaunet’s initiatives

One of Kaunet’s eco-initiatives is to offer simplified packaging for its deliveries. Moreover, for this simplified packaging, it is switching to biomass plastic.

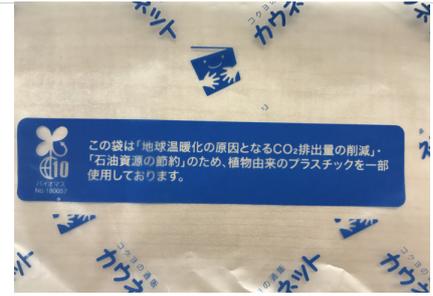
\*When ordering online, customers are presented with three packaging options: simplified, cardboard, and no-preference.



Large-capacity flat file (all paper)



Paper folder with window (all paper)



Biomass plastic packaging

## Showing the carbon footprint of our products

In 2010, we started monitoring and publicly disclosing the carbon footprint of products from the time they are produced to the time they are disposed of or recycled.

Website: [Showing the carbon footprint of our products](#)

## Using Japanese-made, locally produced materials

As much as 67% of Japan's landmass is covered by forests. Forests help prevent sediment runoff, contribute to water retention, and absorb CO<sub>2</sub>. They also provide a renewable resource. However, in much of the country's man-made forests, which account for 40% of all the forests, these roles are not fully performed due to insufficient forest thinning.

In 1998, we started developing forest thinning equipment, releasing it to the market in 2000. By making our office products from Japanese timber that was harvested during thinning operations, we create new demand for wood while also contributing to sustainable forestry.

In response to the demand for locally sourced materials, we developed a reception desk that uses such materials. Designed by Graf: Decorative Mode Number 3, the product has a crisp, modern feel. It also embodies universal design principles: the table edge has a groove for securing a white cane and a grip for wheelchair users.

## Protocol Counter

In response to the demand for locally sourced materials, we developed a reception desk that uses such materials. Designed by Graf: Decorative Mode Number 3, the product has a crisp, modern feel. It also embodies universal design principles: the table edge has a groove for securing a white cane and a grip for wheelchair users.



Protocol Counter, winner of the Japan Wood Design Award 2017



BS + Desk System



UU chair

## EF Counter, featuring modesty panels made from locally sourced timber

EF Counter is a series of modular counters that can be rearranged to suit changes in the organization or changes in desired use. With their universal design, the counters are friendly to the elderly and to wheelchair users. While part of the structure is made from standardized materials, the modesty panel is made from timber sourced from the locality in question. This arrangement ensures that the counters are no less functional and versatile than standard counters are. As with Protocol Counter, the table edge has a groove for securing a white cane and a grip for wheelchair users.

### An example of EF Counter (with modesty panel made from local timber) in action (newly built municipal office of Echizen, Fukui Prefecture)



In October 2020, the rebuilding of Echizen's municipal office was completed. For the office's reception counter, we pitched EF Counter, offering to fit modesty panels made from Japanese cedar in Echizen. The client wanted a wooden counter that had the modularity to enable flexible rearrangement and that was made from locally sourced materials. We offered to use the locally sourced wood only for the modesty panels—the part visitors see—and the client was happy with the cost. The new office makes extensive use of locally sourced resources (the entrance hall, for example, features Echizen ware tiling), which lends the premises a warm, inviting atmosphere. We will continue to promote the use of timber materials in public buildings by offering products that use locally sourced products, combine sustainability with functionality, and are easy to use.

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## ■ Environment

### Supporting biodiversity and promoting environmental communication

In all our business activities, we are mindful of biodiversity and strive to preserve and mitigate our impact on ecosystems. We take action to preserve the forests around Shimanto River in Kochi Prefecture and to preserve Lake Biwa in Shiga Prefecture.

#### KOKUYO Group's policy on timber procurement

In 2011, we released a groupwide policy on timber procurement to enshrine our commitment to sustainable use of forest resources. Since our foundation, timber has served as an important resource in our products, such as paper. Recognizing the vital role forests play in mitigating global warming and supporting biodiversity, we aim to promote harmony with forests by ensuring that our timber procurement is legal, transparent, and sustainable.

#### **KOKUYO Group's policy on timber procurement**

In procuring forest resources, we pledge to observe the following principles and continually strive for more ethical and sustainable procurement.

1. Make procurement more transparent, mindful of the problem of illegal logging and related timber trade
2. Choose timber suppliers in a more meticulous and scrupulous way to promote the sustainable use of forest resources
3. Recognize the valuable roles that forests play in local communities and ensure that procurement activities preserve and facilitate these roles

#### Results of due-diligence review of timber compliance (in accordance with Timber Legality Certification Due Diligence System Manual —Furniture Edition)

In 2020, our due-diligence review of timber compliance revealed that two varieties of our reception chairs use timber whose legality is questionable. On September 1, 2020, in accordance with the manual, we derecognized the chairs as products complying with the Act on Promoting Green Procurement (full title: Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities). We will continue performing rigorous due diligence while finding ways to further enhance the manual's effectiveness.

You can view the manual by following the link below.

[Timber Legality Certification Due Diligence System Manual \(Furniture Edition Ver. 1.1\)](#)

## Certified as a procurer of legal and sustainable timber

After the Act on Promoting Green Procurement was strengthened, we were certified as a “procurer of legal and sustainable timber” by the Japan Office Institutional Furniture Association (JOIFA). In line with the new legal requirements, we strive to ensure that the timber we use is legal and sustainable by providing a paper trail to show how the timber is procured and used and by appointing the right people to manage this process.



## FSC®-approved products

In 2003, we received chain-of-custody (COC) certification from the Forest Stewardship Council (FSC®). The FSC® is an international non-governmental organization that runs a system of third-party forestry certification. Its purpose is to preserve forest environments by promoting a responsible form of forest management that benefits local communities and is economically sustainable. COC certification applies to the processing and distribution of FSC®-certified products. The organizations in our group that have obtained COC certification are KOKUYO, Kaunet, and KOKUYO Product Shiga. The FSC® has approved our products, including our printer paper and notebooks. In 2016, we received COC certification under the Programme for the Endorsement of Forest Certification (PEFC). The PEFC is a forest certification scheme. Its criteria is based on accepted intergovernmental standards.



We aim to get more of our products certified for their sustainable use of forest resources. (FSC® License code: C004748)



Printer paper (PPC Color Paper)



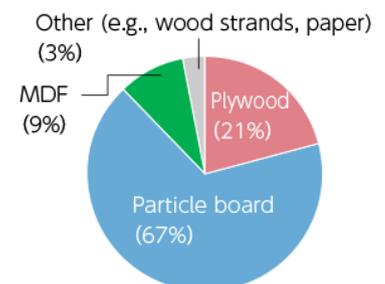
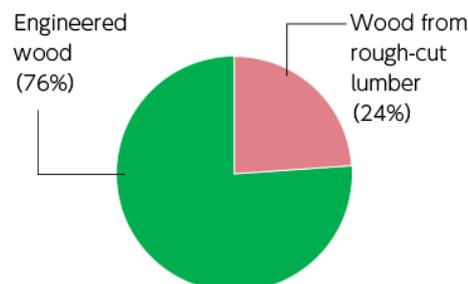
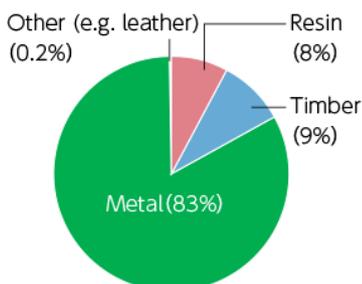
Reed paper



FUBI

## How we have used forest resources

In 2020, we used around 6,500 tons of wood in furniture products, equivalent to 9% of our total raw materials (excluding packaging materials). Of this wood, 24% consisted of rough-cut lumber that was made into solid wood or engineered wood (including plywood). The remaining 76% consisted of forest residues (byproduct from thinning or clearing) or engineered wood (including medium-density fiberboard and particle board) made from such. Each year, we report such data to JOIFA, the body that certifies us as a “procurer of legal and sustainable timber,” in compliance with the Act on Promoting Green Procurement. As per JOIFA’s reporting guidelines, we try to identify the wood species among the timber we use.



## Timber use survey

We conduct an annual survey to monitor the following data items for the timber used in our furniture products, including wood species, volume used, and country or region of origin.

It is often unfeasible to identify the country or region of origin of the timber used in products, but we do our best to source the products sustainably.

Wood species	Condition	Volume used (m3)	Country or region of origin
Ash	Wood strands, veneers	8	USA
Ayous	Veneers	1	Italy, Cameroon
White oak	Board	15	Canada, USA
Kapur	Plywood	27	Malaysia, Indonesia
Japanese cedar	Engineered wood	5	Japan
Oak		2	Russia
Beech	Solid wood, plywood	140	Germany, Croatia, France
Poplar		136	USA, Canada
Maple		1	USA
Lauan	Plywood	960	Indonesia, Malaysia
Rubberwood	Engineered wood	87	Vietnam, Thailand, Malaysia
Palaquium	Plywood	20	Malaysia
Monterey pine	Engineered wood	3	New Zealand
Total		1,294	

\* The data in the above table has been aggregated from the figures provided by each supplier. The data covers only wood from rough-cut lumber.

\* The table shows only wood species for which we could identify the country or region.

## Yui-no-Mori Project

In 2006, we launched a project to conserve a public forest in the Taisho district of Shimanto, Kochi Prefecture, which we named Yui-no-Mori (“linkage forest”). In this project, we thin the forest and make effective use of the resulting timber. Our purpose is to lead the way in reviving manmade forests and restoring the link between the natural environment and local livelihoods. In 2007, the project earned FSC® certification. Today, Yui-no-Mori has a surface area of 5,425 ha, and a cumulative area of 1,900 ha has been thinned. Kochi Prefecture awarded us the “CO<sub>2</sub> absorption certificate” in 2007. In 2019, the forest absorbed 5,708 tons of CO<sub>2</sub> in that year. The cumulative total for April 2006 to March 2020 stands at 62,022 tons. In 2020, the project earned two more accolades: a “sustainability action” commendation from the Ecological Life and Culture Organization (in October) and the “philanthropy grand prize” from the Japan Philanthropic Association (in December). That year marked the fourth consecutive year in which the project earned recognition. In 2017, it won the Japan Wood Design Award; in 2018, it won a “green wave” prize at the Biodiversity Action Awards; in 2019, it won a commendation at the Low Carbon Challenge Cup and a “minister’s prize” in the corporate category of the Ministry of the Environment’s Environment Good Life Awards.



Accepting the grand prize for Yui-no-Mori at the 18th philanthropy awards

\* Related information: [Awards and Accolades](#)

## Kochi Prefecture’s recognition of our forest offsets

On August 20, 2020, we Kochi Prefecture awarded KOKUYO and Kaunet a CO<sub>2</sub> absorption certificate in recognition of the fact that we offset a total of 5,708 tons of CO<sub>2</sub> (KOKUYO offset 5,162 tons and Kaunet offset 546 tons). The award ceremony was held at the prefectural office. Presenting the award, Tatsuya Kawamura (who heads the prefecture’s department for forestry and the environment) thanked the two companies for contributing over the years to Kochi’s efforts to preserve its environment, manage its forests, promote local industry, and support its PR. The 5,708-ton offset represented 18% of the group’s total CO<sub>2</sub> emissions in 2020 (32,299 tons). As well as preserving forests, this effort proves valuable for mitigating climate change.

## FSC® certification

Yui-no-Mori has enjoyed FSC® certification since 2007.

Following a regular audit performed on 29 and 30 September, 2020, the project was recertified.



Presentation of CO<sub>2</sub> absorption certificates



The CO<sub>2</sub> absorption certificates



An FSC® certification audit in progress

## Monitoring thinning outcomes

An important part of forest conservation is seeing the outcomes of thinning. We monitor these outcomes over the long term in partnership with Shimanto Forest Union, Shimanto High School, officials of Kochi Prefecture and Shimanto. On August 19, 2020, we measured the water quality of Shimanto River. On November 21, we conducted a vegetation survey. We conduct regular vegetation surveys in two locations.

\*Related information: [Latest vegetation survey report from the students of Shimanto High School](#)

## Using the byproducts of thinning

Since 2000, we have used the byproduct of thinning work to make furniture products in partnership with Shimanto Forest Union. In 2007, Kaunet started marketing furniture under the Yui-no-Mori brand. As of 2020, the distributor offers 12 Yui-no-Mori furniture products. To help spread the word about Yui-no-Mori, Kaunet launched a scheme in 2008 whereby customers can use their loyalty points to fund the thinning work. In 2020, there were around 120 applications for the scheme. Since February 2011, Kaunet has donated 1% of the proceeds from some Yui-no-Mori products to an afforestation campaign (Midori no bokin; “green appeal”) organized by the National Land Afforestation Promotion Organization.



The survey team measuring the water quality



Participants in the vegetation survey



Kaunet's Yui-no-Mori products

## Discovering the reedbeds of Lake Biwa: ReEDEN

The reeds of Lake Biwa play an essential role. They provide an aquatic habitat, support biodiversity, and absorb CO<sub>2</sub>. In the past, the reeds served as material for roofing and sudare screens, but with the decline of such traditional industries, the reedbeds are no longer maintained so well. The lake once had 260 hectares of reedbeds, but only half remains. In 1992, Shiga Prefecture passed an ordinance to address the problem by conserving, cultivating, and using the reeds. Believing that such action would preserve Lake Biwa's beautiful environment and fight climate change, KOKUYO Product Shiga (which operates near the lake's shore) launched ReEDEN Project in 2007 to raise awareness about the reeds and promote their use.

## Building a network for conserving Lake Biwa's reedbeds

Winter reed cutting is essential for reed cultivation. At Lake Biwa, this task is performed by a network of volunteers called the Network for protecting Lake Biwa through reed management. Formed in 2009 on the premise that it takes more than one organization to protect Lake Biwa, the network aims to bring on board a variety of local organizations. To that end, members visit business premises and share the message about Lake Biwa as a way to persuade the organization to take an interest in local environment. Consisting initially of several companies that shared the same vision, the network now encompasses 131 companies. For more than ten years, the companies have worked with universities and local government to undertake the winter reed cutting (which takes place three times a year, from December to March). In recent years, participation in the cutting has expanded from company employees and family members to include local residents, public servants, museums, and schools. With 200 to 300 participants of all ages, the event now constitutes the largest cutting operation in Shiga Prefecture. It has grown into an impressive conservation undertaking that brings together the whole community.



An expanse of winter reeds

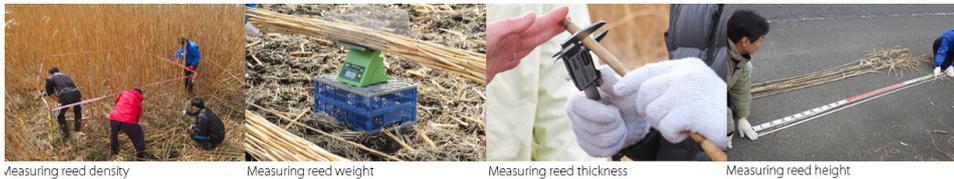


February 8, 2020: Winter reed cutting event (the event was held just before a surge in COVID-19 infections)



## How reed conservation can contribute to a low-carbon world: Showing the impact

Previously, the reed conservation work was evaluated using just a single metric: the area of lake in which reeds were conserved (the only data point released by Shiga Prefecture). It was felt that there was potential for broader scientific evaluation. Meanwhile, across the country, conservation groups were promoting rate of carbon sequestration (capture and removal of CO<sub>2</sub>) as an index for measuring the effects of forest thinning and other forest management work. Given that reeds also absorb CO<sub>2</sub>, we decided that we could use the same measure for ReEDEN. In 2017, we started inviting researchers to conduct a biomass survey during the winter cutting. Across a three-year period, the researchers measured reed height, density, weight, thickness, and carbon sequestration. Consequently, we established a methodology for showing the extent to which ReEDEN offsets CO<sub>2</sub> emissions. Whereas before we could only evaluate the project in terms of area conserved, we now had a completely different perspective. This biologic approach was praised by a group of academics who had formed a committee to conserve reedbeds in the prefecture. Members of government, academia, and industry joined forces to develop a tool that measures CO<sub>2</sub> absorption in reeds by multiplying reed cutting area by reed height equivalent. Released at the end of 2019, the formula has been published on Shiga Prefecture's website. With the release of the tool, people can now see how the project is contributing toward a low-carbon world. The data has demonstrated that the project is mitigating climate change in addition to improving the lake's water quality and biodiversity. This knowledge has boosted participants' motivation and brought more people on board. The project team plans to expand use of the tool with a view to benefiting the whole of the prefecture. The team's vision is to follow up the carbon sequestration work in forests across Japan by developing an unprecedented carbon sequestration system for lakeside environments.



In November 2020, the project, by then 4 years' old, was awarded the Minister of the Environment's Award for Climate Action. Unfortunately, the pandemic meant that the award ceremony had to be held online. Still, we were delighted that the project has now been recognized for contributing to the fight against the worldwide menace of climate change, alongside its accolades for improving Lake Biwa's water quality, promoting the lake's biodiversity, and promoting opportunities for youth. As a local project, ReEDEN may be modest in scale, but it continues to play a valuable role in contributing toward sustainability.

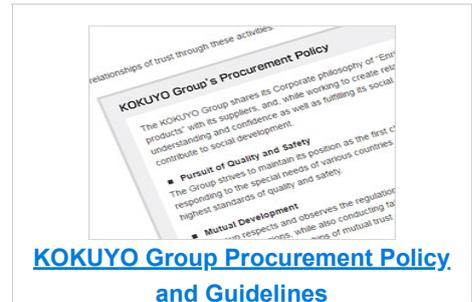


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## ■ Social

### Respect for Human Rights

To respect the human rights of all stakeholders as we go about our business and CSR activities, the KOKUYO Group has established the KOKUYO Group Code of Conduct for our employees, and the KOKUYO Group's Procurement Policy for our partner companies.



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## Social

# Workstyle Reform

### Basic Concepts

KOKUYO is generating change in the work styles of employees centered on how time is used so as to secure the ability for sustainable growth. KOKUYO seeks to contribute toward the growth of organizations and individuals by practicing work styles that allow employees to independently choose the time and place of work while utilizing systems such as telecommuting as well as by addressing factors obstructing the improvement of productivity to increase “disposable time.”

### Systems

#### Achieving a Good Work-life Balance

The KOKUYO Group is committed to providing ideal working conditions with consideration for achieving a good work-life balance.

These efforts have been recognized by the government and three of the group companies have received a certification logo (nickname: Kurumin Mark) as of December 31, 2020. The Kurumin Mark is a certification logo issued by the Ministry of Health, Labour and Welfare, which promotes the improvement of the nation's declining birth rate, based on the Law for Measures to Support the Development of the Next Generation, to recognize corporations and organizations taking an active stance in supporting child-raising.



Holders of Kurumin Mark as of December 31, 2020: KOKUYO Co., Ltd., KAUNET Co., Ltd., KOKUYO Marketing Co., Ltd.

#### Giving employees flexibility in where and when they work

To promote a more flexible and efficient workplace, we have introduced for some employees complete flexitime—with no predetermined core period. We also try to find the most efficient balance between remote working and office working.

#### Re-employment System for Employees Who Left Their Jobs Due to Personal Circumstances

KOKUYO has a re-employment system for regular employees who left their jobs due to personal circumstances such as marriage, child-bearing, childcare, family care, job relocation of spouse, study abroad, volunteer work, career change and other reasons recognized by the company. By bringing in the experiences and knowledge developed outside the KOKUYO Group, it is hoped that these employees will further expand the diversity of the Group.

#### Handling Re-employment of Mandatory Retirees

KOKUYO has in place a system which, in principle, allows employees who wish to work at the KOKUYO Group after retiring at the mandatory age of 60 to continue work as senior employees. Through this initiative, we offer opportunities for employees to continue applying themselves in society after mandatory retirement. At the same time, we can expect them to use their experience and knowledge developed so far in their work to contribute toward developing younger employees.

## Initiatives in 2020

### Play work: A new approach to work

In April 2020, we launched a new system of working and employee welfare. Based on Play Work, a concept promoted by HR, the new system is designed to promote a flexible and adaptive workforce that celebrates individuality, ensuring that each employee feels valued and empowered. To achieve this purpose, the new system overhauls the traditional fixed work schedules. The system has the following components.

- Use of remote working
- Reduction of actual hours worked (we aim for each employee to work less than 1,930 hours per year)
- Provision of special leave to promote new approach to life and work
- New employee welfare program that gives employees more disposable time and encourages them to invest more in wellbeing and learning

As people are living longer and leading longer working lives, we launched this program to ensure that our employees can continue to play an active role in society, enjoy a healthy body and mind, and have time for learning and personal growth.

### Paperless accounting

In July 2020, nine companies in our corporate group overhauled their expense management system. As part of this change, the companies went paperless for some of their accounting processes. The purpose of going paperless in accounting was not only to streamline the accounting processes; it was also done to encourage workplace flexibility. We will continue to embrace opportunities for promoting a more flexible workplace.

### Internal training course for understanding and using AI

From August to October, 2020, we ran an internal training course about understanding and using AI. The course was conducted in Tokyo and Osaka and attended by around 70 people. Led by an outside instructor, the course used a practical learning format to teach programming and mathematics skills for handling AI and machine learning. It also provided a chance to share ideas for applying AI in business processes. Attendees learned strategies for navigating the AI bubble and for accomplishing digital transformation\*.

\* Use of digital technology to transform business processes



Attendees listen to a lecture (Tokyo)

### Introducing CarriRo®, a delivery robot

On December 3, 2020, KOKUYO Logitem introduced CarriRo®, a robot that can pull or follow carts and move autonomously. As this was the first time such a robot had been used to deliver furniture to office buildings, KOKUYO Logitem worked with the supplier to fine tune the robot during transportation. We will continue to use digital and robotic technology to streamline operations at distribution sites.



CarriRo® unloading the furniture deliveries

## ■ Eye tracking analysis at warehouse

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KOKUYO Supply Logistics used eye tracking technology to boost the productivity and quality of the warehouse picking process at its integrated distribution center in Chubu. Patterns of visual attention were compared between experienced and novice warehouse staff in order to identify issues and find ways to improve productivity. The findings were incorporated into staff training and warehouse layout.

[Visit the website of KOKUYO Supply Logistics' integrated distribution center in Chubu](#)



A screenshot from the eye tracker. The red dot indicates point of gaze.

## ■ A program for awarding ideas for an empowered workplace

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A strategic priority in our second medium-term plan is to accelerate workplace flexibility and productivity. This task requires every employee to think independently and to take the initiative in boosting the efficacy and efficiency of the workplace. To help encourage the necessary changes, we launched a program that rewards ideas for workplace flexibility and productivity and another program that rewards good practices for the same. The 2020 award focused on ideas for new and better workstyles, an issue that was particularly topical that year, as the pandemic had led to sweeping changes in working patterns. It also introduced the “top pull prize” to honor leaders who helped their team achieve growth or improve their performance.

Employees contributed many ideas for turning the pandemic crisis into an opportunity. Each entry for the top pull prize emphasized the team members' gratitude toward the leader.

Senior managers presented the awards and commented on the ideas. Through schemes such as this, we aim to inculcate a new workplace culture that rewards employees for taking the initiative.

## Social

### Promotion of Diversity

#### Basic Concepts

KOKUYO aims to create a work environment where many positions and values are mutually recognized and where various work styles are permitted, thus making it possible for each and every employee to draw on his or her innate abilities. We have identified the following four basic themes related to diversity.

<p><b>Communicate the value of diversity</b></p> <ul style="list-style-type: none"> <li>■ Communicate the value of an employee-friendly workplace</li> <li>■ Communicate the value of an empowered workplace</li> </ul>	<p><b>Support work-life balance</b></p> <ul style="list-style-type: none"> <li>■ Create a workplace culture that supports work-life balance</li> <li>■ Build a motivated, productive workplace</li> </ul>
<p><b>Provide organizational support</b></p> <ul style="list-style-type: none"> <li>■ Establish organizational practices to support workplace flexibility</li> <li>■ Entrench these practices throughout the organization</li> </ul>	<p><b>Support diversity and inclusion</b></p> <ul style="list-style-type: none"> <li>■ Unlock the potential of all employees, regardless of their nationality, ethnicity, gender, age, creed, or academic background</li> <li>■ Empower women in the workplace</li> </ul>

#### Systems

##### Measures for supporting employees with family commitments\*

As part of our diversity efforts, we exceed regulatory requirements in helping employees balance work with commitments such as childbirth, parenting, or eldercare. In the table below, underlines indicate provisions that exceed regulatory requirements.

Maternity leave	Pregnant employees are entitled to a leave of absence for a period lasting from six weeks before the due date (14 weeks if a multiple pregnancy) to eight weeks after.
Spouse's leave	Employees whose spouse is pregnant are entitled to <u>two days leave</u> around the due date.
Parental leave	<u>Employees are entitled to a leave of absence to care for their children until the child's 2nd birthday (if the child's second birthday falls in April, until the end of that April).</u>
Sick child leave	Employees with children who are yet to enroll at elementary school are entitled to five days of leave a year or, if they have multiple applicable children, 10 days of leave a year (the leave can be taken on an hourly basis).
Eldercare leave	Employees are entitled to take, for each care dependent, up to three periods of leave <u>totaling no more than 183 days</u> .
Short eldercare leave	Employees are entitled to take, for each care dependent, five days of leave a year or, if they have multiple elderly dependents, 10 days of leave a year (the leave can be taken on an hourly basis).
Shorter hours	<ul style="list-style-type: none"> <li>• Childcare: <u>Employees with children are entitled to take shorter work schedules until the children complete grade 3 of elementary school.</u></li> </ul>

	<ul style="list-style-type: none"> <li>Eldercare: Employees with elderly dependents are entitled to take shorter work schedules for up to three years for each dependent.</li> </ul>
Work from home	We currently allow a mixture of home and office working.
Returnship	<u>We run a returnship program to help reintegrate into the workplace people who resigned because of marriage, childbirth, childcare, eldercare, spouse relocation, overseas study, charity work, a career change, or other valid reasons.</u>

\* These measures apply in KOKUYO and its major subsidiaries (as a rule, flexitime is available for all employees without any predefined core time).

[\\* View data on childcare and eldercare leave uptake](#)

## Employing people with disabilities

KOKUYO has been an active employer of people with disabilities ever since 1940. In that year, KOKUYO started recruiting students from a school for the deaf in Osaka (now known as Chuo School for the Deaf). The students were employed in the company's factory in Imazato, which stood on the site of what is now our Head Office.

A turning point in our policy for employing people with disabilities came in 2002, when we unveiled a program of structural reform. This reform program involved spinning off our business units into new companies. A question we then faced was how to provide jobs in the new group companies for people with disabilities. In September 2003, we founded KOKUYO K Heart as a "special subsidiary" (meaning a disability-friendly employer that is counted as part of the parent company). In December 2006, we founded Heartland, a subsidiary devoted to employing people with mental disabilities. As of June 1, 2020, people with disabilities make up 2.3% of the group's workforce. As part of our effort to promote diversity and inclusion, we have launched an organization-wide project to encourage employees to overcome their differences, accept one another, and unite around the common goal of sustained growth. This project involves an organization-wide effort to give employees with disabilities (members of KOKUYO K Heart) opportunities to participate in workflows.

[\\* View data on employment of people with disabilities](#)

## Participating in the Iku-boss Corporation Alliance

KOKUYO has been member of the Iku-boss Corporate Alliance (Sponsored by Fathering Japan) ever since the program began in December 2014.

This alliance advocates for "iku-bosses"—business leaders who encourage employees to actively participate in family life. This project requires a change of attitudes in management. Recognizing that employees have much of their time taken up by the demands of childcare, eldercare, and dealing with sickness, managers must provide an understanding and supportive environment so that employees can balance family and work commitments and perform at their best level. This alliance puts us in touch with other companies that share the same commitment to achieving work-life balance for all employees.

Together with these companies, we discuss ideas about the modern leadership qualities that define an "iku-boss" and how our organizations can foster such leadership. Our aim is to gain insights for improving our own approach to diversity management and reforming workplace culture, as well as for improving the workplace solutions we offer customers.





## Initiatives in 2020



### KOKUYO Logitem: Smaller teams

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In fiscal 2020, KOKUYO Logitem, as part of its vision for 2030, introduced a small-team approach to encourage a new workplace culture that motivates and empowers employees.

The smaller teams contain a mix of members from across the organization, spanning organizational functions, hierarchical layers, age, career track, gender, and place of work. Each team has a flat structure, as opposed to a hierarchical structure, to encourage the diverse members to actively engage in the team's project, which might concern future working patterns, diversity, or the introduction of digital technology.

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## Social

# Human Resources Management

### Basic Concepts

For KOKUYO to be a leading contributor to sustainability, our employees must never stop striving to create new and better value for the shifting needs of our customers and society at large. Accordingly, we shall embrace diversity and inclusion, tap into employees' creativity, and keep employees engaged and challenged at work, so that our employees grow as the company grows.

### Systems

#### Creating a cyclical process of employee growth and business growth

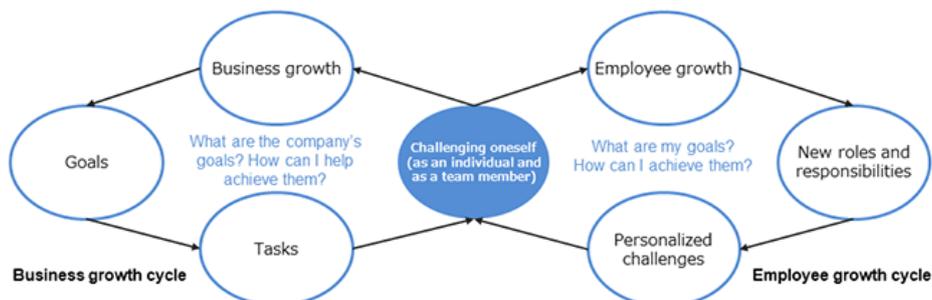
In fiscal 2018, we launched a new employee reward system. Line managers (kikanshoku) receive rank-based pay, which reflects the person's roles and responsibilities, with no regard to their age or experience. Non-managerial (unionized) staff receive skill-based pay reflecting the person's knowledge, skills, or training. This new system delineates organizational functions and roles according to the company's strategy, ensuring that the right person is matched to the right job. It also encourages dialogue between managers and employees concerning the company's goals and how the employee can help achieve them. Attainment of these goals (measured on an absolute scale) is taken into account in employee evaluations in order to achieve a more differentiated approach to evaluation and treatment.

Our second three-year (FY2019–2021) strategy (Smart & Sustainable Transformation 2021) sets out a policy to make the new system more effective in practice and to link employees' development with our success as an organization—which means matching the right talent to the right roles and giving opportunities for professional growth, so as to accelerate business growth over the three-year period. In fact, we are increasingly promoting based on merit, not seniority. In a growing number of cases, employees are promoted to line manager in their early 30s, to middle manager (department manager) in their late 30s, and to an executive position in their 40s.

As we move ahead with our long-term vision, CCC 30, which we unveiled in February 2021, we will step up efforts to cultivate the entrepreneurial talent necessary to generate and nurture new businesses and address societal challenges.

#### The cyclical process of employee growth and business growth

Using challenges through the work of teams and individuals, KOKUYO advances initiatives aiming at spiraling up while solving business issues and facilitating individual growth.



## Talent development

The new employee reward system is linked to a matrix that identifies actions for line managers and non-managerial staff that will benefit their own growth and that of the organization. The actions vary depending on the person's growth stage, and they are grouped into three dimensions: skills development, goal setting / goal evaluation, and deployment.

	Non-managerial staff	Managerial staff	
Growth stage	Challenges him/herself at work and engages with others to contribute toward business success	Demonstrates inspirational leadership and motivates others toward business success, opening up new future possibilities	
	Skills development	Goal setting, goal evaluation	Deployment
Aim	Using the skill-will matrix, help employee expand his/her limits and work toward business growth in the medium to long term	Clarify roles through dialogue and measure attainment (on an absolute scale) to encourage engagement	Create opportunities for employee to challenge him/herself by assigning him/her work that best-matching overall in line with business strategy
Actions	<ul style="list-style-type: none"> <li>• <u>Hone leadership skills</u></li> <li>• <u>Hone core skills</u> Focus on three C's of leadership, engaging others, trial and error</li> <li>• <u>Hone job-specific skills</u></li> <li>• <u>Support employee autonomy</u> Tutoring, follow-ups</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Cascade goals</u> Use manager-employee dialogues to clarify the company's goals and how the employee can help achieve them</li> <li>• <u>Expand limits</u> Clarify what areas the employee should improve and how</li> <li>• <u>Measure attainment on an absolute scale</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Assign work that matches the employee's talent</u> Use HR meetings, meetings about changing job grade</li> <li>• <u>Career challenge</u> Give employee opportunity to declare career objective, provide career counseling</li> <li>• <u>20% challenge (internal moonlighting)</u></li> <li>• <u>Cross-organizational projects</u></li> </ul>

## Career Center: Encouraging employees to take on new challenges

In 2018, we opened the Career Center to facilitate our goal of linking employee growth with business success and empowering employees to challenge themselves and expand their limits. The Career Center offers employees one-on-one careers counseling with a professional careers adviser. During the counseling, employees use a tool called Career Challenge to communicate the challenges they feel they could take on, or the skills they feel they could improve, in connection with the organization's three-year strategy. Such one-on-one dialogues help clarify each employee's intentions for their professional development, giving managers a better idea of what work to assign them. In turn, the employees feel all the more motivated and empowered.

### Initiatives in 2020

#### Finding new challenges at work

##### 20% Challenge: Internal moonlighting

To promote an empowered workplace in which employees actively pursue opportunities for professional development, we launched 20% Challenge, a program of internal moonlighting in which participants spend 20% of their working time engaging in a job for another organizational division. Organizational divisions issue recruitment notices for a certain jobs ("challenges"), employees apply for them, and the head of the division in question works with the HR team to find the right candidate. The program runs for three to 12 months, and participants' achievements and efforts count toward their individual personnel evaluation. In the first year, 57 employees participated. These participants stepped across organizational boundaries to engage in challenges such as market research for overseas businesses, strategy support, R&Ding solutions for digital learning, and raising employees' eco-awareness. The idea is that employees, by dividing their time 80–20 between their normal work and the new assignment, will raise workplace productivity without compromising their normal work. The program is helping us to visualize workplace activity and identify aspects to rectify or recalibrate through dialogues between the employees concerned and their managers and HR.

Organizational function recruiting Domain / Division	Challenge	Challenge members Domain / Division
Corporate / New Business Development	Planning and prototyping services for digitized learning	-Global Stationery / Marketing -Global Stationery / Sales
Corporate / Overseas Business Strategy	Support business strategy in overseas location	-Spatial Value / Sales
Spatial Value / Marketing	Planning and holding an online fair using digital technology	-Spatial Value / Sales -Corporate / Overseas Business Strategy
Global Stationery / Marketing	Planning and editing online content (KOKUYO Magazine)	-Spatial Value / Consulting -Global Stationery / Marketing
Global Stationery / Marketing	Planning and drafting work tools for supporting work during the pandemic	-Spatial Value / Spatial Design -Global Stationery / Production and Procurement -Global Stationery / Marketing
Business Supplies / Merchandising	Planning products for Kamei Premium (Kareit's store brand)	-Spatial Value / Product Development
Corporate / PR	Planning and running a form of casual communication that uses audiovisual media to connect management with the workplace	-Spatial Value / Sales -Corporate / HR -Corporate / Business Development



Examples of internal moonlighting (“challenges”)

Challenge number 4 into effect.

Challenge number 7

### KOKUYO Marketing University: A training program for young employees

To ensure that our organization always offer a unique value proposition, we launched the KOKUYO Marketing University, a practical training program for young employees (employees who have been in the workforce for three to 12 years). The program gives attendees a basic grounding in product planning and development. It also educates them in customer-based marketing as used in the venture capital industry. After they have learned techniques for marketing strategy, attendees start applying this knowledge in a project to create a new concept for a KOKUYO product. Under the guidance of external marketing professionals, they spend around half a year perfecting the product idea and then present it to the management. The program started in 2017 and more than 100 young employees have attended. Now over four years’ old, the program continues to provide a starting point for employee development and action. For example, attendees can enhance their learning by making use of the program’s mentorship system, in which they receive support from graduates of the program. Additionally, attending the program leads to positive changes in workplace outputs and encourages the employees to accept an offer of redeployment and the fresh challenges it brings.



Final presentations delivered by employees who joined the program on its fourth year



Group photo at final presentation session for employees who joined the program on its third year

### KOKUYO Marketing Graduate School: A training program for managers

To ensure that our organization can adapt to the changes 10 years ahead, we need leaders who are forward-thinking and proactive. Rather than succumbing to complacency and inertia, such leaders analyze future scenarios objectively and proactively develop new strategies to meet the challenges ahead. To cultivate such leaders, we launched KOKUYO Marketing Graduate School, a program designed to equip managers in their 30s or 40s with strategic planning skills and the ability to lead the daily value creation process. During the program, attendees are presented with 10-year business themes determined by the management. Under the guidance of external marketing professionals, they spend around nine months engaging in team work to perfect their strategy and then present it to the management. Started in 2019, the program was conducted online in 2020. Around 50 people attend. Of the strategies presented, two have now been incorporated into commercialization planning phase, and two have been incorporated into the R&D process.



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## ■ Social

# Employee communication

### Basic Concepts

We use a variety of means to promote effective communication between employees. For example, we use the intranet for announcements and organize informational events in the workplace.

### Systems

#### Employee satisfaction survey

We conduct an annual employee satisfaction survey with a view to providing an employee-friendly workplace. Based on the responses, we interview employees to identify their concerns and provide guidance to help them resolve issues themselves. For example, we use instructional videos showing examples of how other employees resolved similar issues.

Besides the annual survey, we conduct a monthly pulse survey to get a “pulse check” on the state of the team and resolve issues through dialogue.

### Initiatives in 2020

#### TeleCross!!!: Building an employee network

Some offices run “Cross!!!”—a get-together event based on a learning activity or hobby. In April 2020, we started an online version of the event called “TeleCross!!!” Amid the pandemic-driven shift to remote working, this virtual meetup has helped ease employees concerns and raised their morale; and because the event was online, remote workers could participate.



Employees participating in TeleCross!!!

#### First online version of employee welcome event

The pandemic forced us to cancel many employee events, and many of the new hires had to continue training at home. To build communication and rapport and ease anxieties under these circumstances, we held an online welcome event. This online event was designed to go beyond the limits of an offline welcome event. For example, it included ice-breaker activities suited to remote participation at home. The event offered many new ideas for facilitating communication amid the pandemic.



An ice-breaker activity: Participants share pictures that they drew based on a given topic

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## ■ Social

# Employees' Safety

### Basic Concepts

KOKUYO believes that creation of a safe, secure and pleasant working environment, safety measures in times of disaster and other measures are the foundations for employees to work vigorously and demonstrate their full abilities. In developing measures for employee safety, we listen to the ideas and feedback of the employees themselves.

### KOKUYO Group Safety and Health Basic Policy

#### [Basic Policy]

We take a safety-first approach on the belief that mental and physical wellness lies at the cornerstone of all our business.

#### [Code of conduct]

1. Comply with all health and safety-related laws (e.g., the Industrial Safety and Health Act), regulations, and internal standards.
2. Encourage continuous and self-led improvement in the workplace and take active steps to prevent workplace injuries and illnesses.
3. Foster a culture of openness and engagement to protect the health and safety of everyone involved in KOKUYO Group's businesses.

### Systems

#### Health and safety Conferences in production and construction sites

During Japan's National Safety Week\* (first week of July), we organize health-and-safety conferences to enhance safety-consciousness across the corporate group.

For the 2020 event, anti-infection measures were taken.

\* Run by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety & Health Association, National Safety Week is a campaign that calls upon employers to take voluntary actions to prevent workplace injuries. It also aims to raise awareness about health and safety and entrench workplace safety.

#### Construction: KOKUYO Group Construction safety conferences

The KOKUYO Committee for Promoting Safety and Health in Construction organizes safety conferences in seven venues across Japan on the belief that safety for employees and partners is critical to business success. In a first, the conferences in 2020 were webcasted. At the conferences, the committee reported its activities and awarded prizes to construction partners.

#### Factories: KOKUYO Group Health-and-safety conferences and safety patrols in Japanese production sites

We organize health-and-safety conferences and safety patrols for five factories and seven worksites in Japan. For the 2020 conferences, care was taken to avoid the three C's (closed spaces, crowded places, and close-contact settings). As in past years, presenters showed data about industrial accidents and explained our health and safety policies, and the attendees engaged in a safety workshop.

To foster a good safety culture in the workplace, we will continue to provide, throughout the group, an opportunity once every year to pause and reflect on safety matters.

#### Development: Safety conferences and safety patrols in development

For employees involved in development, we hold a safety conference at Head Office and run safety patrols. The conference

includes workshops on the development of KOKUYO products and on quality testing. The 2020 conference was held online to avoid the three C's. The conference is designed to raise attendees' awareness about the prevention of industrial accidents, an essential matter given that the employees concerned handle machinery and a plethora of chemicals. Holding the event online resulted in a higher number of attendees compared to past years, as it was possible for remote workers and staff at the Shinagawa office to attend online.

## ■ Initiatives in 2020

### ■ Group-wide factory conferences in 2020

From August to October, the KOKUYO Group Central Safety Health Committee held factory conferences with forepersons and safety managers assigned to group sites in Japan and abroad. The conferences were held to exchange views on the health and safety matters pertaining to each company and the matters to be addressed in the future. Candid views were exchanged between participants from different professional backgrounds in order to entrench health and safety in factories across the group.

Guided by the principle that safety for employees and partners is critical to business success, we will continue to hold such conferences to promote the health and safety of employees and foster a motivated, empowered workplace culture.

### ■ Coronavirus taskforce, anti-infection measures in offices

In late January 2020, we set up a taskforce to respond to the emerging threat of the coronavirus. After the outbreak became a pandemic and Japan declared its first state of emergency, we worked to ease the concerns of employees, whose work patterns were diversifying. We then took measures to prevent infections. Aside from providing hand sanitizers, we introduced our own system for tracking employees in free-address offices. Specifically, each workspace is assigned a code number, and employees who use the space input the code number into the system. Other anti-infection measures included using Campus notebook-style paper as desk mats and reducing shared workspaces.



Restricted seating for conference tables  
—tables used for solo work

### ■ KOKUYO Logitem's initiatives

#### Using videoconferencing for risk prediction training

KOKUYO Logitem holds safety conferences with partners during the one-month lead-up to National Safety Week. The conferences in 2020 were held online to avoid the three C's. During National Safety Week, the company awarded prizes for safety mottos and ran a webinar on risk prevention.



Risk prevention training webinar

**In a first for the distribution industry, KOKUYO Logitem introduced communication device Bonx Grip**

In a first for the distribution industry, KOKUYO Logitem equipped its warehouse workers with Bonx Grip\* communication devices in order to enable smoother communication and better safety during work operations. Bonx Grip consists of an earpiece and app that allows the user to communicate verbally with other users. We will continue efforts to make operations at distribution centers and delivery sites safer, more accurate, and more efficient. We will also continue to introduce new communication methods to enhance the quality and value of our products and services.

\* With support for 3G, 4G, and WiFi, Bonx Grip enables hands-free communication with multiple users. Unlike conventional transmitters and receivers, there are no limitations on place or number of users.



With Bonx Grip, the user can communicate smoothly with the office while operating a forklift truck.

**KOKUYO Logitem Okayama Distribution Center: 9,000 consecutive days without an accident**

On June 13, 2020, KOKUYO Logitem Okayama Distribution Center reached its 9,000th consecutive day with no accident on the premises. To mark the milestone, the center held a ceremony on July 28, during which attendees looked back on the safety efforts of staff and partners over the 32 years of no accidents. The center will continue to promote safety consciousness and safety behavior to extend its clean sheet.



A standup meeting at KOKUYO Logitem's Okayama Distribution Center—members repeat the company's vision to maintain a clean sheet in safety

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## ■ Social

# Employees' Health

### ■ Basic Concepts

The KOKUYO Group is promoting safe, secure, and pleasant working environments as they are vital to smooth business operations while encouraging active exchange of opinions with the field site.

### ■ KOKUYO Health and Productivity Management Declaration

KOKUYO believes that to secure sustainable corporate growth, it is important to have environments and systems which allow employees to apply themselves safely and healthily in mind and body. Therefore, we undertake initiatives to maintain and promote the health of our employees. We promote health and productivity management together with employees, labor unions, and health insurance associations to create products and services that apply the creativity of each and every employee who are healthy in mind and body. This is so as to contribute toward society's vigor as well as healthy work and study, and to meet the expectations of our stakeholders.

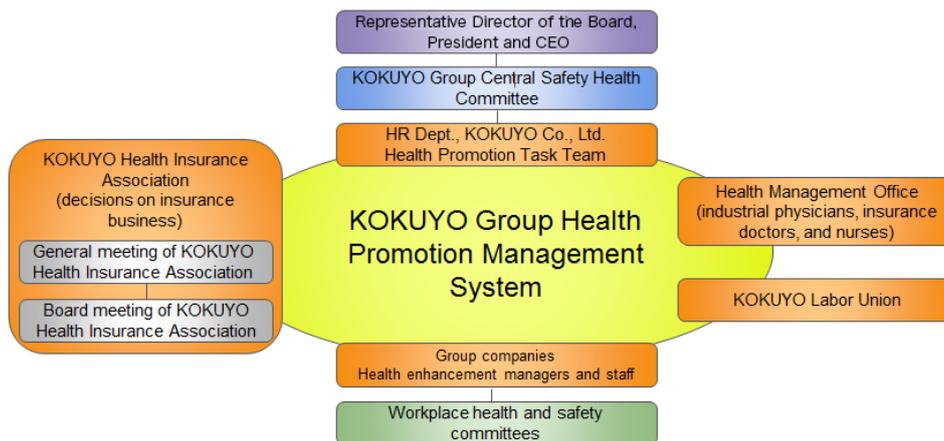
### ■ Systems

#### ■ Priority tasks

- Continuously improve the workplace to support the physical and mental wellbeing of employees.
- Provide health checks and follow-ups and offer a range of medical options to maintain employees' health or prevent deterioration.
- Analyze the results of stress checks and other employee surveys to identify how to enhance organizational support and promote employees' mental health and engagement.
- Provide employees with information and education to promote self-care.
- Facilitate flexible work arrangements—allow remote working, reduce overtime, encourage uptake of annual leave, support employees with caring commitments, and help employees balance work with family obligations.

### ■ Health Promotion Management System

To promote health and productivity management, KOKUYO has in place a health promotion management system for the entire Group based on the KOKUYO Group Occupational Safety and Health Basic Policy by the KOKUYO Group Central Safety Health Committee. Health enhancement managers and staff are appointed in each Group company, and initiatives to improve health within the entire Group are undertaken as one by human resource departments, labor unions, health insurance associations, and health management staff.



[View data on health-promotion performance here](#)

## Initiatives in 2020

### Recognition as employee-friendly company

On March 2, 2020, KOKUYO and Kaunet became two of the 500 whitelisted companies in an award program run by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, earning the official designation “2020 Certified Health & Productivity Management Outstanding Organization (White 500).” On the same date, KOKUYO Marketing earned a separate accolade under the same program (“Health and productivity Management Outstanding Organization”). The program (officially translated as “2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program”) gives recognition to companies that make exemplary efforts toward a healthy and productive workplace. We will continue such efforts in line with the KOKUYO Health and Productivity Management Declaration released in October 2019.



### Employee health goals, 2020 results

In 2013, we set concrete goals for promoting health behaviors that help prevent lifestyle diseases. Since then, our internal health insurance associations have worked with the health management office on actions to meet these goals. The health-promotion activities include tracking employees’ daily steps and weight, organizing fun walking campaigns, and running diet seminars in partnership with public health centers. We also encourage our employees to undergo regular screening for colorectal cancer and breast cancer. To that end, we have installed a mammography unit on the premises. Additionally, we worked to increase the range of health-check options, giving employees more opportunities to go and get a health check. For example, comprehensive medical checkups (called “ningen dock”) are available for employees who want them. In 2020, we had to suspend some services because of the pandemic, but we still worked to promote health consciousness by running an online survey on health behaviors and an e-learning course.

### An example of health targets (specific health tasks)

	2019 result	2020 result	2021 target
Rate of employees with BMI > 25	24%	25%	22%
Smoking prevalence (from health-check data)	31%	23%	21%
Rate of colorectal cancer screening	40%	92%	95%
Rate of cancer screening, gynecologic screening	20%	35%	43%

Scope: KOKUYO, Kaunet, KOKUYO Marketing, KOKUYO Logitem, KOKUYO Supply Logistics

## KOKUYO Health Action

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### **Fitness challenges that earn rewards**

In 2020, we launched Play Work Mileage, a program that tracks and rewards fitness efforts. Employees earn miles by completing or gaining progress in health goals.

#### **Walking Challenge**

Walking Challenge is a health-promotion program in which employees earn monthly points according to their average number of steps. The program includes fun features. For example, employees can set their own virtual walking course and track their rankings on a leaderboard.

#### **Lifestyle Challenge**

In Lifestyle Challenge, employees record their health behaviors to track the healthiness of their lifestyle. There are nine courses and a total of 50 items, including diet, exercise, sleep, quitting smoking, dental and optical health, and physical and mental refreshment. Employees earn points regardless of whether they achieved the goal in question.

### **A smoking awareness campaign in the context of the indoor smoking ban, World No Tobacco Day, and Covid-19**

Data from Japan Tobacco's annual Japan Smoking Rate Survey indicates a high rate of smoking among male employees in our corporate group. On April 11, 2020, Japan banned indoor smoking with some exceptions. In conjunction with the ban, we stepped up efforts to raise employees' awareness of the risks of smoking, emphasizing that the pandemic has heightened the risks. For example, we now warn employees that smokers are more likely to contract flu, cold, and pneumonia, and that smoking while working at home will expose other occupants to the risks associated with secondhand smoke.

### **Caring for health when working at home**

The pandemic has increased the amount of work performed outside the traditional office. We provide information on how to create a healthy remote workspace, such as stretching techniques for relieving physical and mental fatigue and healthy configurations for tables, chairs, and other furniture. As well as specific guidance (such as the best screen height and angle to prevent eye strain or neck and shoulder pain), a list of health-related contacts is provided.

## Health insurance association, increased subsidy for breast cancer screening

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Across the group, rates of screening for breast cancer and cervical cancer are low. Accordingly, in April 2020, our health insurance association raised the subsidy for breast cancer screening from 5,000 to 10,000 yen. Women's cancers develop in young adults, and breast cancer is the most commonly diagnosed of these cancers in Japan. We will continue our efforts to help prevent or detect cancer and promote cancer awareness.

## Mental health action

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Along with the mandatory stress checks, we conduct an employee survey that measures employee satisfaction and compliance.

To promote a culture of self-care in which employees feel comfortable asking for help, we have introduced the Employee Assistance Program, an externally run program that encourages employees to recognize the warning signs and symptoms of stress and to seek preventive health services at an early stage.

Based on the results of employee surveys, we have taken steps to improve the workplace (to foster a culture of openness around mental health). Results for organizational divisions are color coded red, yellow, and green, with red indicating that the division in question requires priority intervention. Interventions include on-site discussions, workshops, and they are aimed at improving communication in connection with mental health. Through such measures, we aim to decrease the number of red divisions.

	2019 result	2020 result	2021 target
Percentage of divisions that are red	11.9%	12.1	10%

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## ■ Social

### With Business Partners

#### ■ Business Concepts

The KOKUYO Group creates new value with our business partners to pursue customer satisfaction. In addition, we formulated the KOKUYO Group Procurement Policy to build relationships of trust with business partners and grow mutually. Furthermore, based on this KOKUYO Group Procurement Policy, we prepared the KOKUYO Group Procurement Guidelines as matters that we hope to achieve together with our suppliers.

#### ■ Systems

#### ■ KOKUYO Group Procurement Policy and Guidelines

As corporate activities are becoming more globalized, KOKUYO Group is well aware that managing its own company and subsidiary companies is insufficient for fulfilling the scope of social responsibility. In 2013, KOKUYO therefore invited 32 principal subcontractors, gave an account of the procurement policy and implemented a self-examination questionnaire for feedback to the subcontractors. In 2014, we sent the basic procurement policy and guidelines to nearly 400 suppliers. We will strive to further build relationships of trust through these activities.

#### KOKUYO Group Procurement Policy

We shall communicate to suppliers our founding vision (to enrich the world through our products and services), build trust with suppliers, and work with suppliers to fulfill our corporate social responsibility.

- **Quality and safety standards**

To continue to win the trust of customers, we shall aim for the optimum in quality and safety in view of the attributes of the source country or region.

- **Mutual growth**

We shall observe local regulations and social norms, deal with suppliers fairly, and build trust relationships that emphasize integrity and mutual growth.

- **Respect for human rights**

The Group understands the culture and business customs of various countries and regions and aims for a society where the rights of all people are respected.

- **Environmental action, coexisting with society**

We shall co-exist with society as an upstanding corporate citizen by engaging in international environmental efforts and playing an active role in the local community.

## 1. Pursuing Quality and Safety

The Group strives to maintain its position as the first choice of its customers, while responding to the special needs of various countries and regions as well as pursuing the highest standards of quality and safety.

- 1-1. Customer Satisfaction  
To increase customer satisfaction, the Group works to grasp the needs of its customers accurately as it strives to develop and offer products and services that are superior in quality and safety.
- 1-2. Responding to Customers  
The Group takes the customers' perspective and responds promptly and sincerely to customer requests and complaints, while also endeavoring to improve quality and prevent future issues related to customer satisfaction.
- 1-3. Product Supply  
The Group strictly observes delivery schedules and ensures product supply by maintaining appropriate levels of inventories and structuring effective logistics systems.
- 1-4. Managing Disaster and Other Risks  
The Group creates risk management systems during normal times and is able to provide stable supplies of products to its customers.
- 1-5. Fair Pricing  
The Group provides products at competitive prices through activities to maintain product supply and ongoing cost-cutting efforts.

## 2. Mutual Development

The Group respects and observes the regulations as well as social norms of various countries and regions while also conducting fair and transparent transactions, as it works to structure sincere relationships of mutual trust and achieve mutual development.

- 2-1. Promoting Compliance Best Practices  
The Group strictly observes the laws, social norms, and corporate ethics of various countries and regions and strives to keep its employees informed about compliance matters.
- 2-2. Fair and Transparent Transactions  
The Group respects fair, transparent, and free competition and conducts its transactions accordingly. The Group prohibits behavior by its employees that takes advantage of the Group's position as purchaser of goods and services, including such behavior as making requests for monetary compensation or other special treatment.
- 2-3. Prohibition of Transactions and Other Relationships with Antisocial Forces  
The Group takes a resolute attitude toward antisocial groups and other forces that are a threat to order in society and to safety, and, therefore, rejects all unreasonable requests from such elements. In addition, the Group does not engage in transactions with or have other relationships with such antisocial groups.
- 2-4. Protection of Intellectual Property Rights  
The Group takes measures to protect and prevent unauthorized use of intellectual property.
- 2-5. Prohibition of Conflicts of Interest  
The Group prohibits its management and staff from taking advantage of their positions to obtain personal gain or engage in behavior that is contrary to the interests of Group companies.
- 2-6. Management of Confidential Information  
The Group appropriately manages confidential information related to sales, technology, management, and other issues as well as personal information and strives to prevent the loss or leakage of information.
- 2-7. Information Disclosure and Dissemination  
The Group properly discloses information on its business activities, the quality of its products, safety, and other matters. In accord with stakeholder requests, the Group provides information on its products and gathers and disseminates environment-related information, including information on harmful chemical substances that may be contained in its products.
- 2-8. Prohibition of Insider Transactions  
The Group forbids trading in, and encouraging the trading in, the shares of Group companies and associated companies based on undisclosed, material insider information.

## 3. Respect for Human Rights

The Group understands the culture and business customs of various countries and regions and aims for a society where the rights of all people are respected.

- 3-1. Prohibition of Child and Forced Labor  
The Group does not permit unfair discrimination or child and forced labor. Moreover, the Group does not conduct transactions with companies, groups, or other entities that engage in such practices.
- 3-2. Prohibition of Sexual and Power Harassment  
The Group does not allow sexual harassment, power harassment, bullying, or other such violations of human rights.
- 3-3. Promotion of Occupational Health and Safety  
The Group considers the safety and health of its employees and seeks to create comfortable working conditions.
- 3-4. Human Resource Training  
The Group actively trains its employees to work effectively when they are assigned to posts in foreign countries.

## 4. Environmental Protection and Symbiosis with Local Communities

The Group takes environmental protection initiatives on a global scale, and, by actively participating in the life of the community and acting as a good corporate citizen, seeks to create mutually beneficial relationships with society.

- 4-1. Promotion of Environmental Protection Activities  
The Group respects and observes environment-related laws, and, in all its activities, takes initiatives to protect the environment. Moreover, the Group conducts activities that give consideration to the natural environment and biodiversity.
- 4-2. Understanding and Reducing the Impact on the Environment and Observing Green Procurement Practices  
In its business activities, the Group understands the impact that its operations have on the environment, and, by improving its facilities and reconsidering the materials it uses, the Group works to reduce the burden of its operations on the natural environment. As part of these activities, the Group also observes green procurement practices.
- 4-3. Contributing to Society  
The Group participates actively in providing support for social, educational, and cultural activities as well as in promoting exchange with local communities, including offering assistance for beautification projects, volunteer work, and other activities.

## Initiatives in 2020

### ACW award livestreamed to eight offices—Online for audience participation

On November 6, 2020, we livestreamed a ceremony (“Breakthrough Live!”) to award the efforts of our retailers in Japan who are members of Action to Change Workstyle (ACW\*). ACW awards are held every year, but the 2020 ceremony was held online because of the pandemic. The online ceremony connected eight offices across Japan, and over 1,000 ACW members participated. For the event, we prepared a program of audience participation in which participants will have fun and learn everyday strategies for breaking through obstacles and winning their sales pitch. Exploiting the online format, we made the award ceremony even more enjoyable and memorable than in past years. We will continue to devise interesting ideas for fostering engagement in ACW.

\* Action to Change Workstyle is a program that supports bottom-up approaches for workstyle reform in partnership with retailers in Japan who endorse the program.



### Furniture: Online conferences with production plants

In the furniture business, we hold biannual conferences with the management of our critical furniture production plants.

In 2020, both conferences (in August and December) were held online because of the pandemic. During these videoconferences, there was a virtual tour of our Shibayama plant, a review of the peak demand season, and a briefing on sales forecasts. During the December conference, there was a review of the fiscal period and briefings on strategy for the upcoming peak season and market trends. Besides the above, we commended and thanked suppliers who exemplified best practices, listened to presentations from the suppliers about cooperative strategies for mutual growth, and confirmed the suppliers’ commitment to leveling up across the whole of the furniture business. In November, we held a workshop on market trends and marketing strategies for mid-ranking design and development staff employed by our suppliers. The participants delivered presentations about market trend analysis and design concepts related to the manufacturing of our products.



### Stationery: On-site supplier audits

In the stationery business, we conduct on-site supplier audits to confirm the reliability of the environmental labeling of products (including the environmental information provided in product catalogues).

In 2020, the pandemic imposed limitations on the on-site audits. However, we still managed to check suppliers’ compliance with new rules that were introduced in 2019.

To confirm that our suppliers are meeting the environmental standards stipulated in the Act on Promoting Green Procurement, we perform on-site audits in accordance with our auditing procedures. During the audits, we check whether the supplier uses the required percentage of old paper or recycled resin in the product, whether it has introduced into the production flow materials of the required standard, and whether the materials it uses are legally sound. We will continue

efforts to ensure the reliability of environmental labeling by working with suppliers to find the best ways of meeting environmental standards and by sharing examples of corrective actions that enhanced the reliability of manufacturing management. To improve customer confidence in our products, we will routinely share our strategies and policies with suppliers and distributors with a view to building trust relationships that are mutually beneficial over the long term.

## ■ Spatial design: KOKUYO Construction Subcontractors Conference

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In October 2019, we started holding the KOKUYO Construction Subcontractors Conference with a view to developing our spatial design businesses. This conference plays a core role in coordinating efforts with our partners in the construction sector. In January 2020, we released a periodical, Future Value: Co-Creation, as a tool for communicating with the partners. The publication includes reports about executive conferences at Head Office, reports about action plans, and case studies of companies that set records in consecutive no-accident days. As used in the title, “co-creation” expresses our desire to work collaboratively with partners to generate innovative ideas and achieve mutually beneficial outcomes. We will continue these collaborative efforts to enhance the value we offer customers and develop our spatial design businesses.



The logo of the KOKUYO Construction Companies Conference

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## Social

# Providing Peace of Mind and Safety to Customers

### Basic Concepts

KOKUYO always develops new products and services from the perspectives of customers, and, without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.

### Systems

**Attainment of ISO 9001 (Quality Management System) Certification by All Companies**  
 As of June 2019, all companies in our corporate group have attained ISO 9001:2015 (which specifies requirements for a quality management system) and we have standardized the manufacturing (“craftsmanship process”) for our three main kinds of business: office furniture, stationery, and Kaunet’s office supplies. Our quality management systems, as well as complying with the requirements specified in ISO 9001:2015, are continually improved. In other words, we continually look for ways to make our workforce more quality consciousness and to improve customer satisfaction, believing that quality goes hand in hand with sustained business growth.



### KOKUYO Quality Pledge

We shall continually aim to delight and win the trust of customers by providing products and services that help people work, play, and learn better.

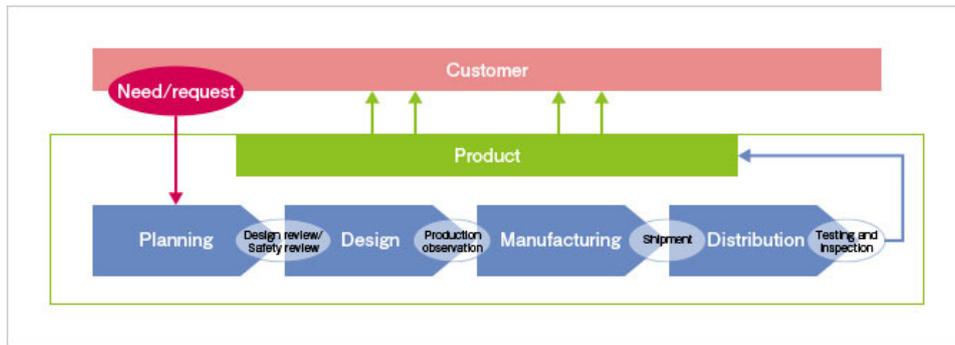
1. We shall endeavor to develop products that exceed customer expectations in every way
2. We shall endeavor to ensure product safety and to raise the bar on product quality
3. We shall comply with legal requirements and fulfill our corporate social responsibility
4. We shall listen to customers and incorporate their feedback into the development cycle
5. We shall update our management system in response to changes in the business landscape

January 1, 2019  
 Hidekuni Kuroda  
 President and CEO

\* For stationery, standardization covers only KOKUYO-brand products. For office supplies (made by Kaunet), it covers only Kaunet-brand products.

### Quality assurance for stationery

In order to deliver quality that our customers can trust, we have taken steps to systematically build, operate and improve our systems for quality assurance, covering planning, design, manufacturing, and distribution.



### 1) Continually improving quality assurance

To ensure that customers can use our products safely and securely, we continually improve our system for quality assurance by updating the key processes (design review, safety review, production observation, chemical safety management, legal compliance). We also perform risk assessments to identify and mitigate potential risks.

### 2) Inspection and testing based on international standards

When testing and inspecting products, we apply international standards. We evaluate testing and inspection processes with a view to improving the country-specific standards. Additionally, we endeavor to do more to catch defects before the product is sold to customers.

### 3) Responding to customer complaints quicker and more accurately

It is not enough for a product to be objectively safe; the customer must feel reassured that it is so. This is especially true in today's world, where people have a plethora of information at their fingertips. Accordingly, we need to respond all the quicker and all the more accurately to customer complaints. To that end, we have established clear and standardized protocols, tools, and criteria for responding to such incidents. Such standardization streamlines the response process and minimizes inconsistencies in responses.

### 4) Testing for quality, testing for value

We have always performed thorough quality evaluations when updating products or releasing new ones, and we recently introduced robotics to enhance the reproducibility and accuracy of the testing. For a product to satisfy customers, it must not only be reasonably priced and reliable; it must also have a wow-factor. We have started quantifying the extent to which a product has this.



Robotics technology for quality testing

## Quality assurance for furniture

Our furniture businesses attained ISO 9001 certification in 1997. Since then, we have standardized the marketing, planning, design, production, and installation processes for furniture. We use a PDCA cycle to ensure that we always provide products and services that are tailored to the changing ways in which people work, study, and live. We continually strive to improve our manufacturing, delivery, and installation. We listen to feedback from customers and use this feedback to inform and guide our continual-improvement activities.

### 1) Setting high standards for craftsmanship

When developing a product, we assess safety and functionality using a variety of metrics. As well as measuring the product against the Japanese Industrial Standards and other industry standards, we measure it against our own standards, which are even higher and which we update annually.

### 2) Dealing with defects

When a customer finds a defect in one of our products, we inform the relevant personnel without delay. As well as investigating the cause for the defect, we make the necessary improvements in the product or manufacturing process to

prevent a similar defect.

If there is a serious safety issue, the Risk Compliance Committee will determine the response. To limit the damage, we will notify the relevant authorities and issue notices on our website and in newspapers and other media to alert consumers.

### 3) Public notices concerning safety or quality issues

We use our website to alert consumers about safety or quality issues with our products.



KOKUYO corporate site  
["Public notices on our website"](#)

## Quality assurance for Kaunet's products

Kaunet has a huge lineup that includes stationery, office supplies, food and drink, home appliances, gifts, medical equipment, shop equipment, order-made business cards and seals/stamps, and office furniture. The business has around a thousand suppliers. It also has its own premium brand, Kaukore, which emphasizing workplace productivity. At least 5,200 products are sold under this brand. Kaunet always strives to develop useful products based on ideas from the user's perspective. To ensure that its products are safe and command confidence, Kaunet works together in the value chain to improve not only the quality of its goods but also the customer service at call centers and delivery.

### 1) Kaukore, Kaunet's premium series

Kaukore, Kaunet's premium series, features solutions to customers' problems. Kaunet will keep producing unique problem-solving products based on the feedback of customers and ideas of employees.



### 2) Hearing it straight from the customers : Monitor Kaunet

Kaunet operates Monitor Kaunet, a web community through which it interacts with customers directly. Monitor Kaunet helps Kaunet understand the concerns and problems customers experience on a daily basis, providing inspiration for product ideas.



Our efforts on simple packaging

### 3) A call center for hearing customer feedback on a daily basis

As well as Monitor Kaunet, Kaunet operates a call center. The feedback obtained over the phone leads to improvements to existing products and services as well as to new products. Kaunet shares the feedback throughout the entire company so that it can improve its products and services.

### 4) Trustworthy delivery service

Customers can order Kaunet products on the company's website or from its printed catalog. Goods are delivered on the same day or on the following day at the latest. An assembly service is also available for bulky furniture and items that are tricky to assemble. For this service, delivery staff trained in furniture assembly will assemble and install the item in the customer's office or home and take all the packaging away with them.

## Office Activities in Response to Disasters

### 1) Researching solutions for earthquake-resilient offices

More needs to be done to mitigate the risk of earthquakes. This point is starkly illustrated by historic disasters such as the 1995 Great Hanshin earthquake and the 2011 Tohoku earthquake, and it is a concern that our customers have often raised. Accordingly, we are testing a number of ideas for earthquake resilience. The KOKUYO Disaster-Preparedness Lab has researched ways to make disaster-preparedness more practical for office workers. From the vast body of data it accumulated, the lab team derived a way to model the relationship between seismic waves and earthquake-resilience measures and established an objective criteria for measuring the earthquake-resilience of furniture. Using this criteria, we offer customers a menu of options with varying levels of earthquake resilience and cost so that they can choose the combination that suits their needs and budget.

[\\* View the lab's findings on earthquake-resilient offices"](#)

### 2) A menu of disaster-preparedness options

Disaster preparedness is an essential component of business continuity planning. We have developed both goods and solutions (installation, operation) to fulfill this need. Our Parts-Fit series features goods for disaster preparedness, which were designed to function effectively in times of non-emergency as well as emergency. We also provide Sonaeru, a guidebook on disaster preparedness. Our aim in providing these goods and services is to help customers reconcile the needs of the everyday work environment with the need to provide for times of emergency, as expressed in Sonaeru's slogan, which loosely translates as "disaster-preparedness nestled with everyday work."



置く場所にフィットする。  
 防災準備品は置く場所が重要です。置く場所が適切にないと、災害時に役に立ちません。



PARTS-FIT



エレベーターにそなえる。  
 災害時にエレベーターが安全に使えるように、エレベーターの扉にエレベーター用の防災準備品を備えます。



elecabi: A cabinet for elevators designed as a safety measure for emergencies

## Initiatives in 2020

### Online workshop for the internal auditing team

Having obtained ISO 9001 certification in 2019, we organized a workshop for the internal audit team to raise their expertise in our quality management system. The workshop consisted of a lecture and learning tasks in which the attendees learned how to use turtle diagrams and other tools to visualize and analyze processes. The event was well appreciated by instructor and attendees alike. In a questionnaire completed after the workshop, around 90% said that their ability improved as a result. We will continue to use events such as this to promote awareness of our quality management system among internal and external audit teams.

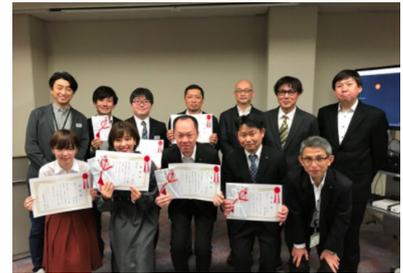


The workshop was conducted online to avoid the risk of infection

## ■ Tenth KOKUYO Supply Logistics Contest

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On October 17, 2020, we held the tenth KOKUYO Supply Logistics Contest. This year, the contest was a hybrid event, held both online and in person. A record high of more than 80 people attended, including those involved in production and those in marketing and sales. The event was observed by KOKUYO Supply Logistics, our partners, and our group companies in Japan and overseas. Six presentations were commended in order to encourage the rollout of continuous-improvement activities and greater group solidarity. The contestants presented ideas for streamlining production, ordering, and delivery processes, for reducing heavy work, and for continuously improving operations and production. We will continue initiatives such as these to promote collaborative efforts for continuous improvement and to further strengthen coordination between each business.



The presenters

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## Social

# Dialogue with our Customers

### Basic Concepts

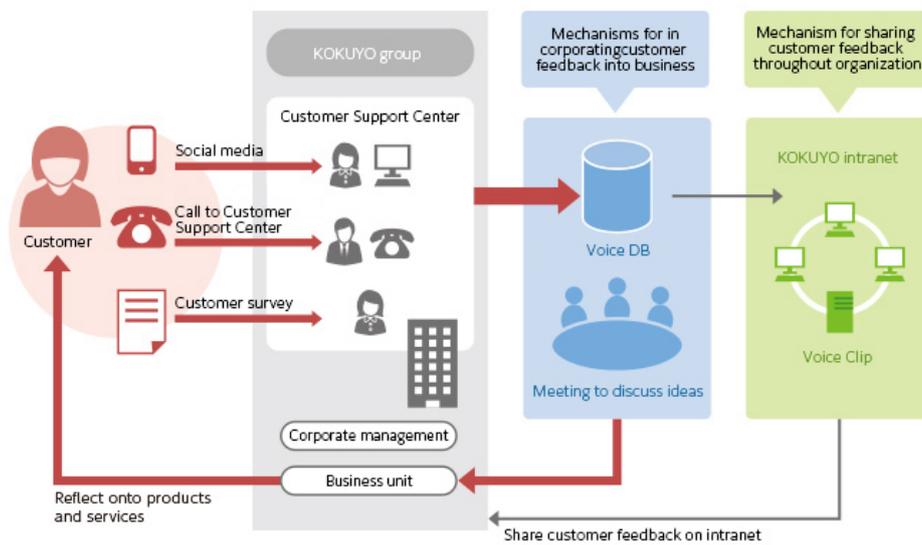
We handle all customer inquiries thoroughly and sincerely. In addition, we take feedback as valuable opinions for improving KOKUYO's products and services, and make effort to share them across the entire company.

### Systems

#### A System for Utilizing Feedback from Customers

Our Customer Support Center handles more than 400 inquiries a day—reportedly the highest capacity for the industry. Around 3% of the calls are complaints. All customer feedback—positive and negative—is shared within the company to identify improvements to make in product development and customer service.

To help disseminate customer feedback throughout the organization, we use VoiceClip, an internal website that shares customer feedback, revealing to employees what customers expect of us. The content on VoiceClip is updated weekly and accessible to all employees throughout the corporate group. Another tool we use is VoiceDB, a database of past customer inquiries. This data is shared throughout the organization (after removing all personally identifiable data), allowing employees to identify ways to improve products and services at the planning and development stages.



To help inform staff at the Customer Support Center, the center displays defective products as well as new products. Because we want to keep enhancing the frontline of the customer interface, we provide training to the staff so that they can hone their customer service skills and leave the customer satisfied by the end of the call.



A display in the Customer Support Center showing examples of how defective products were rectified after incorporating customer feedback

## Initiatives in 2020

### Customer Support Center's system revamped

In October 2020, the Customer Support Center revamped its system for handling inquiries. The new system enables staff to share customer feedback (comments, complaints, and praise) throughout the corporate group in real time. Because it is now quicker and easier to analyze how past inquiries were managed, we now use the results of analysis to improve our FAQ content and operator training and to respond to customer inquiries quicker and more effectively. We will continue our efforts to share customer feedback with business units in order to create more opportunities for making the product or service in question even more useful and valuable.

### Kaunet: Kau-Box opened, opening event livestreamed on social media

On October 1, 2020, Kaunet opened its new showroom, Kau-Box, on the ground floor of The Campus. Customers are able to visit Kau-Box by prior appointment, so Kaunet organized a livestream of the newly opened showroom to raise customers' awareness about it. Kau-Box showcases products from Kaunet's premium range, Kaukore. It also provides advice on the layout of office furniture.

[Kau-Box website](#)



### China: Participating in the booming live commerce market

The pandemic has driven up demand for online shopping in China. To capitalize on this trend, KOKUYO Commerce (Shanghai) started engaging in live commerce (a form of online shopping in which sellers interact with shoppers and sell the products in real time) using China's largest live commerce platform. The livestream in August, for which the company hired influencers, won 110 million yen in sales in just 20 minutes. The livestream in November, which was held on Singles' Day, got 30 thousand views and sales of 307 million yen in sales. We will continue exploring effective online marketing strategies to expand business in China.



Livestreaming studio in the office premises of KOKUYO Commerce (Shanghai)

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## Social

# Social Contribution

### Basic Concepts

KOKUYO strives to be a trusted corporate citizen on both regional and national levels via proactive interaction and planning with regional communities, while respecting regional culture and customs and encouraging their advancement.

### Initiatives in 2020

#### Six KOKUYO delegates speak at Kobe University

From December 2019 to February 2020, six representatives from KOKUYO delivered lectures at Kobe University on the subject of business leadership. The representatives spoke about the value of integrating consumer perspectives into product development and business strategy. Through such visiting lectures, we aim to reach younger audiences, change their impression of the KOKUYO brand (we want them to see our products as innovative, as well as friendly and convenient), and thus build a strong brand following among the young. We will continue reaching out to young people in this way.



The six speakers from KOKUYO

#### “Opening a new page in Tokyo”: An Olympics themed school trip for junior high schoolers

In January 2020, we hosted an Olympics themed school trip for junior high schoolers. The extracurricular event was attended by around 30 students from a junior high school in Tokyo (Adachi Senju Sakura-Dutsumi Junior High School). The students listened to a lecture titled “KOKUYO and Tokyo 2020,” which conveyed our message of support and our hope that the event would “open a new page in Tokyo.” They then engaged in a discussion session, delivered presentations, and toured a showroom. The event proved valuable, with students contributing fresh, thought-provoking comments.

The school has organized various school trips to local businesses and Olympic venues, but a student survey indicated that KOKUYO was the most popular as school trip destination.



Students attend a lecture

#### Simple face shields and plastic folders supplied to healthcare workers free of charge

To support frontline healthcare workers during the pandemic, we supplied the workers with some 43 thousand simple face shields (which we produced ourselves). We also supplied, for use as substitute face shields, some 36 thousand folders from the Rail Clear Folder series, which uses plastic that is clear and strong. The materials were all supplied free of charge up until the end of May 2020. Additionally, when Osaka University launched a crowdfunding campaign to supply healthcare workers with face shields made from clear plastic folders, we supplied a further 100 thousand folders from the Rail Clear Folder series as part of the campaign. As before, we supplied the materials for free. We will continue to contribute our stationery-making knowhow to the fight against the coronavirus.



Simple face shield (headband face shield)

\* We decided to launch the above initiative after a medical expert stated that folders from the Rail Clear Folder series can serve as substitute face shields as they are made from clear and strong plastic.



Plastic folder (fu-TP750)

## KOKUYO Design Award 2021: Post-Normal

The KOKUYO Design Award is designed to gather ideas for products that will innovate the way people work, learn, or play. Since it began in 2002, the award program has sought product ideas that add value to KOKUYO and the wider society. The theme for the 2020 award (the 18th year) was “post-normal”—a time of transition when old certainties no longer apply. The theme focuses on how the pandemic has prompted such a transitional state across the world, and it was intended to inspire people to reevaluate their possessions and consider the quality of a product and whether the product offers universal value for the future.

[Find out more about the KOKUYO Design Award >](#)

# POST-NORMAL

## Field Cast notebooks delivered to 80 thousand Olympic volunteers

As a Tokyo 2020 Official Supporter (in office furniture and stationery), we wanted to do our part to support the gallant Olympic volunteers. Accordingly, we supplied the Tokyo Organizing Committee of the Olympic and Paralympic Games with a special series of our Campus notebooks, Field Cast, in an amount enough for 80,000 volunteers. Designed exclusively for the organizing committee, the cover of the Field Cast notebooks features the same blue color scheme used in the volunteers’ uniforms, overlaid with the check pattern used in the 2020 Olympic and Paralympic emblems along with the Field Cast logo. The notebook was designed with the intention that volunteers from all backgrounds will use it to record their once-in-a-lifetime experiences.

We will continue doing our part to create a buzz around Tokyo 2020, believing that the preparations leading up to Games are just as valuable as the event itself.



Field Cast notebook cover, inside

## Campus Art Awards 2020: A painting competition for junior high and high school students

We hold the Campus Art Awards in partnership with The Yomiuri Chukosei Shimbun. Campus Art Awards is a drawing competition for students at junior high school and high school. The award program began in 2015, and 2,071 works were showcased this year.

The theme for 2020 was titled “my sweet hometown.” This theme focused on the landscapes, customs, traditions, events, cuisine, confectionary, and other motifs associated with the students’ hometowns. The purpose was to give students an opportunity to take an interest in their hometown, discover its charms, and express them. For the top individual prize, the winner received 50 Campus notebooks featuring the person’s winning picture. For the top group prize, the winning school received 1,000 of the notebooks featuring the winning picture.

[Find out more about the Campus Awards >](#)



The winning picture: Haru wa sugu soko (Spring up close)  
Moyuru Kondo  
Akita Senior High School (affiliated with)  
Akita University of Art

## Job Study initiative

In 2005, we launched Job Study, a cross-industry forum in which HR professionals discuss ideas on careers counselling for students and then develop their own seminars based on the outcomes of the discussion. We played the leading role in setting up Job Study, and we now have charge of the general running of the initiative. A major concern at the time Job Study began was the high turnover rate—30% of college graduates were quitting their first job within three years. To address that issue, we organized a program aimed at improving communication between recruiters and candidates. The program emphasized the need for recruiters to engage with candidates better by gauging the person's real intentions and providing the necessary support. The undertaking proved successful in encouraging franker conversations on the value of working for the organization in question. Now in its 16th year, Job Study continues to encourage frank engagement with candidates, and 17 leading companies have signed up to the initiative.



We were proud of what Job Study had achieved over those 16 years. At the same time, we recognized that the employment system had changed a lot since 2005. Forms of employment were becoming more diverse, fewer Japanese companies were hiring college graduates in bulk, and the students themselves had more diverse values. In turn, jobseekers and recruiters were now facing a different set of challenges. Accordingly, Job Study started emphasizing the need to abandon past practices and identify what must be done to meet the new challenges. Rather than serving as a hiring event, Job Study brings together the HR brains from the 17 companies to come up with solutions.

## Michinoku Future Fund: A scholarship for students left orphaned by the 2011 disaster

Since the year after the Tohoku disaster of March 11, 2011, we have donated to Michinoku Future Fund\*, a scholarship program for students who lost their parents in the disaster.

In 2020, the foundation awarded its ninth annual set of scholarship. Scholarships were awarded this year to 89 students, securing them a place in a higher or further education institution, where they can start their journey towards a bright career. In previous years, sponsors, students, graduates, and foundation staff would gather at a ceremony held for the benefit of the recipients of the scholarships as well as for scholarship students who were about to graduate. Unfortunately, the pandemic meant that the ceremony could not take place this time, so we were unable to hear from the recipients directly. Ceremony or no ceremony, we remain as committed as ever to supporting the good work of the foundation.



The previous year's (2019) sendoff event

\* Founded by Rohto Pharmaceutical, Calbee, and Kagome, Michinoku Future Fund provides higher or further education scholarships to students who lost their parents in the March 2011 disaster, on the belief that future generations are the foundation for the recovery. Since it began, Michinoku Future Fund has awarded scholarships to over 900 students.

## KOKUYO Kitakanto Sales becomes official supplier of national sports festivals to be held in Tochigi

As it did in 2019, KOKUYO Kitakanto Sales provided Tochigi Prefecture with 10 thousand copies of a special Campus notebook featuring an “ichigo” theme. “Ichigo” is the Japanese word for strawberries, for which Tochigi is famous, and it also forms part of the name of a local sports event: the “ichigo-ichie” national sports festival and festival for people with disabilities. In return, the sales company was listed as official supplier of the upcoming sports festivals (officially, the 77th National Sports Festival and 22nd National Sports Festival for People with an Impairment).

As an official supplier, KOKUYO Kitakanto Sales will help promote the sports festival, ensuring that it is thrilling and memorable event.



The special notebook ties in with the event. It features two “Tochimarukun” mascots (one for main festival and one for the festival for people with disabilities) as well as the festival Japanese slogan: “Dreams create inspiration; inspiration creates the future.” The reverse side displays a map of the venue with Tochimarukuns at different locations.

## China: Donation appeal launched on internal social media

“Chasing Big Dreams with Small Notebooks!”—This is the name of a community outreach program we started in China in 2014. Each year, staff from our Chinese subsidiaries would visit a school in a disadvantaged area and introduce the schoolchildren to KOKUYO stationery. In 2020, the visit was called off because of the pandemic. However, the subsidiaries still wanted to do something to support the children, even if remotely. Accordingly, staff used their internal social media platform to launch an online appeal to donate clothing, books, and other goods. In just a short space of time, a total of 126 items were donated from staff in Shanghai, Beijing, and Shenzhen. The goods have already been delivered to the school. The appeal page has been made permanent so that staff can donate goods at any time.



Donation page on internal social media platform



Some of the books and clothes donated



## China: Second-hand computers donated to disadvantaged community

In September 2020, our Chinese subsidiaries donated used computers to schoolchildren in a disadvantaged community (after wiping the data and doing a factory reset). The donations were made as part of a program called “Green IT Classrooms” run by a Shanghai-based NGO. A total of 125 items (including monitors) were donated.

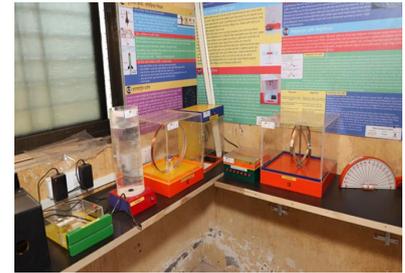


Certificate acknowledging donation

## ■ Mini Science Centers opened at schools near KOKUYO Camlin's plants

Science, technology, engineering, and mathematics education (STEM) is important for all countries. It is a prerequisite for building the capacity in science and technology to change society for the better. Improving STEM education is also necessary for increasing learners' curiosity about the world, their creativity, and their problem-solving abilities.

Our Indian subsidiary, KOKUYO Camlin, has opened mini science centers in four schools located nearby the company's three production sites. These centers give schoolchildren opportunities to encounter science and mathematics and discover fascinating laws and theories. In 2020, KOKUYO Camlin teamed up with STEM Learning to equip the centers with effective learning tools.



## ■ India: KOKUYO Riddhi donates food to local villagers

In mid-March 2020, as the coronavirus went global, India ordered a nationwide lockdown. To assist local villagers who were struggling to get enough food, KOKUYO Riddhi Paper Products prepared at its factory 300 sets of food provisions consisting of rice, dal, and other items, and donated the food to local villagers via the Gram Panchayet (village council). In previous years, the subsidiary would donate notebooks to a local school, but that was unfeasible on this occasion. Still, by acting swiftly amid the unprecedented circumstances, Riddhi made a difference and the villagers expressed warm words of gratitude.



One of the sets of food



Food being delivered to the villagers

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## Social

# Providing new values

### Basic Concepts

With the issues facing society in recent years becoming more diversified and complex, we are striving to create KOKUYO-style values so that our customers' work, learning, and living can become more creative and fruitful.

### Initiatives in 2020

### Solutions for employee safety, workplace flexibility, and the digital workplace

#### Airtrieve: A conference table that cleans the air of droplets

Airtrieve is a table for conference rooms that absorbs airborne droplets generated by sneezing, coughing, or speaking, and thus stops potentially viral particles dispersing around the conference room. We accepted the first orders in December 2020. Many people in the business world desire face-to-face communication but are worried about the risk of infection. Airtrieve addresses this concern. It consists an air purifier unit with an electronic air filter embedded beneath the table surface. At the center of the table surface is an inlet grid, which creates 2.5 meters of airflow a second to stop exhaled droplets dispersing around the room. The air purifier then filters 15 cubic meters of airflow every minute (per single air purifier unit). In this way, Airtrieve gives users the assurance that the room has clean and safe air



An Airtrieve unit (W4800 series)

[Visit the Airtrieve webpage](#)

#### Work Pod: An assemblable workspace for one

Launched in July 2020, Work Pod provides a well-ventilated enclosed workspace that provides privacy to workers in open-plan offices or similar environments, allowing them to videoconference or engage in intense, focused work. Amid concerns about infection risks, businesses increasingly expect employees to work remotely and communicate online, but many workers find that background noises distract them from their work.

There are two Work Pod models, both designed for one person. The first version has a heat detector and a ventilation unit that replaces the air every 30 seconds.

The second version has an open top. There are also two possible desk arrangements: sofa and desk or work counter. In each case, Work Pod comes equipped with LED lighting, power supply, and USB charger—all with the PSE mark (certifying product safety). Work Pod also excels in design. Its glass panels have a liberating feel, its frame harmonizes with the spatial design, and it has 132 possible combinations of colors and furnishings.



[Visit the Work Pod webpage](#)

## ■ Simplified face shields made from PET

In July 2020, we sold simplified face shields using Polyethylene Terephthalate (PET), a clear, strong plastic used in our Rail Clear Folder series. We sold two varieties: a headband face shield and a face shield fitted to a facemask.

To support frontline healthcare workers during the pandemic, we supplied the workers with some 43 thousand of these face shields. We also supplied some 36 thousand folders from the Rail Clear Folder series for use as substitute face shields. The materials were all supplied free of charge up until the end of May 2020. People other than healthcare workers expressed an interest in the product, so we released a commercial version.

[Visit the webpage for the simplified face shields](#)



Headband face shield

## ■ Solana: An innovative office workstation

In December 2020, we released Solana, an innovative office workstation designed to meet the needs of the post-pandemic workplace and to provide safety and peace of mind. Running lengthways along the desk are five grooves into which users can slot panels or greenery. By just adding or removing these partitions, users can partition the desk for private work or open it up for group work. The grooves can also be used to hold smartphones or tablets upright, allowing employees to perform digital tasks more efficiently. For some desks, the surface is coated with anti-bacterial and anti-viral materials for added peace of mind.

[Visit the Solana webpage](#)



How Solana desks might be arranged in an office

## ■ Energy Series: A power system that supports the modern digital workplace

In early March 2021, we released the Energy Series—two kinds of portable charging stations that enable office workers to perform digital tasks in areas with no grid connection nearby.

Amid the pandemic, office workers increasingly perform their tasks digitally. They use videoconferencing to communicate and interactive displays to collaborate in team tasks.

However, power can be an issue when performing digital tasks in areas of the office that have no grid connection nearby, such as an office lounge or cafeteria. The Energy Series solves this problem. The series includes two kinds of portable charging station (capacity: 540 Wh / 150,000 mAhV): Energy Display Mobile and Energy Card. Both charging stations enable workers to perform digital tasks for long periods without low-battery anxiety (running times vary depending on the number and types of the connected devices).

Wireless and portable, these Energy Series units give users freedom over where to perform their tasks. Up to four devices can be plugged into the unit, so multiple digital tasks can be performed simultaneously. The unit itself can be charged when not in use (such as at night). By removing dependence on grid connections, the Energy Series supports the digital workplace.

[Visit the Energy Series webpage](#)



Energy Display Model and Portable Charger in use

## Working from Home: An exhibition space for home offices at KOKUYO Tokyo

In August 2020, we exhibited a range of home office furniture (desks, tables, chairs)\* at our Tokyo showroom. Our exhibition showcases workspace ideas for living rooms, studies, and other home environments, to office administrators, HR professionals, and remote workers.

[Visit the KOKUYO Tokyo Showroom webpage](#)

[\\*SEQUENCE Height-adjustable desk and table](#)

[UPTIS Tilting desk](#)

[FABRE Office chair suited to a living room setting](#)

[ing Rocking office chair that lets you exercise while working](#)



“Working from Home”—home office furniture displayed at KOKUYO Tokyo Showroom

## Work Transformation: A conceptual handbook for tomorrow’s workplace

On June 15, 2020, we published Work Transformation, a conceptual handbook about workplace transformation and office designs in the post-pandemic age (such as an accelerated rise to remote working and a shift to digital work), and one of our representatives led a webinar to discuss the book’s contents.

Work Transformation outlines our vision for the workplaces of tomorrow. It presents ideas for supporting workplace transformation and discusses the challenges and benefits associated with anti-infection measures and workplace building.

As part of our corporate citizenship, we will continue to support the creation of safe and productive office spaces, in addition to protecting employee wellbeing.

[Visit the Work Transformation webpage](#)



WORK TRANSFORMATION  
The handbook

## Partnering with spacemotion to enhance disaster-preparedness in office buildings and mixed-use buildings

In September, we teamed up with spacemotion to offer disaster-preparedness solutions that emphasize safety and peace of mind in elevators. These solutions combine KOKUYO’s elecabi, an elevator cabinet that contains emergency goods such as water and an emergency toilet kit, with spacemotion’s Ele-Cinema, a projection mapping system for elevators. By teaming up in this way, we aim to provide compelling solutions that generate new value for office buildings and mixed-use buildings.



elecabi and Ele-Cinema



## Creative stationery and other solutions for modern learning environments



### Piiip: A pencil case for showcasing your stationery

On July 8, 2020, we released Piiip, a double pencil case consisting of a transparent outer case and a non-transparent inner pouch. The front pocket can be used to show off stylish stationery, while the inner pouch can be used for more specialized stationery you want to keep hidden from view. The inner pouch has four side pockets for storing smaller stationery items that can easily get lost among larger items.

These days, students want their stationery to be more than just functional; they want it to look good. Students like to show off their stationery to their friends on social media or share pictures of themselves studying. This practice can help motivate the students to study harder.



[Visit the Piiip webpage](#)



### Mark+: Marker pens that have gone viral

In February 2020, we released a Mark+ (pronounced “maaku tasu”), a set of twin-color marker pens. In September that year, we released a second version. The first version, called the “two tone color marker,” has a double nib at one end of the pen that lets you add color-differentiated marking to the page. This version was released at the Bungo Joshi Haku, a big stationery festival in Japan, and it went viral.

The second version, called “two way color marker,” is a double-ended pen. At one end is a fine (0.3 mm) nib for writing. At the other is a wide nib for highlighting. You can write with the fine nib and then use the wide nib to highlight sections of the text.

[Visit the Mark+ webpage](#)



Two tone color markers



Two way color markers



### A tablet and PC charging station for schools

In September 2020, we released a tablet and PC charging station for schools to support the GIGA School Program.\* The charging station was designed to support the rollout of digital technology (use of digital devices on the school’s local area network) in the classrooms of elementary, junior high, and special-needs schools across Japan. We offer three versions, each with a different capacity, so schools can choose the option that best suits class size and other school-specific factors. All three versions are compact and user friendly. By charging up devices that are not in use, the charging station supports the digitized classroom of today.

\* GIGA stands for Global and Innovation Gateway for All. Launched by Japan’s Ministry of Education, Culture, Sports, Science and Technology in December 2019, the GIGA School Program aims to provide one device for every student in compulsory education and to roll out high-speed internet in classrooms.

[Visit the webpage for the tablet and PC charging station designed to support the GIGA School Program](#)



Charging station: Wheeled unit with capacity for 44 devices

## ■ New release from Campus series: A folder for class handouts (extra-wide pocket)

On December 9, 2020, we released an extra-wide twin-pocket folder. This folder provides the elementary students with an easy way to store class handouts, ensuring that they do not lose or forget any.

Elementary schools are shifting from the blackboard/lecture format toward active learning. Students now spend less time copying down notes from the blackboard, but on the other hand, they get inundated with handouts to take home. The folder helps students manage these materials. Its rigid cover prevents the contents from bending, and the edges have stoppers to prevent the contents from slipping out.

Additionally, the folder comes with a set of stickers that can be used to label the pockets, helping students remember which materials they should hand over to their parents after returning home.

[Visit the webpage for the folder](#)



Campus twin-pocket folder

## ■ Kaunet: Organizer cases for remote workers and digital nomads

On June 9, 2020, Kaunet launched, as part of its premium series, Kaukore—a line of organizer cases for remote workers and employees working in a free-address environment. The organizer cases are designed to solve one of the big challenges faced by such individuals: securing a sufficiently large and tidy space to work. The case folds open like a book and sits on the desk upright. This gives users a sense of their own private space, where they can take out their equipment and focus on their work. There is also a smartphone stand.

There are two versions of the case: a compact version big enough to store books, and, for employees working in a free-address environment, a larger version that can hold a laptop.

[Compact organizer](#)

[Larger version for employees working in a free-address environment](#)



View the compact version on Kaunet's website



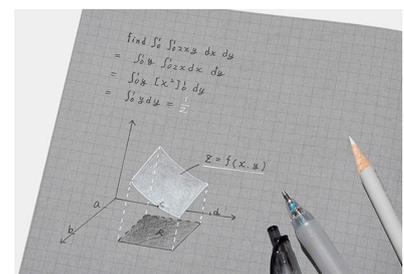
View the larger version on Kaunet's website

## ■ Other products and innovations

## ■ Black-and-white writing notebook, winner of the KOKUYO Design Awards 2018

On June 25, 2020, we released a notebook, called Notebook for Black and White Writing, based on a design that was highly commended at the 2018 KOKUYO Design Awards. The notebook has gray paper and you write on it in black or white. This design achieves an innovative and pleasant notebook by exploiting a visual quirk—it is hard to read dark and light text simultaneously. The notebook is sold at Think of Things, a lifestyle shop and café, and on our online store, KOKUYO Showcase. It has made an impact on social media and traditional media.

[Read more about Notebook for Black and White Writing](#)

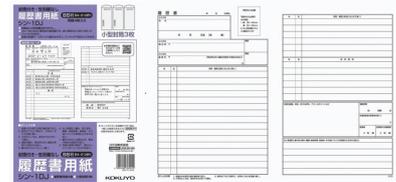


Notebook for Black and White Writing

## Gender-neutral resume form

Society is placing increasing importance on respect for people's diverse identities. Accordingly, on December 23, 2020, we released a resume (rirekisho) form with one important difference: there is no section for indicating gender. This gender-neutral form is intended to increase the options for jobseekers. There are two versions of the form: a B5 version with three small self-seal envelopes, and an A4 version with three large envelopes that can fit the unfolded form.

[Visit the webpage for the resume form](#)



Gender-neutral resume form

## LivingAnywhere Work: A business and local government platform for promoting workplace diversity

In September 2020, we joined LivingAnywhere Work.<sup>1</sup> To support a transformation in workstyles, we communicate with the other members and work with them to test out new workplace sharing and other flexible workplace models.

<sup>1</sup> LivingAnywhere Work is a workspace sharing platform based on LivingAnywhere Commons.<sup>2</sup> A number of businesses, local governments, and other organizations across Japan have signed up the platform and provided their premises as shared workspaces.

<sup>2</sup> Operated by Lifull, LivingAnywhere Commons is a community of people who want to remove the constraints of location in work, rest, and play, allowing people to live and work anywhere.

[Visit Living Anywhere Work's website](#)



Living Anywhere Work

## Kau-Box: Kaunet's new showroom

On October 1, 2020, we opened Kau-Box, a Kaunet showroom, on the ground floor of our Shinagawa office. Kau-Box showcases Kaunet's premium range, Kaukore, as well as the retailer's office goods and office furniture. Staff are also on hand to advise on layout. People are welcome to visit by prior appointment. The Kau-Box logo conveys Kaunet's desire to be like a box full of ideas and inspiration.

[Visit the Kau-Box website](#)



## Better online marketing, better online communication

### KOKUYO Workstyle Shop: Our official online shop

On November 30, 2020, we launched KOKUYO Workstyle Shop, a B2C e-commerce site. The merchandise on the online store consists of around 4,000 items, including big sellers like "ing," a rocking office chair. This lineup is intended to add value to customers' home life by helping them find a healthy balance between work and play.

Although the products can be used to build a home office for remote work, they also enhance home life outside of work. Our aim is to enhance quality of life through the products and services.

[Visit KOKUYO Workstyle Shop](#)

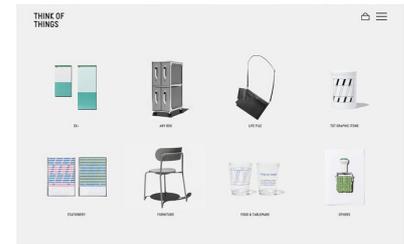


KOKUYO Workstyle Shop

## Think of Things: Online shop

On September 29, 2020, we opened an online shop for Think of Things, a lifestyle shop and café we operate in Harajuku, Tokyo. The online shop has a lineup of around 160 items, including original products and KOKUYO's flagship products. The website displays product information (size, price, features, background, and so on) in the style of a picture book. We will continue to integrate the online shop with the offline shop and offer ideas for new ways of living and working.

[Visit Think of Things' online shop](#)



Think of Things' online shop

## A free online business resource added to online community, Soumu no Mori

On August 26, 2020, we launched “business knowhow fount,” a free online resource offering business advice and resources for SME owners who have limited sources of support. Linked with Soumu no Mori,\* the new site contains articles, interviews, explanations of nomenclature, data, and other useful business information.

SME owners are looking for ways to navigate the prolonged economic contraction caused by the pandemic. As well as offering such businesses guidance on transforming working styles, the website provides a free discussion forum in which members can share business advice or seek advice from one of the resident business experts. Users can also make use of Kaunet's new cloud-computing service (“Kaunet cloud service”) for boosting production and business acumen.

\* Soumu no Mori is an online community where office administrators can find solutions for back office admin, including HR, finance, and legal. It is the largest community of its kind in Japan. Managed by us since 2007, the forum has published around 60 thousand threads about admin. In addition to its 800 thousand monthly active users, the forum has nearly 500 expert members (including labor and social security attorneys and certified tax accountants). The site also has an option to search for an expert.

[Visit “business knowhow fount”](#)

[Visit Soumu no Mori](#)

[Visit “Kaunet cloud service”](#)



❏ KOKUYO's CSR Charter	❏ Corporate Profile	❏ KOKUYO's Main Business Domains	❏ KOKUYO's Initiatives and History	❏ Initiatives for Future and Society	❏ KOKUYO's Various Initiatives	❏ Introduction of KOKUYO's Initiatives in 2020	❏ Message from the President
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## ■ Governance

# Inculcating compliance

### Basic Concepts

Operations across our group are governed by a range of regulatory standards, including those related to quality, business transactions, environmental impact, labor, health & safety, accounting, and tax. To ensure that we always comply with these regulations and uphold high ethical standards in all our business activities, we have established the KOKUYO Group Code of Conduct, which all employees are expected to follow. By educating employees in these standards and ensuring that they uphold them, we are building a compliance culture.

[KOKUYO Group Code of Conduct](#)

### Systems

#### Whistleblowing hotline

KOKUYO has a group-wide hotline (the KOKUYO Group Hotline). Employees can use the hotline to raise concerns about compliance or business ethics when they feel uncomfortable raising such concerns through the usual channels, or if they doubt that the usual channels would resolve the issue satisfactorily. The hotline is global and accessible to all employees of the global KOKUYO Group, whether they work in Japan or an overseas location.

#### Compliance training

- Workshops and e-learning modules on general compliance
- E-learning modules and discussions on preventing bid-rigging
- E-learning modules on the construction industry

### Initiatives in 2020

#### Compliance magazine launched to improve risk awareness

In December 2020, we launched a compliance magazine (Konpura-magajin) to promote an accurate understanding of corporate compliance and improve employees' awareness of the risks around them. The magazine is published monthly on our internal portal site and emailed to employees. Each issue contains illustrated articles about incidents and media stories related to compliance. By raising employees' risk awareness, the publication serves as a first step for building a workplace in which employees always uphold compliance.

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## ■ Governance

# Risk Management

### ■ Concepts

The KOKUYO Group took the opportunity of the integration in 2015 to establish an organization and started taking steps to promote risk management. The aim of this activity is to establish a risk management circle from the Group's point of view. First, we started with recognizing what kind of risk exists in the entire KOKUYO Group, and considered policies for prioritization and measures from a perspective of what is best for the Group as a whole, and then promoted these measures. We will clarify the particularly important themes or themes related to the entire organization, and aim to improve the effectiveness and efficiency of risk management by advancing the activity across the entire Group.

Related information: "[Related information: Business Risks](#)"

### ■ Systems

#### ■ Initiatives regarding management of intellectual property rights

As one of the strategies to differentiate ourselves from competitors, the KOKUYO Group promotes the following initiatives to encourage the acquisition of intellectual property rights, and at the same time, to respect intellectual property rights of others:

##### 1) Management and operational structure of intellectual property rights

The KOKUYO Group aims to standardize and centralize utilization and strategies for intellectual property rights by controlling operations related to the intellectual property rights of subsidiaries and affiliated companies in Japan and overseas centrally within the intellectual property rights group of the legal department.

The group monitors the products of our competitors on a daily basis for the acquisition of rights in inventions, design, and trademarks. It also executes thorough preliminary surveys to prevent a violation of the intellectual property rights of others, and protects our intellectual property rights. In addition, in cases where there is a conflict with competitors, the group responds to such a situation through cooperation with the management by taking a rapid and optimal approach for resolution.

##### 2) Protection and legal compliance of intellectual property rights

The KOKUYO Group Code of Conduct stipulates that we respect the intellectual property rights of others while the intellectual property group establishes and operates the system for research, analysis, and close investigation to prevent and avoid the violation of rights held by others. In addition, awareness-raising activities for respecting the intellectual property rights of others and improving awareness of legal compliance are conducted for development departments through training as the necessity arises and as part of daily work.

##### 3) Promotion of creation and utilization of intellectual property rights

The intellectual property group and development departments work closely from the early stage of development to increase the superiority of the products in the market and focus on creating and discovering inventions that contribute to differentiation from competitors' products. We also aim to adhere to Sec. 35 of the Patents Act and establish an incentive system for employee invention as an internal rule, with the aim of increasing customer satisfaction and encouraging inventions that strengthen the Group's development.

## Initiatives regarding information security

The KOKUYO Group undertakes the establishment of an information security management system, adherence with relevant laws and regulations, and safety management of confidential information (customer information, personal information, etc.) in our possession obtained as part of our business.

- 1) Laws and ordinances regarding information security and other standards are adhered to.
- 2) Personal information is managed according to the Personal Information Protection Policy defined by the KOKUYO Group.
- 3) Appropriate safety measures are taken in order to prevent unauthorized access to information assets, as well as loss, falsification and leakage, etc. of information assets.
- 4) Regulations and rules regarding the management and use of information assets are formulated and revised, and education is continually conducted to employees about these regulations and rules.
- 5) Inspections and improvements are continually conducted on the management system and initiatives related to information security.

## Business continuity planning

We have developed a business continuity plan, which we continually review and revise as part of a business continuity planning lifecycle. The plan includes measures for maintaining a stable supply of goods when an emergency disrupts operations in our plants or offices. Mindful of how severely businesses can be affected by the increasingly prevalent catastrophic events such as earthquakes, extreme storms, flooding, fires, and infectious disease, we have reaffirmed the importance of getting the initial responses right and minimizing the damage from such calamities. Our plan outlines what initial responses to take, and how to follow them up, in different kinds of disaster/emergency scenarios (including a state of emergency). Through such planning, we aim to go further in ensuring that every employee will act swiftly and safely in an emergency to safeguard human life.



Tokyo Fire Department's earthquake simulator truck—the truck simulates the seismic intensity (7 on Japan's earthquake intensity scale) of the March 2011 earthquake

## Initiatives in 2020

### Workshop on business continuity planning for stationery businesses

Employees involved in the stationery business attend an annual workshop on business continuity planning. The workshop is organized by the BCP Promotion Committee, which has members from seven business units under the Stationery Business Division. Between June and August, 2020, four workshop sessions were held, each remotely. The workshop for 2020 focused on the restoration phase and was designed to clarify the procedures and issues for remote work and enhance preparedness for dealing with storm and flood damage. Participants reviewed earthquake, storm, and flood incidents that occurred in the past year and identified aspects of the business continuity plan to improve. We will continue to update and improve the business continuity plan.



Workshop held remotely

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## ■ Third-Party Assessments

### Awards and Accolades

#### Rankings and Recognitions

Name of recognition	Date of announcement	Results
Sustainalytics ESG Risk Rating	April 2021	Low Risk
Toyo Keizai CSR Ranking (Toyo Keizai Inc.)	March 2021	Overall ranking: 267th
CDP 2020	December 2020	Climate Change B- (Management) Forests C (Awareness)
MSCI Japan Empowering Women Index (WIN)	December 2020	Selected for inclusion in index
2nd Nikkei SDGs Management Survey (Nikkei Inc.)	November 2020	Score: 58.4
		Grade: 3.5 out of 5
4th Nikkei Smart Work Management Survey (Nikkei Inc.)	November 2020	Score: 59.8
		Grade: 3.5 out of 5
FTSE ESG Rating 2020	July 2020	2.4 (E:2.8 S:1.7 G:2.9)
MSCI ESG Rating 2020	December 2020	AA
SNAM Sustainability Index (Sompo Asset Management)	June 2020	Overall score: 167.2 (E:60.6 S:53.3 G:53.3)
S&P/JPX Carbon Efficient Index	June 2020	Decile classification: 9th

#### CSR-related Awards

#### Recognition as a 2020 Certified Health & Productivity Management Outstanding Organization (White 500) and a 2020 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)

On March 2, 2020, KOKUYO and Kaunet became two of the 500 companies listed as 2020 Certified Health & Productivity Management Outstanding Organization (White 500) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi in the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program. On the same date, KOKUYO Marketing earned a separate accolade under the same program ("Health and productivity Management Outstanding Organization"). The program gives recognition to companies that make exemplary efforts toward a healthy and productive workplace. We will continue such efforts in line with the KOKUYO Health and Productivity Management Declaration released in October 2019.



## Yui-no-Mori Project wins “sustainability action” commendation

In November 2020, Yui-no-Mori Project, one of our CSR projects, was awarded by the Ecological Life and Culture Organization. The project earned the organization’s “chairperson prize” in the sustainability action category. The judges were impressed by the fact that the project, in addition to conserving the environment, has an economic ripple effect in that timber produced from thinning is used as raw materials in products.

[Yui-no-Mori Project](#)

[Webpage for Ecological Life and Culture Organization’s sustainability action prize](#)



Prize being awarded

## Yui-no-Mori Project receives philanthropy grand prize at Japan Philanthropic Association’s 18th awards

In December 2020, the Yui-no-Mori Project received the “philanthropy grand prize” from the Japan Philanthropic Association at the association’s 18th annual awards. The Yui-no-Mori Project is a forest conservation project that focuses on forest thinning and making effective use of the resulting timber. Its aim is to help revive manmade forests and restore the link between the natural environment and local livelihoods. The project is a community-based participatory undertaking. For example, employees involved in design or sales team up with local high school students to monitor the thinning outcomes. The judges praised the project for how it aims to create synergy between environmental conservation and local economic activity.

[Yui-no-Mori Project](#)

[Webpage for Japan Philanthropic Association’s 18th awards](#)



Prize being awarded

## ReEDEN Project earns 2020 Minister of the Environment’s Award for Climate Action

Launched in 2007, the ReEDEN project has for over 10 years contributed to the conservation of reedbeds and served as model for innovative environmental practice. With a view to continuing the good work of the project and demonstrating its outcomes, we worked with government to establish a tool for calculating the extent to which the project is facilitating CO<sub>2</sub> absorption in reeds. The tool has been published on Shiga Prefecture’s website.

The project received the 2020 Minister of the Environment’s Award for Climate Action in recognition of how it contributes to a low-carbon society.

[Website for the 2020 Minister of the Environment’s Award for Climate Action](#)

[Tool for calculating the extent to which the project is facilitating CO<sub>2</sub> absorption in reeds](#)





## Other accolades

### Eight products honored in 2020 Good Design Award

Eight of our products were honored in the 2020 Good Design Award. Examples include a set of twin-color marker pens (Mark+), a series of task chairs (Fabre), and a series of lounge chairs (Settle). One of the eight products earned a place in Good Design's Best 100. The product was Stock Stack, a series of horizontally stackable chairs. Stock Stack represents a new addition to Days Office, our office solutions brand that emphasizes creating comfortable and easily accessible spaces.

#### Awarded products

- [stock stack \(series of horizontally stackable chairs\)](#)
- [Mark+ \(two tone color markers, two-way color markers\)](#)
- [FABRE \(task chair series\)](#)
- [SETTLE \(lounge chair series\)](#)
- [KATE \(light chairs series\)](#)
- [Centura \(stadium chair series\)](#)
- [JUKE \(shelf series\)](#)
- [dop \(solo work booth\)](#)



Stock Stack

### Good Design Award winner: The Roof—a work lounge for a new apartment complex

Another winner of the Good Design Award 2020 was The Roof, a work lounge for apartment complexes that was designed by Yohak Design Studio (our inhouse design studio) and the Furniture Business Division. One of the very few architectural designs to be awarded prior to construction, The Roof has garnered interest within and outside the industry.

The Roof now stands in the grounds of an apartment complex, Renai Yokohama Totsuka, which itself was completed in in spring 2021. The lounge caters to the work and learning styles of co-working households, whose approach to work has been transformed by the pandemic. It contains a range of spaces, including reserved booths and areas for relaxing and refreshing, and boasts good network access.



The Roof

\* Yohak Design Studio: The design studio of our inhouse creative team. Located in Harajuku, Tokyo, the studio engages in mold-breaking creative projects in Japan and overseas. It also plans ideas for and manages two facilities in the same premises: Think of Things (a shop and café) and TOT STUDIO (a multiuse space).

### Shukudai Yaruki Pen honored in 14th Kids' Design Award

Shukudai Yaruki Pen, an IoT-powered stationery device that encourages good homework habits, was honored in the 14th Kids Design Award.\* The pen was awarded in the category for designs that unlock children's creativity and future potential. It was commended for its innovative use of IoT to track the student's homework efforts and link their efforts with praise from parents. The design process was praised too.

[Webpage for Shukudai Yaruki Pen](#)



Shukudai Yaruki Pen and the Kids Design Award logo

\* The Kids Design Award honors products, spaces, undertakings, and research that help solve issues related to children and parenting. To qualify, the item in question must promote child safety, unlock children's inner sensibilities and creativity, and contribute toward a family-friendly society.

## Shukudai Yaruki Pen honored in Impress DX Awards 2019

Shukudai Yaruki Pen, the IoT-powered homework aid described above, was also honored in the Impress DX Awards 2019.\* It won the second prize in the edge computing and devices category. The pen was praised for how it motivates children and encourages them to maintain good study habits. It was also praised for how it can contribute to better parent-child relationships by creating opportunities for parental praise.

[Webpage for Shukudai Yaruki Pen](#)

\* Hosted by Impress, the Impress DX Awards honor ideas, undertakings, products, and services that break the mold and contribute toward a better future.



Shukudai Yaruki Pen and the Impress DX Awards logo

## Three KOKUYO products chosen for JIDA Design Museum Selection

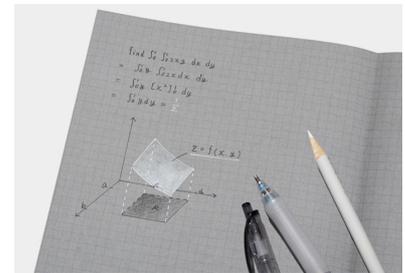
The Japan Industrial Design Association (JIDA) chose three of our products to add to the JIDA Design Museum Selection (vol. 22).

The three chosen products

[Notebook for Black and White Writing: A notebook with gray paper that you write on it in black or white](#)

[Any: A series of conference chairs suitable for work areas and casual spaces alike](#)

[Work Pod: Parts for assembling enclosed and ventilated workspaces that are ideal for videoconferencing or engaging in intense, focused work.](#)



Notebook for Black and White Writing— one of the three chosen products

## Two types of conference chair win the iF Design Award 2020

Two types of conference chair—Any and All in One—were honored in Germany's iF Design Award 2020\* (Product – Office). The two products were selected from among 7,298 candidates from 56 countries.

\* Started in 1953 in Germany, the iF Design Award is a world-renowned design competition over half a century old.

[Any webpage](#)

[All in One webpage](#)



Any



All in One

## ■ KOKUYO office furniture earns five design awards after being exhibited at Orgatec 2018

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We exhibited our office furniture products at Orgatec 2018,\* a trade fair for office furniture held in Germany in October 2018. Our trade fair stand showcased “ing,” a 360 degree gliding chair. The stand earned five prestigious design awards—four German awards and one Dutch.

The awards were as follows:

1. Frame Award Orgatec (Dutch): Best use of light, trade fair stand of the year
2. iF Design Award (German): Discipline: Interior Architecture
3. German Design Award (German): Excellent Architecture – Fair and Exhibition
4. Red Dot Design Award (German): Brands & Communication Design 2019
5. Iconic Awards (German): Innovative Architecture



Trade fair stand showcasing “ing” chairs

## ■ Five inhouse design pieces featured in Graphic Design in Japan

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Five design pieces produced by our inhouse designers at Think of Things were featured in Graphic Design in Japan, an annual publication of the Japan Graphic Designers Association—Asia’s largest design organization.

Featured pieces

“KOKUYO Standards by Think of Things @ Morioka Shoten” (combined category), exhibited at Think of Things

Anniversary poster for Think of Things (poster category)

“Rearrangement of Document Boxes” (general graphics category), exhibited at Takeo Co., Ltd.’s “Ki-Hou-Shi Tactile and Visual”

“Opening up a new page in Tokyo” (interactive design category), KOKUYO’s official Tokyo 2020 support webpage

“Opening up a new page in Tokyo” (video category), KOKUYO’s official Tokyo 2020 support video



Double page spread in Graphic Design in Japan showing “KOKUYO Standards by Think of Things @ Morioka Shoten”

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## Third-Party Assessments

### KOKUYO CSR Report 2020: Survey Results

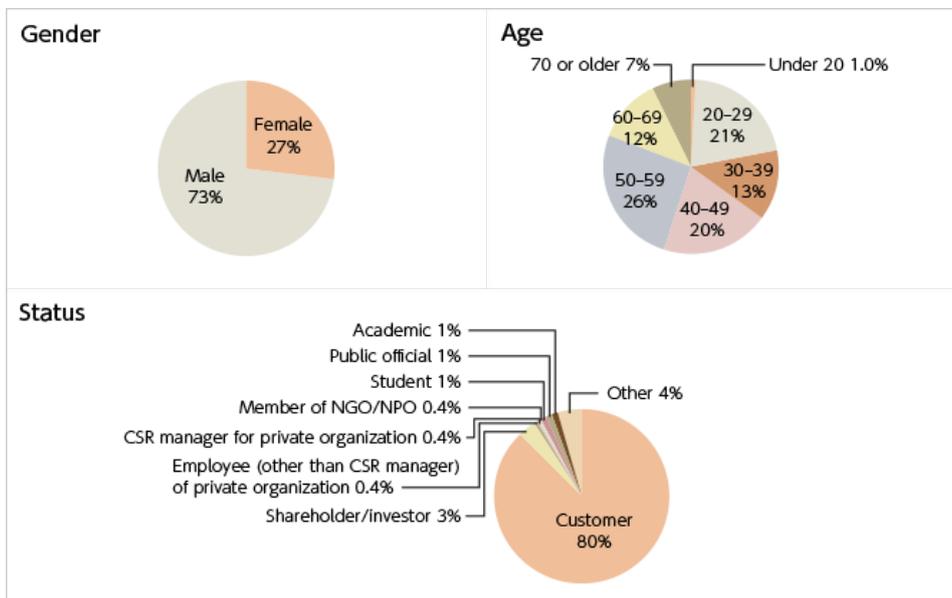
In August 2020, we conducted a questionnaire survey on KOKUYO CSR activities among general monitors (respondents recruited from the general public) and business partners. The results are shown below.

The findings from the 2020 survey provided an input for our materiality assessment (find out more on the KOKUYO Materiality webpage).

We wish to thank the respondents for participating in the survey and contributing valuable insights.

#### Attributes of survey sample

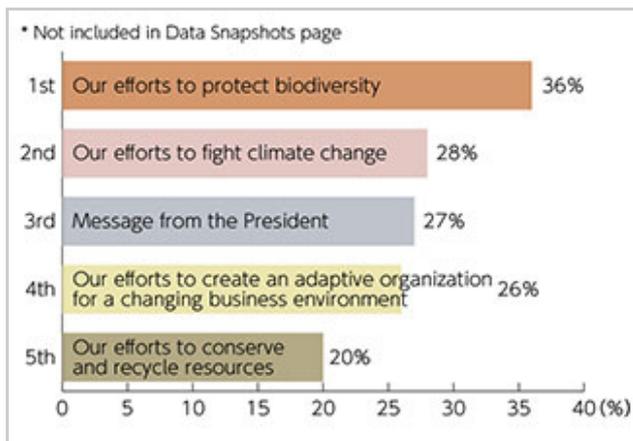
Number of completed questionnaires included in analysis: 245



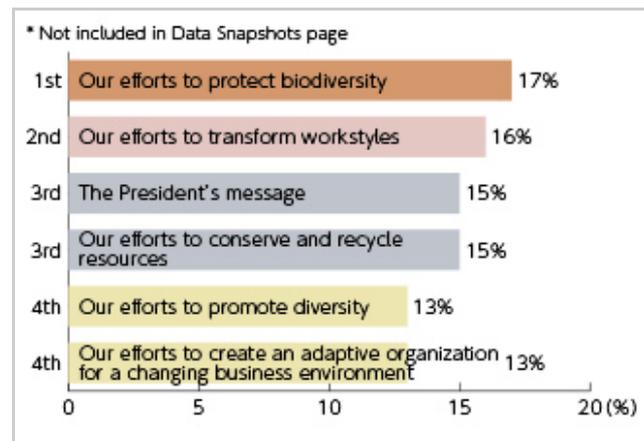
#### Survey results

\* For each question, respondents selected three responses

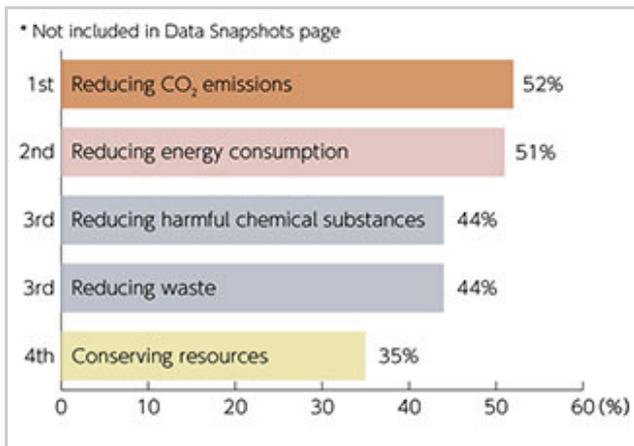
Which aspects have caught your attention or left an impression in you?



Which kind of information needs to be disclosed better?



**Which social/environmental issues do you think we can make positive contribution to?**



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## Content Index

### GRI Standards content index

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<b>General Disclosures</b>				
<b>102: General Disclosures</b>				
<b>1. Organizational profile</b>	○	102-1	Name of the organization	<a href="#">Corporate Data</a>
	○	102-2	Activities, brands, products, and services	<a href="#">Business Overview</a>
	○	102-3	Location of headquarters	<a href="#">Corporate Data</a>
	○	102-4	Location of operations	<a href="#">Affiliated Companies (Japanese Only)</a>
	○	102-5	Ownership and legal form	<a href="#">Corporate Data</a>
	○	102-6	Markets served	<a href="#">Business Overview</a>
	○	102-7	Scale of the organization	<a href="#">Corporate Data</a>
				<a href="#">Affiliated Companies (Japanese Only)</a>
				<a href="#">Earnings Highlights</a>
				<a href="#">Financial Position</a>
	○	102-8	Information on employees and other workers	<a href="#">CSR Data: Society</a>
	○	102-9	Supply chain	<a href="#">With Business Partners</a>
	○	102-10	Significant changes to the organization and its supply chain	
	○	102-11	Precautionary Principle or approach	<a href="#">Employees' Safety Risk Management</a>
○	102-12	External initiatives	<a href="#">Commendation and Recognitions from Outside</a>	
○	102-13	Membership of associations		
<b>2.</b>	○	102-14	Statement from senior decision-	<a href="#">Message from the President</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
Strategy			maker	
		102-15	Key impacts, risks, and opportunities	<a href="#">Securities Report p12 (Japanese) (572KB)</a> <a href="#">Business and other risks</a>
3. Ethics and integrity	○	102-16	Values, principles, standards, and norms of behavior	<a href="#">Corporate philosophy</a> <a href="#">KOKUYO's CSR Charter</a>
		102-17	Mechanisms for advice and concerns about ethics	<a href="#">KOKUYO Group Code of Conduct</a>
		102-17	Mechanisms for advice and concerns about ethics	<a href="#">Securities Report p27 (Japanese) (572KB)</a>
4. Governance	○	102-18	Governance structure	<a href="#">Corporate Governance</a>
		102-19	Delegating authority	
		102-20	Executive-level responsibility for economic, environmental, and social topics	
		102-21	Consulting stakeholders on economic, environmental, and social topics	
		102-22	Composition of the highest governance body and its committees	<a href="#">Securities Report p25 (Japanese) (572KB)</a>
		102-23	Chair of the highest governance body	<a href="#">Securities Report p25 (Japanese) (572KB)</a>
		102-24	Nominating and selecting the highest governance body	
		102-25	Conflicts of interest	
		102-26	Role of highest governance body in setting purpose, values, and strategy	
		102-27	Collective knowledge of highest governance body	
		102-28	Evaluating the highest governance body's performance	
	102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">Securities Report p12 (Japanese), 25 (572KB)</a>	

Description	Core Questions	Standards	GRI Standards Questions	Page
		102-30	Effectiveness of risk management processes	
		102-31	Review of economic, environmental, and social topics	
		102-32	Highest governance body's role in sustainability reporting	
		102-33	Communicating critical concerns	
		102-34	Nature and total number of critical concerns	
		102-35	Remuneration policies	<a href="#">Securities Report p37 (Japanese) (572KB)</a>
		102-36	Process for determining remuneration	<a href="#">Securities Report p37 (Japanese) (572KB)</a>
		102-37	Stakeholders' involvement in remuneration	<a href="#">Securities Report p34 (Japanese) (572KB)</a>
		102-38	Annual total compensation ratio	
		102-39	Percentage increase in annual total compensation ratio	
<b>5. Stakeholder engagement</b>	○	102-40	List of stakeholder groups	<a href="#">With Stakeholders</a>
	○	102-41	Collective bargaining agreements	<a href="#">Securities Report p8 (Japanese) (572KB)</a>
	○	102-42	Identifying and selecting stakeholders	<a href="#">With Stakeholders</a>
	○	102-43	Approach to stakeholder engagement	<a href="#">With Stakeholders</a> <a href="#">Dialogue with our Customers</a> <a href="#">Communication with Employees</a> <a href="#">With Business Partners</a> <a href="#">Social Contribution</a>
	○	102-44	Key topics and concerns raised	<a href="#">CSR Report 2020 Survey Results</a>
<b>6. Report</b>	○	102-45	Entities included in the consolidated financial statements	<a href="#">Securities Report p7 (Japanese) (572KB)</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
	○	102-46	Defining report content and topic Boundaries	
	○	102-47	List of material topics	<a href="#">KOKUYO Materiality</a>
	○	102-48	Restatements of information	
	○	102-49	Changes in reporting	
	○	102-50	Reporting period	<a href="#">CSR Report p2 (9.78MB)</a>
	○	102-51	Date of most recent report	<a href="#">CSR Report p2 (9.78MB)</a>
	○	102-52	Reporting cycle	<a href="#">CSR Report p2 (9.78MB)</a>
	○	102-53	Contact point for questions regarding the report	<a href="#">For questions regarding the report, please contact below.</a>
	○	102-54	Claims of reporting in accordance with the GRI Standards	
	○	102-55	GRI content index	<a href="#">Content Index</a>
	○	102-56	External assurance	<a href="#">Environmental Management</a>
<b>103: Management Approach</b>				
		103-1	Explanation of the material topic and its Boundary	<a href="#">KOKUYO Materiality</a>
		103-2	The management approach and its components	<a href="#">KOKUYO Materiality</a>
		103-3	Evaluation of the management approach	<a href="#">KOKUYO Materiality</a>
<b>Material topics</b>				
<b>200: Economic</b>				
<b>201 : Economic Performance</b>		201-1	Direct economic value generated and distributed	<a href="#">Earnings Highlights</a>
		201-2	Financial implications and other risks and opportunities due to climate change	
		201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Securities Report p7 (Japanese) 1 (572KB)</a>
		201-4	Financial assistance received from government	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>202 : Market Presence</b>		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
		202-2	Proportion of senior management hired from the local community	
<b>203 : Indirect Economic Impacts</b>		203-1	Infrastructure investments and services supported	
		203-2	Significant indirect economic impacts	
<b>204 : Procurement Practices</b>		204-1	Proportion of spending on local suppliers	
<b>205 : Anti-corruption</b>		205-1	Operations assessed for risks related to corruption	
		205-2	Communication and training about anti-corruption policies and process	
		205-3	Confirmed incidents of corruption and actions taken	
<b>206 : Anti-competitive Behavior</b>		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
<b>300: Environment</b>				
<b>301 : Materials</b>		301-1	Materials used by weight or volume	<a href="#">Environmental Performance Data</a>
		301-2	Recycled input materials used	<a href="#">Environmental Performance Data</a>
		301-3	Reclaimed products and their packaging materials	
<b>302 : Energy</b>		302-1	Energy consumption within the organization	<a href="#">Environmental Performance Data</a>
		302-2	Energy consumption outside of the organization	<a href="#">Environmental Performance Data</a>
		302-3	Energy intensity	<a href="#">Environmental Performance Data</a>
		302-4	Reduction of energy consumption	<a href="#">Environmental Performance Data</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
		302-5	Reductions in energy requirements of products and services	
<b>303 : Water</b>		303-1	Interactions with water as a shared resource	
		303-2	Management of water discharge-related impacts	
		303-3	Water withdrawal	<a href="#">Reports by Business Sites</a>
		303-4	Water discharge	<a href="#">Reports by Business Sites</a>
		303-5	Water consumption	<a href="#">Reports by Business Sites</a>
<b>304 : Biodiversity</b>		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Yui no Mori</a>
				<a href="#">ReEDEN Project</a>
		304-2	Significant impacts of activities, products, and services on biodiversity	
		304-3	Habitats protected or restored	<a href="#">Yui no Mori</a>
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
<b>305 : Emissions</b>		305-1	Direct (Scope 1) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-4	GHG emissions intensity	<a href="#">Environmental Performance Data</a>
		305-5	Reduction of GHG emissions	<a href="#">Environmental Performance Data</a>
		305-6	Emissions of ozone-depleting substances (ODS)	
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">Environmental Performance Data</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>306 : Effluents and Waste</b>		306-1	Water discharge by quality and destination	<a href="#">Reports by Business Sites</a>
		306-2	Waste by type and disposal method	<a href="#">Environmental Performance Data</a>
		306-3	Significant spills	
		306-4	Transport of hazardous waste	
		306-5	Water bodies affected by water discharges and/or runoff	
<b>307 : Environmental Compliance</b>		307-1	Non-compliance with environmental laws and regulations	<a href="#">Legal Compliance and Pollution Prevention</a>
<b>308 : Supplier Environmental Assessment</b>		308-1	New suppliers that were screened using environmental criteria	
		308-2	Negative environmental impacts in the supply chain and actions taken	
<b>400: Social</b>				
<b>401 : Employment</b>		401-1	New employee hires and employee turnover	<a href="#">CSR Data: Society</a>
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
		401-3	Parental leave	<a href="#">CSR Data: Society</a>
<b>402 : Labor/Management Relations</b>		402-1	Minimum notice periods regarding operational changes	
<b>403 : Occupational Health and Safety</b>		403-1	Occupational health and safety management system	<a href="#">Employees' Safety</a> <a href="#">Employees' Health</a>
		403-2	Hazard identification, risk assessment, and incident investigation	
		403-3	Occupational health services	
		403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Employees' Safety</a>
		403-5	Worker training on occupational health and safety	<a href="#">Employees' Safety</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
		403-6	Promotion of worker health	<a href="#">Employees' Health</a>
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Employees' Health</a>
		403-8	Workers covered by an occupational health and safety management system	<a href="#">Securities Report p8 (Japanese) (572KB)</a>
		403-9	Work-related injuries	<a href="#">CSR Data: Society</a>
		403-10	Work-related ill health	
<b>404 : Training and Education</b>		404-1	Average hours of training per year per employee	
		404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Human Resource Development Program</a>
		404-3	Percentage of employees receiving regular performance and career development reviews	
<b>405 : Diversity and Equal Opportunity</b>		405-1	Diversity of governance bodies and employees	<a href="#">CSR Data: Society</a>
		405-2	Ratio of basic salary and remuneration of women to men	
<b>406 : Non-discrimination</b>		406-1	Incidents of discrimination and corrective actions taken	
<b>407 : Freedom of Association and Collective Bargaining</b>		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>408 : Child Labor</b>		408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">With Business Partners</a>
<b>409 : Forced or Compulsory Labor</b>		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">With Business Partners</a>
<b>410 : Security Practices</b>		410-1	Security personnel trained in human rights policies or procedures	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>411 : Rights of Indigenous Peoples</b>		411-1	Incidents of violations involving rights of indigenous peoples	
<b>412 : Human Rights Assessment</b>		412-1	Operations that have been subject to human rights reviews or impact assessments	
		412-2	Employee training on human rights policies or procedures	
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
<b>413 : Local Communities</b>		413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Social Contribution</a>
		413-2	Operations with significant actual and potential negative impacts on local communities	
<b>414 : Supplier Social Assessment</b>		414-1	New suppliers that were screened using social criteria	
		414-2	Negative social impacts in the supply chain and actions taken	<a href="#">With Business Partners</a>
<b>415 : Public Policy</b>		415-1	Political contributions	
<b>416 : Customer Health and Safety</b>		416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Quality Assurance at KOKUYO Stationery</a>
				<a href="#">Quality Assurance at KOKUYO Furniture</a>
				<a href="#">Kaunet Quality Assurance</a>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
<b>417 : Marketing and Labeling</b>		417-1	Requirements for product and service information and labeling	
		417-2	Incidents of non-compliance concerning product and service information and labeling	

Description	Core Questions	Standards	GRI Standards Questions	Page
		417-3	Incidents of non-compliance concerning marketing communications	
<b>418 : Customer Privacy</b>		418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	
<b>419 : Socioeconomic Compliance</b>		419-1	Non-compliance with laws and regulations in the social and economic area	

Information about issues concerning the following core subjects of ISO26000 can be viewed in the following sections of this CSR report.

ISO26000 Core Subjects	Issues	Page
Organizational governance	Issue 1: Organizational governance	<ul style="list-style-type: none"> <li>• <a href="#">Message from the President</a></li> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">Corporate Governance and Risk Management</a></li> </ul>
Human rights	Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups Issue 6: Civil and political rights Issue 7: Economic, social and cultural rights Issue 8: Fundamental principles and rights at work	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">Work Style Reform</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Employees' Safety</a></li> <li>• <a href="#">Employees' Health</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">Basic Framework for Diversity</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>
Labor practices	Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Issue 3: Social dialogue Issue 4: Health and safety at work Issue 5: Human development and training in the workplace	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">Work Style Reform</a></li> <li>• <a href="#">Human Resources Management</a></li> <li>• <a href="#">Employees' Safety</a></li> <li>• <a href="#">Employees' Health</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">Basic Framework for Diversity</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>
Environment	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">Environmental Management and Third-party Inspection</a></li> <li>• <a href="#">Global Warming Preventive Measures</a></li> <li>• <a href="#">Resource-saving and Recycling Measures</a></li> <li>• <a href="#">Compliance with the law and the prevention of pollution</a></li> <li>• <a href="#">Developing Environmentally-friendly Products and Services</a></li> <li>• <a href="#">Biodiversity/Promoting Environmental Communications</a></li> <li>• <a href="#">Environmental Performance Data</a></li> <li>• <a href="#">Reports by Business Site</a></li> <li>• <a href="#">Yui no Mori</a></li> </ul>
Fair operating practices	Issue 1: Anti-corruption Issue 2: Responsible political	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">System for the Promotion of CSR</a></li> </ul>

	<p>involvement</p> <p>Issue 3: Fair competition</p> <p>Issue 4: Promoting social responsibility in the value chain</p> <p>Issue 5: Respect for property rights</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">Corporate Governance and Risk Management</a></li> </ul>
Consumer issues	<p>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</p> <p>Issue 2: Protecting consumers' health and safety</p> <p>Issue 3: Sustainable consumption</p> <p>Issue 4: Consumer service, support, and complaint and dispute resolution</p> <p>Issue 5: Consumer data protection and privacy</p> <p>Issue 6: Access to essential services</p> <p>Issue 7: Education and awareness</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">Providing Peace of Mind and Safety to Customers</a></li> <li>• <a href="#">CSR Report 2020 Survey Results</a></li> <li>• <a href="#">CSR Data: Reflecting the views of customers</a></li> </ul>
Community involvement and development	<p>Issue 1: Community involvement</p> <p>Issue 2: Education and culture</p> <p>Issue 3: Employment creation and skills development</p> <p>Issue 4: Technology development and access</p> <p>Issue 5: Wealth and income creation</p> <p>Issue 6: Health</p> <p>Issue 7: Social investment</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">New Value Creation</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Social Contribution</a></li> <li>• <a href="#">Commendation and Recognitions from Outside</a></li> <li>• <a href="#">Biodiversity/Promoting Environmental Communications</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>

