

❏ 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	

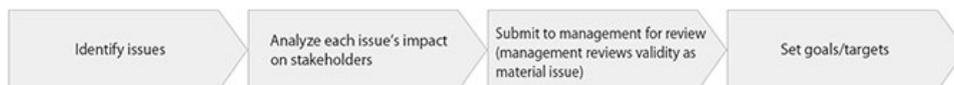
KOKUYO Materiality

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

CO₂ reduction

- You are doing good work in forest conservation, so you should also try to reduce CO₂ 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

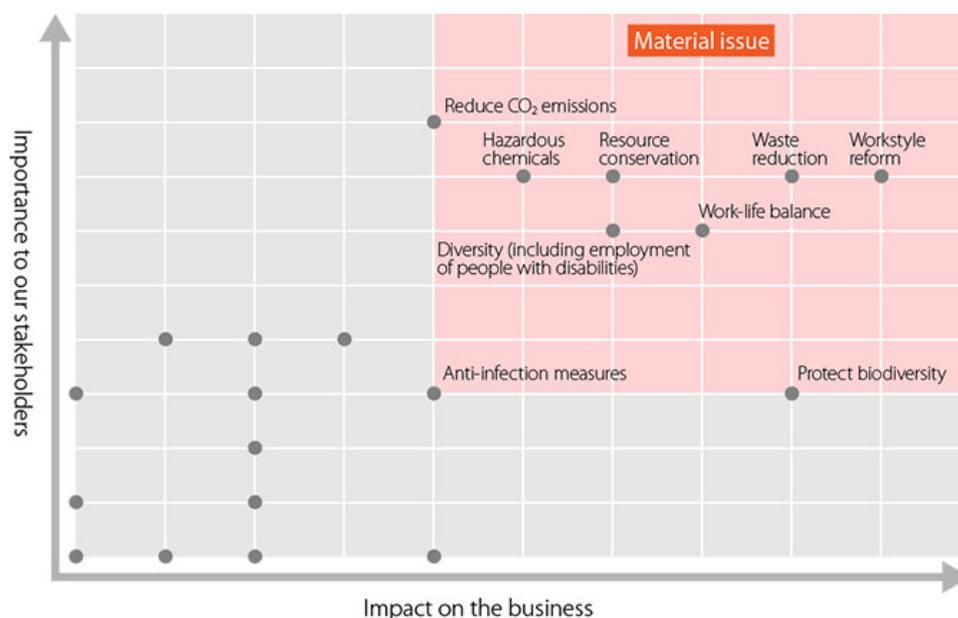
- This issue is very relevant to your organization given its use of paper in products such as notebooks.

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 ₂ emissions through energy efficiency and renewable energy. Use forests to offset emissions	Offset CO ₂ emissions: Contribute to absorption of at least 6,000 tons of CO ₂ a year
		Reduce CO ₂ 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