

Sanyo Chemical Group Material Issues

We have identified six material issues based on our company mission “Establish a better society through our corporate activities.” We address these issues while realizing “Inspire WakuWaku feeling from all the stakeholders,” “Co-create environmental, social and economic value with the stakeholders,” and “Facilitate every employee’s value creation.”

Material issues on the business domain

Environment E | Support the environment by creating an environment-friendly circular-oriented society

CN Carbon Neutrality

Achieve carbon neutrality as Interface Innovator

Life L | Support people and their lives by creating a society where people can live healthily and safely

QOL Quality of Life

Improve QOL by performance through chemistry

Material issues on the management domain

Society S | Support diversity by creating a society where everyone can shine by their personality

In Innovation

Create innovations by supporting value creation of industry, culture and education

HC Human Capital

Develop human resources and improve work environment by recognizing diversity

Governance G | Retain social trust with transparent management

RM Risk Management

Conduct the risk management thoroughly by strengthening the Guardian function

TM Transparent Management

Implement challenge-oriented and transparent management

Approach to materiality identification

The Sanyo Chemical Group defines material issues as “important issues that have a significant impact on the medium- to long-term value creation of the Sanyo Chemical Group.” We believe that it is necessary to identify material issues in order to continue to create value with the intention of satisfying all stakeholders defined by the Group. To create value for all stakeholders, we have identified material issues by following the process 1 to 4 below, considering that identifying and prioritizing medium- to long-term themes is the shortest route to value creation.

Materiality identification steps

1 Identification of issues

Issues have been selected with reference to various guidelines, such as the SASB Standards for the chemical industry, the GRI Guidelines, the Sustainable Development Goals (SDGs), and the World Economic Forum (WEF) core metrics, as well as communication with stakeholders and a questionnaire on our company mission for all employees and officers.



2 Prioritization of the issues and creation of the materiality matrix

The identified issues have been prioritized through dialogue with major shareholders and employees about their impacts on our corporate identity and finance, opportunities to create innovation, and the Sanyo Chemical Group's uniqueness. The issues were then plotted on a matrix with management and business perspectives placed on the horizontal axis and expectations and contributions to resolving social and environmental issues placed on the vertical axis.



3 Identification of material issues

With a focus on the upper right area of the materiality matrix, six material issues have been identified, with issues related to the Environment field and the Life field as material issues on the business domain and issues related to the Society field and the Governance field as material issues on the management domain. (The Life field has been separated from the conventional ESG portfolio and categorized as a symbol of expectations and contributions to the improvement of QOL.)



4 Validation of the material issues and board approval

The material issues have been validated through deliberations at the Sustainable Management Committee, which is chaired by the President and CEO, and have been approved by the Board of Directors. The issues will be reviewed according to changes in the business environment that may occur in the future.