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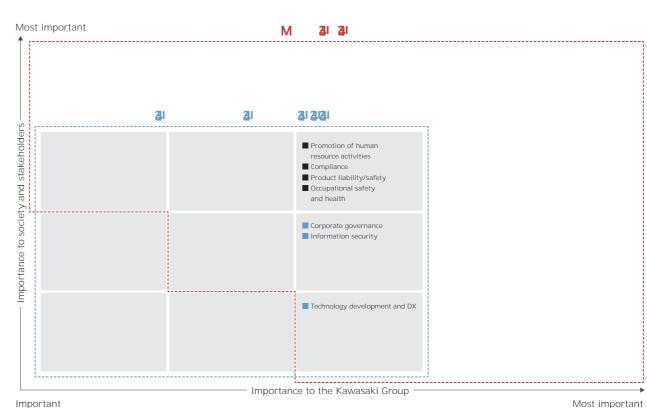
In 2018, Kawasaki Group identified material issues (materiality) by recognizing and summarizing the impact business activities have on society, in light of the diversifying expectations and demands of stakeholders and changes in the business environment. The material issues were subsequently reevaluated following the announcement of the Group Vision 2030 in November 2020.

We divided them into two broad categories: The "social and environmental value created through business" and

the "foundation of our business activities." Initiatives conducted through our main business have been defined as the most material issues to be achieved by the Group over the long term, while other issues have been positioned as basic items for achieving the most material issues. Going forward, we will continue to regularly review our materiality in response to changes in the business environment and the expectations of society.

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| Step | | Process | | | | | |
|--------------|--------|---|--|--|--|--|--|
| 2018 | | I 21 21 21 (21 21) | | | | | |
| | - | The "social value created through business" was defined as the most material issues to be achieved by the Group over the long term, with other topics positioned as the "foundation of our business activities." | | | | | |
| 2021 2022 | | 2ju 2ju2ju (2ju2ju)2ju2ju2ju 2ju G 2ju2ju 2030 | | | | | |
| | Step 1 | In November 2020, we formulated our Group Vision 2030, considering a variety of social issues, the Company's strengths and our vision for 2030. We also established three focal fields, including a safe and secure remotely connected society, near-future mobility and energy and environmental solutions. In June 2021, upon discussion by the Sustainability Committee chaired by the President, these three focal fields were set out as the social and environmental value created through business. In light of our business strategy under the Group Vision 2030 and recent changes globally around sustainability, | | | | | |
| | | we additionally reviewed the "foundation of our business activities" category. We identified and sorted issues—with input from outside advisors—based on survey items from ESG assessment organizations (DJSI, FTSE, MSCI, Sustainalytics), SASB, investor stewardship principles, GRI, Future-Fit, and client company requests (Self-Assessment Questionnaire). We then mapped the material issues into two tentative categories: "Importance to society and stakeholders" and "importance to the Group." | | | | | |
| | | aaaaaWe then obtained the opinions of outside experts and reevaluated this mapping. After discussion by the Sustainability Committee based on those opinions and the revised mapping, further discussions were held by the Board of Directors which then determined the final material issues. | | | | | |
| | Step 2 | the Board of Directors and the Sustainability Committee | | | | | |
| | | F 21 | | | | | |
| | Step 3 | | | | | | |





Items selected as important issues under the "foundation of our business activities" category have been categorized as follows, and priority items have been established under each issue: 1. Items of particular importance going forward (items that will have an ever-increasing impact on future finances); 2. Items that were emphasized in the past, but which will be steadily reinforced going

| | : Sco | pe of initia | tives | 2 1 * | К | a G | 0 | |
|--------------|------------|--------------|--|--|--------------------|---------------|--------|--|
| 2 | 21 _ 21 | | Energy and environmental solutions (value chain) | Decarbonization Improve resilience in response to climate change Effective use of resource | | | change | |
| Ċ | (| (2) | Business and human rights | Conduct human rights due diligence | | | | |
| <u>3</u> 1 | 2월 - 2월 | | Promotion of human resource activities | Human resource system reforms, human resource development | | | | |
| | | <u>21</u> | | | Diversity and i | nclusion | | |
| | 23 I) | | | Co-creation IP strategies for new business creation | | | | |
| | | | Technology development and DX | | Open inno∨ | ation | | |
| | | | | | Promote | DX | | |
| | | | Product liability/safety | | Product liabilit | y/safety | | |
| I. | | 71 | Compliance | Compliance with the Sustainable Procurement Guidelines | | | | |
| | <u>e</u> i | து 231 | | | Anti-corruption | measures | | |
| - | , 21 | 201 | Occupational safety and health | | Occupational safet | y and health | | |
| 2 | ₽' 1 | 21 | Information security | | Strengthen produ | ict security | | |
| - | • | ~ 61 | | | Strengthen informa | tion security | | |
| | | | | | Strengthen cybe | r defenses | | |
| | | | | | Privacy po | olicy | | |
| C (21 21 21) | | | | | | | | |

* Because items to be addressed with regards to sustainable supply chain management are wide-ranging, priority items are shown in the Supplier column.



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Most important

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forward; and 3. Mechanisms to be developed as the foundation for everything.

Further, we clarified the scope of initiatives in 1. and 2. Based on a high-level view of the entire value chain, from planning and design and product use, and from the suppliers involved to the customer.