

## Our Policy for Sustainability and Priority Issues

In April 2022, the Unitika Group formulated a policy for sustainability at the Sustainability Committee. This policy specifies our philosophy and Group mission for realizing our long-term vision from a sustainability perspective. [See pp. Figure 1 for details.](#)

We have been working to resolve the eight priority issues under this sustainability policy. The three priority issues related to business, which we have set as priority issues associated with our products' values, are precisely the Group mission for realizing our long-term vision. We are striving to resolve these issues by providing products that protect people from disasters and accidents, crime, damage to health and other incidents, products that are compatible with digitalization and diversifying lifestyle habits, and products that help reduce CO<sub>2</sub> emissions, conserve resources, and prevent environmental pollution.

The five priority issues related to corporate activities are various issues that we should consider when carrying out our business activities. Specifically, the issues we are working on are carrying out environmentally-friendly corporate activities, respecting the human rights of all stakeholders, ensuring our employees can live a healthy life, preparing a work environment that is motivating and satisfying for a diversity of personnel, and detecting and avoiding risks in the supply chain. [See pp. 29–30 for details.](#)

## Process for Formulation of Priority Issues

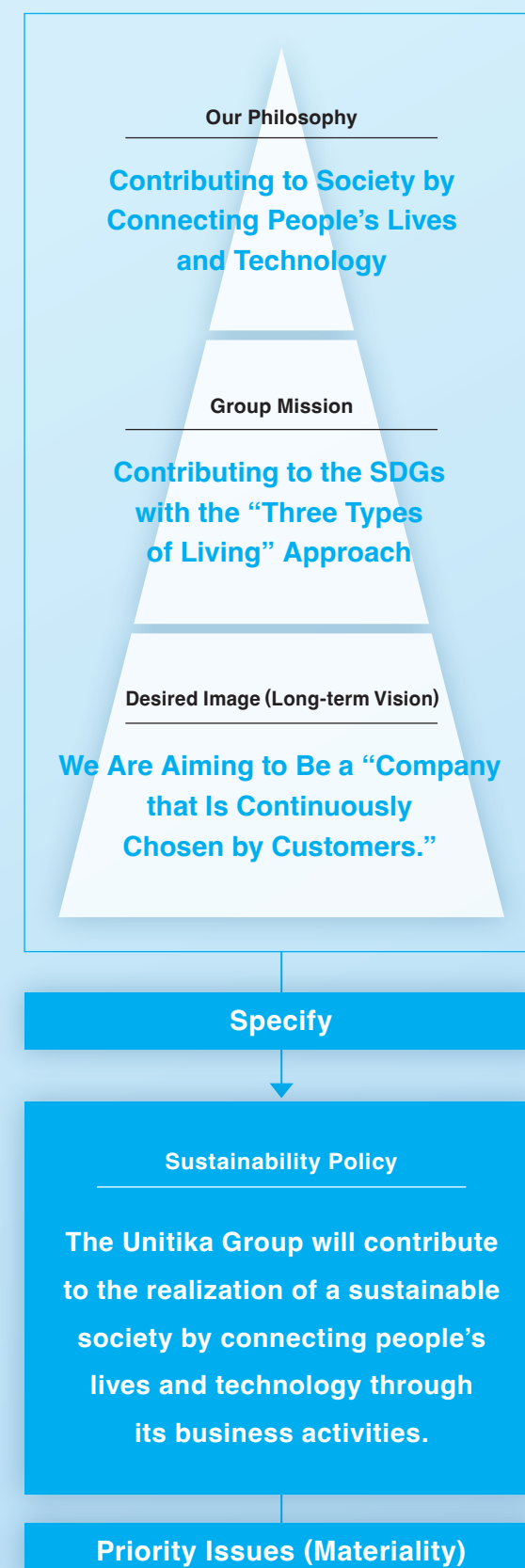
In specifying the priority issues, first we listed the initiatives the Unitika Group is already working on to achieve a sustainable society. Then we referred to the SDGs and the GRI Standards, and listed the initiatives to tackle going forward.

After grouping these initiatives, we identified as issues those initiatives we should achieve by the SDGs target year of 2030.

We then verified the risks and opportunities of each of these issues and their positioning on the value chain, and narrowed down the important items. Finally, we organized these items on a matrix along two axes, one for their importance to stakeholders and the other for their importance to the Unitika Group, and then specified the Priority Issues (Materiality). We also set four items as basic matters underlying the Priority Issues. These items have been approved at a management meeting.

[See Figures 2 and 3 for details.](#)

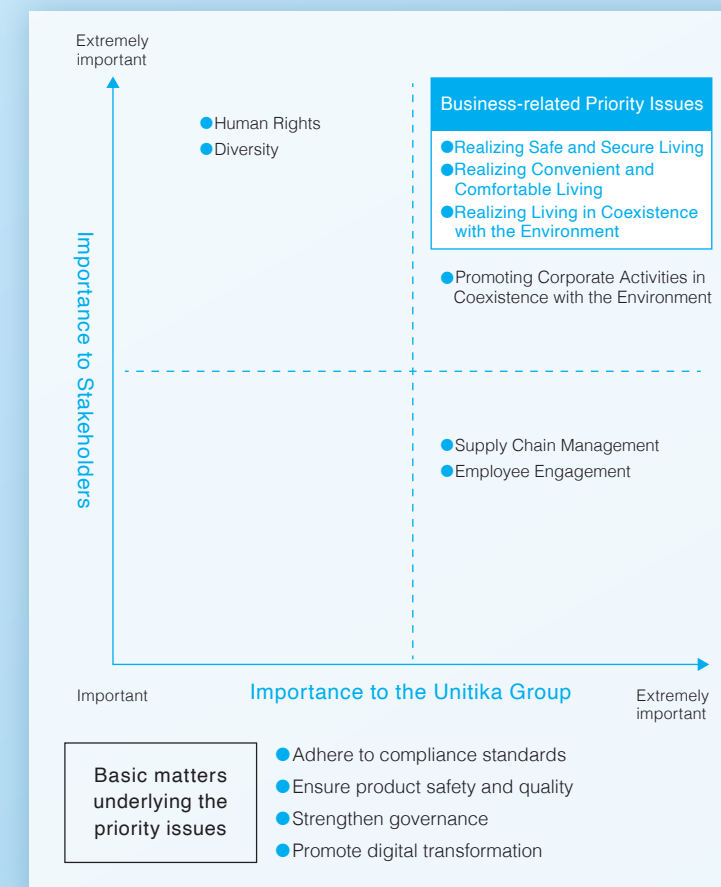
### 1 The Sustainability Policy of the Unitika Group



### 2 Priority Issue Specification Process



### 3 Priority Issue Matrix



## Governance

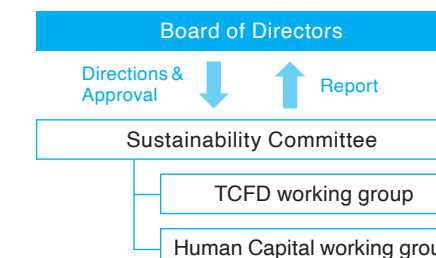
In December 2021, we established the Sustainability Committee as an organization for overseeing our actions going forward in order to achieve the Unitika Group's priority issues and the corresponding indexes (KPIs) and target values. In order to promote company-wide initiatives, a total of seven members, consisting of four directors (Representative Director and President, CEO Shuji Ueno (chair of the committee), Masakazu Kitano, Katsuhide Kyunai, and Tsunetoshi Matsuda), two executive officers, and the general manager of the Global Business Promotion Division, attend as the head of their respective segment or department to conduct discussions, evaluate the appropriateness of measures aimed at realizing the priority issues, targets, indicators, and target values of the Unitika Group, and formulate promotion measures to achieve the targets against the indicators.

The committee members not only oversee the entire structure, but are also responsible for KPIs, supervise their progress, and reflect such progress when formulating medium-term management plans.

The committee meets at least once a year and its discussions are reported to the Board of Directors for directions and approval.

Also, a TCFD working group, which promotes disclosure based on the TCFD Recommendations, and a Human Capital working group, whose purpose is to achieve the targets of the KPIs related to human capital, have been established under the Sustainability Committee to strengthen its structure.

### Governance organizational chart



## Risk Management

One of the priority issues of the Unitika Group is to "promote corporate activities in coexistence with the environment," which also includes climate change risks.

The Sustainability Committee evaluates the reasonableness of these risks as required, and reports to the Board of Directors on newly identified risks, including those related to climate, if they are determined to be important.