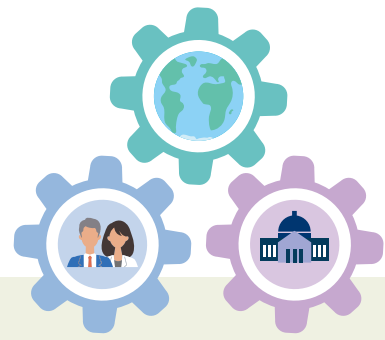


Sustainability Management



Basic Philosophy

In accordance with its management philosophy of “creating comfortable environments through engineering and widely contributing to social development,” the Sanki Engineering Group formulated its Sustainability Policy and laid out its “Vision for 2050—Sanki, The Enduring Company of Choice.” We are promoting sustainability management by addressing stakeholder demands and expectations and incorporating them in our corporate activities and by contributing technological solutions to social issues. We have also identified the five materiality issues of the Sanki Engineering Group and have set KGIs and KPIs under our Medium-Term Management Plan “Century2025” Phase 3 (FY2022–2025) to assess the progress of our initiatives. Through these efforts, we will contribute to the environment and society while at the same time securing profit to achieve sustainable development for many years to come

Policies and Guidelines on Sustainability



P. 24 Sanki Engineering Group Materiality

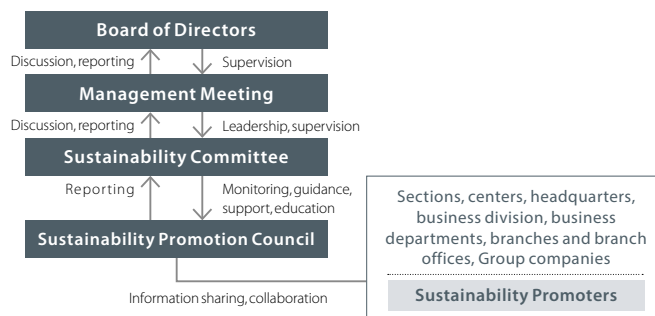
Stakeholder Engagement

<https://www.sanki.co.jp/en/csr/governance/engagement/>

System for Promoting Sustainability

The Sustainability Committee deliberates and decides on key issues and measures related to sustainability. In addition, a Sustainability Promotion Council, consisting of personnel in charge of sustainability from each division, was established as a subordinate body of the Sustainability Committee to examine and disseminate measures, review the progress of each division’s materiality-based activities, and monitor related trends and information. Agenda items that significantly impact business and management strategies are submitted and reported to the Management Meeting and the Board of Directors for decision and approval, depending on their relative importance. The Board of Directors supervises the progress of activities based on the KGIs and KPIs set in the Medium-Term Management Plan. This system enables us to address sustainability issues in all our business activities, including throughout the supply chain.

Sustainability Promotion System



Risk Management

Issues identified from the risks and opportunities related to our value chain are evaluated and prioritized against the two axes of improving corporate value and improving environmental and social value, to determine our five materiality issues and incorporate them into our measures and target setting for the Medium-Term Management Plan. Over the course of this process, we ensure these considerations are appropriately reflected in our decision-making for sustainability management by collaborating with the Risk Management Committee, which oversees and manages risks for the entire Group.

Sustainability Committee

Decides on important issues and measures to realize sustainable management. Meets twice a year.

Composition

Chairperson:
President and Representative Director

Members:
Directors and persons nominated by the chairperson

Secretariat:
Sustainability Promotion Department

Main Agenda for FY2022

- Outlook for carbon neutrality and promotion of decarbonization measures
- Enhancement of the SANKI YOU Eco Contribution Point system

Sustainability Promotion Council

Implements measures to ensure awareness of sustainability-related policies and keeps track of progress. Meets twice a year.

Composition

Members:
Sustainability promoters from each division

Secretariat:
Sustainability Promotion Department

P. 87 Risk Management