

Materiality Issues and Sustainability Management Promotion Strategy

Materiality Issues	E	S	G	Shared Value	NITORI Group's Approach	Sustainability Management Issues	Objective
Contributing to prosperous home living by providing products and services that offers the unexpected 	●	●		Value creation for providing enriched lifestyles to customers	(1) Pursue affordability, appropriate quality (functionality), and coordination (2) Resolve customers' frustrations and inconveniences (3) Offer new value that further enriches lifestyles (products and services that can lead to solutions to environmental and social issues)	Promoting environmentally friendly manufacturing/initiatives → P45 - 46	By 2030, (1) Reduce waste emissions (general and industrial waste) by 30% (Per 100 million yen of domestic sales, compared to FY2018) * (2) Achieve at least 95% recycling rate of industrial waste * (3) Promote "resource recycling" as an initiative to eliminate waste in the first place ● Expand product development with an eye toward recycling at the planning and designing stages (circular economy) ● Promote recycling (collection and recycling) of products and packaging materials *(1) and (2) are for domestic operations.
Product safety and security through comprehensive quality control 		●			(1) Quality control and product safety measures as a manufacturer (2) Share with suppliers ideas and initiatives to build a culture of product safety	Expand waste reduction and recycling → P47 - 48	
Promotion of environmentally friendly business 			●	Simultaneous expansion of economic value and environmental and social value	(1) Carry out all tasks more efficiently throughout the entire supply chain (2) Make effective use of all raw materials (3) Make effective use of recycled materials through innovation (4) Disclose and reduce greenhouse gas emissions from business activities	Response Climate Change Issues → P49 - 50	Greenhouse Gas Emissions Reduction Targets (Global, Scope 1.2) FY2030: 50% reduction compared with FY2013 (emissions per 100 million yen of net sales) FY2050: Become carbon neutral. (net zero emissions)
Fair and honest trade and respect for human rights in the supply chain 	●	●			(1) Supplier contracts based on strict standards and on-site investigations (2) Establish true partnerships with suppliers Fair and honest trade, respect for human rights, work environment creation, etc.	Sustainable Procurement → P48	
Contribution to local communities 			●	Creation of social value through store openings and support in terms of human resources, the environment, and culture	(1) As a company that offers lifestyle infrastructure, expand the store network and create stores supported by customers (2) Expand into global business (open stores and create employment) (3) Disaster assistance and social action programs in fields other than the main lines of business	Promote human resource development and organizational development → P51 - 52	Creating a healthy and safe work environment → P54 - 55
Creation of a rewarding work environment and promotion of diversity 			●		(1) Education system that allows employees to realize self-growth (2) Transfer to a variety of job category in a wide range of business fields (3) Create a comfortable environment where everyone can work in good health with peace of mind	Promotion of initiatives to address environmental and social issues at overseas sites and own factories → P56	
Effective corporate governance 			●	Ensuring transparency and soundness of management Speedy decision-making and business execution	(1) Build a foundation that supports medium- to long-term corporate growth Create decision-making systems and a basis for active discussions (2) Ensure compliance (3) Build a robust risk management system	Promotion of CSR activities → P59 - 60	Strengthen corporate governance structure → P61 - 66
						Ensuring the Effectiveness of the Board of Directors → P67 - 68	

