



# Key Themes and Specific Initiatives Addressing Societal Issues

	FY2022: Important issues (Materiality)	Policy themes	Relevant SDGs
E	<p><b>Environmental management</b></p> <p>We conduct environmental preservation activities on an ongoing basis in light of the EKK Group's seal technologies' direct contribution to environmental protection and in recognition that our business activities, products and services are inextricably linked with the global environment.</p>	<ul style="list-style-type: none"> <li>Development of environmentally friendly products</li> <li>Global warming mitigation measures</li> <li>Effective use of resources and management of environmentally hazardous substances</li> <li>Preservation of water resources</li> <li>Preservation of biodiversity</li> </ul>	
	<p><b>Quality assurance</b></p> <p>The EKK Group's products fulfill important safety functions in the equipment or plants in which they are installed. Through "Eternal Zero" activities to ensure not even a single defective product is ever shipped, we endeavor to ensure the quality of the products and services we provide to society as an utmost priority.</p>	<ul style="list-style-type: none"> <li>Eternal Zero (Maintaining a level of product quality that customers can rely on and guaranteeing the same quality level all over the world)</li> </ul>	
	<p><b>Human resource policies based on respect for human dignity</b></p> <p>"Management that respects human dignity based on commitment and trust" is part of our management philosophy. To put this into practice, we endeavor to create fulfilling workplaces where all employees can give full play to their respective capabilities. We place priority on human resource development with a suite of training programs for everyone from new hires to management.</p>	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Realization of diversity and a society with equal opportunity for women</li> <li>Promotion of workstyle reforms</li> <li>Training and development of human resources</li> </ul>	
	<p><b>Social contribution activities</b></p> <p>We carry out activities to benefit local communities on an ongoing basis with the aim of being a locally trusted corporate citizen. We host community events at our sites and sponsor events open to local residents. We also proactively support activities of NPOs and academic organizations and sponsor local sports teams.</p>	<ul style="list-style-type: none"> <li>Promotion of social contribution activities</li> </ul>	
S	<p><b>Occupational health and safety</b></p> <p>We place top priority on employees' health and safety. We strive to create safe workplace environments conducive to both physical and mental health. Based on a core conviction that safety is not only fundamental to management that respects human dignity but also a personal desire and mission of all Group personnel, we promote occupational health and safety management activities based on the concepts found in ISO 45001 with regard to occupational health and safety management systems.</p>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Employee health</li> <li>Promotion of traffic safety management</li> </ul>	
	<p><b>Supply chain management</b></p> <p>We conduct sourcing activities fairly and impartially in accord with policies we have established on doing business with a wide range of partner companies, including manufacturers of product materials, metal parts and resin parts and processing, surface treatment and assembly subcontractors, to enable us to meet product liability and other requirements for the EKK Group's diverse products.</p>	<ul style="list-style-type: none"> <li>Promotion of sourcing activities in accord with the Procurement Policies</li> <li>Partner management</li> <li>Promotion of green procurement activities</li> </ul>	
	<p><b>Corporate governance</b></p> <p>Our Board of Directors includes three independent outside directors. They occupy two of three seats on the Nominating and Compensation Committee, which advises the Board on important management matters involving nominations and compensation. Additionally, the Board seeks to ensure executive transparency through such means as regular information exchanges between outside directors and outside Audit &amp; Supervisory Board members. Furthermore, we are advancing education to ensure compliance with laws and regulations in accordance with each business activity, as well as management for individual laws and regulations within each organizational unit.</p>	<ul style="list-style-type: none"> <li>Organizational governance and appropriate disclosure</li> <li>Initiatives for fair competition and business practices</li> </ul>	
G	<p><b>Risk management</b></p> <p>Risk management becomes increasingly important for a company as its activities become more diverse and globalized. We have accordingly established the Risk Management Subcommittee under the Sustainability Committee and are working to improve risk-preparedness. Additionally, we have organized internal auditing functions across every node in our global footprint and periodically check the state of governance and legal/regulatory compliance at both domestic and overseas nodes.</p>	<ul style="list-style-type: none"> <li>Identification of and countermeasures against latent risks inherent in business activities, prevention of risk manifestation, etc.</li> </ul>	
	<p><b>Information security</b></p> <p>With advances in DX in business activities and other factors, information security is growing in importance. Therefore, we are working to strengthen our information security management regime, educate our employees to raise their security awareness and take countermeasures both during emergencies and to address vulnerabilities in our systems.</p>	<ul style="list-style-type: none"> <li>Strengthening the information security management regime</li> <li>Information security education</li> <li>Emergency response procedures and countermeasures, countermeasures against vulnerabilities in each system</li> </ul>	

# EKK Group Stakeholders

The idea that companies belong to not only their shareholders but also their employees and society has long permeated every aspect of the EKK Group's management.

We believe that building strong bonds of trust through dialogue with all stakeholders, including customers, suppliers and lenders, leads to fair profits and supports the EKK Group's perpetual growth.



## Customers

- Supply high-quality products that meet customer needs at reasonable costs, with effective delivery times, and in an appropriate manner.
- Provide appropriate maintenance, repair and other after-sales services for products delivered.
- Act as a reliable partner with technical strength that supports new product development and expansion to new fields.

## Shareholders

- Increase corporate value in a steady manner.
- Achieve and maintain a balance between dividends and internal reserves to strengthen our corporate standing and ensure appropriate dividend payments to shareholders with stability over the long term.

## Suppliers

- Deliver products and services in a reliable manner to earn appropriate compensation for them.
- Increase technical capabilities and open new fields, and boost corporate reliability through transactions.

## Financial institutions

- Carry out credit offerings and other financial transactions repeatedly and consistently to earn appropriate profits commensurate with risks.
- Increase applications in financial trading through transactions and boost corporate credibility.

## Communities

- Ensure stable tax payments and create job opportunities through sound corporate activities.
- As a Group, develop extensive ties with communities and contribute to the revitalization of local communities.
- Help to protect the environment through our products.

## Employees

- Enable employees to earn appropriate remuneration through their effort.
- Contribute to communities through production activities.
- Provide employees with opportunities to acquire the resources to achieve their goals at high levels and enjoy physical and mental well-being.