

Sustainability Promotion System → **Support for Initiatives** External Recognition

Support for Initiatives: Announced Participation in the UN Global Compact

The Group signed the UN Global Compact on October 17, 2018.

The Group has strived for many years to develop as a fair and reliable corporation by practicing the “customer-first principle” and “contribution to society” under the spirit of its corporate credos “Service before profit” and “Abjure all evil and practice all good.” Based on this belief, we set a vision “Create and Bring to Life ‘New Happiness’” and strive to make customers’ futures happy. To this end, we aim to realize sustainable management based on the places where we communicate with customers.

Initiatives on human rights, labor, environment and anti-corruption, which are advocated by the UN Global Compact, are essential to value these communication places and we greatly support its spirit and signed the UN Global Compact in 2018. We will comply with its ten principles and fulfill our responsibilities as a corporate citizen more than ever. At the same time, we will be committed to achieving SDGs.

The Group also attends the sessions by subject such as human rights, ESG, and CSV, which are organized by the Global Compact Network Japan, to discuss and share information.

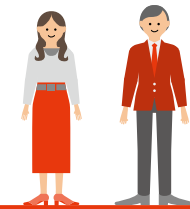


The Ten Principles of the UN Global Compact



Businesses should:

- 1 support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



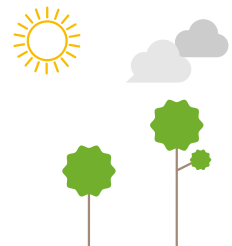
Businesses should:

- 3 uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 uphold the elimination of all forms of forced and compulsory labor;
- 5 uphold the effective abolition of child labor; and
- 6 uphold the elimination of discrimination in respect of employment and occupation.



Businesses should:

- 7 support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



Businesses should:

- 10 work against corruption in all its forms, including extortion and bribery.



Top
CommitmentSustainability
Promotion SystemJFR
Materiality IssuesContribution to
a Low-Carbon
SocietyManagement
of the Entire
Supply ChainCoexistence
with Local
CommunitiesPromotion of
DiversityRealization
of Work-Life
BalanceOperating
Companies'
ESG InitiativesOutside
Director's
Message

Governance

Data

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Support for Initiatives

Approved by the SBTi

The GHG emissions reduction targets set by the Group were approved as science-based reduction targets by the international SBTi*1 in October 2019. The SBTi updated its target validation criteria so that the level of targets is classified under three categories*2. The Group's targets were approved under the second strictest category of "well-below 2°C"-aligned targets.

The Group will take more proactive GHG emissions reduction measures such as the expansion of the share of renewable energy and waste reduction to achieve the targets approved by the SBTi.



GHG emissions reduction targets approved by the SBTi

- 40% reduction of Scope 1*3 and 2*4 GHG emissions by 2030
- 40% reduction of Scope 3*5 GHG emissions by 2030
(Both compared to FY2017)

*1 Established by a collaboration between four organizations including CDP, the UN Global Compact, World Resources Institute (WRI), and World Wide Fund for Nature (WWF) in 2015 for the purpose of promoting the achievement of science-based GHG emissions reduction targets to limit the temperature increase to below 2°C compared to pre-industrial levels.

*2 In October 2019, the SBTi raised its target validation criteria from existing upper limit of temperature rise of "2°C" above pre-industrial levels to "well-below 2°C" or "1.5°C." All existing SBTi-approved targets are classified under three categories: "1.5°C," "well-below 2°C," or "2°C."

*3 GHG emissions mainly from the company's own fuel consumption

*4 GHG emissions mainly from the generation of energy purchased from other companies

*5 GHG emissions from the production, sales, and consumption of products and supply chain activities excluding Scope 1 and 2

Support for the TCFD recommendations

The Group supports the final report released by the "Task Force on Climate-related Financial Disclosures (TCFD)" that was established by the Financial Stability Board (FSB) (TCFD recommendations), and at the same time, participated in the "TCFD Consortium" that was launched on May 27, 2019. Going forward, we will engage in dialogue with other companies and financial institutions which support these recommendations by participating in the TCFD Consortium to effectively disclose information on how we address the risks and opportunities of climate change, what initiatives we will implement to achieve the long-term GHG emissions reduction targets, and so on.



Participation in the Japan Climate Initiative

The Group participated in the Japan Climate Initiative in September 2018. It is a network of companies, local governments and NGOs that are actively implementing climate actions and agree to aim for decarbonization. By joining this network, we as a company will actively take climate actions to realize a decarbonized society.



Signed the Women's Empowerment Principles

The Group signed the Women's Empowerment Principles in October 2018. They are a set of principles of action developed through a partnership between the UN Global Compact and UN Women to actively address women's empowerment. We will take this opportunity to actively implement initiatives for women's empowerment and aim to create an environment that empowers all women.

