# Sustainability Promotion System

The Group's specific initiatives on social issues, including the environment and human rights, are discussed and decided in the Group Management Meeting, the highest decisionmaking body for business execution. Matters discussed and decided by the Group Management Meeting are shared with all operating companies through the Sustainability Committee, an advisory body to the President and Representative Executive Officer. The Sustainability Committee also monitors the implementation and progress of action plans at each operating company based on the Group's policies. The content of matters discussed and decided by the Group Management Committee and the Sustainability Committee are reported to the Board of Directors.

#### JFR Group environmental management system



### Sustainability Committee

(Established) March 2019

(Positioning) Advisory body to the President & Representative

**Executive Officer** 

(Chairperson) President & Representative Executive Officer

JFR Executive Officers. Presidents of all

operating companies

(Secretariat) Sustainability Promotion Division

(Management Strategy Unit)

(Frequency) Twice a year (Spring/Fall) in principle

(Activities)

- Sharing of long-term plans and Group sustainability policies discussed/resolved by the Group Management Committee
- Formulation of action plans (annually) and monitor progress
- Dialogue with experts, etc.



Meeting of the Sustainability Committee

# Linkage with the Officer Remuneration Policy

The Company has established the following two non-financial indicators for performance-linked stock compensation in the Officer Remuneration Policy, which was revised in April 2021.

- ①Forty percent reduction in Scope 1 and 2 GHG emissions (compared to fiscal 2017)
- 2 Increase in the share of women in management positions to 26%
- (Both ① and ② are targets for the end of fiscal 2023)

These items are also linked to materiality KPIs for 2023 to clarify the responsibility of the management team.

## (Main topics discussed in Sustainability Committee meetings>

### FY2022

- Lecture by an external instructor on "ESG/ sustainability management"
- How to advance the Women's Empowerment Promotion Project
- Report on results of supplier assessment (environment and human rights)
- Group-wide KPI progress report for FY2021
- Action Plan for FY2022

Lecture by an external instructor on "Diversity as a management strategy"

September

- Progress report on Women's Empowerment Promotion Project and discussion of future direction
- Group-wide KPI progress report for 1H FY2022

### FY2023

April

- Lecture by an external instructor on "Business and Human Rights"
- Initiatives to Promote Diversity and Inclusion at Each Operating Company
- Report on results of employee awareness survey
- Group-wide KPI progress report for FY2022
- Action Plan for FY2023

September

- Lecture by external instructor on "Overview and Necessity of Biodiversity Response"
- Conducted the 2nd Supplier Assessment
- Group-wide KPI progress report for 1H FY2023

