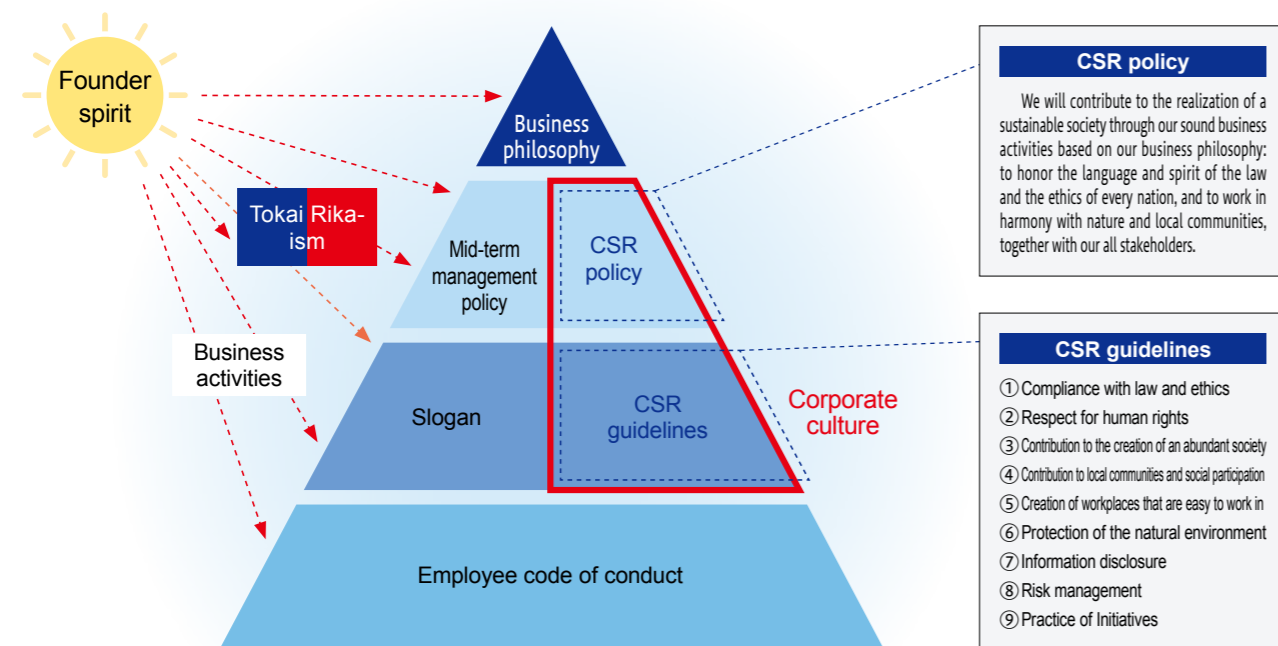# Tokai Rika Group's CSR

Since our founding, we have been committed to creating products that meet the needs of our customers, based on our founding spirit of "Do what others won't do." In recent years our society has been facing many challenges, and our social responsibility has become more important.

Under such circumstances, we are striving to deepen dialogue with our stakeholders, solve social issues through our business activities, and contribute to the realization of a sustainable society.

## Establishment of CSR policy and CSR guidelines

For the purpose of sharing our basic concept of CSR, we have established a CSR policy based on the demands of society and our business philosophy. In addition, we have issued CSR guidelines as a commentary on our CSR policy.

CSR policy

We will contribute to the realization of a sustainable society through our sound business activities based on our business philosophy: to honor the language and spirit of the law and the ethics of every nation, and to work in harmony with nature and local communities, together with our all stakeholders.

CSR guidelines

① Compliance with law and ethics
② Respect for human rights
③ Contribution to the creation of an abundant society
④ Contribution to local communities and social participation
⑤ Creation of workplaces that are easy to work in
⑥ Protection of the natural environment
⑦ Information disclosure
⑧ Risk management
⑨ Practice of Initiatives

CSR promotion framework

In the process of formulating materiality, we identified the divisions involved in social issues and decided the scope of responsibility after discussion.

The General Administration Div. is in charge of the secretariat, manages policies, and reports to management.

Also, the CSR policy is not formulated separately from the management policy, but is integrated to promote sustainability company-wide.

▌Framework diagram
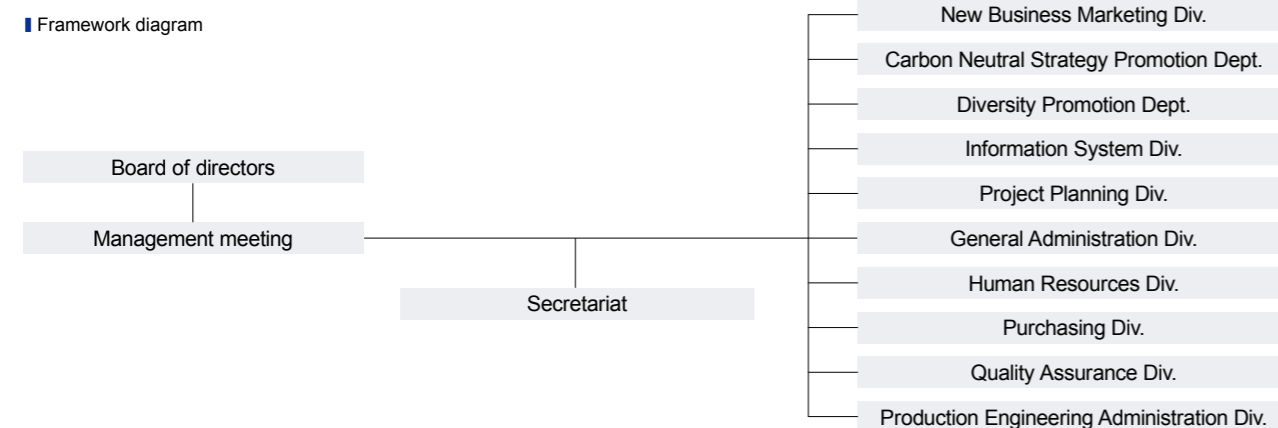
Materiality formulation process

In December 2020 we set 15 items of materiality (important issues) as social issues that our Group should address, taking into consideration the degree of interest of our stakeholders and the importance to our Company. There are 3 items for solving problems through the business and 12 items for basic activities that support the business.

STEP 1 → **STEP 2** → **STEP 3** → **STEP 4**
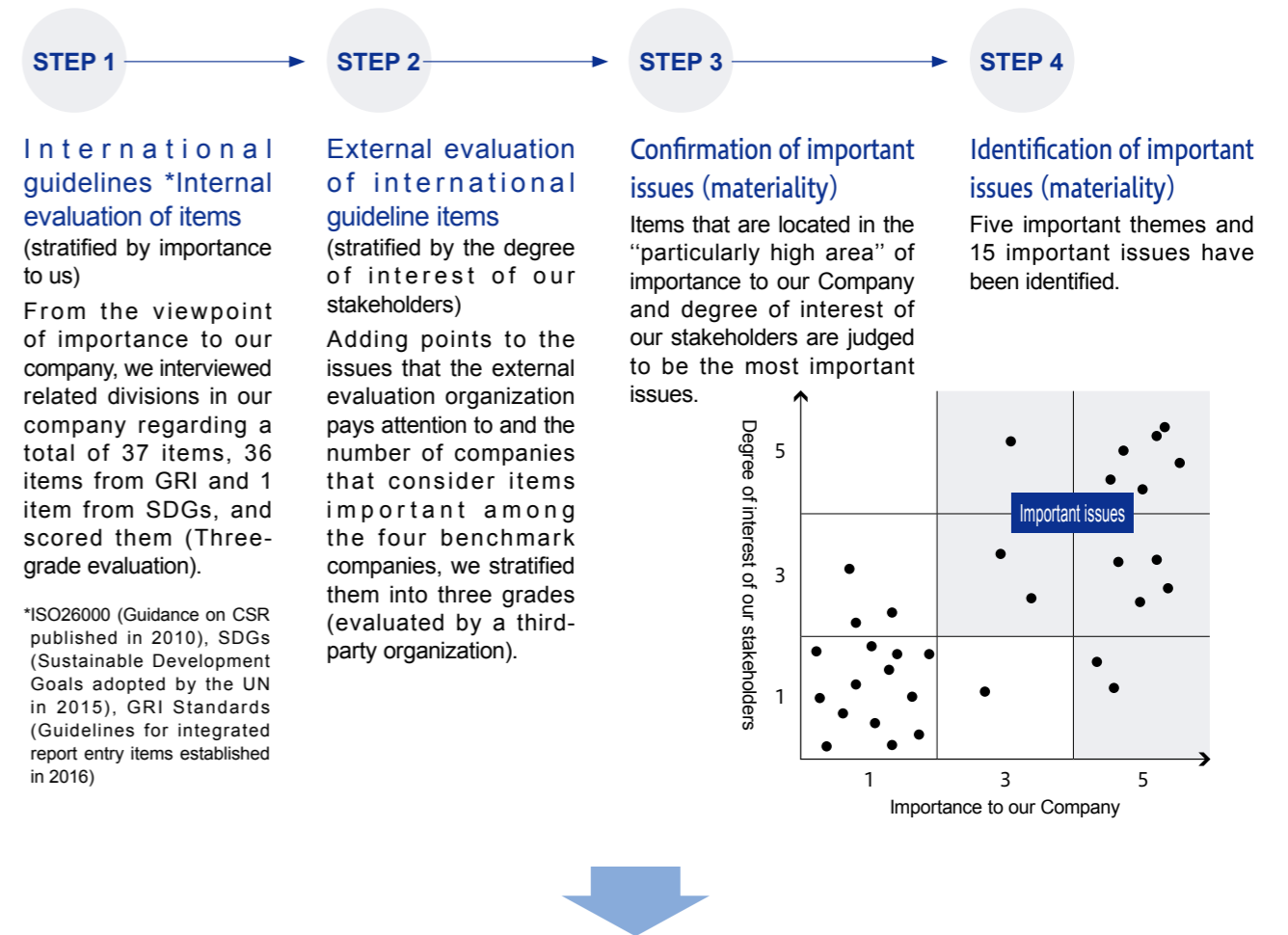
STEP 1 — International guidelines *Internal evaluation of items
(stratified by importance to us)

From the viewpoint of importance to our company, we interviewed related divisions in our company regarding a total of 37 items, 36 items from GRI and 1 item from SDGs, and scored them (Three-grade evaluation).

*ISO26000 (Guidance on CSR published in 2010), SDGs (Sustainable Development Goals adopted by the UN in 2015), GRI Standards (Guidelines for integrated report entry items established in 2016)

STEP 2 — External evaluation of international guideline items
(stratified by the degree of interest of our stakeholders)

Adding points to the issues that the external evaluation organization pays attention to and the number of companies that consider items important among the four benchmark companies, we stratified them into three grades (evaluated by a third-party organization).

STEP 3 — Confirmation of important issues (materiality)

Items that are located in the "particularly high area" of importance to our Company and degree of interest of our stakeholders are judged to be the most important issues.

STEP 4 — Identification of important issues (materiality)

Five important themes and 15 important issues have been identified.

Solving issues through our business activities

Solve social issues through innovative product development
• Product development that solves social issues

Support customer safety and security
• Customer safety and quality assurance
• Promotion of information security (connected products)

Basic activities that support business

Increase motivation to work and promote growth and contribution to society
• Industrial health and safety   • Human resource development
• Diversity

Strengthen governance and achieve fair transactions throughout the supply chain
• Corporate governance   • Anti-corruption
• Restructuring the company-wide CSR system   • Anti-competitive behavior
• Permeation of CSR into the supply chain

Reduce the burden on the environment
• Response to climate change
• Prevention of environmental pollution
• Sustainable resource use
• Initiatives for biodiversity