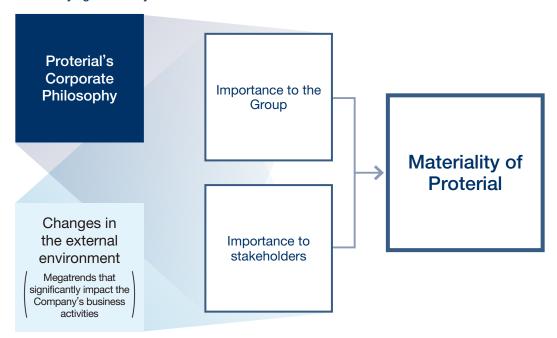
Promoting
Materiality-related Initiatives

Process of Identifying Materiality

Proterial's ESG activities in 2022 largely targeted six specific materialities (critical challenges). In identifying these materialities, we began by selecting social issues and then extracting critical challenges based on an evaluation of their importance to the Company and its stakeholders. Building on the aforementioned, materialities were identified through repeated discussions among all Executive Officers and managers in charge of business divisions with final reviews conducted by the Executive Committee.

Approach for Identifying Materiality



Process of Identifying Materiality

Extract social issues

Extract social issues with reference to multiple international standards related to ESG.

2 Evaluate importance to the Group

All Executive Officers and managers in charge of business divisions evaluate the materialities of the extracted social issues as they relate to Proterial's business, taking into consideration the Group's Corporate Philosophy and changes in the external environment.

Evaluate importance to stakeholders

Furthermore, through discussions with experts in the industries in which the Group develops its business, we evaluate the importance of each issue from the perspective of our stakeholders (customers, business partners, etc.).

4 Extract critical issues

The results of evaluation lead to the extraction of social issues that are of high criticality to both stakeholders and Proterial.

5 Identify materiality

Materialities are identified through repeated discussions among all Executive Officers and managers in charge of business divisions. Final reviews are conducted by the Executive Committee.