

SUSTAINABILITY INITIATIVES OF THE OKI GROUP

As a Company “Delivering OK! to your life.”



Based on the “enterprising spirit” raised in its corporate philosophy, the OKI Group is contributing to resolving social issues through the key Japanese concepts of Mono-zukuri and Koto-zukuri, and will also practice corporate activities built on integrity that are worthy of the trust of stakeholders.

Initiatives through Fiscal Year 2022

The OKI Group has been promoting initiatives to sustainably implement corporate activities built on integrity that meet the expectations of stakeholders. The actions to be taken by all OKI Group employees are summarized in the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct, by positioning them as the foundation of the values that the OKI Group should share (see page 1), we have been working

to raise awareness through actions that are more familiar to people. While continuing this approach over the long term, in order to strengthen our sustainability efforts, we established the Sustainability Promotion Working Group (WVG) chaired by the President in fiscal year 2020.

The WVG has been promoting activities based on the Material Issues defined in the Medium-Term Business Plan 2022. The chart below shows an overview of the initiatives of the activi-

ties undertaken in fiscal year 2022.

In addition, we are promoting internal education and awareness-raising activities with the aim of fostering awareness in each employee to undertake initiatives as a matter of personal concern. In fiscal year 2022, in addition to implementing sustainability education for all Group employees in Japan, we held an internal forum on the theme of “Sustainability and Corporate Growth” with the President and the heads of related divisions as speakers.

Update of the Material Issues in Line with Our Medium-Term Business Plan 2025

In May 2023, the OKI Group announced its Medium-Term Business Plan 2025, which outlines our medium-term initiatives. In formulating the Plan, we reorganized OKI’s issues and updated our Material Issues in accordance with the process shown on page 35. We will steadily promote ESG initiatives through implementation of “providing products and services

that help solve social issues” in the three fields of contribution, as well as its underlying issues of “reducing environmental impact through business activities,” “transforming into a corporate culture that continuously creates value,” and “strengthening management foundation to support sustainable growth.”

To Strengthen Sustainability Initiatives

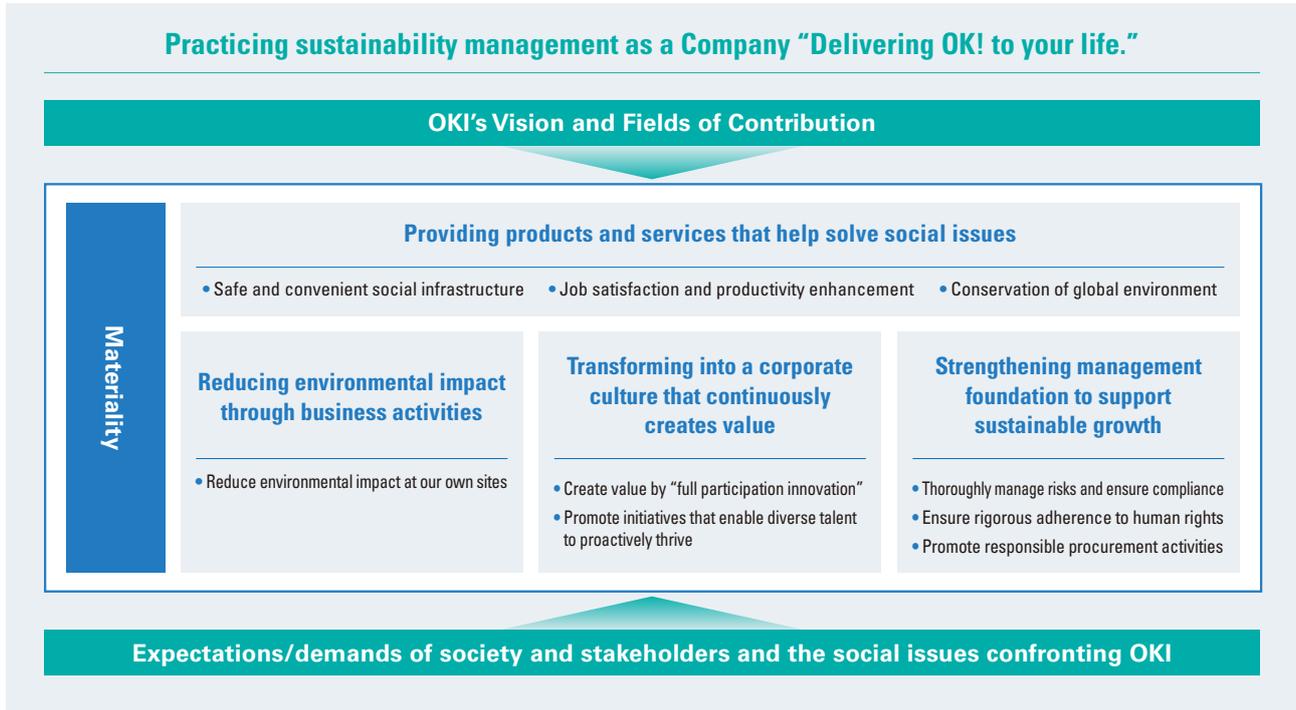
Along with the formulation of the Medium-Term Business Plan 2025, in April 2023, the Sustainability Promotion WG was transformed into the dedicated Sustainability Promotion & Corporate Communication Division and a new executive officer in charge was appointed. Under the new structure, we will promote initiatives based on the updated Material Issues, appropriately disclose progress, and engage in dialogue with stakeholders based on this to accurately grasp our own issues and the demands of society, which will lead to the strengthening of our activities.

Material Issues and ESG Initiatives in Fiscal Year 2022

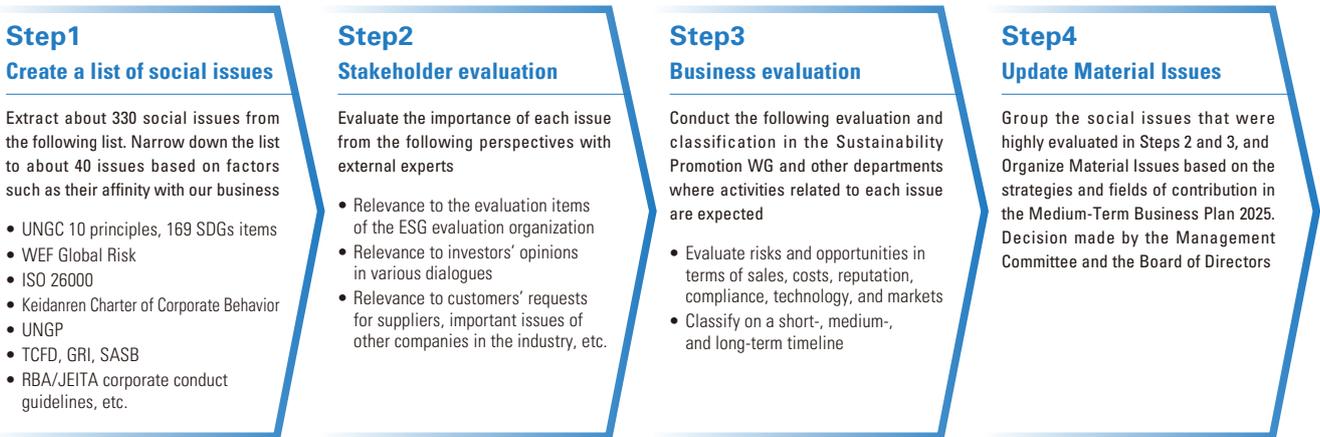
Materiality	ESG Themes	Initiatives for FY2020 to FY2022	FY2022 Results	Related pages
Creating Social Value Products and Services that Help Solve Social Issues Social issues: aging infrastructure, natural disasters, transportation issues, environmental issues, labor shortages, labor productivity, infectious diseases	E • Creating products that contribute to solving environmental issues • Supporting a circular economy	• Expansion of environmental contribution products • Reduction of life cycle CO ₂ • Creation of circular economy projects	• Achieved net sales of environmentally contributing products of ¥100.0 billion (accounting for 27% of the net sales of the entire Group) • Reduced CO ₂ emissions during procurement and product use target 5.0% → 12.8% reduction (compared to FY2020 levels) • Five circular economy projects (FY2022 target: 3 projects)	P41-44
	S • Creating products that contribute to resolving social issues • Promoting value creation in corporate activities	• Efforts toward social issues indicated in growth strategy • Internal cultural reforms aimed at innovation • Development and securement of human resources who will support Mono-zukuri and growth area businesses	• Promoted product creation aimed at resolving the seven social issues. Commercialization in March 2023 of LocoMoses, which uses AI to tackle the “2024 problem” in the logistics field • Basic training attended by a total of 9,735 Group employees, with the aim of realizing full participation innovation • Number of Yume Pro Challenge applications increased to 319 • Trained 420 AI engineers with practical skills, against a target of 300 engineers by the end of FY2022	P29-32 P29-32
	G • Positioning ESG at the core of management	• Promotion and evaluation of initiatives based on materiality	• Held an internal forum on “Sustainability and Corporate Growth” featuring the President and heads of related divisions as speakers • Conducted sustainability education for all Group employees in Japan, with a participation rate of 99.9% • Planned a CSR survey using self-assessment questionnaires for approximately 300 primary and secondary suppliers, and conducted surveys of about 150 companies targeted in FY2021 to FY2022. Provided feedback to six companies expected to improve	P33-35 P46
Strengthening Management Infrastructure Business Activities that Meet Stakeholder Expectations Business activities built on integrity (governance, internal controls, disclosure), response to climate change, HR management Strengthen the Infrastructure that Support Mono-zukuri	E • Mitigation of and adaptation to climate change, pollution prevention, and resource recycling	• CO ₂ reduction at business sites, strengthening of introduction of renewable energy • Strengthening of chemical substance management through standardization of operations • Improvement of recycling rate	• Reduced CO ₂ emissions from business sites by 9.8%, against a target of 8.4% (compared to FY2020 levels) • Purchased renewable energy certificates. Target: 1,350 t-CO ₂ → Actual: 1,760 t-CO ₂ (FY2020-2022 cumulative total) • Strengthened chemical substance management and improved its efficiency through working group activities • Achieved a recycling rate of 85%, against a target of 83%	P41-44
	S • Strengthening of Mono-zukuri infrastructure • Strengthening of human rights and labor initiatives	• Promotion of Virtual One Factory • Strengthening of quality initiatives • Realization of smart work-life • Promotion of diversity and inclusion • Strengthening of occupational health and safety, health management initiatives	• Full-scale operation of the new plant in the Honjo district, the Group’s flagship plant, in July 2022 • Conducted e-learning for all Group employees in Japan on quality compliance, as well as simultaneous inspections and on-site surveys at production bases • Introduced Baby8 Leave to encourage male employees to take leave for childcare purposes and leave of absence for childcare • Positive response rates regarding work engagement: 62% (OKI), 53% (OKI Group) • Realized a female management ratio of 3.9% at OKI, and 5.7% across the OKI Group as a whole • Continued implementation of career training for female employees in their fourth year of employment and selective training for female leaders • Advanced health promotion measures for the “body,” “mind,” and “awareness” through a collaborative health system based on the OKI Group Health Management Declaration. 94.2% of employees received stress checks. • Established the OKI Group Human Rights Policy	P45 P36-40
	G • Strengthening of corporate governance • Internal controls/Risk management • Accurate information disclosure and strengthening of engagement (dialogue)	• Steady improvements based on board effectiveness evaluations • Accuracy improvement and entrenchment of risk management • Disclosures based on TCFD framework • Reliable disclosures regarding materiality initiatives • Strengthening of dialogue in IR/SR, etc.	• Carried out board effectiveness evaluations for FY2022 • Introduced management with a responsibility system for risk areas • Continued disclosures based on the TCFD framework; received an A- rating on CDP climate change • Selected as constituent of the FTSE Blossom Japan Sector Relative Index and the FTSE Blossom Japan Index (June 2023)	P47-50 P55-56 P41-44 P59-60

SUSTAINABILITY INITIATIVES OF THE OKI GROUP

OKI Group’s Materiality



Material Issues Update Process in Conjunction with the Formulation of the Medium-Term Business Plan 2025



Main Initiatives/Organizations in Which OKI Participates

United Nations Global Compact	In May 2010, OKI signed the “United Nations Global Compact (UNGC).” The OKI Group supports the UNGC’s 10 principles concerning the protection of human rights, the eradication of unfair labor practices, environmental measures, and anti-corruption, and will work to contribute to creating a sustainable society.
Task Force on Climate-related Financial Disclosures	In May 2019, OKI announced its support for the “Task Force on Climate-related Financial Disclosures (TCFD)” recommendations. We will disclose and disseminate information in accordance with TCFD recommendations, and will strengthen our efforts to contribute to the realization of a sustainable society brought about by a virtuous cycle of the environment and the economy.
Japan Climate Initiative	In April 2020, as a part of initiatives aimed at contributing to global warming prevention and the achievement of SDGs, OKI joined the “Japan Climate Initiative (JCI),” a network aiming for the realization of a decarbonized society. We will leverage co-creation with a broad range of partners aiming for decarbonization to strengthen our measures against climate change, and will contribute to the realization of a decarbonized society.
Challenge Zero	In June 2020, OKI joined “Challenge Zero (Challenge Net Zero Carbon Innovation)” organized by Keidanren (Japan Business Federation), which aims to encourage companies and organizations to take on the challenge of creating new innovations to realize a decarbonized society. We will take on this challenge of creating new innovations that will lead to products and services which contribute to resolving a wide range of environmental issues.
Responsible Minerals Initiative (RMI)	In August 2023, OKI joined the Responsible Minerals Initiative (RMI), which promotes responsible mineral procurement. As a member of RMI, we will maintain a grasp of the latest international developments and promote responsible mineral procurement initiatives.