


# TOKAI Group's material issues (priority issues)

Materiality (priority issues)	Challenges to address	Goal to be achieved by 2030
<p><b>1 Decarbonization and clean energy</b> Take on challenges in pursuit of achieving carbon neutrality by 2050.</p> 	<p><b>1</b> Reduction of CO<sub>2</sub> emissions</p> <p><b>2</b> Spread of clean energy</p> <p><b>3</b> Promotion of resource recycling</p>	<p>Reduce CO<sub>2</sub> emissions generated from our operating activities by the equivalent of 70% (compared with FY2020 levels) Reduce household gas CO<sub>2</sub> emissions by the equivalent of 50% (compared with FY2020 levels). Achieve carbon neutrality (2050)</p> <p>Switch electricity consumption related to our own business activities to renewable energies at 100%. Install household solar power systems to 48 thousand households. Expand solar power generation project through additional installation of mega-solar power systems. Expand sales of carbon-neutral city gas.</p> <p>Maintain the 100% reuse rate of aqua servers and returnable bottles.</p>
<p><b>2 Building a smart society</b> Create people's lifestyles through DX and collaborative creation.</p> 	<p><b>4</b> Development of digital workplace</p> <p><b>5</b> Sophistication of digital marketing</p> <p><b>6</b> Creation of open innovations</p>	<p>Promote paperless * Reduce paper usage by 90% (compared with FY2020 levels). Reduce the attendance rate by 50% and the office floor area by 40% through promotion of teleworking.</p> <p>Pursue customer understanding and improve customer experiences by using D-sapiens (number of customers: 3.56 million; number of TLC members : 1.5 million * In 2024)</p> <p>Providing new value through collaborations and co-creation with start-ups, etc. Expand investments in new areas. Enrich new services as the foundation of life.</p>
<p><b>3 Creating the foundation of life</b> Help people lead lives with safety and security as well as convenience and comfort.</p> 	<p><b>7</b> Stable procurement and supply of gases and aqua</p> <p><b>8</b> Satisfaction of overseas energy demands</p> <p><b>9</b> Optimization of information communication networks</p> <p><b>10</b> Provision of a dwelling environment in which people can live for a long time</p> <p><b>11</b> Protection of privacy and data security</p>	<p>Decentralize gas suppliers. implement 100% earthquake resistance of city gas pipes. Decentralize water sources and aqua manufacturing facilities. Maintain and strengthen disaster preventive measures and BCP countermeasures.</p> <p>Expand our business to Southeast Asia such as Vietnam.</p> <p>Extend optical fiber trunk cables. Promotion optical CATV networks (FY2020: 90%)</p> <p>Popularize GQ houses. Form a smart community village where people live by using natural energy + autonomous distributed energy. Expand the business of reform for earthquake resistance and caretaking.</p> <p>Keep certified by the ISO27001 standards Maintain zero information-related incidents (level 3) that affect individual projects.</p>
<p><b>4 Harmonious coexistence with local communities and social contribution</b> Bring joy and meaningfulness of life to local communities.</p> 	<p><b>12</b> Dialogues with local communities and contribution to development</p> <p><b>13</b> Social contribution activities</p>	<p>Expand cooperation with autonomous bodies in our projects to a total of 150 bodies to contribute to local communities (FY2020: total 95 autonomous bodies in 17 projects)</p> <p>Promote welfare and clean-up activities through cooperation with local organizations. Contribute to education, cultures, and arts, etc. Enhance the scholarship system by TOKAI Group Fujisan Scholarship Foundation.</p>
<p><b>5 Highly motivating workplace environment with a high level of job satisfaction</b> Build an environment where anyone can enjoy working.</p> 	<p><b>14</b> Creating pleasant workplaces</p> <p><b>15</b> Diversity &amp; inclusion and equal opportunity</p> <p><b>16</b> Human resource development</p>	<p>Reduce the turnover rate of long-term care to 0%. Maintain zero serious industrial accidents. Enhance responses to changes in labor environment (e.g. flex, remote, and short-time working). Strengthen promotion of healthy management</p> <p>Increase the ratio of female managers to 10% (FY2020: 1%). Actively promote women. Actively employ foreign nationals.</p> <p>Enhance stratified human resource development training and E-learning. Improve qualification allowance.</p>
<p><b>6 Governance</b> Ensure sound corporate management.</p> 	<p><b>17</b> Enhancement of corporate, group governance</p> <p><b>18</b> Compliance, risk management, and corruption prevention, etc.</p> <p><b>19</b> Implementation of ethical procurement based on environmental conservation, etc.</p>	<p>Establish advisory boards when needed. Assign outside directors at 1/3 or higher of the board members. Diversify the directors.</p> <p>Implement regular training for management provided by the Group Compliance &amp; Risk Management Committee.</p> <p>Establish and comply with the Human Rights Policy and CSR Procurement Policy, etc. by the end of FY2022.</p>