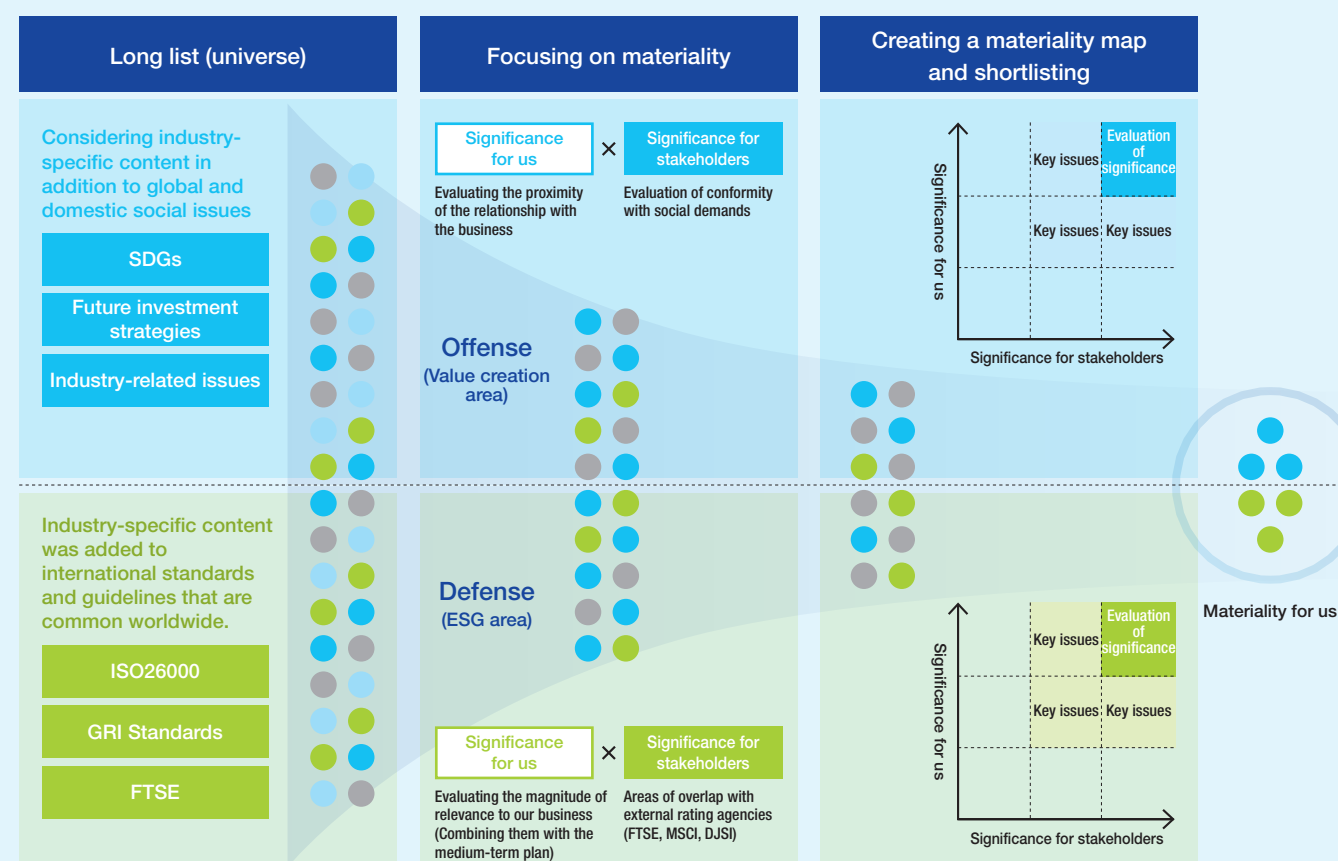
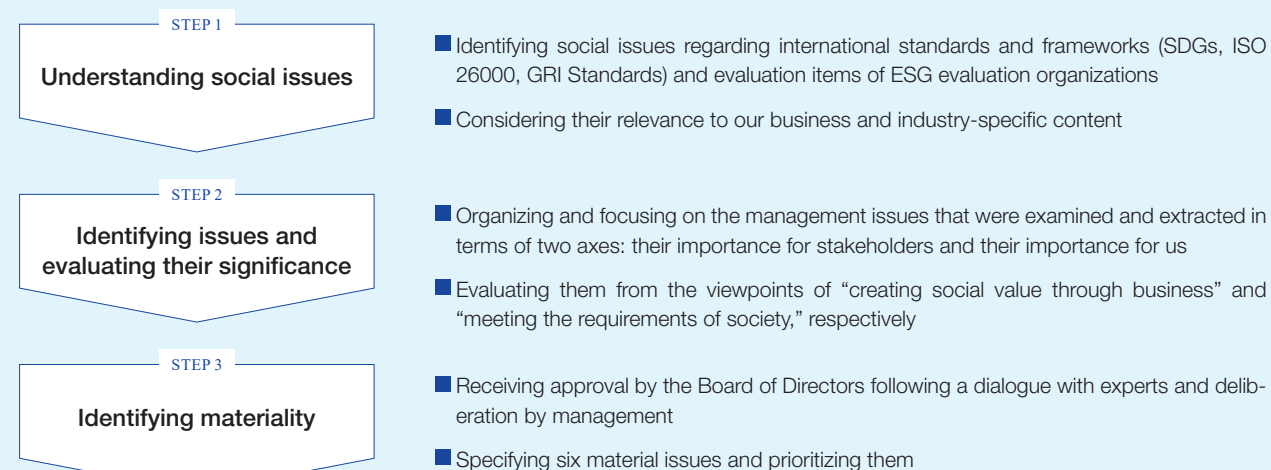


## Key Issues (Materiality) and Their Identification Process

At the Nihon Parkerizing Group, we have identified social issues related to our activities, reevaluated the magnitude of their impact in light of societal changes, and prioritized specific problems. We used the Sustainable Development Goals (SDGs) proposed by the United Nations as a basis and referred to several significant guidelines in identifying key issues (materiality).

### The process to identify material issues.



### Key Issues (Materiality)

### Major initiatives



#### 1 Creating a more prosperous society through surface modification technologies

- Development and sales of products that meet the demand for reduced environmental impact
- Development and sales of products for next-generation automobiles
- Expansion of the applications for surface modification technologies into new markets beyond existing businesses



#### 2 Providing high value-added products, toll processing and technical support to customers around the world

- Research and development in fields other than metal corrosion prevention treatments
- Development of SDG-conscious products and technologies
- Strengthening of quality control and quality assurance systems to ensure the supply of high-quality products, toll processing and technical support



#### 3 Ensuring a safe and secure workplace

- Promotion of safety, health and environmental initiatives on a group level
- Initiatives to eliminate occupational and traffic accidents
- Elimination of dangerous work and continuous improvement of the work environment



#### 4 Fostering a corporate culture that respects diverse values and turns them into strength

- Promoting recruitment of women, people with disabilities, non-Japanese, mid-career and senior workers
  - Increase in the ratio of women in management
  - Establishment of a working style and workplace environment that allows a diverse range of people to play an active role
- See pages 56 to 58 for initiatives.



#### 5 Taking responsibility for creating a sustainable society

- Thorough management of chemical substances in our products
  - Initiatives to ensure 100% compliance by suppliers with “the Green Procurement Guidelines” and continuously reduce energy intensity
  - Promotion of initiatives for stable supply through material purchases and business continuity planning (BCP)
- See page 60 for initiatives.



#### 6 Ongoing initiatives to ensure the integrity of the Group

- Standardization of essential regulations at each company to strengthen Group governance
- Initiatives to continue Group-wide initiatives on training and awareness of compliance
- Establishment of a close relationship and collaboration with all stakeholders

### Contribute to the achievement of the Sustainable Development Goals (SDGs)

