

Materiality

Revised in September 2024

We have identified material issues (materiality) as important themes for realizing the sustainable growth of the Group and providing value to stakeholders. In September 2024, we conducted a review of materiality in line with the formulation of our Global Purpose and new Medium-Term Business Plan. By addressing materiality based on human-centered sustainable management, we aim to create a society abounding in *sei-katsu-sha's* aspirations and where they can live vibrant lives.

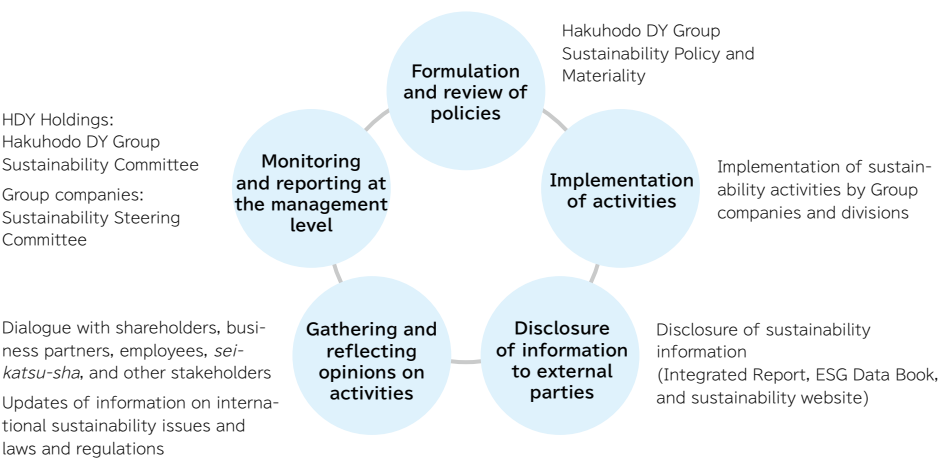
Sustainability Management

Materiality Implementation Structure

Under the supervision of Hakuholdings' Board of Directors, the Hakuholdings DY Group Sustainability Committee is responsible for the implementation of tasks such as monitoring and reviewing progress in materiality. The Sustainability Steering Committee, which operates under this committee, implements specific measures with the participation of Group companies.

Materiality Operation Structure

We review our initiatives and manage the progress of KPIs at semi-annual Hakuholdings DY Group Sustainability Committee meetings. We plan to regularly review our initiatives and make adjustments based on the progress of our Medium-Term Business Plan and various initiatives, as well as changes in the business environment.



Background to the Review of Materiality

In September 2024, we conducted a review of our materiality by reassessing changes in the external environment in order to promote sustainability management based on our Global Purpose, and the new Medium-Term Business Plan. We have also taken into account the Group's strengths and considered stakeholders' expectations and demands.

The Process of Reviewing and Identifying Materiality

The Group identified materiality by recognizing issues that are important to the Group and analyzing risks and opportunities from both our own and stakeholders' perspectives and evaluating their importance. The identification of materiality was conducted through collaboration between Hakuholdings DY Holdings Corporate Sustainability Division, relevant departments, and various Group companies.

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| STEP 1: Identify social issues based on business strategy | List social issues related to the Group's business, taking into account international guidelines such as the SDGs, GRI, SASB, ISO, and industry trends |
| STEP 2: Evaluate importance and prioritize | Evaluate the financial impact on the Group and the impact of the Group on the environment and society for each issue, considering both risks and opportunities, and prioritize the issues accordingly |
| STEP 3: Assess validity | Engage in discussions with stakeholders (Group companies and external experts) to exchange opinions on validity and refine the content |
| STEP 4: Determine materiality | After deliberation and approval by the Hakuholdings DY Group Sustainability Committee, identify materiality through deliberation and approval by the Board of Directors |

Materiality

The Group's materiality consists of a total of nine items in three areas: contributing to a sustainable global environment, unleashing creativity through the growth of and respect for diverse individuals, and pursuing compliance and integrity. The common thread among these initiatives is human-centered sustainable management. By harnessing the power of people, which is the Group's greatest strength, it aims to create unique value. We will enhance the effectiveness of these by establishing action policies and KPIs and monitoring indicators for each item, accelerating progress.

| Human-centered sustainable management | Material issues (materiality) | | Action policies | External commitments |
|---------------------------------------|--|--|---|--|
| | Environmental Contributing to a sustainable global environment | Climate action | <ul style="list-style-type: none"> Implement decarbonization initiatives | Targeted reduction of CO ₂ emissions through our commitment to the TCFD recommendations |
| | | Contribution to sustainable behavioral change | <ul style="list-style-type: none"> Engage in business and collective impact for the social implementation of sustainability | Monitoring using various indicators* |
| | Social Unleashing creativity through the growth of and respect for diverse individuals | Investment in, and development of, specialized and innovative talent, as well as an enabling environment | <ul style="list-style-type: none"> Foster human resources and organizations that produce results based on <i>sei-katsu-sha</i> insight and co-creation Promote aspiration-driven career ownership Acquire capabilities for executing business strategies | Monitoring using various indicators* |
| | | Promotion of well-being | <ul style="list-style-type: none"> Implement sound and healthy workstyles to improve employee happiness | Monitoring using various indicators* |
| | | Implementation of diversity, equity, and inclusion (DE&I) | <ul style="list-style-type: none"> Transform ourselves into an organization that takes advantage of all types of diversity Realize a society in which everyone can play an active role | Group target ratio of 30% for women in management positions by 2030 |
| | | Contribution to the development of human resources for the future and local communities | <ul style="list-style-type: none"> Exert our influence on society through the development of future human resources and support for regional development | Monitoring using various indicators* |
| | Governance Pursuing compliance and integrity | Respect for human rights | <ul style="list-style-type: none"> Continuously conduct human rights due diligence and improve issues | Monitoring using various indicators* |
| | | Maintenance of compliance and high ethical standards | <ul style="list-style-type: none"> Ensure the permeation of the Hakuhodo DY Group Code of Conduct and Matters for Compliance Ensure and practice information security | Monitoring using various indicators* |
| | | Integrity in marketing activities | <ul style="list-style-type: none"> Eliminate stereotypes, human rights violations, and misleading expressions in advertising | Monitoring using various indicators* |

* Collect qualitative and quantitative information linked to the activities of operating companies