

Material Topics

Data Security



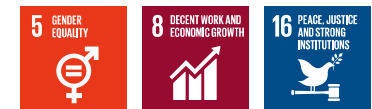
Objectives	Progresses in FY2022	FY2023 Onward
<ul style="list-style-type: none"> Improve information security architecture Increase employee awareness of information security 	<ul style="list-style-type: none"> Implemented cyber-security measures Periodic security assessments by a third-party Reduced data center, server, and network risks Educated and trained employees (phishing email drills and security training, each three times a year) 	<ul style="list-style-type: none"> Implementing cyber-security measures Periodic security assessments by a third-party Reducing data center, server, and network risks Educating and training employees (phishing email drills and security training, each four times a year)

Diversity and Equal Opportunity



Objectives	Progresses in FY2022	FY2023 Onward
<ul style="list-style-type: none"> Promote equal opportunity in promotion to management Promote hiring from minority groups Promote educating employees about human rights and equal opportunity 	<ul style="list-style-type: none"> Women in management positions across the Group: 34.3% Educated employees about human rights and equal opportunity through e-learning 	<ul style="list-style-type: none"> Establishing KWE Group Diversity and Equal Opportunity Policy Moving ahead on activity in line with local characteristics

Social Impacts in the Supply Chain



Objectives	Progresses in FY2022	FY2023 Onward
<ul style="list-style-type: none"> Fulfill supply chain ethical, social, and environmental responsibilities 	<ul style="list-style-type: none"> Assessed procurement and identified priority areas (occupational safety and health, labor, vendor management, and environmental compliance) Occupational safety and health checklist (37 items in 7 areas) 	<ul style="list-style-type: none"> Providing checklist to suppliers and do survey Supplier management framework

Social Impacts in the Supply Chain

Concept & Policy

KWE Vendor Code of Conduct

The KWE Group established the vendor code of conduct in January 2020. The code sets standards for sustainable, fair, and ethical business practice for all KWE Group partner vendors around the world.

Summary

- **Policy**
- **General principles and standards of conduct**
 1. Compliance with laws
 2. Business practices
 3. Ethical principles and conflict of interest
 4. Safety and health
 5. Labor
 6. Vendor management
 7. Environmental compliance
- **In the event of non-compliance**
- **Where to report ethical matters**

Requirements

1 Working environment 2 Machinery and equipment (forklifts, material handling equipment) 3 Emergency action plan 4 Personal protective equipment 5 Cargo placement 6 Working conditions 7 Others

KWE Vendor Code of Conduct ▼

<https://www.kwe.com/about/whoweare/policy/vendor-code-of-conduct/>

Progress

To address the material topic of social impacts in the supply chain, the KWE Group shares best practices for on-going improvement in the social, environmental, and governance dimensions, and applies them at KWE sites and vendors throughout the entire supply chain.

At the core of this initiative is the KWE Vendor Code of Conduct which has been available to our global vendors since 2021. During 2021 and into 2022, we prioritized a topic our stakeholders were highly interested in: safety and health. Specifically, we looked at safety and health in KWE's warehouse operations. Through this analysis, we determined seven requirements for our vendors' work environments. In 2023, we moved forward on uniform vendor safety and health standards aligned with the KWE Group Occupational Safety and Health Regulations.

We plan to do vendor assessments in 2024. The entire KWE Group is working to strengthen collaboration with vendors and creating value together.

As an example, the Japanese logistics industry is currently facing a "2024 problem" that can be summarized as stricter regulation of truck driver overtime. We are creating mechanisms to reduce business partner vehicle wait time at airports for air freight, and visiting vendors to see how they are ensuring compliance. For Kintetsu Logistics Systems trucking business, we are also working on the appropriate disclosure of freight operational costs in direct cost calculation, alongside the receipt of fair and proper compensation.

The KWE Group is now establishing a human rights policy for our vendors and all of our stakeholders, which will be announced some time in FY2023. We will continue working on the material topic social impacts in the supply chain as part of our effort to ensure ongoing growth and increasing corporate value.