

## Material Topics

### Data Security



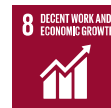
Objectives	Progress in FY2023	FY2024 Onward
<ul style="list-style-type: none"> <li>■ Improve information security architecture</li> <li>■ Increase employee awareness of information security</li> </ul>	<ul style="list-style-type: none"> <li>■ Elearning for all KWE Group employees was held four times</li> <li>■ Phishing email drills were held 5 times</li> <li>■ Expanded employee training in cyber-security and conducted periodic security assessments</li> <li>■ Improved security assessment of data center, server, and network environments under the Unus Project to establish a group-wide IT platform and improve security across the group</li> <li>■ Improved measures for suspicious emails, in addition to existing malware and spam email measures</li> </ul>	<ul style="list-style-type: none"> <li>■ Implement regular third-party assessments, with improvements planned and implemented by information security experts</li> <li>■ Continue fast and effective measures to improve IT security</li> <li>■ Utilize generative AI to improve competitive advantage and operations efficiency, and build framework to improve risk management</li> </ul>

### Diversity and Equal Opportunity



Objectives	Progress in FY2023	FY2024 Onward
<ul style="list-style-type: none"> <li>■ Promote equal opportunity in promotion to management</li> <li>■ Promote hiring from minority groups</li> <li>■ Promote educating employees about human rights and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>■ Started employee engagement surveys</li> <li>■ Women in management positions across the group 34.0%</li> <li>■ Educated employees about human rights and equal opportunity through elearning</li> <li>■ Expanded frameworks for telework and reduced work hours for child care</li> </ul>	<ul style="list-style-type: none"> <li>■ Increase employee awareness of KWE Group Diversity and Equal Opportunity Policy</li> <li>■ Move ahead on activity in line with local characteristics</li> </ul>

### Social Impacts in the Supply Chain



Objectives	Progress in FY2023	FY2024 Onward
<ul style="list-style-type: none"> <li>■ Fulfill supply chain ethical, social, and environmental responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>■ Moved ahead on establishing unified supplier safety and health standards</li> <li>■ Participated as KWE Group in the UN Global Compact</li> <li>■ Participated in Partnership Building Declaration</li> <li>■ Established Human Rights Due Diligence Committee</li> </ul>	<ul style="list-style-type: none"> <li>■ Move ahead on the KWE Group Human Rights Policy</li> <li>■ Move ahead on supplier survey with a checklist including human rights due diligence</li> </ul>

## 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 7 principles

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 layout
- 6 Working conditions
- 7 Others

#### KWE Vendor Code of Conduct ▼

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

#### KWE Group Code of Conduct 10. Human Rights

The Company strictly prohibits any forced, bonded or compulsory labor, any employment of workers under the minimum legal employment age and all other abuses of labor standards.

All rights and remedies available under applicable labor and employment laws will be available to all employees.

### Our Progress

To address the material topic of social impacts in the supply chain, the KWE Group shares best practices for ongoing 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. Starting in 2023, we have been formulating uniform vendor safety and health standards aligned with the KWE Group Occupational Safety and Health Regulations. In February 2024 we started surveying suppliers based on a checklist including human

rights due diligence, in cooperation with KWE regional headquarters. Currently in 2024, the KWE Vendor Code of Conduct applies to about 90% of KWE Group suppliers.

In order to build sustainable supply chains with our suppliers, the Kintetsu Group joined the UN Global Compact, and we participated in the Partnership Building Declaration in 2023.

The KWE Group has published the KWE Group Human Rights Policy documenting our respect for the human rights of our suppliers and all our stakeholders, and has established a new Human Rights Due Diligence Committee to provide a venue for discussion and the exchange of opinions in regard to human rights due diligence initiatives. We will continue working on the material topic of social impacts in the supply chain as part of our effort to ensure responsible procurement and build sustainable supply chains.