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Materiality (Priority Issues and Subjects)

Focusing on key subjects for value creation

Asahi Kasei pursues its Group Mission of contributing to life and living for people around the world through two mutually reinforcing aspects of sustainability—contributing to a sustainable society and achieving sustainable growth of corporate value. The key to continuing such value creation lies in the 18 priority issues and subjects that we have designated to address as materiality under four areas: "living in health and comfort" and "harmony with the natural environment," which are directly linked to our Group Vision; "basic activities" that form the foundation of our business; and "underlying top priority matters" upon which all of the other matters are predicated. We actively address materiality in conjunction with measures set out in our management plan.

Process for identifying materiality

The Asahi Kasei Group defined materiality in fiscal 2017 through the process outlined below. In fiscal 2021, on reviewing our targets in response to changes in the business environment, we added "decarbonization" and "circular economy" to our top priority matters.

Identification of issues

We identified issues in accordance with requirements of society and our Group Mission, Group Vision, and Group Values, in consideration of international guidelines and the evaluation criteria of ESG rating institutions.

Determination of degree of importance

We evaluated the degree of importance both to society and to the Asahi Kasei Group and mapped it on two axes.

Evaluation of appropriateness

We verified the appropriateness of the material issues by examining them from a diverse range of perspectives, such as through deliberations involving the leaders of various divisions, discussions with outside companies, and consultations with Outside Directors.

Examination and approval

The Board of Directors approved the materiality items after several deliberations by the Management Council.

Contributing to life and living for people around the world

Underlying top priority matters

Prerequisite for Asahi Kasei to be trusted by society and continue its business globally

- Corporate governance

 P.78–85

 Compliance/sincerity
 - P.90 •
 - Human rights P.89 •

Materiality

items

• Safety/quality P.88 •

Living in health and comfort

Asahi Kasei's Group Vision is to provide new value to society by enabling "living in health and comfort" and "harmony with the natural environment." By working to address issues in society through our business activities, we aim to contribute to life and living for people around the world.

Contribution through businesses

- Health and longevity P.44-45 •
- Comfortable life P.38 • P.41 •

Global environment

Harmony with the

natural environment

- P.53-54 (•)

 KPI: GHG emission reduction contribution
- Decarbonization

P.55 ()

- KPI: GHG emissions
- Circular economy P.56 •
- Preventing pollution of water
- Preventing pollution of air and soil
 Pollution prevention and resource
 circulation •
- Protecting biodiversity
 Biodiversity

Basic activities

These activities are related to the foundations of Asahi Kasei, enabling the company to achieve ongoing growth as its business continues to change dramatically with the times, both in the environment and in society's values.

• Supply chain management P.89 •

- Human resources
- DE&I P.61–65 •

KPI: Number of Group Masters / Proportion and number of women working as managers

KPI: Number of digital professional human resources

- Communication with stakeholders
 P.92 ▶
- Risk management P.86–87 •
- Social contribution
 Social activities •

For our progress on non-financial KPIs, please see Non-Financial Highlights on page 95 ()