

SDGs Matrix

ESG	Materiality	KPI	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
E	Climate Change	Scope 1&2 CO ₂ emission reduction							●7.2	●8.4	●9.4			●12.2	●13.2, 13.3							
		Scope 3 CO ₂ emission reduction								●7.2	●8.4	●9.4			●12.2	●13.2, 13.3						
	Preservation of Natural Resources	Percentage of reduction of water withdrawal at production sites / labs on a per revenue basis		●3.9					●6.3, 6.4		●8.4	●9.4						●14.1				
		Percentage of reduction of packaging material on a per revenue basis									●8.4	●9.4		●11.6	●12.5		●14.1					
		Percentage of reduction of total waste per revenue, generated at production sites / labs			●3.9				●6.3		●8.4	●9.4		●11.6	●12.4, 12.5							
	Circularity	Percentage of total waste recycled at production sites / labs ¹		●3.9							●8.4	●9.4		●11.6	●12.5							
Percentage of recycled content in plastic packaging materials										●8.4	●9.4			●12.5								
S	Healthcare Innovation	Number of new patent applications ²			●3.4						●8.1, 8.2	●9.4, 9.5, 9b								●17.7, 17.8, 17.16		
		Number of registered patents ²			●3.4						●8.1, 8.2	●9.5, 9b										
		Number of new products/services launched			●3.4						●8.1, 8.2	●9.5, 9b										
		Revenue from the "Growth Areas" (Advanced Therapy Development, Digital Health, Personalized Testing and Diagnostic)		●3.4, 3.8							●8.1, 8.2										●17.16, 17.17	
	Product Excellence	Number of warning letters issued (e.g. FDA warning letter)		●3.4, 3.8																		
		Number of recalls issued		●3.4, 3.8																		
Supply Chain	Percentage of response rate to PHC Group supplier survey		●3.9							●8.4, 8.5, 8.7	●9.4	●10.2	●11.6	●12.1, 12.4, 12.5	●13.2	●14.1			●16.2, 16.5			
Expanded Access	Consolidated sales in emerging and developing markets		●3.4, 3.8							●8.1												
People & Culture	Ratio of gender diversity at manager level or above						●5.5			●8.5, 8.8		●10.2, 10.3							●16.7			
	Employee Engagement Score: Increase from the previous year			●4.4, 4.7						●8.3, 8.5												
	Enhancing employee learning and skills development			●4.3, 4.4, 4.7						●8.2		●10.2										
G	Corporate Governance	Percentage of nationality diversity of the board of directors																	●16.7	●17.16		
		Board effectiveness assessment																	●16.6, 16.7	●17.16		
		Number of meetings with institutional investors and securities analysts																	●16.7	●17.16		
	Risk Management	Number of Enterprise Risk Management Committee Meetings																		●16.6		
		Percentage of employees taking compliance training (e.g. code of conduct, insider trading)			●4.4						●8.8		●10.3							●16.5		
	Cybersecurity	Percentage of employees who participate in information security and data protection training			●4.4						●8.2	●9.1									●17.8	
Biannual vendor security reviews - percentage of critical vendors reviewed										●8.2	●9.1											
Number of PHC Group Cybersecurity Committee Meetings																			●16.5, 16.7			

*Data does not include the actual at PHCI except for CO₂ emission; The definition of Carbon Neutral will reference STBi guideline. *Emerging and developing countries are Central/South America, Africa, South East Asia (including China, India and South Korea), Middle East, Africa and Eastern Europe (including Russia).

¹Does not include thermal recycling. ²Include design and utility.

Note: This matrix is supervised by Mr. Hidenitsu Sasaya, professor of Chiba University of Commerce. The matrix has been organized based on the current status, and will be updated in accordance with the changes to the business.