

# H.U. Group ESG Conference 2023

## March 14, 2024 H.U. Group Holdings, Inc. (TSE: 4544)

- H.U. Group's Sustainability Management
- Environmental Initiatives
- Initiatives for Sustainable Procurement
- H.U. Group's Human Capital Management
- Wrap-up





# H.U. Group's Sustainability Management

Shigekazu Takeuchi Director, Chairman, President and Group CEO H.U. Group Holdings, Inc.

### H.U. Group Management Philosophy

### Mission

Create new value in healthcare and thereby contribute to human health and the future of medical care.

### Vision

With our deep involvement in human health, we aim to be a group that contributes to the development of healthcare through trust and innovation.

### Values and Traits

#### Customer Centricity

 Respond to medical care and healthcare needs, exceed customer expectations

#### Creation of New Value

- Strive for global value creation first and foremost; take risks to challenge and innovate
- Think and execute with global perspective
- Lead with result-orientation, speed and efficiency

#### Sincerity and Trust

- Be sincere and trustworthy, act with transparency
- Communicate openly and constructively, beyond the boundaries
- Gain and maintain trust from all stakeholders

#### **Mutual Respect**

- Respect diverse values, experience, expertise and teamwork
- Praise and celebrate challenges and successes
- Grow and help others to grow

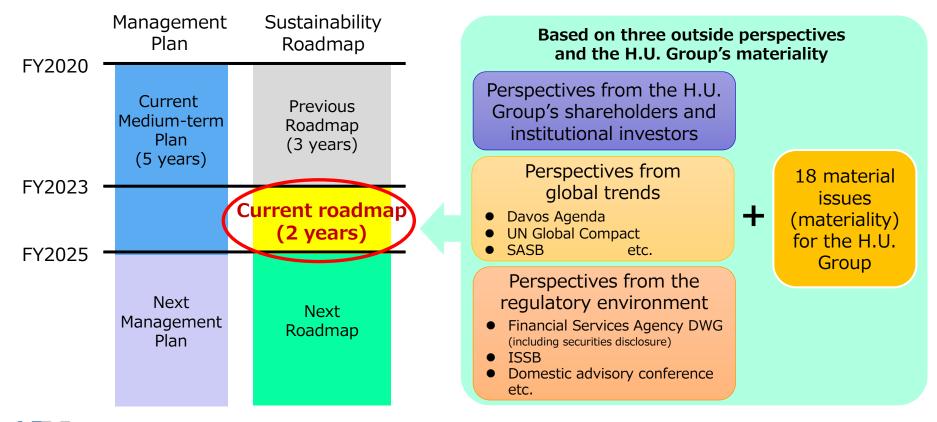


### H.U. Group Sustainability Roadmap

Two-Year Targets (FY2023–2024)				
Environmental		ns : -12.6% (base: FY2021) c recycling rate : 82%		
Social	Human Capital	<ul> <li>Percentage of female managers : 22%</li> <li>Percentage of male employees taking parental leave : 90%</li> <li>Percentage of employees answering "Satisfied with my jobs" to the questionnaire : 55%</li> <li>Maintaining White 500 status</li> <li>Average annual training*1 time per employee : Over 30 hours</li> </ul>		
	Supply Chain Management	<ul> <li>Excellent response rate (A) on UNGC Self Assessment tool : 75%*<sup>2</sup></li> <li>Meetings with our suppliers to exchange opinions on sustainability : 30 companies*<sup>2</sup></li> </ul>		
Governance	<ul> <li>Governance</li> <li>Incorporation of non-financial indicators into compensation for directors and executive officers</li> <li>Internal directors will not have a dual role on the Nominating Committee</li> </ul>			



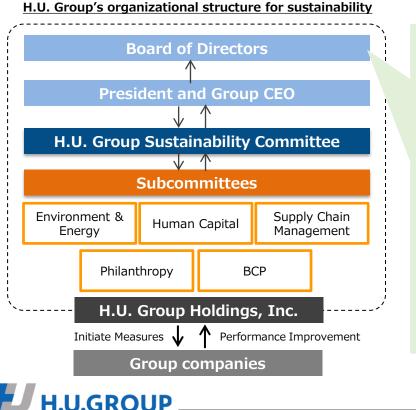
### Concept of Current Sustainability Roadmap



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### H.U. Group's Organizational Structure for Promoting Sustainability

**Board of Directors** ⇔ **Sustainability Committee (Chaired by President)** ⇔ **Subcommittees** 



#### Sustainability-related discussions at board meetings this fiscal year

- Review and update of materiality (addition of "Human resource development")
- Formulation of FY2023 FY2024 Sustainability Roadmap
- Revision of the Environmental Policy
- Upward revision of Long-term Environmental Goals
- Holding workshops and opinion exchange meetings about the environment, human capital and sustainability governance, inviting outside experts

### H.U. Group's Organizational Structure for Corporate Governance

- Adopted company with committees system in 2005 (now company with three committees system)
  - $\checkmark$  Seven of the nine directors are independent external directors
  - $\checkmark$  Two of the nine directors are women

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 $\checkmark$  Nominating, Audit and Compensation Committees are all composed of outside directors

	Board of Directors	
Audit Committee	Nominating Committee	Compensation Committee
Chair: Futomichi Amano Members: Moegi Shirakawa Keiji Miyakawa	Chair: Shigehiro Aoyama Members: Ryoji Itoh Hitoshi Yoshida	Chair: Ryoji Itoh Members: Sachiko Awai Keiji Miyakawa

Inside Directors	Outside Directors				
Shigekazu Takeuchi, Chairman, President and Group CEO	Shigehiro Aoyama (5 years)	Futomichi Amano (6 years)	Sachiko Awai (Newly elected)		
(7 years)	Ryoji Itoh (9 years)	Moegi Shirakawa (1 year)	Keiji Miyakawa (2 years)		
Naoki Kitamura, Managing Executive Officer (5 years)	Hitoshi Yoshida (Newly elected)				

\*1 Red font indicates outside director

 $^{\ast}2$  Number of years in parentheses indicates years in officer as of June 2023

# Revision of Compensation System for Executive Officers and Directors – I (Revised in July 2023)

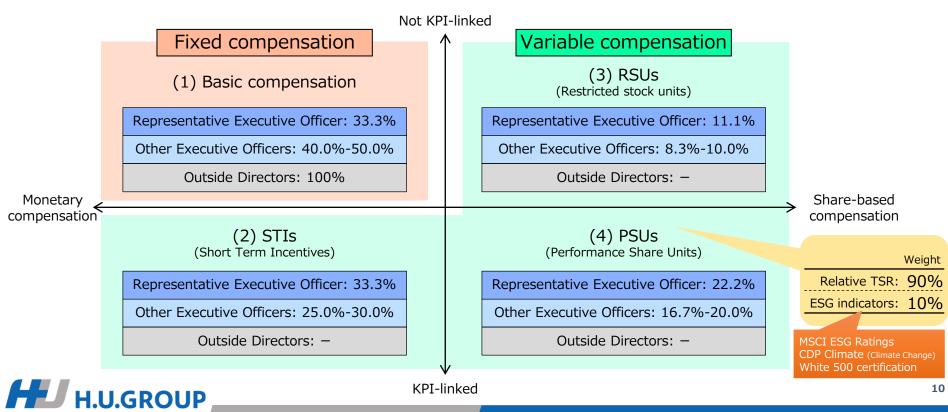
### **Basic Principles of Executive Officer Compensation**

- Encourage all executive officers to work together to develop and implement measures to sustainably increase the Company's market capitalization
- Strongly motivate executive officers to aggressively expand business on the premise of global expansion by emphasizing the concept of pay-for-performance in the compensation system, system design, and operation
- Appropriately reflect the assessment of non-financial initiatives in contributing to the realization of a healthy and prosperous society through our business, which is the cornerstone of the Company's sustainability
- Continually deepen shared interests with all stakeholders and enhance longterm trust in the Company by strengthening continued ownership of the Company's shares



### Revision of Compensation System for Executive Officers and Directors - II

### The ratio between variable compensation and share-based compensation has been reviewed and relative TSR and ESG indicators have been added.





# **Environmental Initiatives**

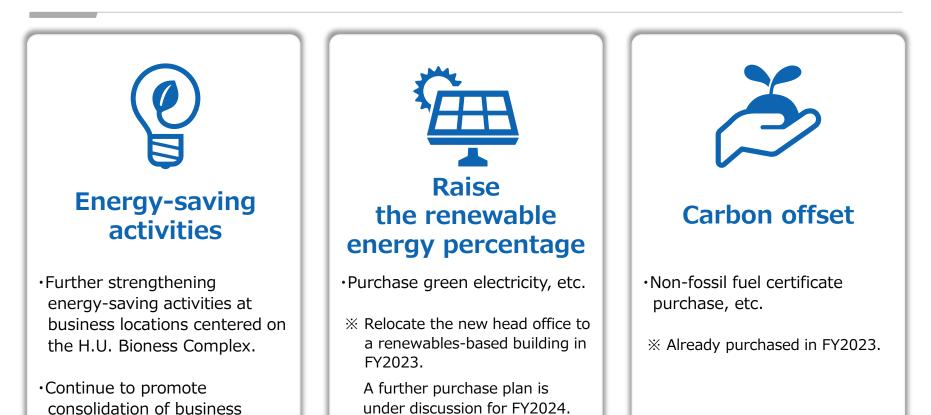
Hiroaki Kimura Executive Officer, H.U. Group Holdings, Inc.

### Progress on the Sustainability Roadmap in the Environment and Energy Area

- Shift from the intensity basis, which were used in FY2022, to the total emissions basis and refine data through thirdparty verification.
- The figures in FY2023 are expected to be smaller YoY because of the progress in the elimination and consolidation of business sites around the country and energy-saving activities.

	K	PI		Base year	Results	Target	Forecast	Target
Major Category	Subcategory	Item	Unit	2021	2022	2023	2023*	2024
		Total of Scope 1+2	kt-CO <sub>2</sub>	41.5	46.1	38.0		36.2
	ange CO <sub>2</sub> reduction	emissions (Total volume)	%	(Base Year)	+11.1	-8.4		-12.6
Climate change		Scope 3	kt-CO <sub>2</sub>	456.4	484.6	433.5	Being	422.1
		(Total volume)	%	(Base Year)	+6.2	-5.0	calculated	-7.5
Marine plastic waste (Formation of a recycling-oriented society)	Circular, effective use of resources	Total recycling rate of waste plastic	% (Recycled amount / total amount)	75.7	85.7	79.0	0	82.0
* Estimated from the April - November 2023 results								

### Specific Initiatives for Emission Reduction of Scope 1 and 2



bases nationwide.

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### Specific Initiatives for Emission Reduction of Scope 3

■ We confirmed that each business partner is engaged in CO<sub>2</sub> reduction activities.

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We recognize the need for further efforts from our group to tier 1 suppliers, and from tier 1 suppliers to tier 2 suppliers.



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### Revision of the H.U. Group's Environmental Policy and formulation of "Our Approach to Biodiversity"

#### The revised H.U. Group's Environmental Policy

The H.U. Group recognizes the connection between diverse business characteristics and the environment. We engage in environmental preservation, contributing to a sustainable society.

- 1. We strive for environmentally friendly business activities, providing services and products to society that are friendly to both people and the environment.
- We engage in energy and resource conservation, the reduction of greenhouse gas emissions, the proper control of chemicals, waste reduction, recycling, the protection of water resources and the conservation of biodiversity, striving to reduce our environmental impact.
- 3. We comply with laws, regulations, and agreements on the environment. We also strive for ongoing improvements in our environmental management systems and environmental performance.
- 4. We communicate our environmental policies and other environmental initiatives to employees and all others involved in our business activities. We also disclose these policies and initiatives externally.

#### **Our Approach to Biodiversity**

The H.U. Group's business activities are dependent on forests, soil, water, the atmosphere, biological resources and other ecological services generated by natural capital. However, the burden that our business activities places on the environment considerably impacts natural capital.

For this reason and based on the H.U. Group's understanding that contributing to the maintenance and conservation of biodiversity is an important issue, the relationship between biodiversity and the H.U. Group's business activities is summarized in the following biodiversity relationship diagrams to make it easier to understand what is happening in the value chain.

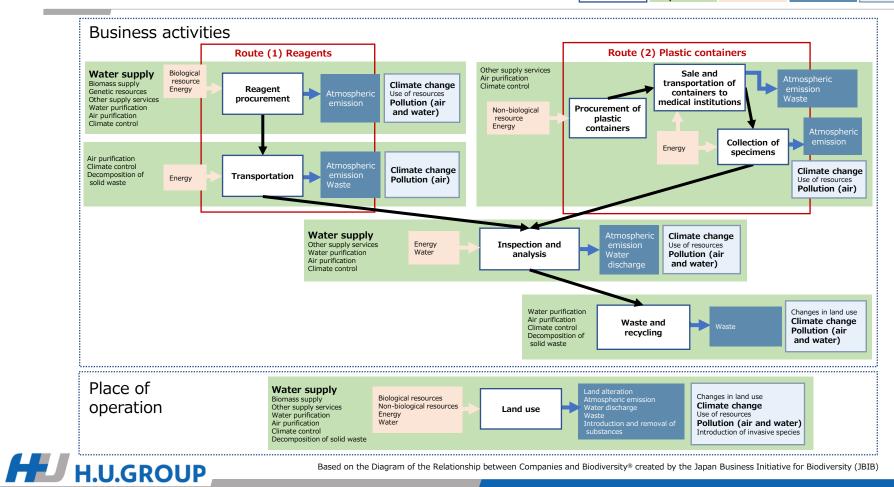
The H.U. Group promotes activities for achieving nature positivity (nature reconstruction) to reduce its negative impact on biodiversity and to increase its positive impact.

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#### Biodiversity Relationship Diagram (LTS)

Usage guide Value chain process Value chain service that is depended on

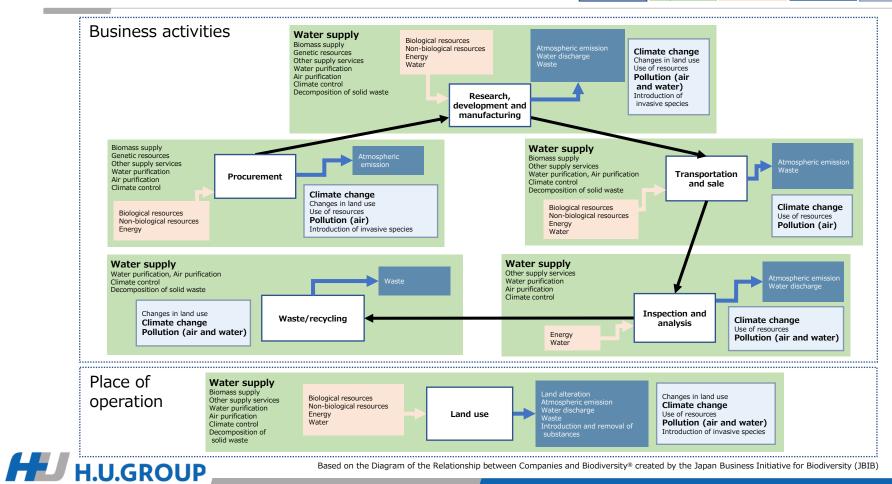
Output



#### Biodiversity Relationship Diagram (IVD)

Usage guide	Value chain process	Ecological service that is <b>depended on</b>	Input	Output
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Impact that changes nature





# Initiatives for Sustainable Procurement

Isao Tada

General Manager of the Procurement Division, H.U. Group Holdings, Inc.

# Meetings with Business Partners to Exchange Opinions about Sustainability (Targets and Results)

- $\checkmark$  In FY2023, meetings were held with 11 business partners for the exchange of opinions.
- ✓ Using the SAQ<sup>\*1</sup> score on human rights and the environment, we invited upper- and lower-level business partners to attend meetings in an effort to accumulate advanced initiatives and expertise and raise the base level of activities through support and advice. In this way, all of our supply chains have been elevated to a higher level.
- ✓ Considering the importance of GHG<sup>\*2</sup> monitoring and human rights due diligence, the Q&A was focused on these topics.

[Criteria for selecting the companies to meet with] Based on their SAQ scores, we select the companies that we will hold meetings for exchanging opinions from among the 145 business partners that have direct transactions with the H.U. Group that respond to the SAQ we distribute to them.

	KPI			Res	ults	Target
Major Category	Subcategory	Item	Unit	2022	2023	2022-2024
Promotion of Sustainable procurement for Tier 1	Hold meetings to exchange opinions	Number of companies we held meetings with	companies	10	11	30
Stay up to date		als.	(elevate Focused on hu Learn about advanced su activities.	their activity uman rights, the t the practices of ustainability activ	to exchange ties to a hig environment and business partne vities and apply t iness partners in	her level) d human capital. rs with hem in H.U.'s
H.U.GROU	*1 SAQ: Self-Assessment 2 GHG: Greenhouse Gas					

# Meetings with Business Partners to Exchange Opinions about Sustainability (Issues and Future Initiatives)

- ✓ All companies introduce common initiatives for health management, actions to prevent human rights infringements (e.g., harassment) and the in-house reduction of GHG emissions.
- ✓ It looks like the intensity of the actions related to human capital vary depending on the size of the company. Future discussion will also look at support for initiatives.
- $\checkmark$  Approaching suppliers beyond Tier 2 is an ongoing issue.

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Item	Discussion Items and Practices (Excerpts)	Issues	Towards the Future
Human capital	<ol> <li>Health management         High recognition — Many companies are actively motivated to         implement these initiatives.     </li> <li>Human resource development         Active educational activities in and outside the company. Small and medium-sized companies will         start working on this in the future.     </li> <li>Diversity         All companies value the percentage of people in managerial-level positions that are women.     </li> <li>Work environment         Flextime without core hours, telecommuting, side jobs, dual employment and the comeback program     </li> </ol>	<ul> <li>Many companies have started working on health management. However, many of these companies have yet to review their results (some have yet to set a roadmap).</li> <li>Many small and medium-sized companies say they need to improve their regular employees training. Support for voluntary initiatives is also required.</li> </ul>	<ol> <li>Explanation of the system and structure of H.U. Group activities         <ul> <li>System for human resource development and details</li> <li>Harassment check system</li> </ul> </li> <li>(2) For the reduction of GHG emissions, provide standardized quantitative</li> </ol>
Human rights	<ol> <li>Understanding laws and the global situation Obtaining information from local subsidiaries and external sources (certified social insurance labor consultants)</li> <li>Harassment check Questionnaire surveys and hotlines (external)</li> <li>Considerations for childbirth and childcare Fewer work hours before and after taking childbirth/childcare leave and a unique program for salary compensation</li> </ol>	<ul> <li>The measures to prevent various kinds of harassment vary significantly depending on the size of the company. Some small and medium-sized companies do not conduct regular checks (e.g., questionnaire surveys).</li> <li>Many companies are still far from encouraging their male employees to take childcare leave.</li> </ul>	<ul> <li>formats and materials based on survey and management of forecasts versus actual results. In addition, a scheme for providing information should be established and relationships should be built. At the same time, we will encourage Scope 3 Category 4 reductions by improving the logistics for procured products.</li> </ul>
Environment	<ol> <li>Reduced GHG emissions         Activities in accordance with ISO 14001 and active introduction of renewable energy         Waste reduction             Improvement activities for the reduction of product loss (also contributing to the improvement of profitability)         3) 3R activities             Thorough waste separation and reuse of materials destined for disposal         Biodiversity conservation             Improvement of wastewater quality (water quality level: better wastewater quality in comparison with when the water was taken in)     </li> </ol>	<ul> <li>Many companies have yet to start engaging with business partners and beyond (upper supply chain: Scope 3) despite understanding the status of their in-house GHG emissions.</li> <li>The companies endeavor to reduce waste (paperless operations and the use of returnable packaging materials) but struggle with setting targets and managing forecasts versus actual results.</li> </ul>	<ul> <li>(3) For the reduction of waste, we will join our suppliers in building recycling-oriented supply chains for disposable materials consumed at our in-house bases, including laboratories and factories, and discuss greater contributions to reducing the environmental impact.</li> </ul>



# H.U. Group's Human Capital Management

Koji Yamamoto

General Manager of the Human Resources Division,

H.U. Group Holdings, Inc.

### H.U. Group's Basic Stance on Human Capital Management

	Based on our personnel philosophy, build an environment that enables each employee to embody the Group's values and traits every day, grows and achieves our mission and vision.						
Mission	Create new value in healthcare and thereby contribute to human health and the future of medical care.						
Vis	With our deep involvement in human health, we aim to be a group that contributes to the development of healthcare through trust and innovation.						
Values and Traits	<ul> <li>Customer Centricity         <ul> <li>Respond to medical care and healthcare needs, exceed customer expectations</li> <li>Creation of New Value                 <ul> <li>Strive for global value creation first and foremost; take risks to challenge and innovate</li> <li>Think and execute with global perspective</li> <li>Lead with result-orientation, speed and efficiency</li> <li>Strive and celebrate challenges and successes</li> <li>Grow and help others to grow</li> </ul> </li> </ul> </li> </ul>						
Personnel Philosophy: The power of the Company is the sum total of the power of its individual members							
H.U.G	ROUP						

### Organizational Structure for Promoting Human Capital Management



## HU H.U.GROUP

### History of Human Resources Strategy

2022.2023

2021

2020

2019

Renamed H.U. Group Holdings Formulation of the current Medium-term Plan

2018

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2017

Development of new personnel system

Revision and establishment of personnel-related regulations including H.U. Frontier, aimed at developing an optimal management system for the achievement of our Medium-term Plan

Revision of our personnel system with a focus on welfare programs and workstyle reform

Revision of our retirement benefit and pension programs Review of office regulations aimed at improving productivity

2024

Full-scale promotion of initiatives to reform workstyles in pursuit of work-life synergy through the development of a healthy, productive workplace environment

Began reforms aimed at dramatic and sustainable growth, positioning this as "the second founding"

■ Unification of values and traits ■ Rebuilding the training system ■ Unification of the personnel systems

#### **Promoting the H.U. Group's integration**

Unification of the personnel systems

### Reinforcing the foundation for maximizing the Group's synergy

Integration of three companies

Full-scale start of the new personnel system

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**TUJIREBIO** 



- In principle, the three companies, HUHD, FRI and SRL, should standardize their basic labor conditions.
- The three companies also share a common foundation for staffing and personnel management.
- Rules and systems are revised and organized to integrate the three companies.

### Concept of the New Personnel System

Mission	Vision		Personnel Philosophy	Concept of the New Personnel System
Create thereby c th	With our d we aim the th		er of the Company is the sum total of wer of its individual members.	A fair personnel system that promotes employees' self-reliance, self-direction, and self-responsibility and enhances their individual capabilities
e new contri he futı	r deep ii m to be he deve through		FY2023 plan basic policy	Further strengthening of management capabilities
value in bute to h ıre of me	nvolvemen a group th lopment of trust and i	Continue to raise each employee's skill level	<ul> <li>Stabilize the operation of H.U. Bioness Complex</li> <li>Improve costs by reviewing inspection operations</li> <li>Ensure the early manifestation of the effects of shared logistics</li> </ul>	Redefinition of management's role
althcare man heal cal care.	t in humau at contrib healthcar nnovation		<ul> <li>CDMO: Obtain sales from new development projects and continue to increase the number of consigned items</li> <li>Lumipulse in Japan: Accelerate the introduction of large machinery and differentiation items</li> <li>R&amp;D: Conduct regulatory registration of neurological and hematological items and launch the RUO device with the ultra-high sensitivity detection method</li> </ul>	Appropriate evaluation, promotion and demotion
and th and	n health, ute to 'e '.	Specialized skills IT literacy Global skills etc.	<ul> <li>Focus on important customers and improve profitability</li> <li>Expand businesses relating to operating rooms which require advanced knowledge and expertise</li> </ul>	Transformation of personal awareness and behavior

### Purpose and Goal of the New Personnel System

Systems	Revision of the systems	Р	urpose		Goal		
(1) Grading	Segmentalize the grades	Specify th growth new ch motivate	App	self	Self-fulfillment		
system	Newly establish career paths for specialized professionals	the h an chal ce th	Appreciate th aimed	<u>+</u>	through work		
(2) Evaluation			teps to taking		te the med a med a takin	<u> </u>	A company
system		employ e, self respo	where working is fun				
(3) Compensation	Redesign wage models	ц.	ight efforts and achieving goals	/ees in -direc nsibil			
system	em Diversify bonuses	•/	their ction, ity	- <b>O</b> HPWK			
(4) Elder employee	Expand roles	fairness	results	and	=HaPpy WorK		
system	Realize flexible workstyles	ŭ	S	7	(WaKu waku)		
HU H.U.GRO	OUP			<u>-)</u>	26		

### Measures to Support Employees' Career Development

# Offer opportunities for growth and learning based on self-reliance, self-direction, and self-responsibility, the Training and Development Policy

Measures	
(representa	
tive	
examples)	

Overview

CAREERSHIP educational platform (learning management system)

In addition to mandatory and

programs, build an environment

that enables employees to learn

freely, including the more than

job-class-specific training

160 business skill courses.

Public invitation-based education program, the H.U. Business College

The public invitation-based educational program allows employees to learn the basics of business by attending a total of 20 lectures in a one-year period DX education program, Program for the Development of Human Resources to Promote DX

Provide all employees with basic training aimed at improving their digital literacy. In addition, start developing human resources with advanced expertise In-house career change system, AdCareer

While our employees are permitted to apply for publicly advertised positions in-house, we have a "free agent" system that enables employees to voluntarily market themselves

End of FY2023 results Raising the base level of employee business literacy Developing employees' career awareness

Development of leader candidates

Digital reskilling Acquisition of basic DX knowledge Realization of diverse careers Organizational revitalization

### **KPI** Average annual training\* time per employee : Over 30 hours continued until the end of FY2024

Goal

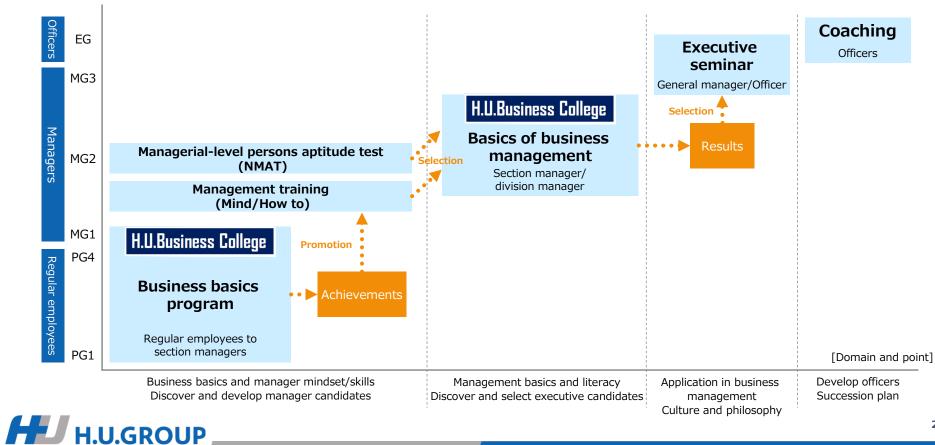
Each employee achieves their career goals and increases their engagement through self-directed career development

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\* Including DX trainings

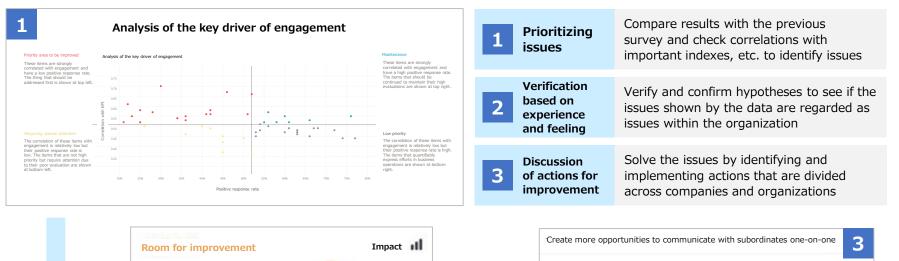
### Development of Leadership and Successors by Job Level

[Job position, HUGG]



### Establishing a PDCA Cycle Using Employee Engagement Surveys

Improve employee engagement (KPI) through the process of analyzing the situation, identifying issues, formulating action plans and implementing the plans



2

**Q5** Superiors' ability

54% Your score

54% Entire company

to listen

Improvement

H.U.GROUP

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Superiors are encouraged to make proactively talking to subordinates a habit in case their subordinates are poor at initiating communication with their superiors. Do this regularly and your subordinates will have opportunities to learn what they should report to their boss to receive advice. Subordinates will gradually begin to seek advice from their superiors on topics that they have been unable to discuss. Furthermore, superiors will learn more and increase their insight.

#### Method for Improvement

#### Next Steps

 Make more time to communicate with your subordinates on a weekly or monthly basis. Create an action plan in which recommended actions and resources are automatically entered. Customize it for the convenience of your team and improve it.

Close

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reate an action plan

### Result of Employee Engagement Survey and Future Actions

	FY2021	FY2023
Response rate	88%	98%
Employee engagement indicator (overall)	71%	74%
<b>Identification with the corporate philosophy</b> I identify with "Healthcare for You", the H.U. Group's statement	90%	90%

\* Percentage of employees whose employee engagement survey responses were other than disapproving

#### **Future Action**

•Based on the FY2023 results, the companies will start improvement actions in and after April 2024 •In and after 2024, an employee engagement survey will be conducted every year (in December)

### HU H.U.GROUP

### Promotion of Diversity

# Place importance on respecting individuals based on the concept, "Imagine people and create the future."

#### The H.U. Group is committed to promoting diversity to:

### Develop an environment and climate that enables all employees to work in their own ways

Each employee should be able to maximize their potential and develop a unique career by working in their own way without being constrained by their attributes

### Ensure the continued growth of the companies and strengthen global competitiveness

Maximize the capabilities of all of the individuals from diverse backgrounds and contribute to corporate activities, thereby innovating and creating new value

#### H.U. Group's Diversity Policy



We create systems that provide career path support and reward employees according to their contributions to ensure every employee can express their full potential, regardless of personality or personal attributes.



We will provide an environment that hires, promotes to management, improves rates of return from childcare leave, and engages in other measures to encourage women to work longer careers within the H.U. Group to create a society in which women can express their individuality and demonstrate their abilities (promoting women's participation and advancement).



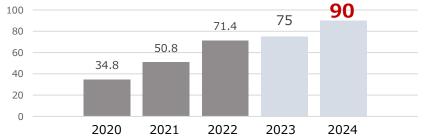
We engage in creating rewarding work for people with disabilities, actively hiring such individuals and providing a comfortable working environment that respects individuality.

### HJ H.U.GROUP

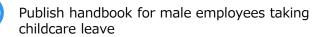
### Specific Initiatives to Promote Diversity

#### Changes in the percentage of male employees taking extended leave or leave for childcare: FY2024 target 90%

Many different measures will be taken to achieve the target of having 90% of the Group's male employees taking extended leave or leave for childcare by the end of FY2024



#### FY2023 results and future efforts



Implementation of mindset training

Childcare support: Introduce childcare leave and support systems

Expand measures based on the theme "knowing" and value understanding knowledge and communicating in workplaces, with a focus on the Diversity Promotion Section

Increase understanding of issues in greater detail (e.g. nursing care, disabilities) and encourage workplaces to implement measures from FY2024

#### FY2023

- Develop the group-wide education program on the basics of diversity
- Develop the diversity management education program
- Organize diversity-related events
- Revise LGBTQ-related regulations

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#### FY2024

- Continue the group-wide education program on the basics of diversity
- Continue the diversity management education program
- Organize diversity-related events
- Form in-house communities
- Review LGTBQ-related systems and their operation



# Wrap-up

Atsuko Murakami Executive Officer and CFO, H.U. Group Holdings, Inc.

### Progress of H.U. Group Sustainability Roadmap

Two-Year Targets (FY2023–2024) Progress					
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	Supply Chain Management	<ul> <li>Excellent response rate (A) on UNGC Self Assessment tool : 75%*2</li> <li>Meetings with our suppliers to exchange opinions on sustainability : 30 companies*2</li> </ul>	0 0		
Governance	<ul> <li>Incorporation of non-financial indicators into compensation for directors and executive officers</li> <li>Internal directors will not have a dual role on the Nominating Committee</li> </ul>				
*1 Including DX trainings *2 FY2022-FY2024					

#### \*1 Including DX trainings \*2 FY2022-FY2024

### Major Domestic ESG Evaluations

#### ESG evaluations

NIKKEI **Smart Work** 

\*\*\*\* 2024







#### Nikkei Smart Work Management Survey ✓ In 2023: **4-star rating**

Nikkei SDGs Management Survey ✓ In 2023: **3.5-star rating** 

#### Toyo Keizai CSR Survey

(In 2023: 1,712 companies)

✓ CSR Ranking : Overall: **196**<sup>th</sup> (204<sup>th</sup> in 2022) Industry : 5<sup>th</sup> (6<sup>th</sup> in 2022)

#### White 500 Certification

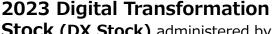
administered by METI\*

✓ Selected for three consecutive years





2024 Health & Productivity Stock Selection administered by METI\* ✓ Selected for the first time in March 2024



Stock (DX Stock) administered by METI\* ✓ Selected for the first time in 2023



**Digital Transformation** Digital Transformation Certification administered by METI\* ✓ Selected for the first time in 2023

#### ESG index

vears



SOMPO Sustainability Index ✓ Selected for three consecutive



### Major Global ESG Evaluations

	ESG evaluations	ESG indexes		
MSCI ESG RATINGS	MSCI ESG Ratings ✓ Maintain <u>AAA rating</u> (top)	FTSE Blossom Japan Index	FTSE Blossom Japan Index ✓ Selected for the first time in 2023	
	from 2022 <b>CDP</b> : responses in 2023 ✓ Climate: A- (Selected for	FTSE Blossom Japan Sector Relative Index	<pre>FTSE Blossom Japan Sector Relative Index ✓ Selected for two consecutive years</pre>	
CDP	three consecutive years) ✓ SER*: <u>A-</u>	2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	MSCI Japan ESG Select Leaders Index ✓ Selected for seven consecutive years	
SUSTAINALYTICS	Sustainalytics ✓ Maintain Low Risk (second highest rating) from 2020	2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) S&P/JPX Carbon Efficient Index	<ul> <li>MSCI Japan Empowering Women Index (WIN)</li> <li>✓ Selected for five consecutive years</li> <li>S&amp;P/JPX Carbon Efficient Index</li> <li>✓ Selected for six consecutive years</li> </ul>	
Corporate ESG Performance Parte Pr ISS ESG ►	ISS ESG Corporate Rating ✓ Maintain Prime status from 2022	MORNINGSTAR GenDiJ Japan ex-REIT Gender Diversity Till Index	Morningstar Japan ex-REIT Gender Diversity Tilt Index ✓ Selected for the first time in 2023	

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\* The Supplier Engagement Rating

### Manifestation and Increased Complexity of Diverse Sustainability Issues



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#### **Disclaimer regarding forward-looking statement:**

The performance forecast provided in this document is prepared by the management based on currently available information and various hypotheses and ideas including significant risks or uncertainties. Please be aware that the actual performance may turn out to be different from the forecast as a result of various contributing factors.

Factors affecting the performance include, among others, aggravation of the economic situation, fluctuation of the exchange rate, change of regulatory, statutory, and administrative requirements, delayed launch of new products, pressures from the product strategies of competitive companies, and decline of the sales potential of existing products.

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