

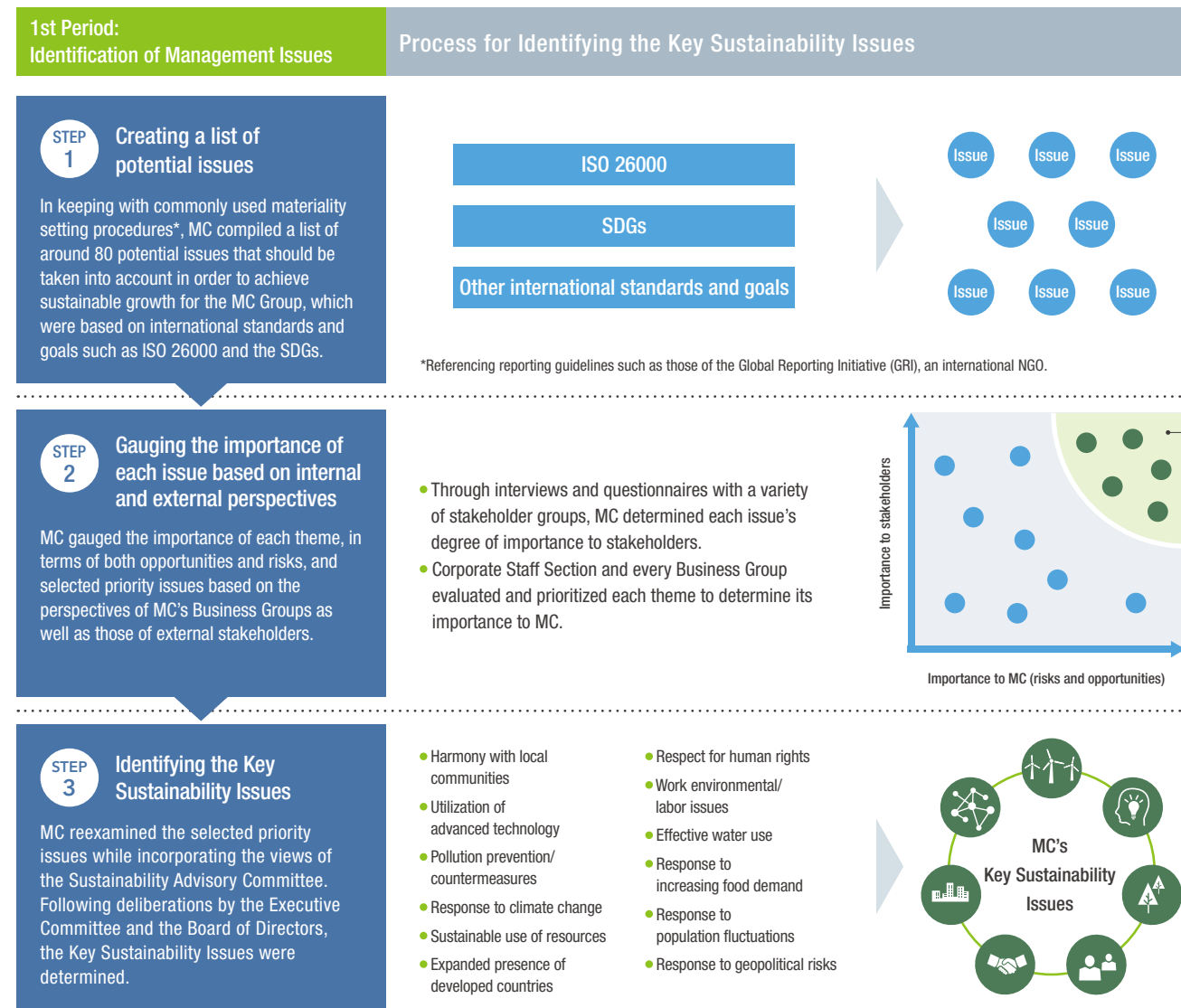
Key Sustainability Issues (Materiality)

Overview and Identification Process of Key Sustainability Issues (Materiality)

Simultaneous generation of economic, societal, and environmental value is essential for the MC Group's growth. From this perspective, in 2016 MC identified a set of Key Sustainability Issues (Materiality) as mileposts for proactively realizing the simultaneous generation of triple-value growth (including in financial terms) for the MC Group.

MC believes that our measures to address the Key Sustainability Issues will also help to achieve the Sustainable Development Goals (SDGs)* related to each key issue. MC recognizes the role that companies are expected to play in order to achieve the SDGs. With this in mind, MC will make every effort to help make progress on the Goals.

*The SDGs are a set of 17 global goals adopted at the UN summit held in September 2015 as the core of "The 2030 Agenda for Sustainable Development."



Key Sustainability Issues (Materiality)

Themes	SDGs	Overview
Transitioning to a Low-Carbon Society	7, 13	In anticipation of the impact that climate change is expected to have on MC's business activities, MC is working to address these potential impacts, while at the same time actively pursuing businesses that facilitate the transition to a low-carbon society and reducing greenhouse gas (GHG) emissions.
Procuring and Supplying in a Sustainable Manner	7, 8, 12, 14	MC will ensure the stable, sustainable procurement and supply of resources, raw materials and other inputs in line with the needs of each country around the world. In addition, MC will consider environmental and social factors throughout our supply chains.
Tackling Evolving Regional Issues	9, 11	MC will continue to take appropriate steps to address geopolitical risk while at the same time contributing solutions through its business for issues faced by each country and region, thereby supporting the development of economies and societies.
Addressing the Needs of Society through Business Innovation	7, 9	MC will stay on the pulse of major industrial shifts brought about by technological advances, while continually creating innovative businesses that contribute to solutions for social issues.
Conserving the Natural Environment	12, 14, 15	Recognizing the Earth as our most important stakeholder, MC works to ensure the continuity of its business by preserving biodiversity, reducing its environmental impact and conserving the natural environment.
Growing Together with Local Communities	4, 10	MC will contribute to regional development through its business and corporate philanthropy initiatives, and will aim to grow together with the regions and communities where it operates.
Fostering Our Employees' Maximum Potential	5, 8	MC will work to develop human resources with advanced management capabilities who will become the driving force behind corporate value creation by developing career opportunities and workplaces where the members of its diverse workforce are able to grow as they share values in a spirit of mutual learning.

3rd Period: Strengthening of Initiatives Through Goal Setting **Setting Goals for 2030**

In 2019, MC formulated individual business goals so that each Business Group could autonomously promote initiatives around the Key Sustainability Issues. In 2020, MC reviewed these individual business goals to make them more specific and quantifiable, taking into account the external environment and societal demands. The goals following the review and the main initiatives associated with them are as follows:

Transitioning to a Low-Carbon Society

- Aim to double renewable power generation capacity by the fiscal year ending March 2031 compared to the fiscal year ended March 2020 (from 3.3 GW to 6.6 GW). (In addition, aim to reduce existing thermal power capacity and switch to zero-emission thermal power, targeting 100% non-fossil by 2050.)
- Establish ammonia fuel supply chains for power generation
- Promote the commercialization of CCUS and hydrogen-related projects
- Promote initiatives around electric vessels (reducing environmental impact)

Procuring and Supplying in a Sustainable Manner

- Reduce food waste by 50% (compared to the fiscal year ended March 31, 2019)
- Develop the recycled PET and eco-friendly material manufacturing businesses to achieve low-carbon and circular plastics

Tackling Evolving Regional Issues

- Advance coal/oil to gas projects as a pragmatic solution to reduce air pollution and transition to a low-carbon society (changeover from coal/oil to natural gas)
- Promote initiatives around autonomous ships (reducing crew stress and maritime accidents)
- Develop the Mobility Services Business
- Realize and manage valuable integrated urban development projects with accessibility and environmental friendliness

MC will continue striving for sustainable growth from a long-term perspective.