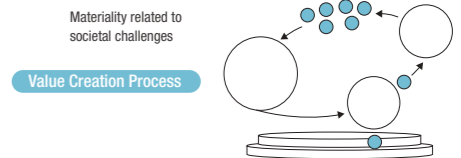


Materiality

We will promote initiatives based on our Materiality (material issues) as we invest our Six Capitals into our business and generate MC Shared Value (MCSV).



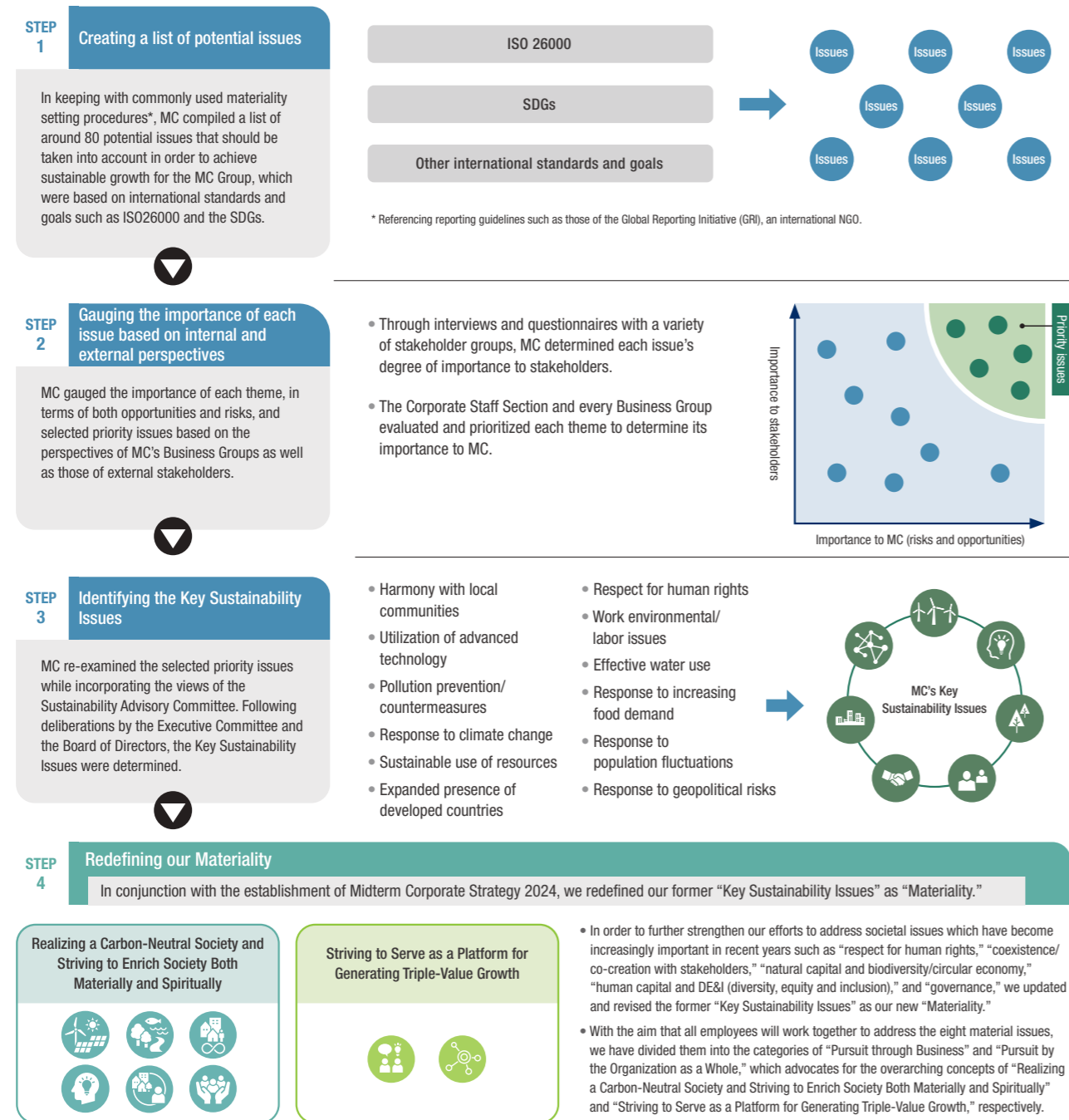
Overview of Materiality and Identification Process

Based on the Three Corporate Principles, which have served as MC's core philosophy since its inception, MC identified a set of Key Sustainability Issues in 2016 as mileposts for proactively realizing "triple-value growth" through the simultaneous generation of economic, societal, and environmental value. While responding to the requests of all stakeholders, MC has worked to address various societal issues through its business activities and has contributed toward the sustainable development of society as well as value creation.

the Key Sustainability Issues, stakeholder expectations of companies regarding issues such as climate change have grown even higher, and the issues that companies must address have evolved. Against this backdrop, in order to further raise our corporate value over the medium to long term, we conducted a review of our Key Sustainability Issues from the perspective of their importance to our business activities. The revised "Materiality" was announced in Midterm Corporate Strategy 2024 as a set of crucial societal issues that we will prioritize through our business activities, toward the strategy's goal of continuous creation of MCSV.

After reaching the seven-year point since the establishment of

Materiality Identification Process



MC's Materiality

MC regards its Materiality as a guideline for the continuous creation of significant MCSV, as we aim to create this value by strengthening the MC Group's collective capabilities to address societal challenges.

	Issues	Overview
Realizing a Carbon-Neutral Society and Striving to Enrich Society Both Materially and Spiritually	Contributing to Decarbonized Societies	Contribute to the realization of decarbonized societies by striving to reduce GHG emissions, while providing products and services that support decarbonization during the transition period.
	Conserving and Effectively Utilizing Natural Capital	Recognizing the earth itself to be our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint.
	Promoting Stable, Sustainable Societies and Lifestyles	Promote sustainable societies and lifestyles of the future through businesses in a diverse range of countries and industries, while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, etc., in line with the needs of countries and customers.
	Utilizing Innovation to Address Societal Needs	Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation.
	Addressing Regional Issues and Growing Together with Local Communities	Strive to contribute to the development of economies and societies by addressing issues facing countries and regions, while seeking to grow together and collaborate with diverse stakeholders, regions and communities.
	Respecting Human Rights in Our Business Operations	Respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions for value chain-related issues, while considering the local conditions in each country.
Striving to Serve as a Platform for Generating Triple-Value Growth	Fostering Vibrant Workplaces that Maximize the Potential of a Diverse Workforce	Recognizing that our human resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization, and also seek to develop an organization where diverse human resources share common values and grow together while furthering their connections and inspiring one another to excel.
	Realizing a Highly Transparent and Flexible Organization	While swiftly responding to changes in the business environment, strive to realize effective governance on a global, consolidated basis and maintain/strengthen a sound organization that is transparent and flexible.

Representative Action Plans for Each Material Issue

To effectively achieve the creation of MCSV, each Section/Business Group establishes "Action Plans," which serve as mid term plans related to the relevant material issues for each business or initiative, and tracks their progress through annual reviews. MC has thereby established a mechanism to confirm how our Materiality serves our business strategies, initiatives and organizational management that lead to the creation of MCSV.

Materiality	Typical Action Plans	Relevant SDGs*
Contributing to Decarbonized Societies	<ul style="list-style-type: none"> Doubling Renewable Energy Power Generation Capacity Implementation of Next-Generation Energy Supply Chains Supply of Mineral Resources to Promote an Electrified Society CCUS Initiatives 	7, 9, 13
Conserving and Effectively Utilizing Natural Capital	<ul style="list-style-type: none"> Promotion of a Circular Economy Assessment of Environmental Dependencies and Impacts 	6, 7, 12, 14, 15
Promoting Stable, Sustainable Societies and Lifestyles	<ul style="list-style-type: none"> Fulfilling Our Responsibility for Ensuring a Stable Energy Supply to Support the Transition Period Ensuring a Stable Supply of High-Quality Metallurgical Coal Sustainable Food Supply 	2, 3, 6, 7, 8, 9, 12, 14, 16
Utilizing Innovation to Address Societal Needs	<ul style="list-style-type: none"> Building a Cross-Industry Digital Ecosystem Reduction of Food Waste Providing Solutions for Wasteful, Inconsistent, and Burdensome Practices by Optimizing the Entire Supply Chain through Digital Technology Contributing to the Realization of a Carbon-Neutral Society through Technological Innovation 	7, 9, 13
Addressing Regional Issues and Growing Together with Local Communities	<ul style="list-style-type: none"> Creating Self-Sustained Decentralized Communities Development and Management of Smart Cities Providing Solutions for Regional Transportation Challenges through On-Demand Mobility Services 	4, 6, 7, 9, 11
Respecting Human Rights in Our Business Operations	<ul style="list-style-type: none"> Implementing Human Rights Due Diligence for Business Activities Ensuring the Safety of Employees 	1, 8, 10, 16
Fostering Vibrant Workplaces that Maximize the Potential of a Diverse Workforce	<ul style="list-style-type: none"> HR Strategy Strengthen Engagement Data Utilization 	5, 8, 10
Realizing a Highly Transparent and Flexible Organization	<ul style="list-style-type: none"> Incorporating Global Intelligence into Management Flexible Organizational Restructuring Transparent and Effective Operation of the Board of Directors 	5, 16, 17

* The 17 global development goals adopted as a global agenda at the UN summit held in September 2015, forming the core of "The 2030 Agenda for Sustainable Development."