

# ESG Materiality

- ESG Materiality
- Materiality Identification Process

## ESG Materiality

The OLC Group has selected eight areas of ESG materiality for capturing growth opportunities and eliminating risks with the aim of carrying out sustainability management that contributes to achieving a sustainable society and long-term sustainable growth, and made a resolution accordingly at the Board of Directors meeting in March 2022. The ESG materiality items have been selected by conducting mapping from the perspectives of society/stakeholders and impact on the Company, based on the principle of double materiality. For each area of ESG materiality, goals and indicators for assessing the progress status have been set in the form of KGIs for 2030, KPIs for FY 2026, and KPIs under the 2024 Medium-term Plan. The progress status is reported to the Board of Directors and Executive Committee at least once a year.

“Employee happiness” and “Happiness of children” will be promoted as materiality unique to our group.

### Society (S)

Contribution to SDGs



### Employee happiness

Strategy	Indicators/goals	
	Key Goal Indicator (KGI) for 2030	Key Performance Indicator (KPI) for FY 2026
<p>[Opportunities]</p> <ul style="list-style-type: none"> <li>Continuous employment of talented people</li> <li>Strengthened capacity to respond to changes and business opportunities</li> </ul> <p>[Risks]</p> <ul style="list-style-type: none"> <li>Shortage of human resources</li> <li>Outflow of human resources</li> </ul>	<p>To remain as the workplace that is chosen by people, implement measures to help them feel a sense of joy and accomplishment (job satisfaction) and establish a comfortable and supportive workplace environment and internal systems.</p>	<p>Enhance job satisfaction of employees</p> <p>Survey question on general job satisfaction: Positive responses account for more than 80%</p> <p>[Average of the entire OLC Group]</p>

#### KPI under 2024 Medium-term Plan

Job satisfaction survey

Question on general job satisfaction: Higher percentage of positive responses than in FY 2021 or the previous survey

#### Progress of Initiatives to Achieve the KPI

Conducted FY 2022 job satisfaction survey across all employment categories

[Supporting diverse talent]

- Responded to legal revision by supporting paternity leave and expanded programs specific to each employment category to help individuals balance work and childcare.
- Expanded the target of solicitation for concurrent positions to include employees rehired after retirement
- Expanded the scope of jobs for individuals with a disability
- Partially revised the “Disney Look,” which stipulates the appearance of cast members

[Creating an environment conducive to job satisfaction]

- Raised basic salaries and hourly wages
- Introduced a stock provision trust (J-ESOP) to management-level employees of the Company and executives and management-level employees of group companies
- Renovating backstage facilities including employee cafeterias
- Launched the “Healthy Body and Mind Project”

## Happiness of children

Related risk and opportunity	Direction of initiatives	KGIs for 2030	KPIs for FY 2026
[Opportunity] · Resolving social issues pertaining to children, who are important in our business activities [Risk] · Exacerbated social issues surrounding children	To achieve a thriving society by nurturing the dreams and minds of children, who are our future, implement measures that resonate with children, engender their trust, and resolve social issues pertaining to children, through the Tokyo Disney Resort business.	[Tokyo Disney Resort] Implement activities aimed at enriching the daily lives and minds of children [Social contribution activities] Implementing activities to foster the development of children, who are our future	Set targets in FY 2023

### KPI under 2024 Medium-term Plan

Set targets in FY 2023

### Progress of Initiatives to Achieve the KPI

[Tokyo Disney Resort]

· Surveyed the positive impact of Park experience on children

[The OLC Group's social contribution activities]

· Started offering "Child Smile Meals" periodically at employee cafeterias. Meal prices include donations, to which the Company adds a matching donation.

## Diversity & inclusion

Related risk and opportunity	Direction of initiatives	KGIs for 2030	KPIs for FY 2026
[Opportunity] · Increased experience value by adapting changes in society and customer needs [Risks] · Declined experience value due to insufficient diversity measures · Manifestation of risks due to insufficient measures to ensure that human rights are respected	To address changes in society and customer needs and conduct business activities in which diverse customer values are respected, implement structured measures to ensure that human rights are respected, review existing products and services, and build systems to give due consideration to diversity, among others.	Build and implement a human rights due diligence process for designated key human rights issues  Build systems for implementing business activities in which diversity is respected	The scope and proportion of key human rights issues for which human rights due diligence is implemented  · Proportion of employees to whom the Guidelines on Diversity was handed out · Proportion of employees for whom training on the Guidelines on Diversity was provided

### KPIs under 2024 Medium-term Plan

· Implemented a gap analysis on 11 key human rights issues in three fields—employees, supply chain, and customers—and identified areas in which initiatives for vulnerable rightsholders were insufficient

· Established an internal structure for promoting human rights initiatives sustainably

· Proportion of employees to whom the Diversity & Inclusion Handbook was handed out: 100%

· Implemented a gap analysis on existing facilities/services and formulated and executed countermeasures

### Progress of Initiatives to Achieve the KPI

[Human rights]

· Revised the OLC Group Human Rights Policy Statement

· Formulated a roadmap to 2024 for identifying gaps regarding key human rights issues in three fields—employees, supply chain, and customers

· Implemented a human rights due diligence session involving experts and top management members

· Implemented a session with LGBT individuals

[Diversity]

· Established a priority order with regard to customers at the Subcommittee on Diversity & Inclusion

· Distributed the Diversity & Inclusion Handbook to all Group employees (100%) and implemented dialogues

· Offered expanded opportunities for guests with a disability to enjoy certain attractions

## Supply chain management

Related risk and opportunity	Direction of initiatives	KGIs for 2030	KPIs for FY 2026
[Opportunity] · Expanding competitive advantages by giving due consideration to the environment and society across the entire supply chain	Formulating a policy to achieve sustainable procurement in collaboration with suppliers.	Ensure that all 1st-tier suppliers are informed of and consent to our procurement policy and the OLC Group Vendors Code of Conduct	Develop a procurement policy and incorporate it into the Vendors Code of Conduct
[Risk] · Manifestation of risks due to insufficient supply chain management		Ensure sustainable raw material procurement for all internally designated items	Set KPI for FY 2026 by FY 2024

### KPIs under 2024 Medium-term Plan

Ensure 100% engagement with key suppliers

Raw material	Paper	Palm oil	Conflict minerals	Timber	Textiles	Seafood
Target/direction of initiatives	Ensure that suppliers are informed of our policy on paper procurement and carry out ongoing investigations of major suppliers.	Switch popcorn oil to sustainable palm oil at Theme Park restaurants	Establish a policy concerning conflict minerals including how to monitor suppliers	Formulate specifications for timber used in environmentally friendly design	Establish a policy for procuring textiles with low environmental impact	Consider partially switching to sustainable seafood

### Progress of Initiatives to Achieve the KPI

- Formulated the OLC Group Procurement Policy
- Set individual targets and established directions of initiatives for some raw materials

# Environment (E)

Contribution to SDGs



## Measures to address climate change and natural disasters

Related risk and opportunity	Direction of initiatives	KGI for 2030
<p>[Opportunity]</p> <ul style="list-style-type: none"> <li>Generating new experience value by adapting to climate change</li> </ul> <p>[Risk]</p> <ul style="list-style-type: none"> <li>Increased number of abnormal climate and natural disaster events that give growing impact on business</li> </ul>	Produce and procure renewable energy, take energy-saving actions, install environmentally friendly design, etc. to reduce the risk of climate change and adapt to climate change with enhanced resilience to increase the sustainability of business.	Reduction in greenhouse gas emissions – Scope 1 and 2: 51% reduction from the FY 2013 level → Achieve net zero emissions of greenhouse gases by FY 2050

	Procurement of renewable energy	Energy-saving activities	Installation of environmentally friendly design	Production of renewable energy	Investing in and remodeling vehicles, machinery, and facilities	Scope 3	Strengthening resilience
<b>KPIs for FY 2026</b>	CO <sub>2</sub> emissions reduction: 198,000 t-CO <sub>2</sub>	Implement across the entire Group by utilizing internal systems	Execution based on proprietary guidelines	Consider and install solar power generation equipment	Consider and install environmentally friendly items	Set target during the Medium-term Plan period	Consider measures based on TCFD framework

### KPIs for 2024 Medium-term Plan

Procurement of renewable energy	Energy-saving activities	Installation of environmentally friendly design	Production of renewable energy	Investing in and remodeling vehicles, machinery, and facilities	Scope 3	Strengthening resilience
CO <sub>2</sub> emissions reduction: 78,000 t-CO <sub>2</sub>	Remodel internal system (visualization system)	Formulate proprietary guidelines	Consider and install solar power generation equipment	Consider and install environmentally friendly items	Set target for next Medium-term Plan	Start information disclosure in accordance with the framework of TCFD

### Progress of Initiatives to Achieve the KPI

- Revised the OLC Group Environmental Policy
- Endorsed TCFD and commenced scenario analysis
- Procured renewable energy and installed more solar panels within our premises
- Reorganized and expanded Scope 3 categories
- FY 2022 Scope 1 and 2 CO<sub>2</sub> emissions were 174,000 t-CO<sub>2</sub> (down 6% from the FY 2013 level)

## Recycling-oriented society

Related risk and opportunity	Direction of initiatives	KGI for 2030
<p>[Opportunity]</p> <ul style="list-style-type: none"> <li>Creating new demand by providing new products and services with environmental value</li> </ul> <p>[Risk]</p> <ul style="list-style-type: none"> <li>Depletion and rising cost of natural resources</li> </ul>	Implement measures such as to save resources and reduce waste pertaining to products and services and promote the sustainable use of resources to contribute to the development of a recycling-oriented society.	<ul style="list-style-type: none"> <li>Waste reduction target [weight]: 10% reduction from the FY 2016 level</li> <li>Percentage recycled [actual result]: 80%</li> </ul>

	Food loss [vs. FY 2019]	Single-use plastic [vs. FY 2018]	Adoption of resource-saving products/services and saving resources [vs. FY 2018]	Effective use of water resources	Contribution to forming symbiotic relationships with nature
<b>KPIs for FY 2026</b>	45% reduction	21% reduction	8.8% reduction	Target to be set for next Medium-term Plan	Target to be set for next Medium-term Plan

### KPIs for 2024 Medium-term Plan

Food loss [vs. FY 2019]	Single-use plastic [vs. FY 2018]	Adoption of resource-saving products/services and saving resources [vs. FY 2018]	Effective use of water resources	Contribution to forming symbiotic relationships with nature
Total (weight) 22.5% reduction	Total (weight) 10.5% reduction	Total (weight) 4.4% reduction	Target to be set for next Medium-term Plan	Target to be set for next Medium-term Plan

### Progress of Initiatives to Achieve the KPI

- Revised the OLC Group Environmental Policy
- Launched 14 products made with organic cotton and recycled materials at our Theme Parks
- Replaced plastic cutlery in phases at our Theme Park restaurants with cutlery designed to meet the reduction target set under the Plastic Resource Circulation Act

## Governance (G)

### Stakeholder engagement

Related risk and opportunity	Direction of initiatives	KGIs for 2030	KPIs for FY 2026
[Opportunity] · Strengthened capacity to address changes in social conditions [Risk] · Decreased capacity to address new changes in needs and potential risks	To evolve business activities and contribute to achieving a sustainable society, implement measures to attribute importance to appropriate and open information disclosure to stakeholders and dialogues with them.	Ensure appropriate and open information disclosure to stakeholders and place value on interactive communication with them to evolve business activities and engage in activities that contribute to achieving a sustainable society.	Set KPI for FY 2026 by FY 2024

#### KPI for 2024 Medium-term Plan

Established internal structures to promote initiatives for stakeholders and steadily put them into practice

#### Progress of Initiatives to Achieve the KPI

- Classified the stakeholders that their reflection in management is important as a means of organizing external stakeholder engagement in companies, and newly selected “children” as one of our stakeholders, in the Subcommittee on Stakeholder Engagement
- Dissolved the Subcommittee on Stakeholder Engagement, and launched a system where the Sustainability Promotion Department monitors the progress made in our stakeholder engagement plan for respective stakeholders

### Fairness in corporate management

Related risk and opportunity	Direction of initiatives	KGIs for 2030	KPIs for FY 2026
[Risk] · Decreased growth opportunities and social trust due to lack of appropriate decision-making function	Ensure that all laws and regulations and the Corporate Governance Code are complied with, and establish management systems that allow flexible responses to changes and facilitate growth.	Ensure that all laws and regulations and the Corporate Governance Code are complied with, and the management systems in place allow flexible response to changes and facilitate growth.	<ul style="list-style-type: none"> <li>· External directors’ rate of attendance at Board of Directors meetings: More than 80%</li> <li>· Evaluation of the effectiveness of the Board of Directors: Ensure appropriate evaluation and make improvements</li> <li>· Corporate Governance Code: Fully complied with</li> </ul>

#### KPIs under 2024 Medium-term Plan

- External directors’ rate of attendance at Board of Directors meetings: More than 80%
- Evaluation of the effectiveness of the Board of Directors: Ensure appropriate evaluation and make improvements
- Corporate Governance Code: Fully complied with

#### Progress of Initiatives to Achieve the KPI

- Appointment of at least one third of independent outside directors
- Majority selection of independent outside directors as members of the Nomination and Compensation Committee (optionally established)
- External directors’ rate of attendance at FY 2022 Board of Directors meetings: More than 80%
- Evaluation of the effectiveness of the Board of Directors: Revised the content and number of questions in response to advice provided by an external organization
- Corporate Governance Code: Fully complied with

# Materiality identification process

We discussed and set our materiality following the process below.



\* GRI Standards, ISO 26000, SASB, etc.

