Important Issues of the MEDIPAL Group (Materialities)

Basic Policy

The MEDIPAL Group's social mission is to reliably deliver products to the people who need them, without fail. To achieve this mission, we believe that it is important to establish a solid business structure. We have identified issues of high priority (materialities) in six categories: compliance, pharmaceutical affairs management, disaster planning, information management, respect for human rights, and environmental conservation.

Relationship with CSR (handling of individual materialities) ▶	The above six categories are CSR (corporate social responsibility) categories that have been defined by the Group, and reflect our risk management perspective. The Group has defined its CSR as "conducting business activities with consideration for the economy, society, and the environment so that, by perpetually growing, the companies that make up the Group will realize the Group's Management Philosophy, and the results of those activities will also rightfully benefit society." Based on this shared understanding, we hold CSR General Meetings primarily for the chairmen of the CSR committees of Group wholesale operating companies, and carry out CSR initiatives.
Relationship with ESG, which supports our long-term corporate value ▶	These six categories, along with the underlying corporate governance, correspond to the three themes of ESG (environmental, social, and governance), which is an area of great interest to investors. We believe that the material issues we have selected are ESG elements that support the long-term improvement of the Group's corporate value, and that they have a substantial impact on value creation.

■ **Relationships between Material Issues, CSR, and ESG**

Six Materiality Categories	Examples of CSR Activities		ESG Category
Compliance P. 56-58	• Whistleblowing system • Preventing violation of Antimonopoly Act		G
Pharmaceutical Affairs Management P. 59-60	• Maintaining quality • Education systems		S/G
Disaster Planning P. 61-63	• Natural disaster risk countermeasures • Countermeasures against pandemics	• Base isolation of distribution centers	S/G
Information Management P. 64	• Policies and systems • Education systems		G
Respect for Human Rights P. 65-69	• Personnel development initiatives • Systems to provide a pleasant working environment • Human rights protection initiatives	• Diversity initiatives	S
Environmental Conservation P. 70-71	• CO_2 emissions reduction, reducing energy consumption, and initiatives to prevent global warming • Waste processing and effective resource utilization		E
Social Initiatives P. 72	• Support for patients with rare and intractable diseases • Activities to raise awareness of COPD • "Dementia Supporters" training programs • Support for children's cafeterias	• Support for Momiji House • Bone marrow donor leave • Flower display campaigns	E/S

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