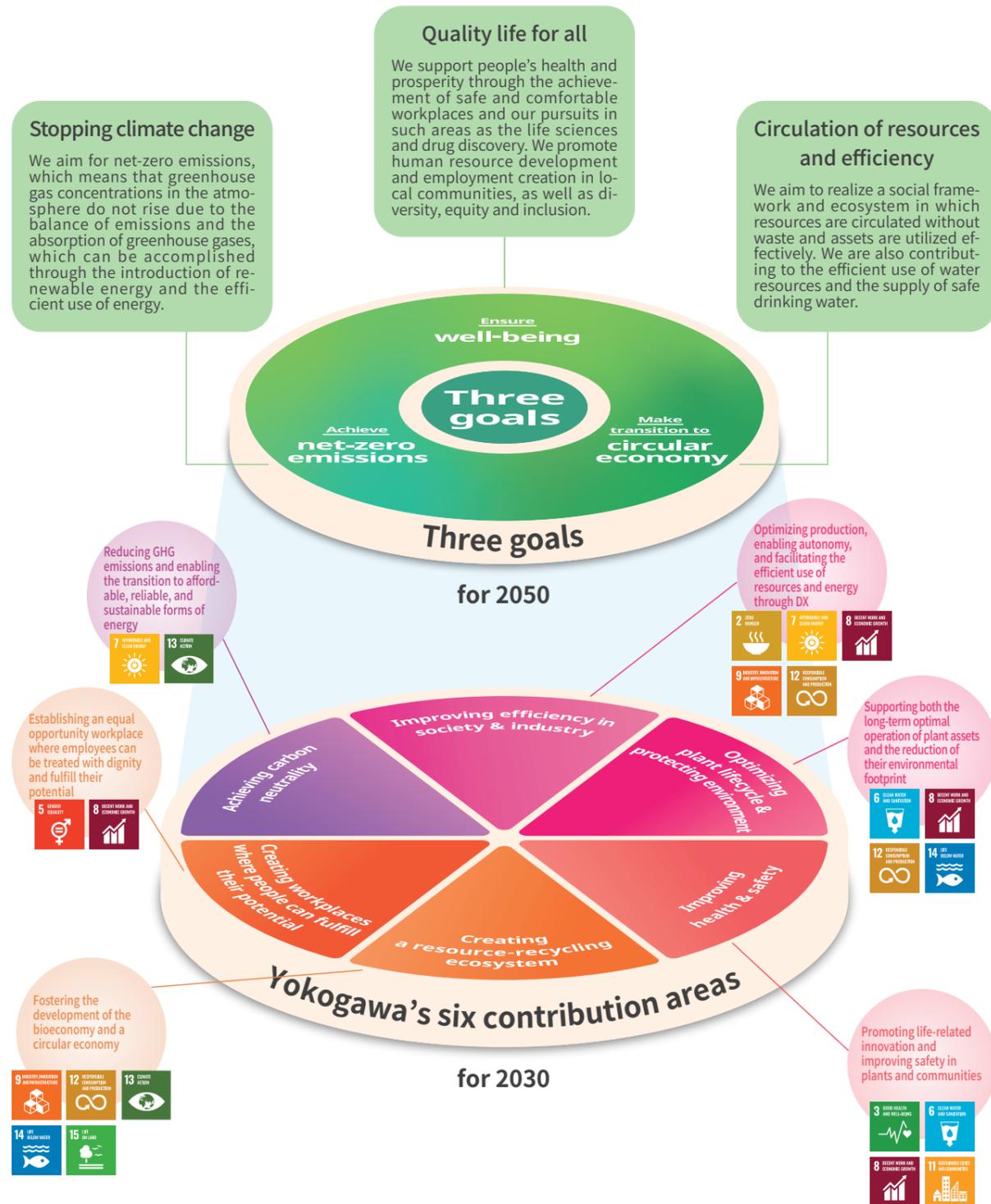


# Realization of a Sustainable Society

Yokogawa has set “Three goals” in achieving a sustainable society by the year 2050. We conducted a materiality analysis, identified priority issues for achieving the Three goals and growing our business, set sustainability indicators and targets, and are addressing these issues.

## The “Three goals” for Sustainability and Six Contribution Areas

Following global initiatives such as the Paris Agreement and the Sustainable Development Goals (SDGs) resolved in 2015, we set out the Three goals for sustainability in 2017 as the society we aim to achieve in 2050. In addition, we have conducted a materiality analysis to clarify the priority issues for achieving the Three goals and accelerating business growth, and established six contribution areas based on the results.

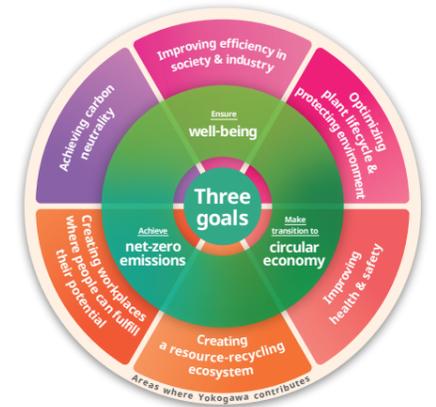


## Setting Contribution Areas Based on Materiality Analysis

We defined materiality as meaning the importance in terms of both the impact on society and the environment and the impact on the company's value creation and business model. In July 2022, the first Sustainability Committee meeting was held to conduct a materiality analysis, and we confirmed that the priority issues that were important both for the company and the society and were to be resolved by the company and the six contribution areas would not need to be changed from the time of establishing AG2023.

### Process of Materiality Analysis

1. Conducted analysis covering all business activities which aimed at creating corporate value (and preventing damage to its value), with items related to business opportunities and to management.
2. Evaluated the materiality of individual items from two aspects: impact on society and the environment (social axis) and impact on corporate value creation and business model (business axis), and select focus areas.
3. Review the appropriateness and completeness of focus areas from the perspective of stakeholders.
4. Confirmed the appropriateness of the issues to be resolved (priority issues) and themes of contribution (contribution areas) based on the selected focus areas



Three goals and Six Contribution Areas

## Sustainability Indicators

For each contribution area, we have established long-term indicators to measure the degree of contribution to society (social impact indicators) and mid-term indicators to measure the growth of businesses contributing to society (business activity indicators) in the AG2023. (See pages 34 and 35.) We will accelerate contributions and growth through the PDCA based on these indicators.



## Growth Through Contribution to Sustainability

We are committed to achieving our “Three goals” for sustainability for 2050 and contributing toward the attainment of the United Nations’ Sustainable Development Goals for 2030.

When drawing up our AG2023 plan, we formulated Yokogawa’s Purpose, a statement that reads, “Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet,” and we identified six areas where we should contribute. We reconfirmed where we should focus our efforts based on a materiality analysis. This involved an examination on both a social axis (SDG contributions and global risks) and a business axis (projections of revenue size, contribution to revenue growth in the medium term, and ESG assessment results). The aim is to improve and provide a stronger foundation for our business from the ESG perspective and to focus on businesses that have significant growth potential.

We feel that stakeholder interest in achieving carbon neutrality, one of the six areas where we aim to contribute, is very high. We have set a target of eliminating all GHG emissions at our business sites by 2040 and are steadily implementing measures to accomplish this that involve the introduction of internal carbon pricing (ICP). Our efforts to provide solutions for the development of renewable energy infrastructure and so on to our customers are also making significant contributions toward the reduction of GHGs. As for our target area of “Creating workplaces where people can fulfill their potential,” we are accelerating our efforts to transform our human resources and promote diversity, equity, and inclusion.

We have set sustainability indicators and targets that are linked to each of these six contribution areas, and will simultaneously accelerate our contribution to sustainability and business growth by working toward these targets.

**Junichi Anabuki**  
Director, Executive Vice President

