

Dialogue 04

Identifying Material Issues by Taking Diverse Opinions into Consideration

Four employees have been promoting the formulation of material issues as part of the Executive Office of the Sustainability Promotion Project. We took a look back at how discussions progressed in teams divided into the themes of customers, employees, the environment, society, and governance.

For Customers, We Need to Keep Meeting Them Face-to-Face. For the the Environment, We Need to Work Together with Our Customers

You put together a list of material issues to address by 2030. What process did you use to identify material issues?

Yamada ● We went through two phases. First, six leaders, including corporate officers and the Executive Office, created a foundation for the future vision and material issues. Afterward, mid-career members nominated as leaders and younger employees from open recruitment joined in to hold discussions with each team. As specialized knowledge was required to identify governance issues, we considered initiatives with the leader, who is the head of the Corporate Planning Department, and other nominated members.

How did the Executive Office organize the discussions in each team?

Yamamoto (Kumiko) ● In the customer team, which I was in charge of, we thought of how we could maximize the value of customer experience and grow



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as a company. We narrowed it down to three points from the perspective of achieving both goals simultaneously.

Our first point is the "Enhancement of customer experience value by pursuing personalization." This is to increase customer experience value by providing services and products that suit each individual. To that end, we are trying to connect with our customers, learn about them, and connect them to our business. Our second point is "Endeavoring to expand business areas." We need to use our knowledge and technology to support a broader range of people from all angles to realize their best selves. Our third point is the "Deepening of product quality and building of service quality." We take great pride in our high level of quality control. However, in anticipation of the future expansion of our business areas, how should we tackle the quality of things other than products, such as services and customer service? We concluded that we must review what quality means in the present times.

How about the environment team?

Yamamoto (Kanako) ● In the environment team, we decided on the "Promotion of business activities that reduce environmental impact." We were able to share the recognition that we must reduce our impact on the environment to realize a sustainable society and for Wacoal to grow. On top of that, the environmental awareness of our customers is changing. This led to a less-than-difficult process of identifying the issues. However, although we understand that doing something for the environment is essential, it was challenging to think specifically about what Wacoal could do to contribute. The idea of all of this was that we will not be able to do anything unless we work together with our customers. In the end, we included a specific item in materiality that we must work to foster



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environmental awareness among both employees and consumers.

Employees Who Promote Individual Growth from the Bottom Up to Change Society

Ms. Tani, you are on the society team.

Tani ● Yes, I am. The team considered providing social value as the focal point of identifying problems. To establish new material issues, we started by learning how Wacoal's existing businesses may have been providing social meaning and value from different perspectives. This helped us understand the Company better, with many of the younger members commenting that they did not know the Company did these sorts of things.

The conclusion you ended up on was the challenge of the "Promotion of co-creation innovation to solve social issues."

Tani ● Among our topics, the most in-depth discussions we had were on "Contribution to the improvement of women's QOL" and the "Promotion of diversity and inclusion." Regarding improving quality of life, the main point of discussion was the deliberate use of

"women." On the one hand, there is the opinion that it is not appropriate to use the word "women" when striving to create a world where everyone can live comfortably. On the other hand, we discussed that women are our focus precisely because Wacoal's core business is creating innerwear for women. Regarding the promotion of diversity and inclusion, we would like to make a society where it is natural to accept diverse values and people to realize a society where everyone can play an active role in their own way. We talked about increasing the number of diversity and inclusion experts from within the Company by first conducting in-house training.



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"Employees" feels like a familiar theme in human resources development, organizational development, and health.

Yamada ● First, we can talk about human resources development. In this day and age, it is common to change jobs or work after retirement age. In such an environment, regardless of age or position, it is important to be self-disciplined to improve your abilities and build a solid career outside of Wacoal. We believe that the growth of every employee will eventually lead to an organization that can produce results. Next is organizational development. While the Mission and Companywide goals are shared among the Company, departmental and individual goals are not available for everybody to see. Therefore, in promoting this material issue, we thought that we should share each organization's mission and goals to adequately reflect on whether we have achieved them.

We Must First Change Ourselves to Solve Problems

Plans to achieve VISION 2030 are becoming a reality. What kind of progress do you see yourself making in the future?

Yamada ● Our focus on pushing things forward can be broken into three major parts. We will be promoting customer- and employee-related issues in conjunction with the business plan of each business division in the Management Issues Review Meeting. The Sustainability Committee will manage the progress of the issues of the environment and society, while governance will be taken up by the Board of Directors. We have also decided to establish two projects under the Sustainability Committee. One is the Project to Promote Awareness of the the WACOAL Way. To increase the power and engagement of our employees, we will work out plans to saturate and implement the new Mission decided through the Sustainability Promotion Project throughout the Group. The other project is the Project to Improve Women's QOL (quality of life). Wacoal participates in a wide range of activities to promote breast care, from breast cancer screening awareness to post-surgery support. Still, the problem is that these activities are not coordinated very well overall. In addition, we will be gathering the people in charge of each department to discuss specific initiatives Wacoal can take to ensure that as many women as possible are physically and mentally healthy and radiant.

How will you be tackling challenges as you move forward?

Yamada ● Some KPIs for material issues have been set while others are currently being decided. I think it is essential to break these items down into individual goals. I took up a post as section chief in April 2022 and am involved in setting goals for the members. By increasing the number of members who can reflect the departmental goals for achieving material issues in their individual goals and taking action, I would like to connect this to the growth of every employee.

Yamamoto (Kumiko) ● I feel that to address our material issues, we need to understand changes in the awareness of consumers. To properly show what kind of future Wacoal will create, I believe it is my role to collect information on consumer and world changes based on regular surveys.

Yamamoto (Kanako) ● It is essential not only to understand and be aware but also to act. For this reason, I think everyone needs to "make it their own." It is especially difficult to find a connection between our daily actions regarding society and the environment. First, I would like to increase the number of people who can take the first step by creating a culture where they will take on even the most minor things with a challenging spirit. I would like us to give each other affirmation for these kinds of actions. I want to create a company where people can adequately express positive opinions, not just negativity and criticism.



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Tani ● Around 50 employees were involved in this project out of approximately 20,000 total employees in the Group. Although we gathered 50 employees, one might say "only" 50. Some of the other employees may feel a disconnect with our decisions since they were not here to make them. Our Mission and material issues can only be achieved through the cumulative actions of each individual. I want to make sure that more people are aware of this. To that end, I would like to spread the positive power of those who are consciously implementing it and those who are trying to change themselves widely throughout the Company.