

# ESG Sheet

January 1 through December 31, 2023

## Company Profile

(as of December 31, 2023)

**Company Name** SHIMANO INC.  
**Head Office** 3-77 Oimatsu-cho, Sakai-ku, Sakai City, Osaka 590-8577, Japan  
**Date of Establishment** February 1921  
**Date of Incorporation** January 1940

**Paid-in Capital** JPY 35.6 billion  
**Number of Employees** SHIMANO INC. only: 1,651 Consolidated: 9,703  
**Main Business** Development, production, and distribution of bicycle components, fishing tackle, and rowing equipment

## Basic policy regarding sustainability

To achieve our corporate mission, "To promote health and happiness through the enjoyment of nature and the world around us," the Shimano Group seeks to contribute to sustainable economic growth and the resolution of environmental and social issues as a corporate citizen of global society that possesses shared global ethics and a spirit of legal compliance, and to continue to be a Value Creating Company that provides captivating products loved by people around the world. The Group has therefore formulated a Code of Conduct that outlines policies to be observed by all individuals within the Group in their daily business activities, to contribute to developing a sustainable society through sound business practices and be even more highly trusted by all stakeholders including customers, shareholders, and business partners.  
 (For more information regarding the Code of Conduct, please visit <https://www.shimano.com/en/company/regulatory-compliance.html>)

## Main items related to sustainability

**Environment** 3-1 We undertake environmental protection activities.

**Social** 4-1 We appreciate diversity and prohibit discrimination and harassment.  
 4-2 We maintain a sound workforce, promote cooperation, and provide a safe work environment.



## Environmental initiatives

### Preserving a beautiful global environment



The Shimano Group places a high priority on improving and preserving the global environment as a setting where customers can enjoy using our products.

To contribute to creating a beautiful and hospitable global environment, the Shimano Group believes we need to think continuously about how to reduce our environmental impact. We see activities that contribute to creating a sustainable society as also leading to enhanced competitiveness for the Shimano Group and proactively pursue them.

We promote the following initiatives to identify in our business activities any risks and opportunities presented by climate change, endorse resource recycling as part of our responsibility in value creation as a development-oriented digital manufacturing company, and contribute to realizing a sustainable society.

#### 1. Addressing climate change

We are striving to reduce CO<sub>2</sub> emissions by creating a highly efficient value creation structure that eliminates waste, by reducing energy consumption, and by promoting a transition to renewable energy.

- Switching from equipment that burns fossil fuels to electrical equipment
- Using renewable energy-derived electricity for all electrical power used at domestic manufacturing sites
- Purchasing renewable energy certificates at certain overseas factories

#### 2. Promoting resource recycling

- We are proactively promoting resource recycling through reducing, reusing, and recycling plastic.
- Reducing the amount of plastic packaging used for bicycle replacement parts and fishing rods
- Reusing plastic pallets
- Recycling packaging materials used in distribution (PE, PP, PS, PET, etc.) and plastic materials that are emitted by manufacturing processes\*

\*Melting, etc., waste materials to recover and reuse materials



## Social initiatives

### Supporting healthy and safe daily lives of people

Our position as a company is for the Shimano Group to be an ideal corporate citizen that supports the safety and well-being of all people and coexists with all others for mutual benefit.

#### 1. Safety and health activities

Dedicated to occupational health and the spirit of "safety and health taking precedence over any other and all other things," the Shimano Group considers it important to create places where employees can work in safety and with peace of mind.

We launched a project focusing on safety, with the aim of zero work-related injuries or deaths, at SIP (Sakai Intelligent Plant) in July 2018, then extended this project to the Shimonoseki Factory in March 2020, and have been rolling out the project to certain overseas factories from 2023.

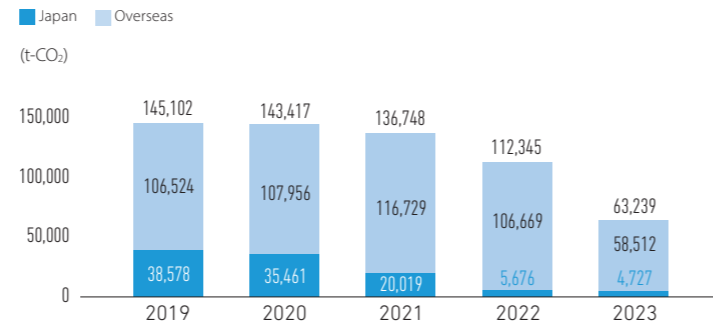
#### 2. Investment in human capital

In January 2023 we established a department responsible for developing human capital, to create a framework to support the pursuit of challenges as a means of encouraging employees to learn on their own initiative and foster ambition and curiosity. We have also established an internal college (Shimano Campus) that offers content to promote a deeper understanding of Shimano's history and goals and build ties among employees. We are also building an internal network system that allows employees to share specialist expertise and experience among themselves, and are providing opportunities for employees to deepen their knowledge.

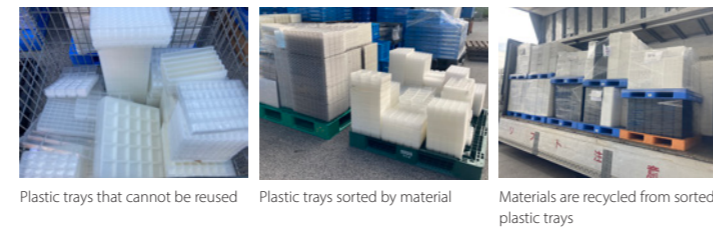
Our system for wages and evaluations is based on "ability" and "role" regardless of gender, nationality, or whether an employee is hired directly after graduating from school or mid-career. In addition, from 2023 we have increased incentives to the employees' shareholding association to increase employees' awareness of participating in management and motivation.

## CO<sub>2</sub> emissions (scope 1 + scope 2)

\*Scope of aggregation: All domestic and overseas manufacturing sites



\*2023 CO<sub>2</sub> emissions are calculated using actual amounts for January through November and an estimate for December.



## 3. Employee-friendly workplace environments

In line with our business policy of "striving to provide a fair and vibrant work environment where all can share in the pleasure and satisfaction that come with achievement," we are working to create employee-friendly workplace environments and addressing each employee's diverse work-style needs, as we strive to create environments in which all employees can approach their work energetically.

In terms of diverse work styles, from 2022 we have expanded our flextime program to allow employees to work flexibly without regard to time or place, and introduced systems for taking hourly paid leave and remote work.

To create vibrant workplace environments, the Human Resources Department and Occupational Health Office are providing feedback and support to other divisions based on the results of stress checks.

#### 4. Consideration of human rights in transactions with business partners

In addition to viewing our business partners as our equals, we believe that captivating products start with building relationships of mutual support and sharing joy as a corporate citizen.

In 2022, we received in writing from domestic and overseas suppliers for our products their agreement to comply with the Vendor Code of Conduct. In 2023, we conducted a survey on human rights and other issues with domestic and overseas suppliers for our products. We held individual discussions with our suppliers in Japan based on the results of the survey, and visited certain suppliers for confirmation. Going forward, we intend to expand our monitoring framework to ensure that business partners are in compliance with the Vendor Code of Conduct.

#### 5. Activities to contribute to society

We also consider building relationships of trust and continuing coexistence with local communities part of our responsibility as a corporate citizen and therefore engage in ongoing activities to make steady social contributions to communities around the world where the Shimano Group has business locations. In 2023, in cooperation with local people, SHIMANO ITALIA carried out a cleanup activity to collect plastic debris and other items from the beach and ocean floor to improve the environment of a fishing area.



## Corporate governance initiatives

### Sound, sustainable business activities

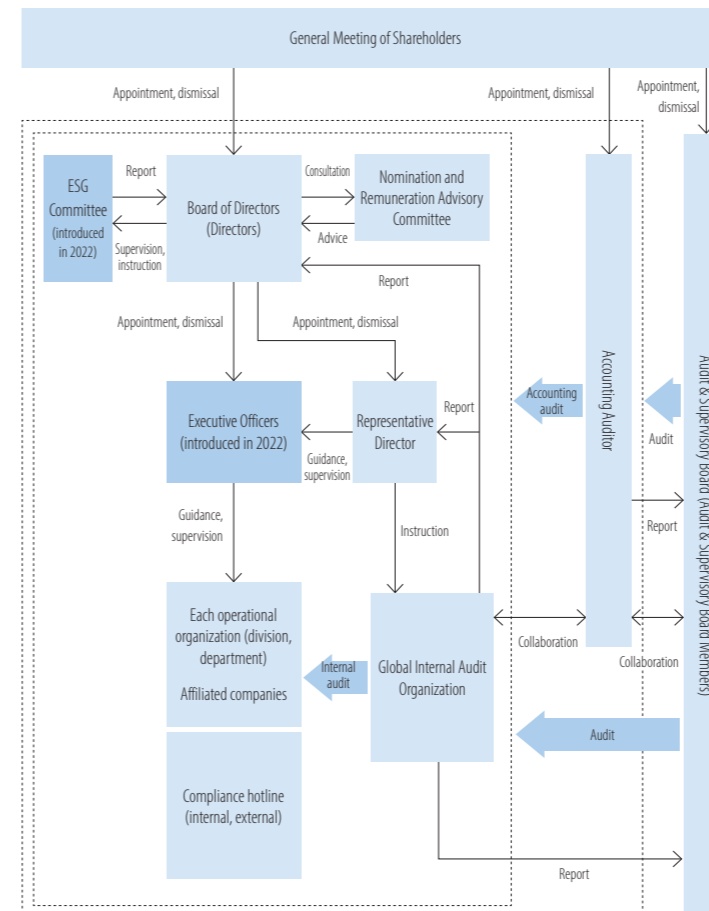
#### Initiatives to strengthen Group governance

##### Appointment of female Outside Director

At the 116th Ordinary General Meeting of Shareholders, held on March 29, 2023, a female Outside Director was appointed. This appointment brought the number of Outside Directors to four, and going forward we will strive to expand diversity and strengthen governance for the further enhancement of corporate value.

##### Review of remuneration system for directors

At the 116th Ordinary General Meeting of Shareholders, we also proposed a restricted stock remuneration system as non-monetary compensation to directors and executive officers, to provide incentive for the continuous enhancement of Shimano's corporate value and to promote greater value sharing with general shareholders. The proposal was approved, and the system has been introduced.



#### Sustainability management

The Shimano Group considers the continuous enhancement of corporate value through business activities that take into account environmental, social, and economic considerations (sustainability) to be an important management issue.

An ESG Committee (chaired by the Deputy President and comprising all executive officers) was launched in May 2022 to deliberate policies related to and measures to address sustainability. The committee met three times during fiscal 2023 and had in-depth discussions regarding climate change, resource recycling, and human rights in supply chains. The results of those deliberations were reported to the Board of Directors, and based on those reports the Board is providing oversight and guidance for the appropriate promotion of various measures.

With ever greater attention being given to issues including the environment and human rights globally, we established an ESG Development Department in January 2024 to address ESG issues on a Groupwide basis.

	2021	2022	2023
Total directors	15	8	9
Outside directors	3	3	4
Female directors	0	0	1
Foreign directors	1	1	1
Total auditors	4	4	4
Outside auditors	2	2	2
Female auditors	1	1	1
	2021	2022	2023
Number of Board of Directors meetings	13	13	13
Average number of agenda items discussed	6	6	6
Attendance rate for outside directors	100%	100%	100%
Attendance rate for outside auditors	100%	100%	100%
Number of Nomination and Remuneration Advisory Committee meetings	2	2	2
Attendance rate for inside directors	100%	100%	100%
Attendance rate for outside directors	100%	100%	100%
Cross-shareholdings	23 issuers	23 issuers	23 issuers
Percentage of net assets held as cross-shareholdings	1.4%	1.4%	1.6%