

SUSTAINABILITY REPORT 2023



Build Beyond As One.

ABeam Consulting Ltd.

Founded:	April 1, 1981
Number of Employees:	7,523 (As of April 1, 2023, ABeam Consulting Ltd. and consolidated subsidiaries)
Capital:	¥6.2 billion
President and Chief Executive Officer:	Takahiro Yamada
Business Areas:	Management Consulting (Management consultation, strategy planning, M&A, alliance) Business Process Consulting (Business reform, organizational reformation, outsourcing) IT Consulting (IT strategy, planning, system development, package introductions, maintenance) Outsourcing
Consolidated Net Sales:	¥121.7 billion (March 31, 2023) ¥99.1 billion (March 31, 2022) ¥90.6 billion (March 31, 2021)

Sustainability Website

<https://www.abeam.com/jp/en/sustainability>

Please visit our sustainability website for more information about our activities.

Detailed information related to this report is also available on our website.



For more information, please visit our website.



SUSTAINABILITY REPORT 2023



Challenge Together, We Become Value Create a Better Future. Co-Creation Partners.

Management Philosophy

ABeam Consulting provides highly specialized solutions and optimal services to our clients based on extensive experience and a strong track record. As a result, clients can solve their issues and enhance their corporate value, including by developing business globally.

ABeam Consulting has adopted the following three tenets as its management philosophy.

Our Mission

We lead our clients to new success through transformation contributing continual increased corporate value.

Our Vision

Without constricting ourselves into an unvarying set of values, we serve as a Real Partner to our clients, a global consulting firm from Asia that fully applies distinctive regional and corporate characteristics.

Our Core Values

As a Real Partner with the same vision of future and the same value for successes, we have always supported to make our clients' transformation a reality through our sincere and passionate consulting.

Materiality

As a consulting firm, we strive to solve social issues based on a co-creation approach with various stakeholders. With the possibilities of consulting, we are committed to achieve various Sustainable Development Goals (SDGs), both globally and locally.

SDG Initiatives

We have defined three SDGs as our materiality, in order to actively promote initiatives to achieve our goals. The three Goals are: Goal 17, Partnerships for the goals, Goal 8: Decent work and economic growth, and Goal 9: Industry, innovation and infrastructure. Goal 17 has been defined as a company-wide materiality, as it exemplifies our principle of pursuing a co-creation approach to addressing social issues together with our diverse stakeholders. Goals 8 and 9 have been set as goals to be achieved by our theme focused contribution. We aim to contribute to Goal 8 by promoting the ABeam Business Athlete® initiatives, and to Goal 9 through the promotion of digital innovation.



Real Partner®

It is the corporate attitude of ABeam Consulting that forms the cornerstone of our Management Philosophy. As a Real Partner transforming our clients' request into reality, we hold this philosophy to show that we are strongly committed to project success and clients' transformation.



Everything begins with people

"Real People" means that everything begins with people, who are at the point of departure for consulting projects. Consulting work requires people. Consultant is a person with the skill to be able to make proposals that have high added value for our clients, and who also has a sincere attitude and respect for others.

Solid outcomes leading to the next stage

"Real Results" are solid outcomes that lead the client to the next stage. Our mission at ABeam Consulting is to enable clients to get a true sense of success. We believe that the most important thing is the driving force to undertake a project with our client, grow together with the client, and move onto the next stage.

Actual solutions that resolve issues

"Real Solutions" are achievable solutions that resolve issues. Consultant is required to complete their tasks even in difficult situations. In order to achieve Real Solutions, a consultant should be able to clarify goals, be proactive, respond quickly, have creativity to lead projects to solutions, and challenge themselves.

Editorial Policy

We have been publishing our "Sustainability Report" since 2021 to inform our stakeholders about our approach to sustainability and our sustainable business activities. (The next issue is scheduled for winter 2024.) The reporting period is from April 2022 to March 2023. (However, some matters that occurred outside of this period are also included.) Please visit our website for detailed information on our management and businesses. <https://www.abeam.com/jp/en>

Note on forward-looking statements about future business activities

Our management plans, forecasts, strategies, and other statements in this report that are not historical facts are forward-looking statements about future business activities. These are based on reasonable assumptions at the time this report was published. Please be aware that changes in factors, such as future economic conditions and trends in demand for services, could cause results to differ from those described in the forward-looking statements included herein.

CONTENTS

- 01 Introduction
- 03 Top Message
- 07 Our Vision & Strategy
- 09 Our Sustainability
 - ABeam Consulting's Value Creation
- 09 Story toward Making a Sustainable Future Society a Reality
- 11 Promotion of Sustainability Management
- 13 ABeam Consulting's Human Capital Management
 - Feature 1
 - Sumitomo Corporation and ABeam Working as One Team for a Decarbonized Society —Co-Creation Business "GX Concierge"—
 - Feature 2
 - The Future Envisioned by "Shin Consultants" Serving as Social Transformation Accelerators
- 16 Sustainability-related Business Activities
- 21 Sustainability-related Business Activities
- 23 Case Study
 - 23 Sustainability-related Business Development
 - 27 Social Contribution Activities by Leveraging Consulting Skills
 - 30 Environmental Initiatives
- 31 Our Governance
- 33 About ABeam

Top Message



Creating a greater social impact through co-creation with diverse stakeholders

President and CEO

Takahiro Yamada

After working in Japan and the U.S. for a global consulting firm, he joined ABeam Consulting in 2003. He was involved in strategy formulation, management, operations, and IT deployment in a wide range of industries, particularly the general trading, finance, telecommunications, energy, and transportation sectors, before being appointed as the head of the Financial and Social Infrastructure Business Unit. He became a board member in 2016, and Vice-President and COO in 2020, before taking up the post of President and CEO on April 1, 2023.

My Experiences in New York were My Starting Point for Sustainability Management

I became aware of sustainability management when I was working for global consulting firm in the United States in my late 20s. The New York office comprised people from diverse ethnic backgrounds working together as a single organization. Besides Americans, there were also individuals from Asia, Africa, South America, and Europe. I was surprised at how naturally the firm created an environment in which diversity was respected, such as by holding events on weekends to deepen understanding of LGBTQ issues.

It was at the New York office that I experienced the tragedy of the terrorist attacks of September 11, 2001. Witnessing both the acceptance and rejection of diversity, those two sides of American society formed the basis for my thinking about sustainability management from then on.

After returning to Japan and joining ABeam Consulting, I realized there were also two sides to Japan, but they were different from those of the U.S. Namely, while the Omi merchants' philosophy of "sampo - yoshi" [literally, "three parties (buyer, seller, and society) all doing well"] is familiar to today's sustainable management, Japan has lagged far behind in terms of diversity inclusion.

As I advanced in my own career through these experiences, I was fortunate to be given the opportunity to incorporate my own ideas into management by becoming the first Chief Workstyle Innovation Officer. As CEO, I would like to encourage all employees to change their awareness and behavior, and ensure that sustainability management is fully incorporated into our firm.



I believe Japan will be transformed by pursuing both social and economic values.

Our Unique Capabilities to Support Our “Value Creation Story”

The essence of ABeam Consulting's sustainability management is to directly pursue solutions to social issues through our own corporate activities. At the same time, as a consulting firm, we are committed to solving social issues through corporate transformation via co-creation with our clients, thereby contributing to the creation of a sustainable society that simultaneously delivers social and economic value. We have articulated this basic approach in the form of our “value creation story” (→ P.9).

We will support our clients in creating sustainable corporate value that simultaneously achieves social and economic value, and create social impact by solving social issues, through high-caliber individuals with diverse capabilities and the comprehensive capabilities of our teams of professionals, as well as our ability to co-create with various stakeholders beyond the boundaries of the company.

Clear Statement on Sustainability Management in Next Medium-term Management Strategy (Strategy 2027)

Three years ago, we formulated Vision 2030, and have been executing a medium-term management strategy (Strategy 2025) with 2025 as the goal. However, we had determined Strategy 2025 prior to the COVID-19 pandemic. The COVID-19 pandemic has transformed society, and the global situation is changing dramatically, with the Ukraine crisis ongoing and global supply chain risks becoming increasingly apparent. Since we had achieved a certain level of success in quantitative terms under Strategy 2025, we decided to bring forward the launch of Strategy 2027 in the year of 2024, one year earlier than originally scheduled.

Strategy 2027 has three pillars: “creating new value,” “the advancement of business portfolio

management,” and “strengthening the management infrastructure.”

This is the first time for us to clearly state “sustainability management” as one of the key initiatives in our management strategy. (→ P.8)

Up to now, as a “Real Partner®” for our clients, we have aimed to solve social issues through the transformation of our clients. We are now taking this one step further by asking ourselves how we can confront social issues, and how each of us can confront these issues as individuals. We believe that these actions are important to accelerate the resolution of social issues, which is exactly what we are about to do.

Launching a Sustainability Co-Creation Business Project with a Client

While uncertainty regarding changes in the environment surrounding companies is increasing, the challenges they face are also becoming more complex. These issues are difficult for a single company to solve on its own, and must be solved through co-creation that transcends the boundaries of individuals, organizations, and companies. An obstacle to solving social issues and creating value through co-creation is a “self-reliant” attitude. And I believe that a self-reliant attitude has been a factor hindering the growth of Japan. To create a substantial social impact, companies should not strive to solve issues on their own. Rather, it is important for multiple companies with diverse expertise to collaborate toward common goals in ways that transcend the frameworks of their own companies, i.e., to form themselves into an ecosystem.

To give one example, we are currently working with Sumitomo Corporation to launch a sustainability co-creation business to achieve carbon neutrality in various supply chains (→ P.16).

While we can provide strategic planning advice and data infrastructure on our own, we cannot create an electric power supply chain utilizing renewable energy and new power sources all by ourselves. Therefore, two

years ago, we conceived the idea of a co-creation business project with Sumitomo Corporation and began discussions with them.

In a project such as this one, specific solutions must be envisioned via the backcasting approach (→ P.21), i.e., working backward from the goal of carbon neutrality. For example, if we assume that EVs will be used for logistics to reduce GHG emissions, a large number of charging stations will be necessary. In addition, an electric power grid that provides a stable supply of renewable energy will also be indispensable. We have established such a roadmap for each value chain and are proceeding with plans to contribute to achieving the goal of a 46% reduction in GHG emissions by FY2030 (compared to the FY 2013 level).

This business with Sumitomo Corporation is exactly the kind we have been aiming for: solving social issues through co-creation with our stakeholders. The project is sustainable because it simultaneously delivers the social value of being carbon neutral and the economic value of being a green energy transformation project. This system will bring together a diverse range of participants, including corporations, government agencies, and private non-profit organizations, to generate a cycle of co-creation and value creation.

Accelerating Sustainability Management by Strengthening Human Capital Management

The driving force behind our promotion of sustainability management is none other than our human capital. Our clients naturally pursue both social and economic value in their businesses, and they expect us to do the same. To meet such expectations, we need to support our clients by viewing their issues with a sense of ownership. I believe this will also lead to the growth of our employees.

With our newly launched Strategy 2027, we will be further enhancing and clarifying the linkage between business strategy and human capital strategy. To this end, we will be revamping our human capital strategy to align it with our business

strategy. To further expand our human capital, which is vital for the implementation of our business strategy, we will be visualizing a concrete human capital model, determining new human capital requirements, and re-formulating human capital development strategies based on that model (→ P.13).

I believe that Japan will be transformed if our clients and other stakeholders pursue both social and economic values in their own business activities and management. We will be doing our utmost to support the realization of this transformation. We also intend to continue to change ourselves and work together with our clients to solve social issues.

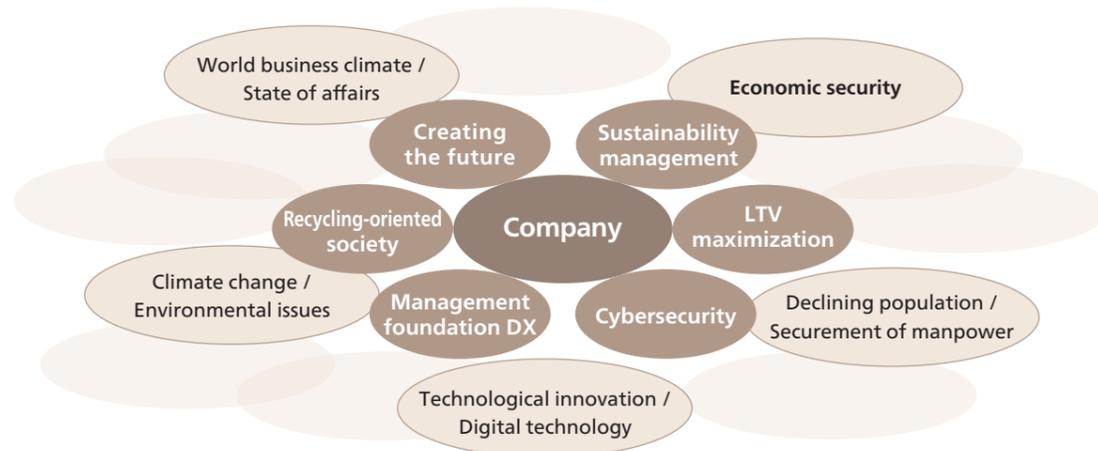
The Vision and Strategy of ABeam Consulting

Establishing the Basis for Sustainable Growth and Enhancing Corporate Value through the Value Co-Creation

In recent years, uncertainty has been growing in the management environment surrounding companies, fostering discontinuity, and rapid changes are continuing to occur.

We are working to establish a "Value Creation Cycle" as a driving force to lead the transformation by ensuring that we grasp our clients' diversifying and increasingly complex management issues and corporate transformation needs in response to market needs. By designing the overall vision for transformation and taking leadership in promoting activities aimed at the co-creation of new value with a range of stakeholders, we aim to establish a position as a true partner for transformation that improves our clients' corporate value and makes their growth strategies a reality as we contribute to the creation of a sustainable society.

Environment and Issues Surrounding the Company (Examples)



The "Value Creation Cycle" is the Approach to Realize the Value Co-Creation that Our Company Promotes

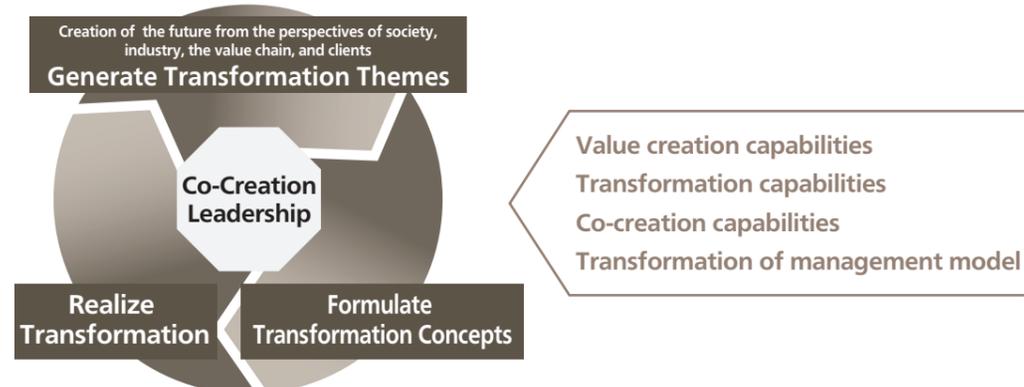
The "Value Creation Cycle" begins with the generation of transformation themes that correspond to the client's industry and management agenda during engagement in co-creation with various stakeholders beyond corporate boundaries, in order to realize a vision of the future imagined from the perspective of society, industry, the value chain, and clients. Once the transformation themes have been created, we begin to develop a roadmap for the realization of the transformation by each transformation theme.

We also proactively utilize digital and cloud technologies to advance the sophistication of management

infrastructures optimized for each industry. At the same time, we aim to expand the transformation scope to include business, supply chain, and client contact points, and enhance their value as means to support the optimization of corporate operations. In so doing, we support our clients in achieving steady corporate transformations.

As a driver in supporting the establishment of this chain of the Value Creation Cycle, we will strengthen our value creation capabilities, transformation capabilities, co-creation capabilities, and transform our management model.

A driver supporting the Value Creation Cycle and its establishment



Our Goals Under Vision 2030

"Vision 2030" is what we aim to achieve by 2030.

As a Japan-based and Asia-centered leading consulting firm collaborating with professionals in various industries, businesses, and services as well as our alliance partners around the world, we aim to establish a position as a true partner for transformation, realizing our clients' social transformation while making effective use of the unique characteristics of each country and region.

In our business, we aim to be an accelerator of social change, going beyond resolving immediate issues like a conventional consulting service to also driving the co-creation of value in society as a whole, by transcending industrial boundaries in ways that cannot be achieved by

individual companies, through working together with our clients and various stakeholders.

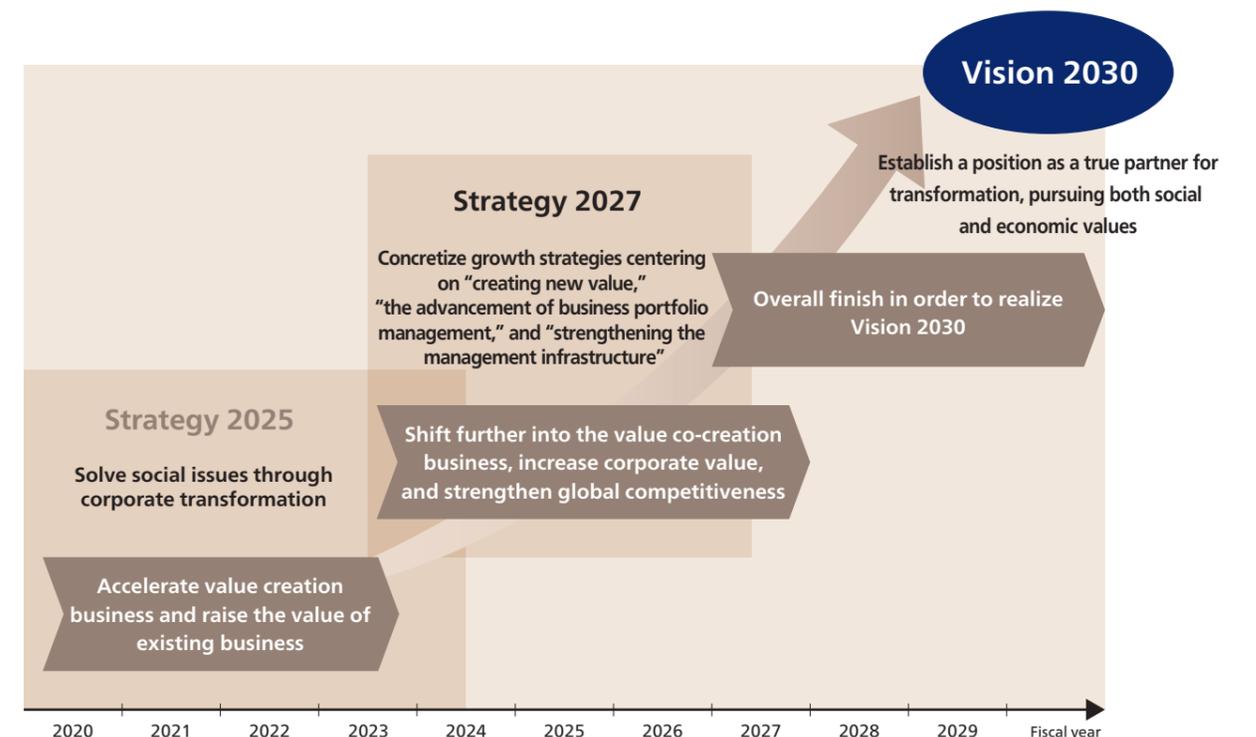
In terms of human capital to support business growth, we aim to enhance our comprehensive capabilities as a professional group that can respond to diverse business models, bringing edge capabilities with extensive specialization. People are the very foundation for sustainable business growth. As a consulting firm that values its people, we want to create an environment in which people with diverse capabilities—not only our own but also those of our external partners—can come together to co-create and provide human capital for our clients' transformation in the global marketplace.

"Strategy 2027," the Next Medium-term Management Strategy

In 2020, we formulated Strategy 2025, our current medium-term management strategy, as a management strategy for the purposes of preparing for the transformation that will support the implementation of Vision 2030 and simultaneously advancing the evolution of the strengths of our current business. However, the external environment has changed significantly since we formulated the strategy.

Therefore, based on a review of our progress toward reaching our initial targets and past performance as well as our awareness of the new external environment and management issues, we have decided to formulate Strategy 2027, the next medium-term management strategy starting in the year of 2024.

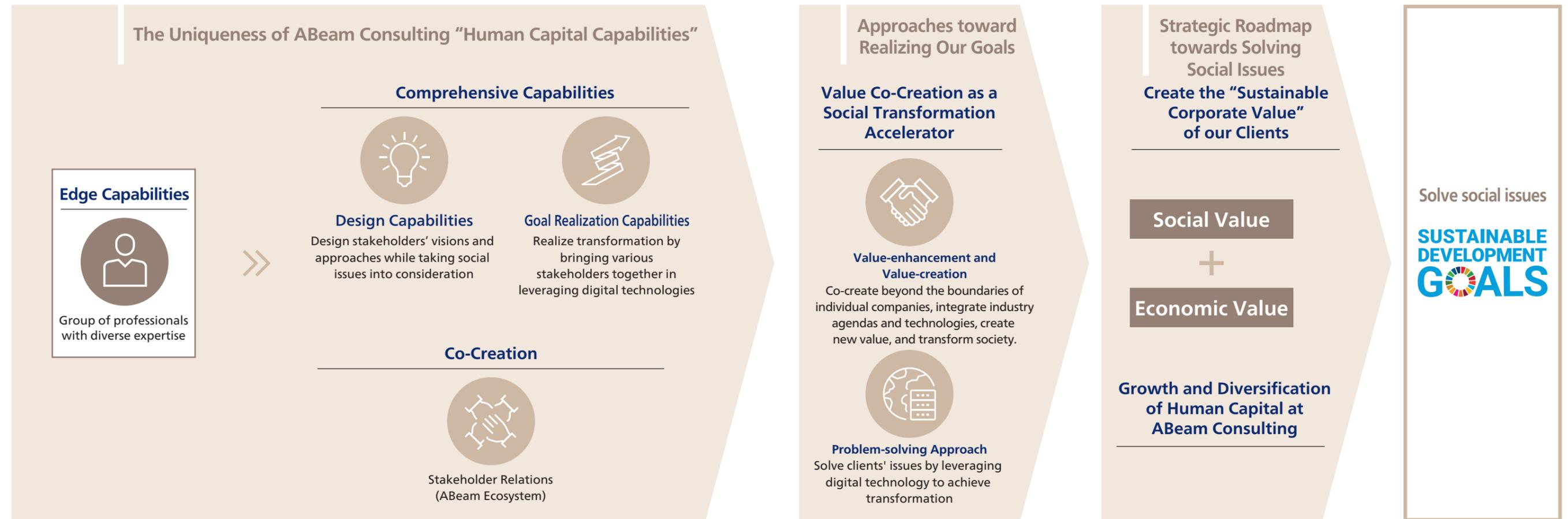
Strategy 2027 is centered on "creating new value," "the advancement of business portfolio management," and "strengthening the management infrastructure" to accelerate value co-creation by raising our capability to respond to our clients' business issues. We will redefine the businesses on which we focus and the services we provide, and concretize the strategy. In particular, we have set sustainability management as our key initiative in strengthening our management infrastructure. By realizing sustainability management and evolving into a value co-creation business, we will contribute to the steady realization of transformation and the pursuit of social and economic value for our clients.



ABeam Consulting's Value Creation Story toward Making a Sustainable Future Society a Reality

As a consulting company, we will contribute to the realization of a sustainable society by promoting initiatives to directly solve social issues through our corporate activities, and by engaging in a wide range of solutions to social issues our stakeholders are facing.

As a Japan-based and Asia-centered global consulting firm, we will form the ABeam Ecosystem and contribute to social transformation.



The Uniqueness of ABeam Consulting—Developing Unique Businesses by Maximizing Our "Human Capital Capabilities"

Our human capital is a key asset that supports our business.

Each employee possesses a deep level of expertise, and the "edge capabilities" of these individuals are brought together to form a professional group that demonstrates "comprehensive capabilities" that can respond to a variety of business models across a wide range of industries, countries, and regions.

We will continue to be a trusted transformation partner by utilizing our capabilities to design stakeholders' visions and approaches while taking social issues

into consideration and to realize transformation by bringing various stakeholders together in leveraging digital technologies.

In addition, we will drive social transformation through value co-creation with various stakeholders such as our clients, business partners, and NGOs by forming an ABeam Ecosystem to solve social issues. "Edge capabilities," "comprehensive capabilities," and "co-creation" are ABeam's three unique "human capital capabilities," and we will continue to pursue their maximization.

Solving Social Issues through Co-Creation with Clients and Partners

There are two main approaches that we will be offering for the new era. The first is a value-enhancement and value-creation approach that "co-creates beyond the boundaries of individual companies, integrates industry agendas and technologies, creates new value, and transforms society." The other is a problem-solving approach that "solves clients' issues by leveraging digital technology to achieve transformation."

As Social Transformation Accelerators, we are committed to working with the stakeholders that make up the ABeam Ecosystem to support our clients in

achieving "sustainable corporate value creation." This constitutes an effort to synchronize the social value and economic value created by our clients, and we believe that accomplishing this will lead to greater impact in solving social issues.

Working with our clients to create "sustainable corporate value" will help us enhance and diversify the value of our "human capital," which is the driving force of ABeam. We believe that our vision of becoming a "Social Transformation Accelerator" that can solve social issues will evolve through this value co-creation cycle.

Promotion of Sustainability Management

Since the establishment of the CSR Department in 2009, ABeam Consulting has been engaging in various CSR activities.

We defined our materiality in 2020, and updated our CSR policy to a Sustainability policy in January 2022.

As an accelerator of social transformation promoting new value creation with clients, we are committed to engaging in sustainability activities with communities, companies, and other institutions.

Sustainability Policy

Mission We work extensively to solve social issues and create social impact.

ABeam Consulting is committed to addressing social issues directly, through environmental conservation and social contribution activities.

We will promote diverse initiatives to tackle social issues and create social impact, through pro bono activities and philanthropy, and by strengthening our consulting services.

Vision Each and every employee considers social issues with a sense of ownership and creates social impact through co-creation with stakeholders in all corporate activities.

Each and every employee considers social issues with a sense of ownership and provides various initiatives and services, like as a form of philanthropy or pro bono activities and as client services.

We actively communicate the achievement to our stakeholders, such as our client companies and NPOs, in order to encourage them to become involved in solving social issues.

Consequently, we aim to create social impact through co-creation with our stakeholders.

Structure to Promote Sustainability Activities

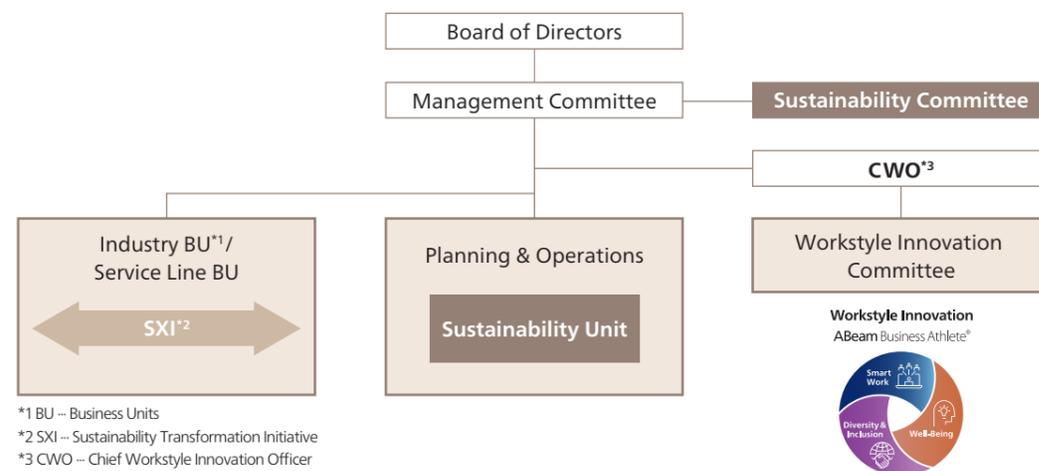
The Management Committee at ABeam also serves as the "Sustainability Committee" and promotes sustainability activities directly under management.

In the Sustainability Unit, we not only are engaged in planning and operation serving as a corporate division, but also promote activities to create our own social value together with members of the consulting division who are concurrently assigned to our clients' projects.

In addition, we formed the company-wide "Sustain-

ability Transformation Initiative (SXI)" to deliver sustainability-related services, and expand and accelerate the Sustainability Transformation (SX) Business by working with the Industry Business and Service Line Business Units (counterparts for clients).

By promoting ABeam's Workstyle Innovation "ABeam Business Athlete®" as management strategy, we are also maximizing our capabilities to increase the value we provide to our stakeholders.



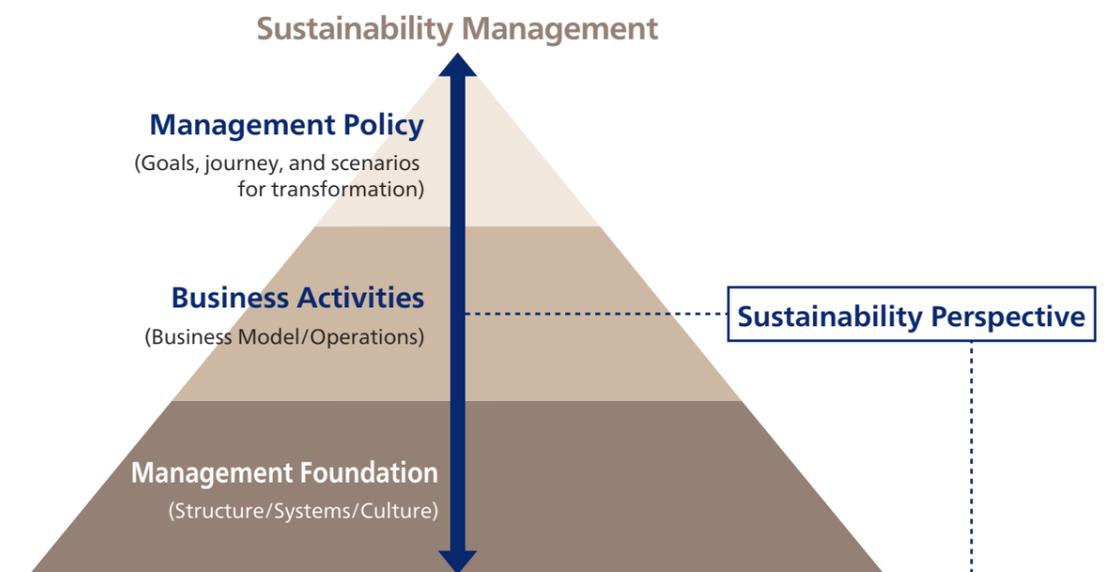
*1 BU -- Business Units
*2 SXI -- Sustainability Transformation Initiative
*3 CWO -- Chief Workstyle Innovation Officer

What is Sustainability Management?

In modern society with its diverse social issues, capitalism is shifting from traditional shareholder capitalism to stakeholder capitalism. Companies must meet the expectations of all stakeholders, including employees, clients, suppliers, and local communities, while enhancing their corporate value in the medium to long term.

We believe that sustainability will be the prerequisite and foundation for further corporate management and

business promotion. To achieve sustainability management, it is necessary to incorporate this perspective into all corporate transformations and fuse it with digital technology to promote sustainability transformation (SX). We fully support sustainable management that balances the social and economic values of a company and the resolution of social issues through transformations.



	Not...	But...
Goals (Why)	Enhancement of corporate value by creating economic value	Enhancement of corporate value and resolution of social issues by balancing social and economic value
Target (Who)	Shareholders	All stakeholders including shareholders
Timeframe (When)	Gain a competitive advantage over a fixed term (e.g., a medium-term plan).	Gain a sustained competitive advantage
Scope (What)	A part of a company such as its business model and operations	Business model and overall management infrastructure ("End-to-end" corporate transformation)
Starting point (Where)	Market, competitiveness, as one company	Industry agenda derived from social issues
Ecosystem (How)	Creation of an ecosystem within business sectors (collaboration with other companies in the same and other industries)	Building an ecosystem beyond the boundaries of sectors (collective impact)

ABeam Consulting's Human Capital Management

We seek to create an organization in which diverse individuals can enthusiastically drive innovation. We pursue effective human capital management that is integrated with management and business. We develop "Social Transformation Accelerators" who contribute to generating enterprise value and solving social issues by defining human capital materiality, setting KGIs to measure our success in moving toward our vision, and implementing human resource-related measures.

Defining Human Capital Materiality based on Business Strategy Centered on the Value Creation Cycle

"Human capital management" is a management approach that views human capital as the company's capital and seeks to maximize the value of this capital to enhance enterprise value over the medium to long term. We consider the linkage between business strategy and human capital strategy to be a key factor in the realization of human capital management, and we have defined human capital materiality, which is a narrowed-down

version of important human capital-related issues, for the successful execution of our business strategy. The four human capital materialities we have defined are closely linked to the Value Creation Cycle (→ P. 7), which is the center of our business strategy. Materiality 1, "Securing a portfolio of human capital that will be a source of our comprehensive capabilities and drive new value creation and transformation," leads to the genera-

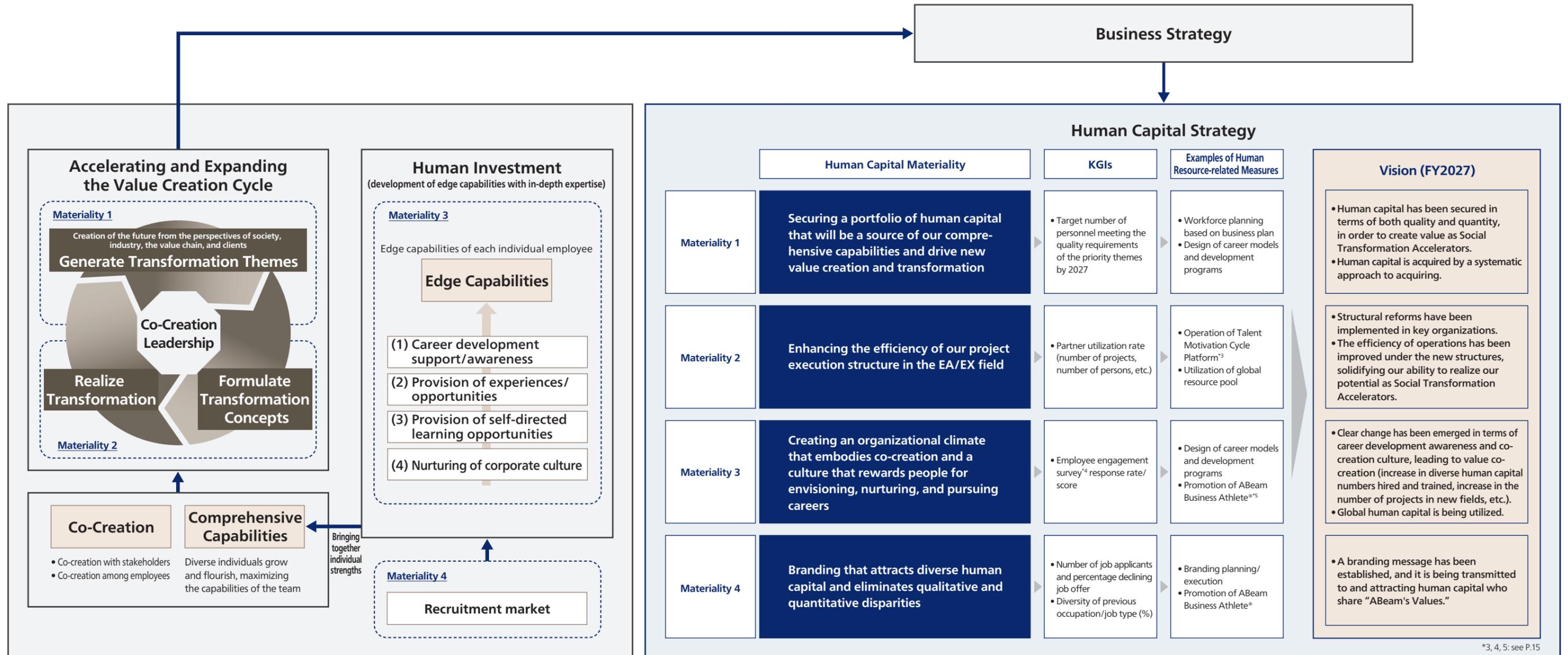
tion of transformation themes in the Value Creation Cycle, while Materiality 2, "Enhancing the efficiency of our project execution structure in the EA/EX field" is connected to formulation of transformation concepts and the realization of transformation in the Value Creation Cycle, thus accelerating and expanding the Value Creation Cycle.

At the same time, human capital materiality is also linked to our unique "edge capabilities," "comprehensive capabilities," and "co-creation." (→ P. 9). We will acquire new human capital with Materiality 4, "Branding that attracts diverse human capital and eliminates qualitative and quantitative disparities," while Materiality 3, "Creating an organizational climate that embodies co-creation and a culture that rewards people for envisioning, nurturing, and pursuing careers," will lead to each employee developing their "edge capabilities." Furthermore, by gathering edge capabilities, we are

enhancing our "comprehensive capabilities" as a professional group and strengthening "co-creation" with stakeholders and among employees. These factors of "edge capabilities," "comprehensive capabilities," and "co-creation" also accelerate and expand the Value Creation Cycle and drive the success of our business strategy.

To steadily implement human capital management linked to our business strategy, we have articulated, in the form of a vision, the goals to be achieved by FY2027 for each of the four human capital materialities. We have also set KGIs to guide us toward those goals, and incorporated them into specific human resource-related measures. With these initiatives as the backbone of our human capital management, we will develop "Social Transformation Accelerators" who contribute to solving social issues.

*1 EA ... Enterprise Application *2 EX ... Enterprise Transformation

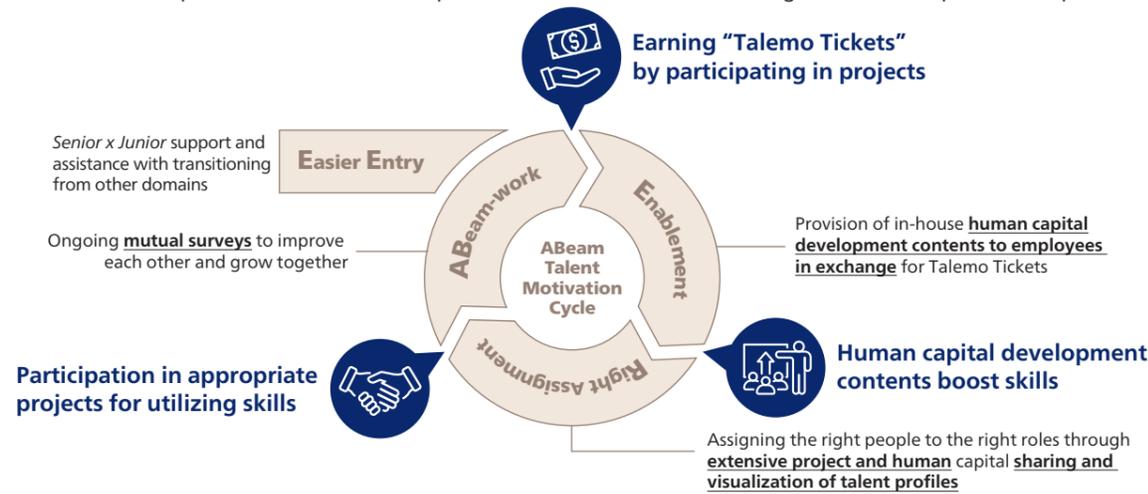


ABeam Consulting's Human Capital Management

Talent Motivation Cycle Platform

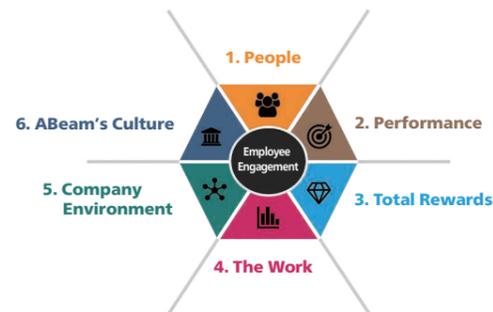
We have developed a digital tool called the "Talent Motivation Cycle Platform" for the purpose of developing digital human capital, and have been operating it since November 2021. The platform facilitates the acquisition

and improvement of a wide range of the skill sets required of digital human capital, and offers a cycle for maintaining and expanding the development and motivation of first-class talent together with our partner companies.



Employee Engagement Survey

Once a year, we conduct an engagement survey of all ABeam Group employees, including those at our global offices. The purpose of the survey is to continue to provide a workplace where each and every one of our employees can maximize their performance, and to continue to offer a work environment in which they can work with pride, and to ensure that ABeam Consulting is a "First Choice" for our employees as well. It consists of six categories, and the results are shared with employees and actions are taken to improve employee engagement. To ensure that senior executives remain committed to human capital management, the survey results are used as a KPI for directors.

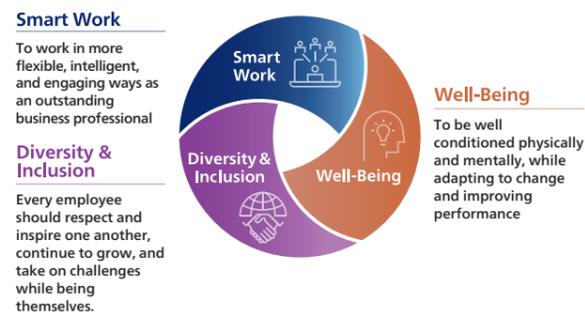


In the 2022 survey, employees at almost all of our offices stated that they consider their co-workers as important to them. This attests to the charm of our "people," the source of our competitiveness, which continues to be one of our firm's strengths.

ABeam Business Athlete®

We are promoting workstyle reform with the aim of continuously increasing the value we provide to our clients as outstanding professionals, and we have encapsulated this goal in the phrase "Business Athlete," i.e., an athlete in the business world. Since 2017, we have been pursuing various activities from three perspectives: Smart Work, Diversity & Inclusion, and Well-being. Our goal is to enable our diverse employees to be autonomous, condition themselves to increase their productivity and creativity, utilize their individual strengths to maximize their abilities as a team, and increase the value they provide to clients by responding to changes in society and contributing to the sustainable growth of society.

Workstyle Innovation ABeam Business Athlete®



Feature 1

Sumitomo Corporation and ABeam Working as One Team for a Decarbonized Society —Co-Creation Business "GX Concierge"—



Challenging global social issues, beyond corporate boundaries

Sumitomo Corporation focuses its power on solving social issues through value creation across a wide range of industries. From the relationship of co-creation between Sumitomo Corporation and ABeam Consulting, "Green Transformation (GX) Concierge," a co-creation business that supports decarbonization management, was born.

Shimizu: We have built a close relationship with ABeam Consulting through various projects, such as collaborating on a joint venture (SC-ABeam Automotive Consulting) and system implementation. Amid that, we have come to feel that their strengths lie in a thorough understanding of general trading companies, their ability to analyze issues and conceptualize businesses, and their ability to promote projects using Digital Transformation (DX). As such, we have reached the conclusion that ABeam Consulting is the right business partner to take on the large theme of GX.

Kobayashi: In the latter half of FY2020, at Sumitomo Corporation's organization dedicated to promoting DX (the DX Center), we began exploring new businesses in the environment and energy domain. We started a dialogue with ABeam Consulting in the process of considering business concepts, strategies, and project team structure. About a year later, we launched the "GX Concierge" business.

Toyoshima: For us, the GX Concierge business was a

completely different program from our previous initiatives. Instead of providing conventional consulting services such as supporting our client Sumitomo Corporation in solving issues, we jointly set up the business and served the client as a team. The strong point of GX Concierge is that it is truly a business that solves social issues through co-creation.

Terasaki: Our consultants with knowledge of industries such as manufacturing, and environment-related expertise participated in the project. For example, in manufacturing, it is necessary to decarbonize the entire supply chain. However, one must have a thorough understanding of the industry as well as the related industries in terms of what the sources of emissions are, where the power players are, and where we can take action to reduce greenhouse gas (GHG) emissions throughout the supply chain. We cannot handle the issue with only a superficial understanding. In addition to this knowledge, advanced consulting skills are also required.

What are the strengths and advantages of GX Concierge?

GX Concierge is a one-stop service for everything from strategy formulation for GHG reduction to visualization of GHG emissions and reduction solutions, helping clients achieve their decarbonized management goals. Why is it unique and what advantages does it offer over competitors?

Kobayashi: The concept of GX Concierge is to provide one-stop support for sustainability management and carbon neutrality as a close partner to our clients. We not only provide support for solutions to materialized issues, but also make proposals with a long-term time horizon to achieve carbon neutrality (see figure below). Initially, we assumed that there would be a high need for GHG emissions management cloud services. However, we learned that there are, in fact, high needs for the preliminary stages thereof, namely grasping the present GHG situation and GX strategy and policy formulation.

Toyoshima: We can provide a one-stop support service for our client's decarbonization management only by combining our expertise in such areas as analyzing the

current situation, defining issues, and formulating strategies—with the introduction of concrete GHG reduction solutions that the entire Sumitomo Corporation Group offers. This is the strength of GX Concierge.

Terasaki: The Japanese government has also set a goal of achieving carbon neutrality by 2050. Accordingly, GX Concierge has established a roadmap with a long-term span of up to 2050, and has even incorporated specific GHG reduction solutions.

Shimizu: Our strength is that we do not just support our clients in formulating GX strategies and measures, but we can also propose specific GHG reduction solutions and provide support for the implementation of measures with our sights on the year 2050.

Services offered by GX Concierge

Grasping the present GHG situation ^{1st}

GHG emissions
Establishing GHG emissions calculation methods / calculation

GX advisory

GHG emissions management cloud service ^C

GHG emissions management cloud service

Energy data collection / visualization

GX advisory



(Legend) GX consulting | GHG reduction solutions | DX solutions

GX strategy / policy formulation ^{P A}

Climate change-related disclosure
Energy market analysis advisory
GX advisory

Scope 1 and 2 reduction roadmap formulation

Scope 3 reduction action plan formulation

GX solution introduction ^D

Solar power generation
EV
GX advisory

Certificates / credits

For manufacturing industries Solutions

Fusing the strengths and corporate cultures of both companies into one team

The co-creation business GX Concierge is a jointly developed business between two companies from different industries, a general trading company and a consulting firm. How does it combine the strengths of the two companies, overcome differences in corporate culture, and aim to create value through co-creation?

Shimizu: We are engaged in a wide range of businesses on a global scale. A strength of GX Concierge is that it can reflect the GX-related issues and measures of the workplace in what it offers.

Toyoshima: Manufacturing supply chains expand not only domestically but also internationally. We feel that your global network has had a significant impact on the growth of our business with GX Concierge.

Shimizu: You have been engaged with this theme for more than 10 years, and naturally have gained a great deal of knowledge related to GX. But you also have strong project management skills and have earned the trust of your clients, especially from those at the management level. There are many managers at the workplace level who are concerned that GHG reduction methods and roadmap development procedures are so complex and so confusing that they don't know where to start. In providing support together, I found that your consultants were providing accurate consulting services

while staying in close contact with the persons in charge.

Terasaki: We have about 10 members so far in the GX Concierge. Although you work for a general trading company and we work for a consulting firm, we have never felt conscious of the company we were assigned from, because we work together as a team, utilizing the strengths and corporate culture of each company.

Toyoshima: As a general manager, I oversee the whole team. We all worked together to create the vision of "linking green transformation to global sustainable growth and achieving all of our economic, social, and environmental value." And in addition to having this common sense of purpose, we are demonstrating the diversity of our team to the maximum. Both Sumitomo Corporation and ABeam Consulting are taking on the challenge of creating a system that will generate new value that a single company could not produce alone.

Performance and future challenges for GX Concierge

How is the business performance of GX Concierge, and what challenges does it face?

Terasaki: We started our sales activities as a team in May 2022. When we won our first project, we all shared the joy and felt a greater sense of unity. But along with that joy, we all felt a sense of responsibility.

Kobayashi: Since the first year of our sales activities, we have been providing support for TCFD-compliant information disclosure to our clients who are listed on the Tokyo Stock Exchange Prime Market, particularly in the manufacturing industry and the land transportation industry. We received very high evaluations, and our work led to the subsequent introduction of GHG reduction solutions in some cases. In order to have an impact on future efforts to reduce GHG emissions throughout the entire supply chain while catching up with advanced GX solutions in Europe, we intend to have in-depth discussions with our clients on points such as how we should achieve emissions reduction throughout Asia, including Japan, which has a different renew-

able energy portfolio.

On the other hand, I think it's important to understand that we need not aim for a score of 100 right off the bat. The scope should be determined step by step in line with how the client progresses, such as by starting with a score of 10 and then moving on to 20 and so forth, and we should design services based on each client's issues in GX, rather than selling what we want to offer.

Toyoshima: We see working with speed as being a challenge that GX Concierge is directly facing. We've had increasing numbers of opportunities to speak with people in climate tech startups, and, as you'd imagine, they seem to work with overwhelming speed. It was our intention to engage in our work at that level of speed, but we are painfully aware that we still aren't where we want to be in that regard. We are hoping to accelerate our cooperation with startups, and to learn as much as we can from them.



New findings through GX Concierge

GX Concierge began from co-creation between two companies, and is set to establish a joint venture, GX Concierge Inc., in spring 2024. What has been found so far through the process? We asked them to speak from their respective standpoints.

Toyoshima: We aim to generate value as a Social Transformation Accelerator while conducting co-creation with our clients and partners. We went through a great deal of trial and error in the process of launching GX Concierge, so we believe we have found the factors for successful co-creation. We would like to share what we have learned so far both in and outside the firm, so that many more co-creation projects like this will be produced.

Shimizu: In terms of synergies between the two companies, I would say that the synergy between the two companies is the ability to approach the transformation of the entire value chain while utilizing assets such as the businesses we are operating in the renewable energy field.

Toyoshima: We feel that this initiative has demonstrated the fact that the consulting skills that are

effective in solving problems are also effective in business development. We would like to work together on thinking up solutions that can maximize the effective use of the strengths held by Sumitomo Corporation's business assets.

Terasaki: Junior members are also taking part in GX Concierge. They are having an experience that they could not have had at a traditional consulting firm, where they are co-creating a social-issue-solving business from scratch with a partner. I hope they enjoy their experience, and spread the word, both inside and outside of the firm, that a career path like this exists.

Kobayashi: There are a wide range of complex problems that stand in the way of achieving carbon neutrality. We'd like to serve literally as a "concierge" that can offer proposals and maintain close communication with clients who are not sure where to start.

Feature 2

The Future Envisioned by "Shin Consultants" Serving as Social Transformation Accelerators

"Team Digital Shift" is a group of "Shin Consultants" that was created while we supported a financial institution in accelerating its digital shift. It started with two members, Toda and Toyama, as a team to accelerate the digital shift of a specific client. The team is now made up mainly of about 30 junior members, and has become a stage for the development of young human capital that goes beyond the framework of individual projects.



Abdullah Mah Khan
Analyst
Enterprise Transformation BU

Koki Ogasawara
Manager
Financial Service BU

Kazuhiro Toda
Director
Financial Service BU

Takuto Toyama
Senior Manager
Financial Service BU

Why did Team Digital Shift make a purpose statement?

Toda: It all started with a project to support a specific client in making a digital shift. As the project progressed, our activities expanded to include the client's clients, and we started talking about redefining the team and coming up with a purpose, as this would also benefit new members joining the team.

Furthermore, in Vision 2030 (→ P.8), our firm state that we are "Social Transformation Accelerators." We aim to be consultants who not only solve the issues immediately facing our clients, but also accelerate social transformation by creating value together with them. So we felt we needed a purpose statement to build a team that embodies the firm's vision.

Toyama: We followed three steps as we worked on the purpose statement. First, we repeatedly discussed what kind of group Team Digital Shift was, and based on our past activities, we defined our origin. Next, we narrowed down the 169 targets of the SDGs to a list of the social issues that we wanted to utilize our strengths to solve, and grouped them into five materialities.

Finally, we put the purpose into words, fine-tuning the language until we got to the point where all the team members' thoughts were expressed. We also created an

environment in which the purpose would become infiltrated to every one of us, such as by displaying it in a place where it was always visible.

Steps to making Team Digital Shift's purpose statement

(1) Origin (Who we are)

"A group of 'Shin Consultants' charting a new path toward the future of cooperative companies and society, in which each individual has a belief and continues to evolve while adapting to new things and the environment"

(2) Five materialities (What we do towards solving social issues)

1. Create a circular economy
2. Reduce food loss
3. Improve productivity by technology
4. Eliminate skill shortages by technology
5. Promote partnerships for the achievement of 1 to 4

(3) Purpose (Why we exist)

Unlock our minds and assets' potential for sustainable future

The team of "Shin Consultants" seen through the creation of the purpose statement

Each member of Team Digital Shift carefully considered the social issues facing their own clients and searched for any similarities between the journey to the solution of those issues and the team's purposes. From there, they proposed workshops on an unprompted basis and served as a bridge for co-creation among multiple companies. Through this process, a concrete image of the team of "Shin Consultants" that they should aim to be came into view.

Toda: Consulting firms have a role to play in contributing to the resolution of social issues through the support they provide to their clients. It's also necessary to be proactive in suggesting solutions to potential issues that clients may not have noticed. Normally, the overall policy for making proposals to clients is determined by upper management, but in the case of our team, we come up with proposals for clients based on our team's purposes and materiality.

Ogasawara: A client of mine in the food retail sector has made sustainability management and food-loss reduction parts of their mission and medium-term management plan, but felt that they were not being carried out in their work. When tackling an issue, it is critical for all employees to share the same goal, determination, and desire. So we held a workshop to recognize the challenges and to put into words the company's strengths in solving these issues, and we hired an outside design firm to help us make a purpose statement. Our purpose statement has motivated us to start

these activities.

Mah Khan: I provide support for our clients in creating new businesses. As I seek approaches to social issues with my clients, I have come to believe that most issues cannot be solved by a single company.

Toyama: Today, clients are dealing with numerous social issues, but solutions are not easy to find. While themes that can be solved by a single company are already being addressed, in many cases, the needs and solutions have been cut off from each other. Also, we believe that our mission is to serve as a hub that connects our clients with each other and channels those connections into business as an impartial third party.

Toda: There definitely are individuals who share the same passion as we do in any company. We will find those people and connect them with each other. Our forte as consultants is showing them how they can get their companies moving forward, and providing logic and scenarios to that end.

The purpose statement accelerates the growth of the team members

What have the members learned from their experiences in Team Digital Shift? And how will the way they interact with clients and the competency required of a consultant change?

Mah Khan: After joining the team, I was able to envision in concrete terms how to pursue co-creation with clients to solve social issues. I have also been able to identify the competencies I need to turn that vision into action. I want to continue to grow, and to contribute to making Japan stronger through co-creation that extends beyond the framework of consulting work.

Ogasawara: The biggest change for me is that I'm now able to look at things not only from the perspective of solving client issues, but also that of solving "social issues." While I am carefully addressing the issues of our clients, I am more conscious of making proposals with an eye to the future, based on back-to-basics communication. For example, "Who does this improvement in operational efficiency ultimately work for?" In addition, social issues are becoming "personal issues" for me because I encounter them and learn directly in my work. I've also come to realize that it's important to view social issues as an individual rather than as a consultant.

Toyama: I now think hard, from a management standpoint, about "why" (i.e., why we are going to do this or that), in every work and decision-making setting. This is because our members and clients must work closely together. I must always have an answer to "why." To create a lasting future, I believe that we must ensure that we do not engage in solving social issues as volunteer activities, but as sustainable businesses.

Toda: I've been reminded of the difficulty of motivat-

ing people and developing them from a long-term perspective, and that I'm still on a learning curve. At ABeam, we have defined the necessary requirements for consultants in the form of components of their evaluations, and I believe that in order to address diverse social issues, having edgy talents is more important than having personnel that simply check all the skill boxes. To that end, it's vital to have an organizational culture and training system that nurtures such edgy talents. If they actively work on proposals, no matter how large or small the proposals may be, and accumulate numerous experiences of making a difference in our clients, they are sure to grow. I want to continue to translate the results we've achieved with Team Digital Shift into a brighter future.



Sustainability-related Business Activities

We support our clients through a variety of consulting services as we strive to realize their sustainable corporate value.

ABeam's Perspective on Sustainability Transformation

We define Sustainability Transformation (SX) as "the transformation of an entire company, from the business model to the management infrastructure, from the

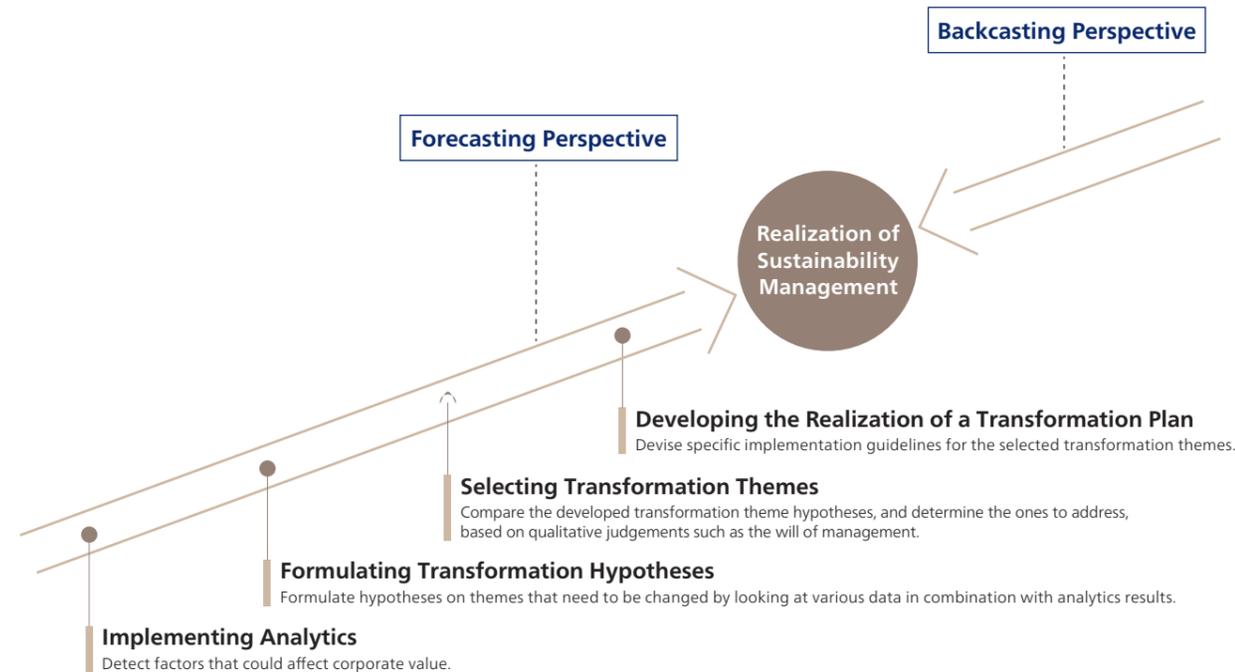
perspective of all stakeholders, starting from social issues, to maximize both the economic and the social impact of the company and create solutions to social issues."

ABeam's Approach and Value Regarding SX

Approach from Two Perspectives

In order to make SX a reality, the backcasting approach is commonly used, in which company's transformation themes are identified based on social issues. In addition to the backcasting approach, we also adopt the forecasting approach, in which the company's transformation is scientifically identified based on facts of

correlation between non-financial information and corporate value currently held by the company. While increasing corporate value drastically and steadily through these two approaches, we determine the direction of corporate transformation in order to solve social issues.



Three Values

We support clients in achieving SX through cooperation with each industry, service line, and sustainability organization as a team, and by demonstrating the three values of "Co-creation" (forming an ecosystem that organically links stakeholders in the social and

business sectors), "Execution Capabilities" (supporting total support from the formulation of a transformation story to its implementation and social impact assessment), and "Comprehensive Capabilities" (addressing diverse social issues as a team).

Solution System

Maximizing Economic/Social Value

We provide comprehensive solutions to social issues to achieve sustainability management.



Sustainability Transformation Stories

Redefine goals and paths in response to the changing premise of corporate management as "pursue both social and economic value."

Sustainability Business Transformation

Transform business models operation based on management policies to solve individual social issues.

► **Innovation**
Provide services for "social issue-driven innovation," which could become a trend in the future.

Sustainability Management Foundation

Establish and operate a new management infrastructure to "pursue both social and economic value" (including creating a system to collect and analyze non-financial data and feed it back to management policies [creating Digital ESG management]).

PMO (Project Management Office)

The project management knowledge needed to successfully implement transformation stories and individual measures based on an understanding of the ideals and realities of transformation (e.g., management methods to promote effective co-creation with players from other sectors)

1 Sustainability Transformation Stories Management policies and strategy updates <ul style="list-style-type: none"> Supporting corporate transformation starting with sustainability management Forming a strategy for sustainability 	2 Sustainability Business Transformation Promoting decarbonization <ul style="list-style-type: none"> Green Transformation (GX) Strengthening energy and environmental management Promoting decarbonization and addressing labor shortages by converting to smart factories 	2 Sustainability Business Transformation Building a sustainable supply chain <ul style="list-style-type: none"> Designing and establishing a sustainable supply chain Reducing waste by improving the accuracy of supply-demand forecasting Strengthening ESG Risk Management in Logistics Operations Promoting a Circular Economy
2 Sustainability Business Transformation Implementing fair working conditions <ul style="list-style-type: none"> Transformation support service for corporate culture through risk management of human rights Support for workplace reforms and labor shortages 	2 Sustainability Business Transformation Promotion of human capital management <ul style="list-style-type: none"> Defining materiality and KPI related to business strategies Implementing digitalization of HR operations Value promotion through conversation with stakeholders Improving Employee Engagement Support for making an integrated report preparation 	2 Sustainability Business Transformation Developing business starting from social issues <ul style="list-style-type: none"> Creating innovation that solves social issues Strengthening technology-based natural disaster prevention Improving the efficiency of disaster and emergency response through analyzing social media information Support service for implementing projects that generate social impact
3 Sustainability Management Foundation Enhancing communication with stakeholders by evaluating social and economic value <ul style="list-style-type: none"> Improving corporate value using Digital ESG Improving corporate value using Digital Well-being Thorough corporate governance Improving financial institutions through GRC sophistication 		

Sustainability-related Business Development

Lion Corporation | Circular-Economy Strategy Formulation Support Project

Promoting a project involving diverse stakeholders to achieve a circular economy for plastics



Key Point Building a company-wide consensus to achieve a circular economy

As calls from society for a circular economy grow louder worldwide, the scope of what a single company can do on its own is extremely limited. By involving a variety of players, including manufacturing companies, and co-creating with them, we hope to create greater new value and contribute to the achievement of a circular economy.

Daisuke Yamada
Director | Trading & Consumer BU



Clarifying the direction to be taken

In recent years, the depletion of petroleum-derived resources and the flow of plastics into the natural environment have become increasingly serious problems, hence the promotion of a circular economy for plastics is an urgent issue. Lion Corporation (Lion) has been continuously working to solve the plastic problem by reducing the amount of plastic used in containers and packaging. In order to further reduce, reuse, and recycle plastic as well as promote the sustainable use of resources, we launched this project to set a direction for what we should do concerning containers and packaging in the future. In order to achieve a circular economy of plastics, a wide range of perspectives need to be considered, such as the recyclability of the packaging and containers themselves, as well as the supply quantity, quality, and cost of the materials. In addition, since these perspectives all need to be examined for each container

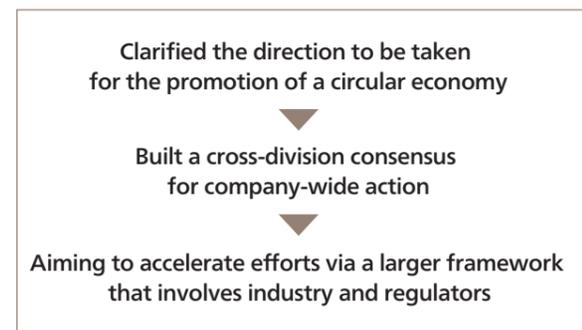
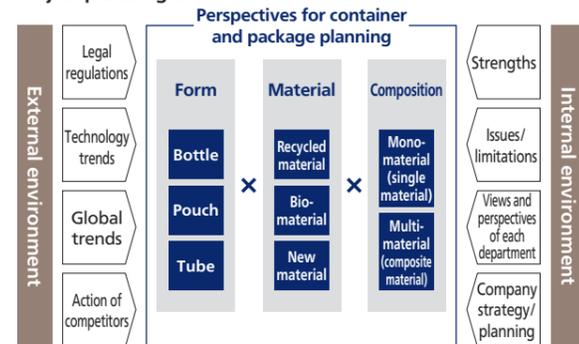
type, we had to organize a huge amount of information. Through numerous discussions and interviews, we settled on the direction in which to aim combining the perspectives Lion places importance on with our own accumulated knowledge of a circular economy.

Aiming to achieve a circular economy within a larger framework

To promote a circular economy, collaboration across various business divisions is crucial, but until now, the information within Lion was dispersed, and there were areas where company-wide alignment was lacking due to differences in approaches and viewpoints among the divisions. Thanks to this project, however, we were able to build a consensus across the divisions by involving people from each division.

We will continue to support the efforts of companies aiming to achieve a circular economy by building ecosystems and creating new business models.

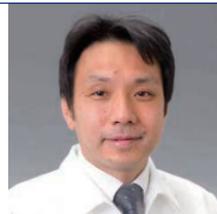
Project planning framework



Partners' Voice

Thanks to the support of ABeam Consulting, we were able to not only identify the trends shaping the plastics circular economy in Japan and overseas, but also establish a common understanding across divisions on the direction we should aim in. We will continue to promote "Positive Habits" to improve the everyday lives of consumers, and will work on developing a circular economy for plastics while strengthening cooperation with other industries.

Hiroyuki Masui
General Manager for Sustainability Technology Research and Development Headquarters
Lion Corporation



Tokio Marine dR Co., Ltd. | Creating New Businesses that Contribute to the Resolution of Social Issues Involving the Supply Chain

Creating new businesses that aim to solve social issues throughout the entire supply chain



Key Point Supporting new businesses by integrated support from planning to development to marketing strategy

We believe that our capabilities to comprehensively integrate optimal business and digital design as well as our ability to demonstrate leadership beyond the client/consultant relationship were the key factors in our success. Business creation is no simple matter, but the strong will of the client to go forward helped us a lot.

Yuji Shimoda
Senior Manager | Enterprise Transformation BU



Commercialization achieved in only one year

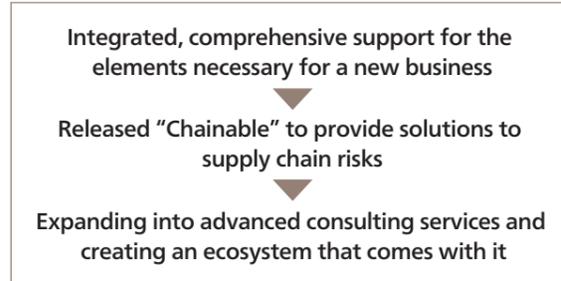
Tokio Marine dR Co., Ltd. (Tokio Marine dR) is undertaking the core function of the Group Data Strategy that Tokio Marine Group set as its growth strategy, and aims to solve social issues through the utilization and application of its digital technologies and data.

In recent years, the increasing severity of natural disasters and geopolitical issues have had a significant impact on the stability of supplies. Tokio Marine dR launched a project with the purpose of creating a new business that contributes to solving those social issues throughout the entire supply chain.

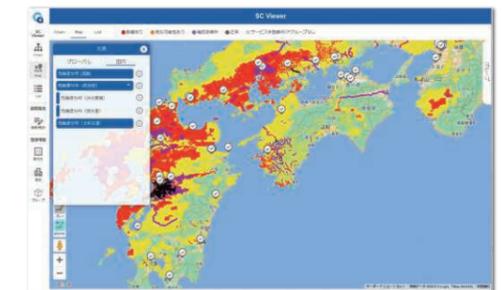
We have provided integrated and comprehensive support for the elements necessary for new businesses, including ideation, business design, service development, and marketing. We have also led many stakeholders, including not only Tokio Marine Group companies, but also Tokio Marine dR's related departments and external partners, and supported all parties involved in working together irrespective of their interests to create new business. This resulted in the release of the supply chain platform service "Chainable" just one year after the launch of the project.

Our ultimate goal is the creation of an ecosystem

"Chainable" centrally manages information related to the supply chain and provides solutions to increasingly diverse, complex supply chain risks such as climate change, weather disasters, labor issues, and human rights at very low cost. In an emergency, disaster information is displayed on the platform, supporting the identification of risks and communication with various locations, and increasing the speed of decision-making. In the future, we aim to add functions for not only disaster but also other categories, such as assigning a score to a company's sustainability efforts and supporting supplier selection. Furthermore, our ultimate goal is to expand into advanced consulting services by integrating with the know-how that Tokio Marine dR possesses, and to create an ecosystem necessary therefore. We will continue to support adding further value to "Chainable," as well as the resolution of social issues throughout the entire supply chain.



Screen of "Chainable"



"Chainable" HP <https://tdr-scpf.tokiomarine-e-jp/chainable/LP.html>

Partners' Voice

We provide many kinds of consulting services, such as disaster prevention/mitigation, cyber risk countermeasures, BCP development, and support for sustainability initiatives. With the cooperation of ABeam Consulting, we are now able to provide our solutions in areas of the supply chain where many of our clients are involved. We hope to continue to receive feedback on new perspectives from ABeam's consultants.

Tomohiro Kudo
Fusion-Oriented Data Business Unit
Tokio Marine dR Co., Ltd.
Unit Leader



Sustainability-related Business Development

Thailand Post | EV PoC* * Proof of Concept: PoC

Coordinating a PoC project for lightweight electric vehicles (EVs) to help promote decarbonization in Thailand



Key Point Enhancing our presence in the market to create business opportunities of the sustainability arena

Efforts are being made worldwide to achieve carbon neutrality, and this wave is clearly and steadily sweeping over Thailand as well. The ABeam Group will continue to work together to support our clients in achieving carbon neutrality, thereby contributing to global environmental conservation.

Masanori Kawai

Senior Manager | ABeam Consulting Thailand



Support organizing in PoC for lightweight EVs to help promote decarbonization in Thailand

In August 2021, Ministry of Internal Affairs and Communications of Japan (MIC) and Ministry of Digital Economy and Society of Thailand (MDES) signed a "Memorandum of Cooperation in the postal field," and discussed the potential for specific areas of collaboration in the postal field. The postal entities of both countries (Japan Post and Thailand Post) were also involved in these discussions. Amidst these developments, we conducted a study to explore the possibility of supporting Thailand Post's efforts to decarbonize its operations by leveraging Japan's expertise in using EVs for collection and delivery services.

In this study, we had four main tasks: (1) Market research on EVs in Thailand, (2) Study future business plan for Thailand Post's EV implementation, (3) Analyze data obtained from actual collection and delivery operations using Mitsubishi Motors' lightweight EVs to calculate reductions of fuel costs and CO₂ emissions, and (4) Simulate optimal vehicle allocation using actual Thailand Post's delivery data.



Communicating well with all relates departments until the final report

There were challenges due to the organizational structure of Thailand Post, such as the time and effort required for consensus-building. We planned and presented a concrete image of the output to related departments. Through these efforts, we successfully carried out our tasks until the final report.

We could deepen our relationship with Thailand Post through this study.

Looking ahead, we intend to continue to contribute to global environmental conservation by participating in other sustainability projects including the carbon neutrality initiatives, with various stakeholders.



Partners' Voice

Thank you very much for your support for the EV PoC project. Despite the limited timeframe of approximately three months, the PoC project conducted in Phuket and Pattaya provided us with extremely important insights. We look forward to your continued support in various areas in the future.

Waraporn Kongkiewphan

Thailand Post
Chief Corporate Strategy Officer



JECC Corporation | Sustainability Management Promotion Project

Supporting the promotion of sustainability management by integrating business policy and materiality



Key Point Formulating a value creation story that leverages the uniqueness of the client

We were able to come up with a story of value creation that leverages JECC's strengths and distinctiveness in "IT and finance" and "Public and quasi-public services." Everyone in the project team was delighted to have been involved in this initiative, which has seen massive progress made toward the creation of both social and economic value.

Hitomi Kuwabara

Senior Manager | Strategy BU



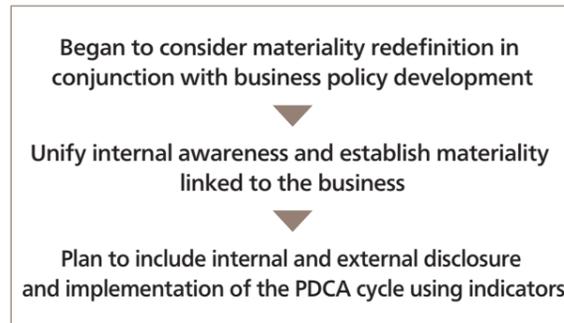
Supporting the promotion of sustainability management through the integration of key business policy measures with materiality

When JECC Corporation (JECC) was formulating its business policy, it decided to redefine its materiality, and was also considering the establishment of a sustainability policy and structure. We gave JECC our support, with an approach that involved integrating the key measures of the business policy with the company's materiality.

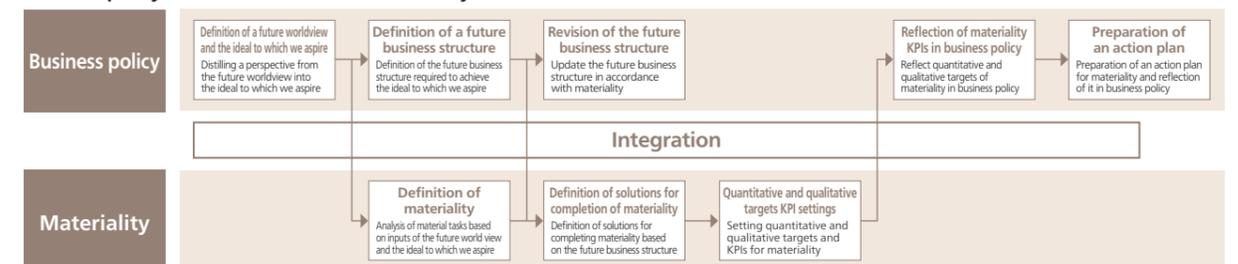
Raising awareness of pursuing both social and economic value within the company

A key objective of this project was to "raise awareness that sustainability initiatives are not limited to CSR activities conducted solely by corporate departments, but are activities that balance both social and economic value through business operations." In addition to running workshops on the value creation process, we held discussions with the company president and board members. In addition, we had all the heads of divisions examine opportunities and risks related to the company's materiality, thereby gradually getting everyone in the company on the same page concerning the integration of business and sustainability.

The Corporate Planning Department and the General Affairs Department (head-office departments) and the Sales Management Department (department responsible for business units) all worked together, enabling the definition of material issues (Materialities) linked to business operations. Based on the roadmap developed through the project, they plan to disclose the material tasks internally and externally, and to carry out a PDCA cycle using the indicators.



Consideration process for integration of the formulation of business policy and determination of materiality



Partners' Voice

In order to promote sustainability initiatives, we consulted with ABeam Consulting to gain their expertise in this area. As a result, we were able to put together our management philosophy, business activities, and the thoughts of our management team and employees into a basic policy and materiality. We will practice sustainability management and aim to achieve both the sustainable development of society and the sustainable growth of our company through our business activities.

Kei Nagata

JECC Corporation
Corporate Planning Department Manager and Sustainability Promotion Office Manager



Social Contribution Activities by Leveraging Consulting Skills

ABeam Consulting contributes to the development of a better society by deploying the knowledge and experience gained from its consulting business to provide pro bono support to NPOs/NGOs and take actions to solve regional issues.

and Beyond Company

Generating Innovation Co-creation partner: NPOs, Company



Tackling the challenge of solving social issues beyond the boundaries of companies/NPOs and organizations

and Beyond Company (aBC) is a virtual company where various companies and organizations engage in cross-sector collaboration to produce innovation. With the mission of "encouraging the creation of a proactive society that is keen to tackle challenges," aBC pursues activities to create the future that each individual envisions. We participate in these activities as a partner company, and are involved in the following three major initiatives. (1) Facilitation and support for presenters at "Beyond Meetings," brainstorming sessions in which anyone who takes on the challenge of new value creation and social/regional issues can participate regardless of who they are or where they come from; (2) Dispatch of employees to "Beyonders" projects for NPOs, which are based on the concept of "taking on challenges beyond the boundaries of the organization"; and (3) Management of and speech at "Beyond Conference," where various companies and individuals come together to discuss projects they are carrying out by trial and error. In connection with the activities of Beyonders, our project to support intermediary organizations for disaster relief was featured via business video streaming service provided by a commercial TV station in September 2023.

One of the employees involved in this activity said, "By confronting social issues through the aBC activities, I have been able to develop good antennae for

information on social issues, which I can use in my conversation with my clients." This is a good cycle that is created by pro bono experience that utilizes consulting skills and is also utilized in our core business. Through the aBC activities, we intend to continue to increase the number of people involved in tackling social issues that cannot be solved by a single individual, organization, or NPO.

Partners' Voice

Atsuko Suzuki

Senior Coordinator
Co-founder
ETIC (NPO)
(and Beyond Company secretariat)



It has been about four years since we started working with ABeam Consulting, and I am amazed at the high level of interest everyone has in resolving social issues and in the social sector. I also feel that it is of immense value to society that you are offering and leveraging your passion and skills to help tackle social issues. I would be delighted if we could continue working together for the transformation of society.

Room to Read Japan, a certified NPO

Educational Support Co-creation partner: NPO



Supporting activities to promote equal opportunities in education and improve literacy rates

Room to Read is a global non-profit organization that conducts initiatives aimed at creating a world without illiteracy or gender inequality in education, based on the belief that "World change starts with educated children." Room to Read works with local communities, partner organizations, and government agencies to ensure that all children develop literacy skills and a habit of reading throughout primary education, and all girls complete their secondary education.

Since 2008, we have proudly supported Room to Read Japan, a Japanese subsidiary of Room to Read, through donations and pro bono activities. Specifically, we have supported their social media operations such as by developing a manual for posting schedules

and methods, and by mobilizing volunteers. We put in place a system that allows even a small group of staff to post regularly. We also provide assistance in analyzing posts to ensure effective communication. At the Tokyo Marathon, Japan's largest international marathon, in which Room to Read took part in for the first time. We acted as the PMO (project management office) to assist with booth design/staffing and the planning of roadside cheering on the day of the event. We also succeeded in raising enough money to provide approximately 1,500 children from low-income communities with a one-year literacy program. We will continue to support Room to Read by working with them as we utilize our skills to help them achieve their goal of "supporting 40 million children by 2025."



Partner's Voice

Kaho Matsumaru

Representative
certified NPO
Room to Read Japan



ABeam Consulting has provided us with comprehensive support in building, analyzing, and managing our social media posting flow to raise awareness of our activities. Within one year, the number of our followers on Instagram has increased by more than 10%, which has helped increase awareness of our activities and motivate people to donate. ABeam Consulting is an invaluable partner for us.

Child Sector Initiative

Educational Support Co-creation partners: Universities, NPOs, Educational-related Organizations



Developing a program to foster logical thinking to improve children's well-being

Employees who wish for children's happiness have gathered and are utilizing logical thinking to launch services that solve social issues. Logical thinking leads to the solutions of problems and the organization and communication of ideas, and is a must-have skill in today's society. Our goal is to raise the happiness levels of Japanese children by rolling out a logical-thinking training program that leverages the strengths of our consultants.

For this initiative, we aim to collaborate with external organizations to further expand our activities, and with the help of people from Tokyo Gakugei University and others, we are currently increasing our touchpoints with external entities.

In 2023, we ran logical-thinking courses for elementary school students at *kodomo shokudo*—a volunteer-run cafeteria providing children with free or inexpensive meals—as well as at the university library and Haneda Innovation City. We also sent a speaker to introduce our activities at "Beyond Conference" organized by "and Beyond Company".

We intend to make this an ongoing effort by developing content that attracts the interest of children and exploring ways of collaborating with outside parties. We also want to approach segments of the population we have not yet reached, expanding the circle of our activities to bring happiness to children in a variety of environments.



Partners' Voice

Kentaro Ogiue

Associate Professor
Organization for Promoting Open Innovation
in Education
Tokyo Gakugei University



My wish to expand the possibilities of corporate-university collaboration while connecting it to the will and challenges of employees resonated with the wishes of everyone in the Child Sector, and we were able to work together on this occasion. Our encounters with you have provided new stimulation and learning settings for the children, and enabled us to create opportunities for learning and growing together.

Endowed Lecture at Shanghai University of Finance and Economics [China]

Educational Support Co-creation partner: Universities



Lecture on how ESG relates to corporate value and human capital development

One of our Shanghai Office's members gave a lecture as a guest speaker at Shanghai University of Finance and Economics, which was attended by more than 200 participants. Using our unique frameworks and methods, they presented the ESG-corporate value relationship, the application of Digital ESG to companies, and our own ESG practices as a consulting firm.

We are committed to continuing to contribute to the development of human capital through multifaceted industry-academia collaborations at a wide variety of educational institutions.

Endowed lectures given at other universities (FY2022)

University	Lecture title	No. of participants
Kyoto University	Business Consulting Practice	49 persons
Waseda University	Leadership Development Program	98 persons
Sophia University	Problem-solving Abilities in Consulting Work	36 persons
Bandung Institute of Technology (Indonesia)	Business Analytics Consulting	30 persons

Saturday School Project [Thailand]

Educational Support Co-creation partner: NPO



Supporting the community by providing educational opportunities

The Thai Saturday School Foundation is a NPO that provides educational opportunities for children facing financial constraints. Based on the belief that anyone in society can make a difference in education, the Foundation offers learning opportunities with the help of diversely skilled volunteers. It aims to enable children to become valuable human capital for Thailand when they grow up. With the support of numerous companies and organizations,

the Foundation currently provides educational services to more than 9,000 children. At our Bangkok office, employees with a wide range of skills participate in their work on a pro bono basis. We are committed to sustaining this effort, working toward bridging social disparities through the transformative power of education, and bringing Thailand one step closer to eliminating social disparities through education.

SEA Steps to Change [Thailand, Malaysia, Indonesia, Singapore, Vietnam]

Environmental Conservation Co-creation partner: NPO



Tree-planting to raise awareness of the importance of social contribution and to promote employee health management

SEA Steps to Change is our multifaceted initiative for our employees at all of our offices in Southeast Asia, aimed at elevating ESG/sustainability awareness and enhancing their health. By planting 800 trees in Thailand, Malaysia, and Indonesia, this program raises awareness of environmental stewardship among our employees, deepens their understanding of local ecosystems and sustainability issues, and encourages them to take action. It motivates us to transition from being merely professionals to becoming custodians of the planet, integrating health advancements with a broader mission to protect the environment. Founded on dedication and transformative action, this initiative strives to make a significant impact.



Efforts to Address Local Issues at U.S. Sites [United States]

Local Welfare Co-creation partners: NPOs



Partnering with Social Contribution Organizations to Tackle Community Issues

At each of our U.S. locations, we forge partnerships with NPOs to conduct activities for the welfare of the local community.

Our Dallas and Chicago offices have endorsed the activities of Feed My Starving Children (FMSC), an NPO that sends food to undernourished children in developing countries, and have volunteered to deliver meals to children around the world.

The Dallas office also made a donation to Community Partners of Dallas, an NPO that helps children who have been

abused or abandoned, and also handled the sorting of school supplies and uniforms for the children the organization assists.

Our New York office, meanwhile, took part in volunteer activities for Bowery Mission, an NPO that provides assistance to the homeless and needy, by preparing meals and donating workwear in cooperation with the Consulate-General of Japan in New York.

We are committed to working with social contribution organizations to tackle local issues.

Environmental Initiatives



Task Force on Climate-related Financial Disclosures (TCFD)

We endorse the TCFD recommendations and aim to improve our organizational resilience and achieve sustainable growth by analyzing and addressing the impacts (risks and opportunities) of climate change on our business activities.

Governance

We have established a Sustainability Committee, chaired by the President and CEO, to discuss how to address climate change and pursue decarbonization, as we view these as key management issues. Important matters discussed by the Sustainability Committee are reported to the Management Committee. The Board of Directors receives reports on important matters deliberated on and approved by the Sustainability Committee and Management Committee, and discusses and supervises policies and measures to address sustainability issues, including climate change and decarbonization (→ P.31).

Strategy

We have conducted scenario analysis using the 1.5–2°C scenario,¹ in which impacts become apparent through transition, and the 4°C scenario,² in which the impact becomes apparent in the physical aspect, and, based on the World Energy Outlook published by the International Energy Agency, we have evaluated the financial impact in FY 2030.

We have identified the risks and opportunities that occurs as a consequence of climate change and decarbonization: risks of reduction of opportunities to provide consulting services and loss of sales, and opportunities to support clients tackle potential challenges. In response, we are taking steps to address these risks and take advantage of these opportunities.

Risk Management

Our Sustainability Committee and Management Committee evaluate the risks and opportunities posed by climate change, discuss policies and responses, and report important matters to the Board of Directors. We have also established the Risk and Compliance Committee as a company-wide risk control body, and have put in place a risk management system in which the Sustainability Unit and the Risk and Compliance Unit collaborate on dealing with climate change issues.

Metrics and Targets

We monitor Scope 1 and 2 GHG emissions as metrics for assessing and managing the impact of climate-related issues on our business operations, and are taking action to reduce them. We intend to achieve carbon neutrality by eliminating GHG emissions³ from our business activities by FY2030. We are also striving to reduce Scope 3 GHG emissions, and are considering setting targets for them.

*1 1.5–2°C scenario: see APS, NZE

*2 4°C scenario: see STEPS

*3 Scope 1 and Scope 2 emissions defined in GHG Protocol

Efforts to Achieve Carbon Neutrality

To accomplish our goal of becoming carbon neutral by FY2030, we will achieve carbon neutrality at domestic offices in Japan by FY2025, and then aim to achieve the same at all of our domestic and overseas offices by FY2030.

Utilization of Renewable Energy

Since our offices are in multi-tenant buildings and we do not have direct contracts with electric power companies, we are working with the building owners to coordinate the procurement and use of renewable energy. Although we have already switched to electricity derived from renewable energy sources at some of our offices, we will expand the number of offices where renewable energy is utilized. In addition, we will add criteria related to the availability of renewable energy sources as part of the selection criteria for choosing and relocating to new office buildings.

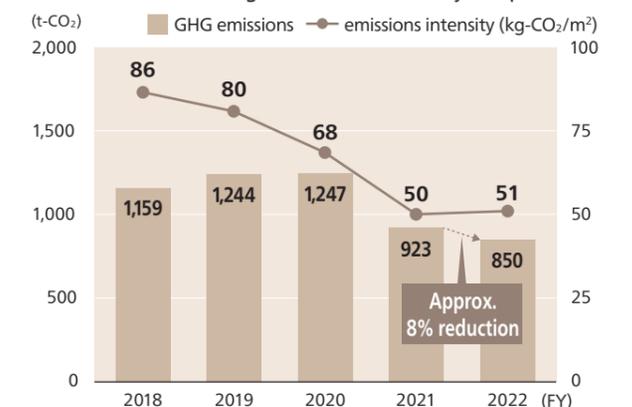
Promotion of Energy Conservation (Strengthening of Energy Management)

While monitoring our energy consumption and GHG emissions at Japan offices, we are working to further advance office energy management through ongoing operational improvements, such as the installation of lights that switch off automatically at night and zone-by-zone air conditioning settings. As a result of these efforts, our GHG emissions per office floor have continued to decrease since FY2019. At the former headquarters office,* GHG emissions in FY2022 were reduced by approximately 8% from the previous year,

after we switched to electricity derived from renewable energy sources in April 2021.

* In October 2023, we moved our head office to Tokyo Midtown Yaesu.

GHG emissions and changes in emissions intensity at Japan offices



Note: We have received third-party certification with regard to GHG emissions from the Japan Quality Assurance Organization (JQA).

*GHG emissions in the graph refer to Scopes 1 and 2.

Building Foundations to Meet Society’s Expectations with Sound and Fair Corporate Management

The environment surrounding business is undergoing significant changes, and the risks associated with business execution are becoming increasingly diverse and complex.

As an integrated management consulting firm assisting clients in corporate transformation, we are committed to sound, lawful, and fair corporate management, and we aim to live up to the expectations of society and support sustainable growth by strengthening our management infrastructure. To this end, we will be further enhancing our corporate governance structure and enterprise risk management as we head into the future.

Enhancing Corporate Governance and Enterprise Risk Management

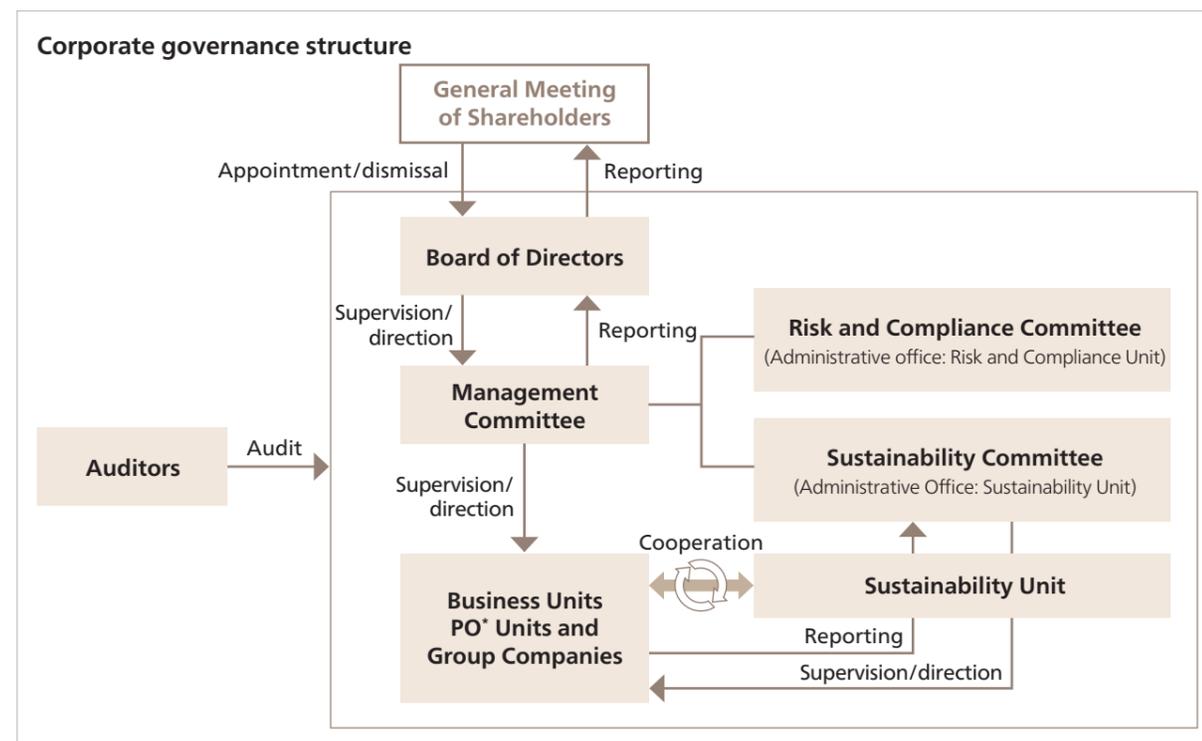
In recent years, enterprise digital shift has been rapidly increasing, and the introduction and use of cutting-edge information technologies have been rapidly increasing as part of the services we provide to our clients. And as our business expands in scale, the delivery model we put in place to support our clients' transformations are also diversifying.

As we co-create new value with various stakeholders, we believe there will be more opportunities to come into contact with clients' confidential information than ever before, and that business risks will become more diverse and complex due to drastic changes in the environment surrounding the business.

Under these circumstances, we aim to further accelerate ABeam group's sustainable growth and increase our corporate value. To this end, we are working to enhance our corporate governance and enterprise risk management to implement our medium-term business strategy and increase our corporate value by strengthening our framework for sound, fair, and prompt decision-making and process promotion in group management. We will identify risks

associated with our business operations, clarify our policies for dealing with each risk, and create a new governance model to further solidify our structures and proactively raise our sensitivity to risk.

As we accelerate the medium-to-long-term initiatives with an eye on the future, the Board of Directors, which currently comprises five members, normally meets monthly to make important management decisions and supervise the execution of business operations. The Management Committee, which is held monthly, considers and discusses important matters related to business execution, makes decisions, and deliberates on matters to be referred to the Board of Directors. Meanwhile, three corporate auditors audit the performance of the directors' duties and mutually confirm the content of such audits to verify the appropriateness and soundness of the firm's business operations. Furthermore, by auditing each organization within our firm, they confirm and verify the effectiveness of internal controls, the safety and effectiveness of our systems, the operational status of our information security, and other matters.



*PO: Planning & Operations

Information Security

As part of our efforts to reduce information security risk, we have obtained the JIPDEC PrivacyMark, and are taking action on a company-wide basis to safeguard personal information. In addition, each business unit has obtained its own Information Security Management System (ISMS) certification, and by establishing structures to properly manage information assets and risks, they are working continuously to implement

robust information security measures. As part of our efforts to ensure compliance management, we are continuously taking action to mitigate and minimize information security risks to the greatest extent possible, as we endeavor to gain, maintain, and increase the trust of our clients and other stakeholders.



ABeam Code of Conduct

In October 2005, we established the "ABeam Code of Conduct," with the aim of ensuring that the ABeam Group materializes our vision of "being a global consulting firm emerging from Asia, serving our clients as a Real Partner," while also complying with laws and regulations. The Code of Conduct is designed to instill in each and every employee an awareness of the "need to fulfill their corporate social responsibilities at all times, and enhance the corporate value of the ABeam Group."

The ABeam Group's overseas offices operate all over the world, and employ people of diverse backgrounds including in terms of ethnicity, nationality, and religion. Also, we have a wide range of clients, including global Japanese companies operating both domestically and internationally, as well as foreign companies with offices abroad. As a consulting firm operating in such a business environment, we believe it is crucial to respect the values

and diversity of all of our stakeholders, and to thoroughly practice compliance management from a global perspective. In the Code of Conduct, we clearly state our basic stance that all directors and employees must understand human rights, engage in corporate activities with respect for human rights as a prerequisite, and comprehend international standards for human rights such as the "Universal Declaration of Human Rights," and that they must not tolerate or commit any acts of discrimination or any acts that undermine individual dignity. We are committed to promoting the understanding and implementation of the Code of Conduct, the basis of our compliance management, by distributing copies of a booklet on the Code of Conduct to all employees of the ABeam Group and making it available on our internal portal, and by having all employees participate in annual compliance training courses.

Internal Reporting (Whistleblowing) System

We have established operational rules for the internal reporting system and set up contact points (helplines) to promote compliance with ethics, laws and regulations in the ABeam Group. In addition to directors, employees, etc. of the ABeam Group, former directors and employees may report to the Helpline until one year has passed since they resigned from the ABeam Group.

In addition to accepting anonymous reports, we have also made it easier for whistleblowers to use the system by allowing them to submit reports through a third-party organization. The regulations also set forth that the firm and its employees shall not treat whistleblowers and persons cooperating in such investiga-

tions unfairly or retaliate against them for reporting, consulting, or conducting investigations. Furthermore, the persons in charge of the investigations of the information reported shall treat information, which may identify whistleblowers and persons cooperating in such investigations as well as any information regarding the content of such reports and investigations, as strictly confidential, and shall not disclose or provide such information to any other parties.

These systems minimize the risk of noncompliance with the ABeam Group's internal rules and laws & regulations by enabling the swift detection of illegal activities, such as fraudulent, illegal, or unethical acts committed by any individual or organization.

Compliance Awareness Surveys

We have been conducting an internal compliance awareness survey of all directors and employees every year since 2020. The purpose of the survey is to understand how all directors and employees recognize issues related to our compliance promotion

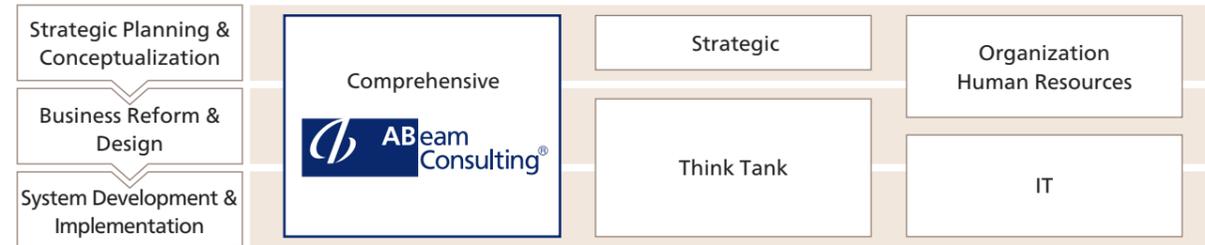
activities, the actual status of compliance in their own day-to-day work, and potential compliance risks within our firm. We will use the results of the survey to improve our compliance promotion activities.

Integrated Management Consulting Firm that Realizes Transformation

ABeam Consulting is a Japan-based, Asia-centered global firm. We will achieve absolute transformation by working with clients to solve problems and create added value through our outstanding expertise and knowledge of technology.

Integrated Management Consulting Firm

ABeam Consulting is an integrated management consulting firm that covers everything from strategic planning and conceptualization to business reform and design, and system development and implementation.

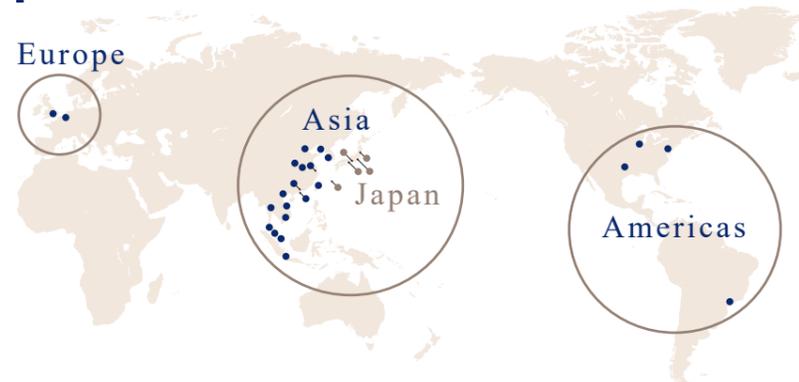


Offering Diverse Services

Since we provide consulting services in all industries and service lines, our organization is structured along two axes: industry and service line. In project works, industry and service line consultants work as a team to provide clients with one-stop, optimal consulting services.

Industry				Service line		
Automotive & Mobility	Appliance & Machinery	Electronic Components & Semiconductors	Process	Strategy		
Pharmaceuticals	Home Construction	Oil	Food & Beverages	Corporate Strategy/ Business Strategy	Business Development	Enterprise Reform
Consumer Goods	Distribution & Retail	Banks & Securities Markets	Insurance	Digital Processes & Technology		
Industrial Finance	General Trading Companies, Specialized Trading Companies & Wholesale	Transportation & Real Estate	Electricity & Gas	Digital Innovation	Management	Organization/ Human Capital Management
Communications & Media	Central Government & Public Administration	Local Government, Education & Health Care		Accounting/ Asset Management	Human Resources/ Human Capital Management	AI/ Data Use & Application
				Technology	Supply Chain	Customer Relationship Management
				Operation Infrastructure Platforms (ABeam Cloud)	Outsourcing	

Global Network



Locations
28 offices
(including 23 overseas offices)
as of March 31, 2023

Alliance Locations
114 offices
as of March 31, 2023

Various Arrangements for Diverse and Flexible Workstyles

Work location	Telecommuting	Full remote		
Work hours	Flextime	Reduced work days	Reduced work hours	
Support programs	Childcare leave	Eldercare leave	Programs to support injury, illness, etc.	
Career/skill development	Internal job posting system	Flexible career track	Professional development leave program	Permission-based side job Professional qualification support program

ABeam in Numbers



External Evaluation

