

Message from the Executive Director in charge of Sustainability

In April 2022, the Nippon Kayaku Group established its Basic Policy on Sustainable Management. Through a combination of efforts in our businesses activities and initiatives relating to materialities under **KV25**, which combine five key company-wide material issues with supplementary key sustainability issues, we engage in sustainable management to create environmental, social and economic value.

In order to integrate our sustainability efforts with our business activities, we established the Sustainable Management Meeting under the direct supervision of the Board of Directors. The Meeting deliberates and reports on important matters relating to the general sustainability of the company, society, and the environment, together with important matters relating to business activities, and implements sustainable management throughout the Group.

With regard to addressing climate change, which is one of our company-wide material issues, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2022, analyzed scenarios in each business unit and disclosed the results in our integrated report and on our sustainability website. By strengthening our efforts to reduce environmental impact and disclose information, we improved our evaluation score in the CDP Climate Change Report from the previous year's B score to an A- score.

With regard to human resource management, in 2023 we established policies on human resource development and improving our internal environment. Based on these policies, we will work to build a human resource development system that encourages the autonomous growth of each employee and supports the creation of diverse careers in line with the wishes of Individual employees; and create an internal environment that ensures diversity and fosters a comfortable and rewarding work culture, where employees can work actively, with enthusiasm and motivation.

With regard to human rights initiatives, in 2022 we established the Nippon Kayaku Group Human Rights Policy, which we have translated into English, Chinese, Spanish, Malay, and Czech, and are working to share with all Group executives and employees. In line with the United Nations Guiding Principles on Business and Human Rights, we will enhance our process for identifying, preventing, mitigating, and correcting adverse impacts on human rights, and fulfill our responsibility of respect for human rights.

Going forward, we will continue to contribute to the creation of a sustainable society through our business activities, practice sustainable management worthy of the trust placed in us by all of our stakeholders, and link this to the improvement of corporate value.



Member of the Board
Senior Managing Director
Yoshitsugu Ishida