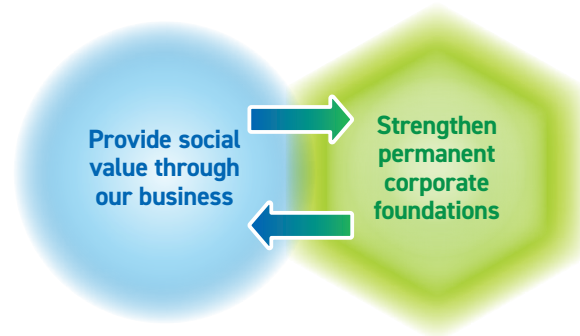


Sustainability Management

／ All Toagosei Sustainability Policy

We take up a challenge to create new value to deliver happiness to future generations.

The Toagosei Group aims to provide social value through our business and strengthen our enduring corporate foundation as initiatives to realize a sustainable society and sustainable growth of the Group.



／ Sustainability management system

Issues related to sustainability, including the challenges brought about by climate change, are studied as priority topics by the “Sustainability Promotion Committee.” Chaired by the President and Representative Director, the “Sustainability Promotion Committee” members are made up of directors (including outside directors), presidents of each group company, and representatives of subordinate organizations or those in charge of auditing organizations. The Committee reviews the progress of initiatives to date regarding important sustainability-related matters, including deliberations on key sustainability management promotion policies and the status of GHG emission reduction, and deliberates and decides on future policies and measures. The Committee reports the results of deliberations to the Board of Directors, which discusses, decides on and supervises response measures and objectives of business strategy formulation and management decisions as well as issues to combat climate change.

Business sites of each our Group’s companies formulate action plans and promote and review activities based on the policies of the “Sustainability Promotion Committee.” Committees have also been established to discuss individual matters like responsible care (RC) and compliance.



Major sustainability-related meetings

Name	Roles	Meeting frequency	Members
Sustainability Promotion Committee	A Committee responsible for deliberating and deciding on Group-wide policies, targets, and plans related to sustainability issues such as climate change, natural capital, and human rights, while sharing the progress of indicators and initiatives	1/year	- Chair: President and Representative Director - Members: Directors (including outside directors), presidents of each group company, and representatives of subordinate organizations or those in charge of auditing organizations
Responsible Care Committee	A meeting body that shares the status of target achievement for the current fiscal year and the proposed targets for the following fiscal year	1/year	Secretariat: Technology & Production Administrative Division, Quality Assurance Department and Environment & Safety Department
Company-wide Responsible Care Working Group Meeting	A meeting body that confirms progress toward targets on a quarterly basis and promotes company-wide implementation of environmental, safety and quality initiatives common to the entire company	4/year	Members: Site managers, and those in charge of quality management and environmental management at each site
Compliance Committee	- Support the maintenance, improvement, and promotion of management that emphasizes compliance, while supervising and investigating the status of implementation and recommending improvements as necessary - Support ongoing education and awareness activities and implement corrective measures, etc. based on the “Regulations on whistleblowing” - For serious issues, propose response measures, including investigations by a third-party committee, to the President, report the results of deliberations to the President, and report the main contents to the Sustainability Promotion Committee	2/year (2025)	- Chair and Vice-chair: Persons appointed by the President - Members: Persons appointed by the Chair (including one or more outside members) - Secretariat: Group Corporate Strategy and Administration Division, General Affairs & Legal Department (Legal Affairs)
Responsible Care Audit	On-site audit to evaluate the status of quality and environmental management and the operational status of the management system at each site	1/year	- Audit Chair: General Manager, Technology & Production Administrative Division - Secretariat: Technology & Production Administrative Division, Quality Assurance Department and Environment & Safety Department - Members: Each site

Sustainability Management

Responsible Care (RC) management

Basic Policies for Responsible Care (RC)

As a chemical company, the Group is promoting occupational health and safety, security and disaster prevention, chemical product safety, physical distribution safety, and environmental protection on a Group-wide basis under the Basic Policies for RC.

Across the entire life cycle from raw material procurement to product use and disposal, we give top priority to the safety of workers and local communities, work to reduce environmental impact, publicly disclose results and engages in dialogue with society, and strengthen initiatives through membership in the Japan Responsible Care Council (JRCC) and the signing of the Responsible Care Global Charter by top management.



Environmental preservation

We protect the health of people and nature on Earth

Occupational safety and health

We protect the safety and health of workers

Operational safety and disaster prevention

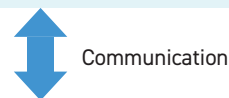
We strive to prevent equipment disasters and take measures against natural disasters

Product stewardship

We clearly state the properties and handling methods of chemical products and protect the safety and health of all people who handle them, including customers, as well as the environment

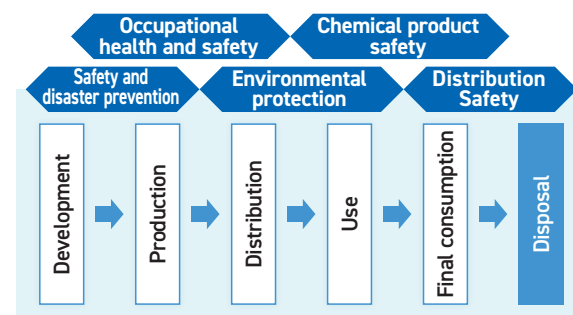
Distribution Safety

We strive to prevent accidents and disasters in distribution



Local communities

We publicly disclose the details and results of our activities and promote dialogue



Major category	Priority items (Materiality elements)	Related SDGs	Indicators	Targets for the final year of the 2028 Medium-Term Management Plan	Targets for 2030	Results for the most recent year (2025)	Major initiatives up to the most recent year (2025)	Reference page
Environment	Response to mitigate climate change	7 AFFORDABLE AND CLEAN ENERGY	1 GHG emission reduction (Scope 1+2) 2 Renewable energy power generation capacity (solar power, small-scale hydroelectric power, etc.)	1 -40% from FY2013 2 8MW	1 -50% from FY2013 2 19MW	1 -28% from FY2013 2 2MW	- Promoted energy conservation at plants - Introduced renewable energy (2-MW solar power generation facility) - Implemented carbon neutral steam compatible construction - Considered CCU introduction - Revision of TCFD disclosures	P70 P72
	Promotion of circular economy (provision of environmentally friendly products and services)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Net sales of target products	+3% from FY2025	+10% from FY2025	Design of the eco-products system	- Promoted establishment of an internal eco-products system - Acquired ISCC PLUS certification at the Oita Plant and promoted acquisition at other plants	P64
	Contributing to a smart society	11 SUSTAINABLE CITIES AND COMMUNITIES	1 Effective hydrogen utilization rate 2 Hydrogen station sales volume	1 98% 2 +0% from FY2025	1 98% 2 +120% from FY2025	1 88% 2 Not disclosed	- Participated in Low-Carbon Hydrogen Model Town Pilot Project in Chita City, Aichi Prefecture - Participated in hydrogen mobility promotion events	P64
	Water resource conservation initiatives	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sales of target products (polymer flocculants)	+7% from FY2025	+11% from FY2025	Not disclosed	- Expanded overseas sales of target products - Installed the latest wastewater treatment facilities - Participated in UMIGOMI Zero Week 2025	P71
	Biodiversity initiatives	13 CLIMATE ACTION	1 Plant factory sales volume 2 Number of participants in social contribution activities (forestry activities, clean-up activities)	1 +100% from FY2025 2 +3% from FY2025	1 +250% from FY2025 2 +5% from FY2025	1 Not disclosed 2 Not disclosed	- Expanded plant factory product varieties - Participated in nature-related volunteer activities - Detailed analysis and information disclosure based on TNFD	P64 P72 P87
	Chemicals management	14 LIFE BELOW WATER	Emissions of substances subject to PRTR (t/year)	Reduction of 3% from FY2025 level (99 t/year or less)	Reduction of 5% from FY2025 level (97 t/year or less)	102 t	Reduced emissions by improving manufacturing processes	P78
	Reduction of industrial waste and pollutant emissions	15 LIFE ON LAND	1 Final landfill rate 2 Recycling rate of waste	1 Maintain 0.5% or less 2 70%	1 Maintain 0.5% or less 2 70%	1 0.1% 2 21%	Thorough waste separation and promotion of reuse	P79
Social	Securing and developing human capital		Investment in training (per person)	Introduction of training programs in response to key measures (global expansion, digital literacy)	Same as on the left	83,271 yen/year	- Continued implementation of language training - Held group training for the use of generative AI	P81 P82
	Diversity promotion	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY	1 Female hiring ratio 2 Percentage of women in managerial positions 3 Employment rate of persons with disabilities	1 30% or more among new career-track employees, 20% or more among regular service employees 2 8.0% or more 3 Achievement of the legally mandated employment rate	1 30% or more among new career-track employees, 20% or more among regular service employees 2 10% or more 3 Achievement of the legally mandated employment rate	1 Career-track employees: 32.4%, regular service employees: 38.5% 2 5.1% 3 2.5%	- Held lectures at various group training sessions - Expanded the range of workplaces for employees with disabilities	P83
	Creation of a comfortable working environment	8 DECENT WORK AND ECONOMIC GROWTH	1 Increased engagement 2 Percentage of male employees taking childcare leave 3 Percentage of paid leave usage	1 Improvement in employee happiness score compared to the previous year 2 80% or more 3 95% or more	1 Improvement in employee happiness score compared to the previous year 2 80% or more 3 95% or more	1 +0.7 2 73.0% 3 93.9%	- Enhanced transfer allowances and introduced the transfer postponement program - Established the new Childcare Balance Support Leave	P84
	Maintenance and improvement of employee health	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES	1 Rate of employees undergoing thorough health examinations 2 Rate of employees maintaining desirable weight 3 Smoking rate 4 Ratio of employees with regular exercise habits	1 100% 2 70% 3 15% 4 40%	1 - 2 - 3 - 4 -	1 70.3% 2 60.3% 3 21.8% 4 33.8%	- Promoted activities to encourage medical examinations by strengthening the occupational health system - Implemented a smoking ban on company premises (from October 2025) - Implemented company-wide walking events and dietary habit seminars	P85 P86
	Promotion of occupational health and safety	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1 Number of lost-time injuries 2 Injury incidence rate (lost-time + non-lost-time + minor injuries) / 100 persons	1 0 cases 2 0.31	1 0 cases 2 0.28	1 12 cases 2 0.87	- Implemented special safety audits - Created and distributed a safety rulebook - Implemented heatstroke prevention measures	P88
	Promotion of security and disaster prevention	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	1 Number of explosion or fire accidents 2 Number of serious leakage accidents of harmful substances or hazardous materials	1 0 cases 2 0 cases	1 0 cases 2 0 cases	1 0 cases 2 3 cases	- Review of the content of deliberation meetings (IRC meetings) on new equipment and product mass production systems - Review of work standards (inclusion of know-how and know-why)	P89
	Improvement of product quality		Risk of nonconformity in high-purity, high-performance products	Reduction of 3% from FY2025 level	Reduction of 5% from FY2025 level	Not disclosed	Review of quality risk extraction methods in quality design reviews	P91
	Improvement of distribution quality		Reduction of packaged product complaints caused by distribution	Reduction of 5% from FY2025 level	Reduction of 5% from FY2025 level	Not disclosed	- Rollout of cushioning materials used at distribution company relay points - Verified the effectiveness of outer packaging for packed products	P91
	Strengthening of corporate governance	8 DECENT WORK AND ECONOMIC GROWTH	1 Enhancement of corporate governance 2 Strengthening of internal control system	1 2 Internal control over major business processes Document maintenance	1 Improving the effectiveness of the Board of Directors based on analysis and evaluation, and building further trust with investors 2 Enhancement of employees' risk sensitivity and establishment of self-inspection system for major business processes	1 2 Amendment of the internal control reporting system (expansion of the evaluation scope, etc.)	- Implemented a questionnaire survey to evaluate the effectiveness of the Board of Directors - Conducted 141 individual meetings with analysts and institutional investors (2025 results) - Expanded the scope of internal control evaluation regarding company-wide internal control, major business processes, and IT general control - Notified the key points of the amended internal control reporting system	P98 P99
Governance	Risk management and crisis management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Appropriate management and handling of the Group's major risks	Strengthening of BCP measures against cyberattacks, etc.	Same as on the left	Implementation of crisis response training	- Verified the BCP system in the event of system failure due to a cyberattack - Implemented crisis response drills based on the assumption of an earthquake directly under the Tokyo metropolitan area	P100
	Compliance (legal compliance) and ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Number of major violations, including guidance from administrative and government agencies	0 cases	0 cases	5 cases of administrative guidance 0 cases of major violation	- Held two meetings of Compliance Committee (2025 results) - Implemented employee training on prohibited acts toward quasi-public officials and the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment	P101
	Promotion of sustainable procurement		Sustainable procurement questionnaire collection rate	100%	Same as on the left	95%	- Questionnaire survey of major business partners - Distributed green procurement guidelines and implemented risk surveys at the time of new transactions	P102