

TODA KOGYO CORP.

Environmental Vision

Commitments of Top Management

The world is facing serious problems arising from global warming, such as abnormal weather conditions, environmental pollution, resource depletion, international conflicts, widening divides and discrimination. To resolve these issues, a number of initiatives aimed at creating a sustainable society are being pursued. They include corporate social responsibility (CSR) activities, creating shared value (CSV) activities, efforts to meet the sustainable development goals (SDGs) and environmental, social, and governance (ESG) investment.

The TODA KOGYO Group has long been working to reduce its environmental impact, regarding this task as an obligation we have as a chemical materials manufacturer. One example is a shift from dry synthesis methods that have a large environmental impact to wet synthesis methods that have a small impact. Another is to recycle waste fluid generated from steel sheet manufacturers into resources.

To further accelerate the reduction of our environmental impact and the safety management of chemical substances, we have revised our Environmental Vision in line with a sustainability approach. We will operate based on this Environmental Vision with a view to realizing a sustainable society together with our stakeholders.



Tsuneaki Kubo, President and CEO

Environmental Policy

The TODA KOGYO Group will be taking action to protect the environment on a groupwide scale. Our officers and employees are aware that our business activities and actions to protect the environment are inseparable. On that understanding, we will practice responsible environmental management in accordance with the ISO 14000 series of standards.

Environmental Code of Conduct

1. Set challenging environmental protection goals

Officers and employees will set ambitious goals before they are demanded by society and will strive to realize a sustainable society.

2. Learn actively to understand environmental impacts

Officers and employees will each learn actively with an open mind towards society and will endeavor to understand the environmental impacts of supply chains.

3. Develop technologies helpful to the environment and reduce the environmental impact of products

Officers and employees will endeavor to develop technologies that will address environmental issues while reducing the environmental impact of our products.

4. Pursue continuous improvement with all personnel involved

Officers and employees will all participate in activities to use resources effectively and to prevent environmental incidents.

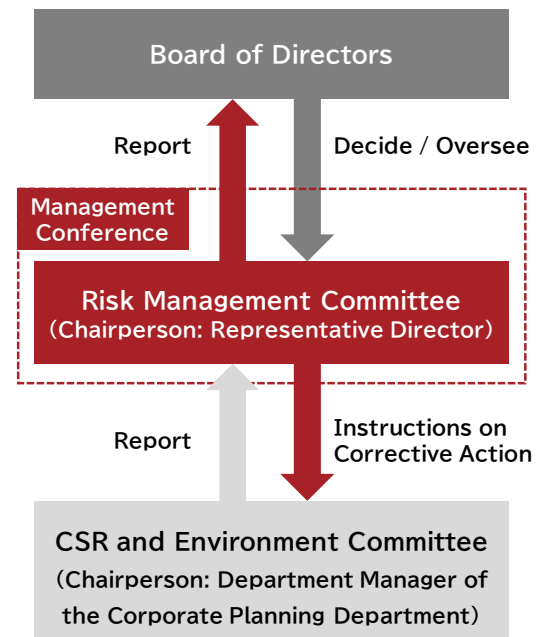
5. Collaborate and communicate with stakeholders

Officers and employees will take action to protect the environment in collaboration with stakeholders and will communicate in a way that meets stakeholder expectations.

Management Structure

To implement and manage the Environmental Vision on a Group-wide scale, we have established the CSR and Environment Committee under the Risk Management Committee chaired by the President and CEO. It is responsible for oversight and management of environmental issues for the Group in Japan.

The Board of Directors confirms the progress of the Environmental Vision through reports received from the Risk Management Committee, and makes decisions and supervises the development of the necessary systems and schemes. The general manager of the Corporate Planning Department serves as chairperson of the CSR and Environment Committee, whose members comprise managers and personnel from business sites across the Company.



Five Pillars of Environmental Management

We have identified five pillars of environmental management that constitute the core of activities from the perspective of the four sustainability principles.

- **Conserving biodiversity**
- **Reduction of greenhouse gas emissions**
- **Conserving water resources**
- **Providing products and technologies that are in harmony with the environment**
- **Acting to form a recycling-oriented society**

Conserving biodiversity

The 15th Conference of the Parties to the United Nations Convention on Biological Diversity in 2022 (COP15) adopted the Kunming-Montreal Global Biodiversity Framework, which serves as a successor to the Aichi Biodiversity Targets. It requires businesses to assess the risks and impacts of supply chains and portfolios on biodiversity and to conserve and make good use of natural resources. The TODA KOGYO Group will carry out activities aimed at conserving biodiversity through its business activities and through general lifestyles.

Major Initiatives

1. Provide education to employees to deepen their understanding of biodiversity conservation
2. Assess impacts on biodiversity in the development process
3. Ask suppliers to conserve biodiversity in the procurement process
4. Endeavor to reduce the environment impact on surrounding areas in the production process
5. Carry out regional cleanup, tree-planting and animal and plant preservation activities at individual offices and plants.

Reduction of greenhouse gas emissions

Climate change issues are becoming increasingly apparent with each passing year. They are now producing serious impacts on the environment around the world. According to the Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC AR6), humanity needs to cut greenhouse gas (GHG) emissions by 43% from the 2019 level in order to limit the temperature rise to 1.5°C. The TODA KOGYO Group defines climate change as one of its material issues and seeks a world where warming is limited to 1.5°C.

Targets (in Japan for 2030 in comparison with the 2013 levels)

Scope 1 + Scope 2 GHG emissions

75% reduction (to total emissions of 22,000 t-CO₂)

GHG emissions based on net sales

Down 70%

Use of renewable energy

At least 17%

Conserving water resources

The TODA KOGYO Group uses a large amount of water resources as a solvent in wet synthesis, for cooling and cleaning of products and for other purposes in the product manufacturing process. We detoxify the water used in the wastewater treatment process and discharge all processed water to rivers and the sea. To offer products with high purity and with high performance, we need to secure water resources with proper quality in sufficient quantities. In addition, to ensure business continuity, we need to manage the quality of discharged water on the basis of strict standards. The TODA KOGYO Group takes the following actions for the purpose of making effective use of water resources.

Major Initiatives

Reduce water consumption

(by controlling water intake according to the state of production and advancing the cascade use of water)

Implement the firm management of discharged water

(by strictly observing the water discharge standards and thoroughly maintaining wastewater treatment facilities)

Target

Water consumption per unit of production volume

Less than or equal to the level in the previous fiscal year

Water discharge per production volume

Less than or equal to the level in the previous fiscal year

Providing products and technologies that are in harmony with the environment

Issues facing human society and the global environment are becoming increasingly complicated and changing across a broader range. Businesses face a test about their attitudes towards these issues and their capacity to resolve them. To fulfill our Purpose, which reads, "We transform the potential of fine particles into new possibilities for our world," the TODA KOGYO Group will deploy the fine particle synthesis technologies it has developed over many years in support of innovation.

Targets (2030)

Percentage of environmentally harmonized or environmentally considered* development

70% or higher

* Research and development subjects are evaluated based on the beneficial effect they have with respect to the environment into three categories: environmentally harmonized, environmentally considered and standard subjects.

| Acting to form a recycling-oriented society

The TODA KOGYO Group will carry out the reduce-reuse-recycle initiative, known as 3R, in a comprehensive manner. We will work to contribute to the environment and to reduce environmental impacts in all phases including procurement, development, manufacturing, transport, sales, recycling and disposal. We will take the necessary measures for raw materials and products to fulfill the obligations that we as a business operator have under the Basic Act on Establishing a Sound Material-Cycle Society and the Act on the Promotion of Effective Utilization of Resources. We will make independent efforts to create a recycling-oriented society and cooperate in measures implemented by national or local governments.

Targets (2030)

Industrial wastes

25% reduction (in Japan from the 2013 level)

Conversion of crude raw materials and by-products into raw materials

3 or more

Commercialization of battery material recycling

— Contact : CSR & Environment Management Group —