

Information Disclosure in Line with TCFD and TNFD Recommendations

We have expressed our support for the October 2022 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)^{*1} and engage in information disclosure based on these recommendations. Giving consideration to the CO₂ emission reduction levels discussed in the Paris Agreement, as one of our materiality targets, we are working to reduce greenhouse gas (GHG) emissions in FY2030 (Scope 1 and 2) to 23% of FY2020 levels. In addition to striving to conserve energy and electricity, we are aiming to reduce our GHG emissions and realize a decarbonized society by utilizing renewable energy and introducing decarbonization technologies at our production sites.

Regarding the Taskforce on Nature-related Financial Disclosures (TNFD)^{*2}, we adopted the Kunming-Montreal Global Biodiversity Framework in December 2022, and set specific goals, including our 2050 Vision of “a world living in harmony with nature” and our 2030 Mission to “halt and reverse biodiversity loss to put nature on a path to recovery.” The Japanese government also adopted the National Biodiversity Strategy 2023-2030 by Cabinet decision, which outlines the direction to be taken.

In July 2025, with a view to strengthening our commitment to biodiversity, Nippon Chemical Industrial endorsed the TNFD's information disclosure recommendations and registered as a TNFD Adopter^{*3}. We intend to promote dialogue with our stakeholders while disclosing climate change-related and natural capital-related information in accordance with the TNFD Recommendations and Framework^{*4}. Taking into account the opinions of our stakeholders, we will continue to promote TNFD initiatives and proactively disclose information with the aim of realizing a sustainable society.

*1: A climate-related financial disclosure task force established by the Financial Stability Board at the request of the G20 to consider climate-related information disclosures and how financial institutions should respond.

*2: An international initiative that aims to establish a framework for companies and organizations to assess and disclose information on the impact of their economic activities on natural capital and biodiversity.

*3: Companies and organizations that have registered and declared their willingness to disclose information in accordance with the TNFD Recommendations on the TNFD website.

*4: The TNFD Framework requires companies to assess and disclose the risks and opportunities their business activities present in terms of their relationships (dependencies and impacts) concerning natural capital and biodiversity.



Governance

In order to build positive relationships with various stakeholders based on our corporate philosophy and become a company that is trusted and relied upon by others, we shifted our focus from CSR (Corporate Social Responsibility) activities to sustainability activities that contribute to all stakeholders by creating value through corporate activities, and established the Sustainability Promotion Committee in 2022 to promote activities that reflect a sense of urgency.

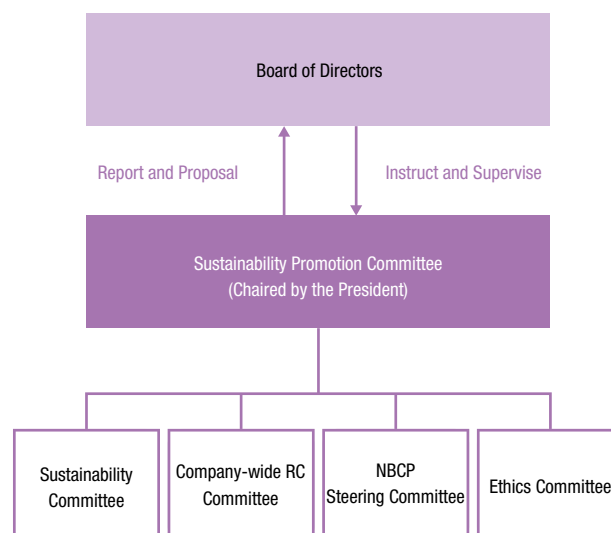
Chaired by the President, the Sustainability Promotion Committee deliberates on the basic policy on sustainability and other matters related to sustainability.

The Sustainability Committee was established under the direct control of the Sustainability Promotion Committee. The Committee promotes initiatives related to sustainability, including those that address climate change as well as biodiversity and other natural capitals, and the certification of environmental contribution products.

The Board of Directors receives reports and proposals concerning important matters deliberated on by the Sustainability Promotion Committee and also provides

instruction and supervision concerning policies as well as action plans for addressing climate change and natural capital-related issues.

Governance Structure



● Sustainability Promotion Committee

The Sustainability Promotion Committee, chaired by the President, deliberates on matters related to sustainability, including the Company's Sustainability Policy, in light of domestic and international developments related to ESG and the SDGs, and regularly reports and makes recommendations to the Board of Directors. Four committees operate under the purview of the Sustainability Promotion Committee: the Sustainability Committee, Company-wide RC Committee, NBCP (Nippon Chemical Industrial Business Continuity Plan) Steering Committee, and Ethics Committee. The Sustainability Promotion Committee oversees and directs the activities of these four committees and works to reinforce and promote their management through regular meetings.

● Sustainability Committee

The Sustainability Committee, under the supervision of the Managing Executive Officer, promotes the provision of value to all stakeholders and advances sustainability initiatives such as addressing climate change, biodiversity, and other natural capital issues.

● Company-wide RC Committee

The Company-wide RC Committee, chaired by the President, promotes responsible care activities as they relate to the environment and safety, and works to maintain and improve levels of compliance with laws and regulations, environmental conservation, safety and disaster prevention, occupational health and safety, product safety, and logistics safety.

● NBCP (Nippon Chemical Industrial Business Continuity Plan) Steering Committee

The NBCP Steering Committee is chaired by the Executive Officer in charge of the Production Engineering Division and promotes continuous improvements to policies, plans, and drills as they relate to emerged and potential crises.

● Ethics Committee

Chaired by the Executive Officer in charge of the Administration Division, the Ethics Committee endeavors to thoroughly disseminate the code of conduct to be observed by employees as they engage in their daily corporate activities and regularly checks the status of compliance in an effort to make continuous improvements.

Regarding nature-related stakeholder engagement, we are committed to respecting human rights throughout the supply chain and have expressed this commitment in our human rights and procurement policies.

In addition, our Code of Conduct with Respect to Biodiversity, created in December 2023, establishes the following four action guidelines used for planning and promoting biodiversity conservation activities.

- Ascertain the impact of the Company's business activities on biodiversity conservation throughout the entire value chain and continuously work on minimizing this impact.
- Endeavor to raise awareness of biodiversity among all employees through Responsible Care activities.
- Continue to engage in activities that contribute to society by helping biodiversity conservation in order to be highly valued by society and the residents of local communities.
- Proactively disclose the above initiatives and deepen communications with stakeholders.