

AsahiKASEI

# ***Care for People, Care for Earth***

Asahi Kasei Group  
Sustainability Report 2025

## INDEX

|   |     |   |     |
|---|-----|---|-----|
| <b>Editorial Policy</b>                                       | 1   | <b>Society</b>  | 102 |
| <b>Management Message</b>                                     | 3   | Quality Assurance   | 103 |
| <b>Sustainability Vision<br/>- Asahi Kasei Group's Vision</b> | 5   | CSR Procurement   | 109 |
| <b>Sustainability Management</b>                              | 12  | Human Resources   | 119 |
| Policies and Framework  | 12  | Human Resources Strategy  | 119 |
| Materiality and SDGs  | 15  | Human resources development and activeengagement                  | 121 |
| Initiatives and Member Organizations We Participate In        | 23  | Diversity,Equity & Inclusion (DE&I)                               | 127 |
| Relationships with Stakeholders                               | 28  | Employment and Labor Practices                                    | 141 |
| <b>Contribution through Business Activities</b>               | 30  | Human Rights  | 144 |
| <b>Asahi Kasei Group's ESH &amp; QA</b>                       | 33  | Health & Productivity Management and Occupational Health & Safety | 154 |
| Organizations implementing ESH and QA Activities              | 37  | Occupational Health & Safety                                      | 154 |
| Fiscal 2024 ESH & QA Program Targets and Results              | 40  | Health & Productivity Management                                  | 159 |
| <b>Environment</b>  | 41  | Process Safety  | 170 |
| Environmental Management                                      | 42  | Social Contribution Activities                                    | 178 |
| Climate Change  | 45  | <b>Governance</b>   | 184 |
| Responding to Climate Change                                  | 45  | Corporate Governance  | 185 |
| Disclosure based on TCFD Framework                            | 51  | Compliance  | 202 |
| Pollution Prevention and Resource Circulation                 | 64  | Risk Management   | 206 |
| Pollution Prevention  | 64  | Tax Policy  | 213 |
| Resource Circulation Initiatives                              | 70  | <b>ESG Data</b>   | 215 |
| Water Resource Preservation                                   | 74  | Environment   | 215 |
| Biodiversity  | 78  | Society   | 229 |
| Biodiversity Conservation Initiatives                         | 78  | Governance  | 235 |
| Natural Capital-related Analysis and Disclosure               | 87  | <b>External evaluation</b>  | 236 |
| The Asahi Kasei Group's Environmental Contribution Products   | 94  | <b>Policy Statements</b>  | 240 |
| Our Initiatives   | 94  | <b>GRI Standards Content Index</b>                                | 242 |
| Description of Environmental Contribution Products            | 98  | <b>SASB Content Index</b>   | 254 |
| <b>Independent Review and Independent Assurance Report</b>    | 257 | <b>Independent Review and Independent Assurance Report</b>        | 257 |

**Note on PDF functions:**

This PDF document contains links you can click to view related pages. By clicking the arrow in the lower left corner, you can return to the previously viewed page.



## Editorial Policy

### Introduction

The Asahi Kasei Group issued our first Environment Report in 1991, and we began issuing a CSR Report in 2006 with content expanded to include social responsibilities. Through these reports, we have further enriched communication with our stakeholders and continually worked to fulfill our accountability.

Since fiscal 2019, we have termed this report the "Sustainability Report" both on our website and in its downloadable form. In the report, we present the Group's approach to sustainability and contributions to achieving a sustainable society through our business activities, in accordance with the concept "Care for People, Care for Earth." The framework for our activities is organized into Environment (E), Society (S), and Governance (G), and comprehensive information is provided on policies, systems, activities, numerical data, etc.

For your reference, we also have a table indexing our content with the assessment categories of ESG rating agencies.

In line with the trend toward combining financial and non-financial information in a single integrated report, particularly in Europe, we have combined and published our Annual Report and CSR Report as the Asahi Kasei Report since 2014.

### Reporting period

The primary focus is fiscal 2024 (April 2024 – March 2025). Some information pertains to the period subsequent to this.

### Scope

Information herein pertains to Asahi Kasei Corp. and consolidated subsidiaries as of March 31, 2025, unless otherwise noted. Data with differing scopes or coverage is presented in footnotes.

The report on ESH & QA activities applies to Japanese and overseas Group companies that are implementing the same activities. Use the link below to access activity reports and a list of implementing organizations.

➤ Asahi Kasei Group's ESH & QA

### Inquiries

Please contact us if you have an inquiry about our sustainability initiatives.

Please use the mail form on the following page.

➤ [https://www.asahi-kasei.com/contact\\_us/contact/](https://www.asahi-kasei.com/contact_us/contact/)

## Guidelines consulted

We reference the following guidelines and framework when disclosing information related to sustainability.

- GRI Sustainability Reporting Standards (GRI Standards)
- Ministry of the Environment "Environmental Reporting Guidelines (2018)"
- SASB (Sustainability Accounting Standards Board) Standards
- International Organization for Standardization "ISO 26000"

## Publication

Published October 2025 in Japanese

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Previous publication: October 2024

## Related information

### ➤ Asahi Kasei Report

The Asahi Kasei Group's annual business activities are described, as well as business strategies and other information.

### ➤ Asahi Kasei Group Intellectual Property Report

The Asahi Kasei Group's R&D and intellectual property are profiled.

### ➤ Corporate Brochure

A brochure profiling the business operations of the Asahi Kasei Group.  (4.8MB)

# Management Message



Since our founding in 1922, the Asahi Kasei Group has been directly facing the world's challenges for more than a century. Throughout each era, we have continued to evolve our businesses by creating a wide range of products and services that address the changing needs of society.

I believe that continuity and change go hand in hand. The Asahi Kasei Group has always maintained a consistent philosophy even as we transformed our business along with changes in society. Although the current wording of our Group Mission, "Contributing to life and living for people around the world," was adopted in 2011, it expresses the same spirit that inspired our founding. We have always endeavored to help people live better lives, and this has never wavered. But we can't contribute to people's lives in a time of rapid change clinging to past traditions. Rather, we must continually transform ourselves and take on challenges to create new traditions. This is how we forge the Asahi Kasei Group's path to the future.

## Two mutually reinforcing aspects of sustainability

In April 2025, we launched a new medium-term management plan (MTP) "Trailblaze Together" for fiscal 2025–2027. To achieve our goals, we retain the fundamental management premise of a virtuous cycle between two mutually reinforcing aspects of sustainability—"contributing to sustainable society" and "sustainable growth of corporate value"—that we have held since previously. By contributing to solutions to issues in society, we enhance our corporate value, which in turn enables us to create more value for society. This continuous cycle is not only our growth strategy but also our commitment to society.

One of the world's most significant challenges is tackling climate change, including global warming. The seriousness of this challenge deepens with each passing year. To address this issue, the Asahi Kasei Group is taking a two-pronged approach, which is to reduce the greenhouse gas (GHG) emissions from our own business activities, and to contribute to reducing GHG emissions in society.

Given the nature of our businesses, our GHG emissions are by no means small. That is precisely why we are wholeheartedly committed to achieving carbon neutrality by 2050. We are steadily advancing a multifaceted approach, including reducing energy use, decarbonizing energy sources, innovating production processes, and reviewing our business portfolio. In the new MTP, in addition to our existing targets, we set a new interim target of reducing our own GHG emissions by more than 40% by 2035 compared to fiscal 2013.

To contribute to reducing GHG emissions in society, we promote our Environmental Contribution Products. These are products and services that reduce GHG emissions and mitigate other environmental impacts throughout their overall lifecycle when compared to conventional products. We are targeting a GHG reduction contribution from such products by 2035 at least 2.5 times the level of fiscal 2020.

In fiscal 2024 we established a new framework for Next Environmental Contribution Products Candidates. From the R&D stage, this

initiative evaluates and visualizes the potential GHG reduction contribution of new technologies and product ideas that could become future Environmental Contribution Products. This framework is one of the ways in which we are strengthening our ability to create environmental value.

## Driving green transformation through our businesses

At the core of our sustainability initiatives is the promotion of green transformation (GX) through our businesses. GX is a strategic effort to achieve both business growth and the resolution of social challenges on the path toward realizing a decarbonized society.

The Asahi Kasei Group is advancing new technology development and business expansion to drive GX. In hydrogen production technology, we are developing systems that utilize alkaline water electrolysis, including equipment and membranes. This enables the production of green hydrogen using renewable energy, and the project has been selected for the Ministry of Economy, Trade and Industry's GX Supply Chain Development Support Program, with preparations underway for early commercialization.

In the field of CO<sub>2</sub> chemistry, we are working on developing chemicals derived from bioethanol and new materials that use CO<sub>2</sub> as a raw material. These initiatives reduce dependence on fossil resources and contribute to building a circular economy.

In our lithium-ion battery separator business, we are developing products that enhance battery yield and extend battery lifespan, while also advancing environmental responsiveness—initiatives that are highly meaningful from a sustainability perspective. The large-scale investment currently underway in North America is being carried out with an eye to environmental changes, but always with a medium- to long-term perspective. Our commitment to continually honing our technological capabilities and customer responsiveness remains unchanged.

## Caring for the future of people and the Earth

We are living in a time of major transformation in social structures and industrial structures. Climate change, geopolitical risks, and fluctuations in interest rates, currencies, and resource prices are all increasing the complexity of the business environment, making it ever more difficult to foresee the future.

Looking ahead to 2050, the Asahi Kasei Group has set forth “Care for People, Care for Earth” as our direction, and we are pursuing sustainability under this guiding principle. We remain committed to caring for human life and living while fulfilling our responsibility to the global environment. This attitude of nurturing and cherishing the future of people and the earth together is something we have long upheld and will continue to pass on unchanged into the future.

Since our founding, the Asahi Kasei Group has launched a wide range of businesses, achieving growth by combining the diversity created through the accumulation of intangible assets such as human resources, intellectual property, and management expertise with the specialty that comes from establishing a unique position distinct from that of a dedicated single-sector manufacturer—realizing high added value and high profitability.

Going forward, we will continue to confront social issues with sincerity, not only uniting the collective strength of the entire Asahi Kasei Group as one team, but also working together with customers, business partners, local communities, and other stakeholders. Through these efforts, we aim to achieve sustainable growth of corporate value while continuing to provide value to society.

Koshiro Kudo  
President

## Related information

### ➤ Medium-term Management Plan

We will strive to further improve our corporate value through the implementation of our medium-term management plan.

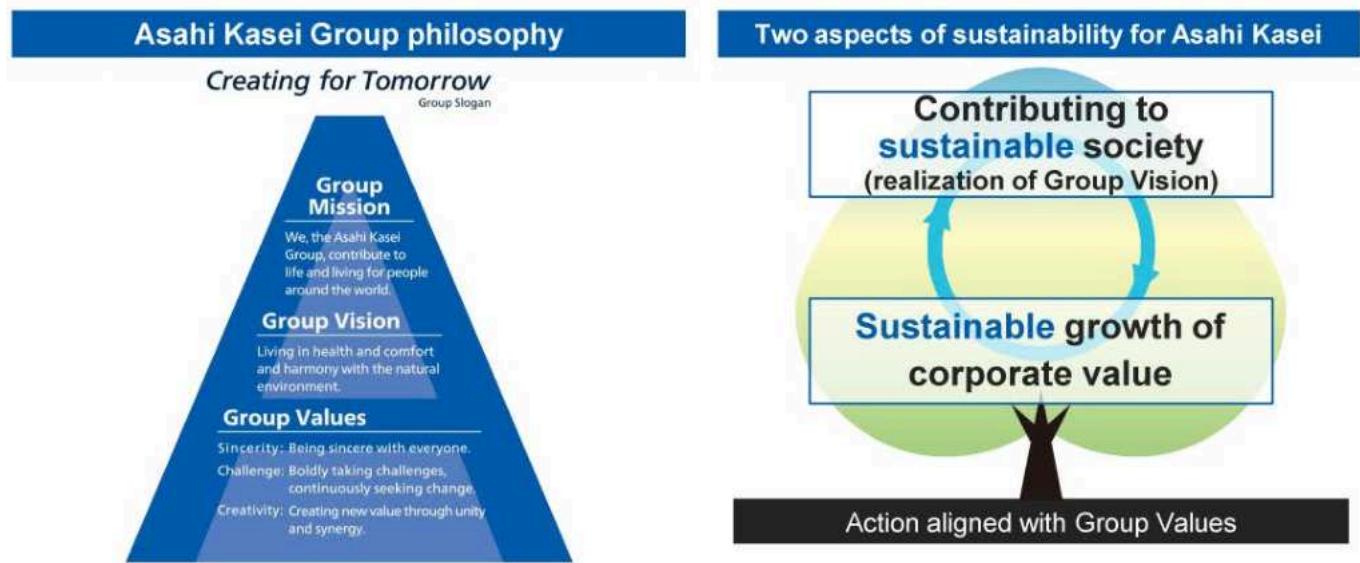
### ➤ Group Philosophy

We, the Asahi Kasei Group, contribute to life and living for people around the world.

# Sustainability Vision - Asahi Kasei Group's Vision

## Asahi Kasei's Group Philosophy and Sustainability Goals

The Asahi Kasei Group conducts corporate activities to provide new value to society by realizing its Group Vision of “living in health and comfort” and “harmony with the natural environment.” We aim to achieve two mutually reinforcing aspects of sustainability: contributing to sustainable society and sustainable growth of corporate value.



## The Direction of Sustainability with a View Toward 2050 - Care for People, Care for Earth

As exemplified by the problems of climate change and aging of the population, Asahi Kasei's commitment to “Care for People, Care for Earth” has become even more important.

As we look ahead to 2050, we can expect to see a variety of social issues. We believe that we will be able to help resolve these issues while expanding our business opportunities.

For example, in terms of “Care for Earth”, we can contribute to electric vehicles, a hydrogen society, carbon recycling, and achieving a circular economy among other important subjects, primarily through our businesses in the Material sector with battery materials, an alkaline water electrolysis system, CO<sub>2</sub> separation and capture, recycling technology, and use of biomass, etc. We can also contribute in the Homes sector by supplying insulation materials and Net Zero Energy House (ZEH).

To achieve a carbon neutral world, it is essential to reduce GHG emissions from our business activities. We have established the Asahi Kasei Group's Carbon Neutrality Policy and are working to achieve this goal.

Note: For more information on policies and initiatives, see [Climate Change](#).

In terms of “Care for People”, we will contribute to the development of homes and communities that can withstand storm and flood damage and extreme heat as climate change progresses. We will also contribute through our health care and other businesses, with pharmaceuticals and medical devices, to help people live healthy and active lives.

| Challenges taken on, issues addressed | Carbon neutrality/ circular economy  | Creation of new value through digital innovation   | More comfortable, safe and secure lives  | Homes/communities enriching people's lives | Society of active longevity |
|---------------------------------------|--|--|--|--|-----------------------------|
| Vision by sector                      | Material   | Homes  | Healthcare   |  |                             |
|                                       | Providing sustainable solutions that contribute to a better life for people and the Earth by utilizing the technology and knowledge of materials and chemistry | Enabling secure and enriched living through the provision of high-quality, highly durable homes and construction materials, and various related services | Contributing to the lives of people through the provision of innovative pharmaceuticals and medical devices that meet unmet needs under the mission "Improve and save patients' lives" |  |                             |

In addition to aiming to provide value to society through our two challenges, we will enhance the fundamental activities that support our business activities, such as corporate governance, compliance, respect for human rights, and safety and quality. Our group will also pursue our two sustainability goals of contributing to sustainable society and sustainable growth of corporate value.

➤ Contribution through Business Activities

## Care for Earth - Achieving a Carbon Neutral and Sustainable World

The Asahi Kasei Group is working to develop products and services in a wide range of fields from upstream to downstream in the value chain, including raw materials, manufacturing processes, energy, product use, and product recovery, with the aim of realizing a carbon neutral sustainable world.

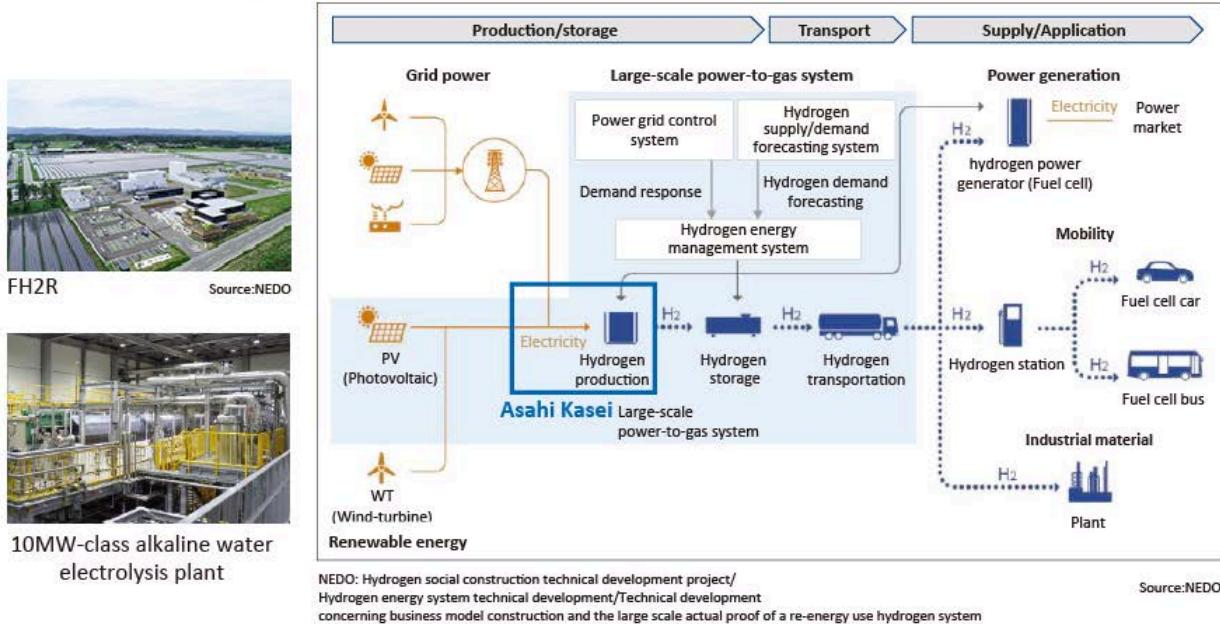
### Initiatives for Achieving a Hydrogen Society

|                                 |  |
|---------------------------------|--|
| Significance of the initiatives | As a clean fuel and raw material, hydrogen is essential for achieving carbon neutrality                  |
| Our vision                      | Contribute to a hydrogen society and green hydrogen production centered on water electrolysis technology |
| Specific initiatives            | Development and provision of large-scale alkaline water electrolysis system                              |

Hydrogen, which has garnered attention as a fuel for automobiles and power generation, as a raw material for chemicals, and as a means of storing and transporting energy, is an essential substance to achieve carbon neutrality. While many countries around the world have announced their hydrogen strategies and as global expectations for hydrogen rise, we launched a 10 MW-scale alkaline water electrolysis system in Namie Town, Fukushima Prefecture in 2020, based on our knowledge of chlor-alkali electrolysis systems and electrochemistry as well as our technological development capabilities, to demonstrate the efficient production of hydrogen using renewable energy. We completed a water electrolysis pilot test facility with four water electrolysis modules integrated in parallel at our Kawasaki Works in March 2024, and began demonstration operations to verify the performance of multi-module control technology and new components. As well as developing a large 100 MW-scale water electrolysis system that is in demand around the world, we are also working with JGC Holdings Co., Ltd. to establish technology for integrated control of green chemical plants that use hydrogen produced by the water electrolysis system. In addition, from September 2024, we began a collaboration with Italy's Industrie De Nora S.p.A. on the development of a pressurized container-type water electrolysis system to meet a broader range of customer needs. We are also planning to build new facilities in the Kawasaki Works to establish a product supply system, and in December 2024 the project was selected for the Ministry of Economy, Trade and Industry's GX Supply Chain Development Support Program. Our aim is for early commercialization through collaboration with partner companies in the upstream and downstream supply chain and through participation in projects around the world.

## Alkaline water electrolysis system to accelerate hydrogen society

10-MW alkaline water electrolysis system using renewable energy at the Fukushima Hydrogen Energy Research Field (FH2R)



### Green Innovation Fund Project Initiative for implementing the 100 MW-class alkaline water electrolysis system "Development of large-scale alkaline water electrolysis for hydrogen production and a green chemical plant demonstration project"

Project period

**FY2021 to 2030**

Details of the operation

- Demonstration of the 100 MW class required by the world
- Low-cost alkaline water electrolysis system
- Optimum operation control

#### Development of technology for larger and more modular alkaline water electrolysis systems

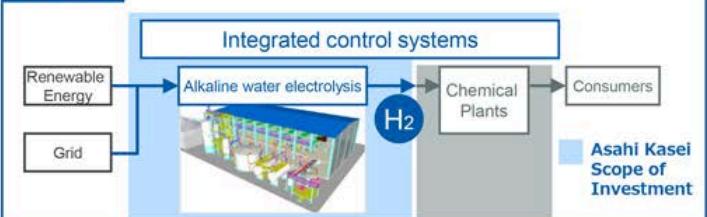
A water electrolysis pilot test facility for the development of multi-control module technology will start operation in March 2024 at our Kawasaki Works.



#### FS and technical demonstration of a green chemical plant

#### Overview of Phase 2

A joint initiative with Gentari of Petronas Group and JGC HD in Malaysia to demonstrate a 60 MW-class water electrolysis system that will supply approximately 8,000 tons of hydrogen per year to a chemical plant.



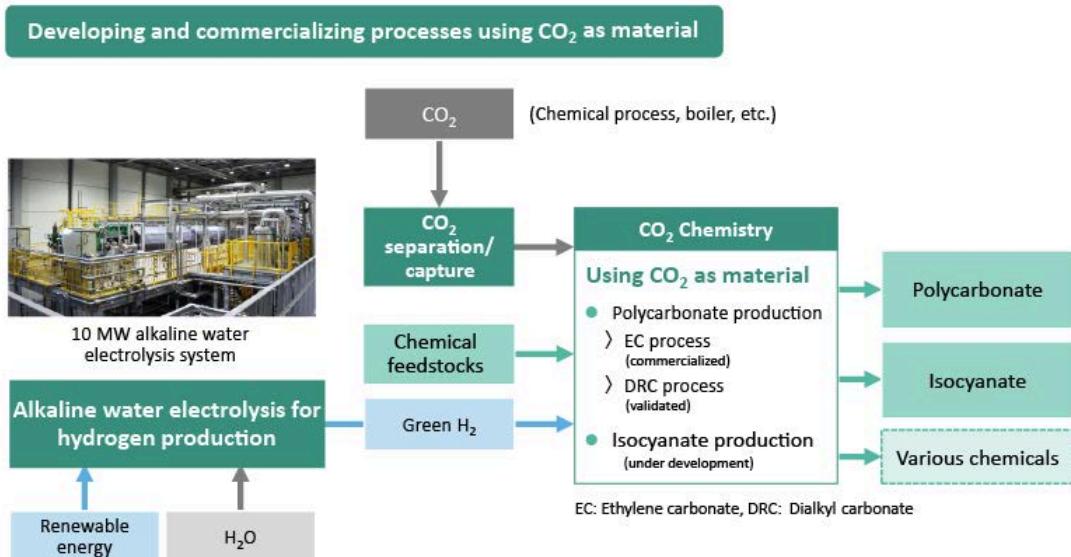
NEDO "Green Innovation Fund Project / Hydrogen production by water electrolysis using electricity derived from renewable energy sources, etc. / Development of technology to increase the size of water electrolysis equipment, Power-to-X large-scale demonstration / Development of a large-scale alkaline water electrolysis hydrogen production system and demonstration of a green chemical plant"

➤ Aqualyzer™ large-scale alkaline water electrolyzer

## Producing Chemicals using CO<sub>2</sub>

|                                 |  |
|---------------------------------|--|
| Significance of the initiatives | CO <sub>2</sub> recycling is an important element of a sustainable society                   |
| Our vision                      | Practical application of CO <sub>2</sub> chemistry in addition to polycarbonate              |
| Specific initiatives            | Production of functional specialty chemicals based on carbonyl group introduction technology |

We are also focusing on CO<sub>2</sub> chemistry, which enables the production of chemical products using CO<sub>2</sub> as a raw material. In the area of polycarbonate production technology, the EC process has been used in practical applications and is being licensed around the world. The DRC process, which is a further refinement of the EC process, has already been demonstrated as viable and is attracting attention as a technology that enables production regardless of the location of petrochemical plants. We are also developing a technology to produce isocyanate (raw material for polyurethane) from CO<sub>2</sub>. We have also started to use the EC process as a basis for the production of electrolyte materials for LIBs (lithium-ion batteries), which will become even more essential in society going forward. With regard to CO<sub>2</sub> separation and capture, we are developing a system that uses our catalyst technology to efficiently separate and capture CO<sub>2</sub> from power plant and factory exhaust gas using a special zeolite (a type of mineral) with a precisely controlled pore structure.



## Revolefin™ technology: Production of basic chemicals from bioethanol

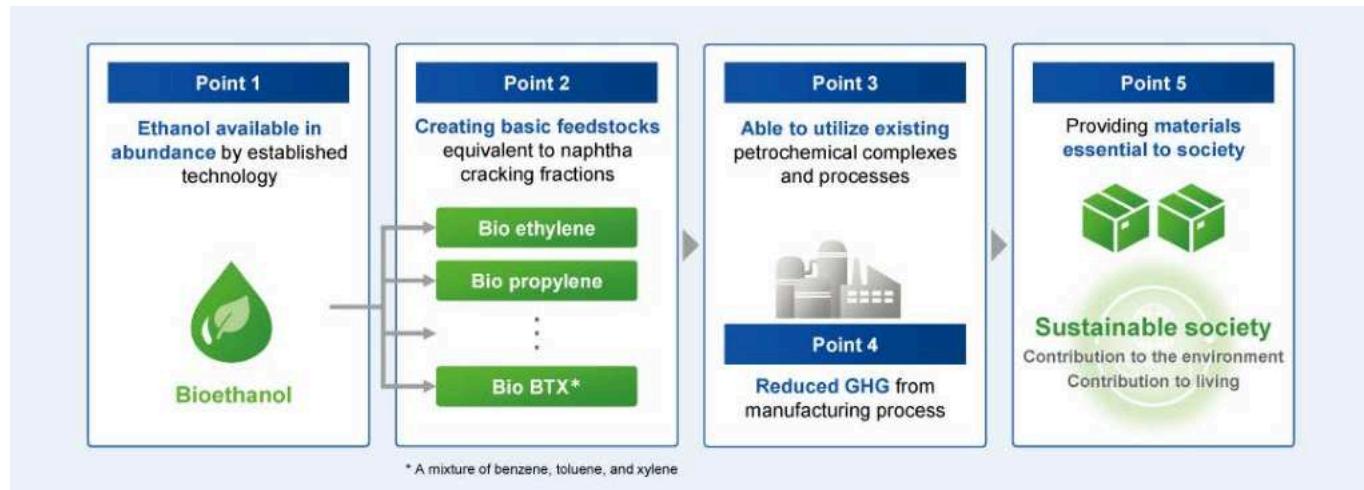
|                                 |   |
|---------------------------------|---|
| Significance of the initiatives | Reducing the use of fossil resources and CO <sub>2</sub> emissions, making non-recyclable materials sustainable                                   |
| Our vision                      | Contribute to the production of chemical products that do not rely on fossil resources through the practical application of technology in society |
| Specific initiatives            | Manufacturing basic chemicals* from bioethanol  |

\* Ethylene, propylene, C4, benzene, toluene, xylene

Despite the 3R (reduce, reuse, recycle) efforts currently underway in various countries, not all materials are suitable for recycling. There are a variety of materials that are technically difficult to recycle and those that are difficult to recover, and there are materials that can be recovered but are difficult to separate. In addition to the 3Rs, if we increase the use of biomass-derived plastics, the use of fossil resources can be reduced, and further CO<sub>2</sub> reduction effects can be expected.

We are currently developing new technology to produce basic chemicals from bioethanol by applying the catalyst and process

technology cultivated in our petrochemical business. Conventionally, it is possible to produce ethylene from ethanol through catalytic dehydration. If commercialized, our new technology will enable the production not only of ethylene, but also light olefins such as propylene, and aromatics such as benzene, toluene, and xylene, in a single plant. This will make it possible to manufacture many daily necessities from biomass raw materials, including products that have been considered difficult to manufacture using non-fossil resources.



➤ Technology for Producing Basic Chemicals from Bioethanol ☐

## Care for People - Realizing Active Lives

### Realizing safe, secure, and sustainable living

|                                 |  |
|---------------------------------|--|
| Significance of the initiatives | Realizing living that is resilient to disasters  |
| Our vision                      | Homes where people can continue to live with peace of mind even after disasters  |
| Specific initiatives            | Development of earthquake-resistant and vibration damping structures, and establishment of restoration support systems |

Japan is a country prone to disasters. In recent years, natural disasters have become more frequent and more severe, increasing in seriousness year by year.

At Asahi Kasei Homes, we regard natural disasters as unavoidable and have adopted the concept of “total resilience”—comprehensive disaster preparedness that looks beyond disaster occurrence to the recovery of daily life—as the basis for our homes and services.

This approach integrates building performance, planning, and support to ensure preparedness against disasters.

For housing, we use Hebel™ autoclaved aerated concrete with excellent earthquake and fire resistance, and incorporate equipment such as seismic damping systems, solar power generation, and storage batteries to enable sheltering at home even during disasters. On the design side, we further enhance safety with measures such as anti-toppling fixtures for furniture and storage planning for emergency supplies.

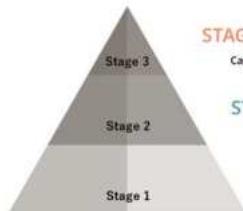
To support swift recovery after disasters, we have built a support framework in collaboration with our insurance and remodeling divisions, leveraging IT to enable rapid response in times of emergency. We believe that restoring homes also contributes to strengthening the recovery capability of entire communities.

We also promote preparedness in daily life through disaster-prevention seminars, information sharing, and disaster-prevention events held in community rental housing.

These efforts have been recognized with the Japan Resilience Award<sup>1</sup> for seven consecutive years.

<sup>1</sup> An award program that recognizes and honors activities contributing to the development of a resilient nation, communities, people, and industries.

[Stages toward Recovery of Daily Life]

**STAGE 3 | Recovery of daily life**

Capability to recover daily life more quickly

**STAGE 2 | Protecting health**

Maintaining life even after disasters

**STAGE 1 | Protecting life**

Strong, resilient buildings that protect life and property

**Supporting early recovery through integrated disaster response**

Employees heading out to support disaster-affected areas after the establishment of a task force

## Contributing to the Resolution of Unmet Medical Needs

|  |  |
|--|--|
| <b>Significance of the initiatives</b> | Responding to unresolved health-related medical issues that are increasing due to the aging population, etc. |
| <b>Our vision</b>                      | Provide superior products and services globally  |
| <b>Specific initiatives</b>            | Pharmaceuticals, bioprocess products and services, and medical devices                                       |

As health-related issues are becoming more common due to the aging of the population and other factors, we believe that addressing unmet medical needs will become ever more vital. Asahi Kasei is involved in both pharmaceuticals and medical devices, and aims to provide superior products and services throughout the world.

In the pharmaceutical business, we are focusing on specialty fields such as immunology and transplantation, kidney diseases, and severe infections in immunocompromised patients, while advancing our global development.

In the life science businesses, we will contribute to improving the safety and productivity of drug formulations in the bioprocess field by providing virus removal filters and CRO<sup>1</sup>/CDMO<sup>2</sup> services.

In the critical care businesses, we will also focus efforts on marketing innovative medical devices in the area of serious cardiopulmonary related diseases.

<sup>1</sup> Biosafety testing contract research organization

<sup>2</sup> Next-generation antibody drug contract development and manufacturing organization

## Addressing Unmet Medical Needs



### Pharmaceuticals

**Asahi Kasei Pharma**  
**Veloxis Pharmaceuticals**  
 Japan: Orthopedics, emergency care  
 Global: Launch of new drugs in peripheral areas of immunology and transplantation

### Life Science

**Asahi Kasei Life Science**  
 Contribute to improving the safety and productivity of pharmaceutical manufacturing through bioprocess products and services

### Critical Care

**ZOLL Medical**  
 Bringing innovative medical devices to market in the area of serious cardiopulmonary diseases

## Related information

### ➤ Medium-term Management Plan

We will strive to further improve our corporate value through the implementation of our medium-term management plan.

# Sustainability Management

## Policies and Framework

## Materiality and SDGs

## Initiatives and Member Organizations We Participate In

## Relationships with Stakeholders

In 2021, to further promote initiatives aimed at making a sustainable society a reality, we established the Asahi Kasei Group Sustainability Policy.

## Asahi Kasei Group Sustainability Policy

The Asahi Kasei Group is contributing to life and living for people around the world. We strive for two mutually reinforcing aspects of sustainability: "contributing to sustainable society" and "sustainable growth of corporate value." By creating value for "contributing to sustainable society" we seek to gain high earnings that lead to "sustainable growth of corporate value" which enables us to make further contributions in a virtuous cycle.

In order to achieve this, we pursue the optimal corporate governance while practicing the following.



### Value creation through contribution to sustainable society

- Resolving issues for People and the Earth through our high value-added businesses (Care for People, Care for Earth)
- Leveraging our strengths of diversity and capability to change for the creation of value (Connect, Communication, Challenge)

### Responsible business activities

- Complying with laws/regulations and respecting international standards regarding business activities (Compliance)
- Prioritizing ESH (environment, safety, and health), human rights, and quality assurance throughout all of our activities
- Performing appropriate information disclosure and dialogue with our stakeholders

### Empowerment of personnel

- Respecting diversity, equity and inclusion
- Encouraging each employee's growth, performance, and challenging spirit

➤ [Asahi Kasei Group Sustainability Policy](#)  (155.2KB)

Our Group Mission is "contributing to life and living for people around the world," and we have grown by continually contributing to solutions for society. Our commitment has remained constant ever since our founding with the aim of improving people's standard of living.

Today, discussions about achieving sustainable society are taking place around the world. Since sustainable society is a challenge that concerns people and the global environment, we believe that the pursuit of "living in health and comfort" and "harmony with the natural environment" as set forth in our Group Vision will lead to sustainable society.

"Sustainable growth of corporate value" in conjunction with "contributing to sustainable society" is also important. Contributing to sustainable society" leads to earnings which enhance the corporate value of the Asahi Kasei Group, which in turn enables further "contributing to sustainable society."

To make this virtuous cycle a reality, we will strive to create value by contributing to a sustainable society, conduct our business activities in a responsible manner, and promote the empowerment of our employees based on our approach of "Care for People, Care for Earth."

Our ultimate aim is to continue to proactively contribute to the world as a leader in solving challenges for society, carrying on the commitment we have had since the founding of our company.

### Message from the Head of Sustainability Strategy Planning

Our Group Mission is "We, the Asahi Kasei Group, contribute to life and living for people around the world," while our Group Vision is to realize "living in health and comfort" and "harmony with the natural environment." The Asahi Kasei Group Sustainability Policy sets out our management approach, based on two pillars of a mutually reinforcing cycle of sustainability: contributing to sustainable society and sustainable growth of corporate value. Based on this policy, in fiscal 2024 we advanced initiatives such as reducing GHG emissions from our own business activities and promoting businesses and technological development that are expected in a sustainable society. We also pursued initiatives related to people, including respect for human rights, DE&I, health and productivity management, and occupational health and safety, as well as important initiatives related to responsible business activities, such as environmental protection, process safety, quality assurance, and legal compliance. Although the outlook for global political and economic conditions is increasingly uncertain, the issues that must be addressed in order to realize a sustainable society remain unchanged. Guided by our Medium-term Management Plan "Trailblaze Together," we will continue to move forward by combining the strengths within the Asahi Kasei Group and working in close collaboration with stakeholders outside the Group as well, to pioneer the path toward a sustainable society.



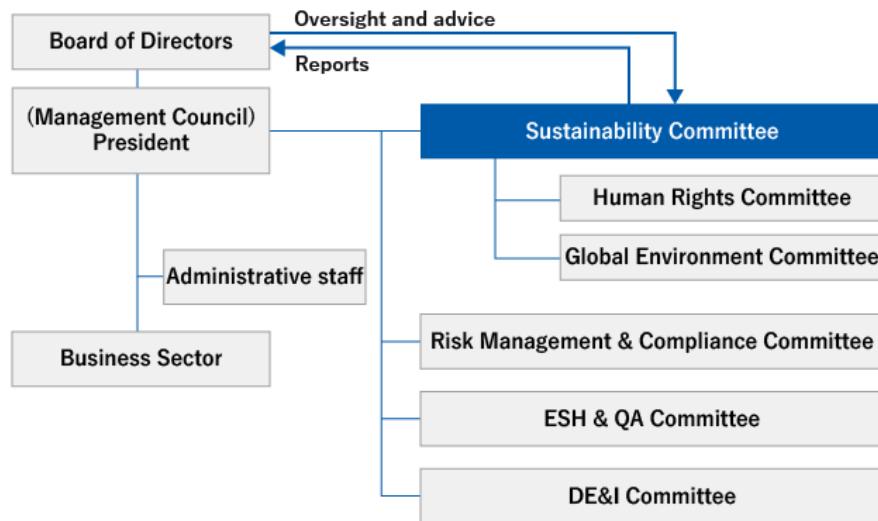
Asahi Kasei Corp.  
Executive Officer  
Senior General Manager,  
Sustainability Strategy  
Planning Dept.  
Tatsuhiko Tokunaga

## Management Framework

The Asahi Kasei Group considers sustainability as a pillar of management and incorporates it into both its medium-term and annual management plans, in addition to discussing it at Board of Directors meetings. We have also established the Sustainability Committee to promote sustainability group-wide.

The Sustainability Committee consists of the President, Executive Officers for Business Sectors, and Executive Officers for business administration and technology functions, and is responsible for disseminating information, orienting sustainability-related activities, and so on. Particularly important activity results and deliberations of the Sustainability Committee are reported to the Board of Directors, which oversees the committee. The Sustainability Committee coordinates with the Risk Management & Compliance Committee, the ESH & QA Committee, and the DE&I Committee, which all handle more technical and specific matters.

All four of these committees are chaired by the President of Asahi Kasei. We have also established the Human Rights Committee and the Global Environment Committee as subcommittees of the Sustainability Committee.



Framework for Sustainability Strategy (as of August 1, 2025)

## About the Sustainability Committee

### Purpose

- To share information on sustainability
- To deliberate on action policies
  1. Material issues related to the environment and society
  2. Initiatives and measures to address these issues
  3. External evaluations and communication both inside and outside the company

### Constituent Members

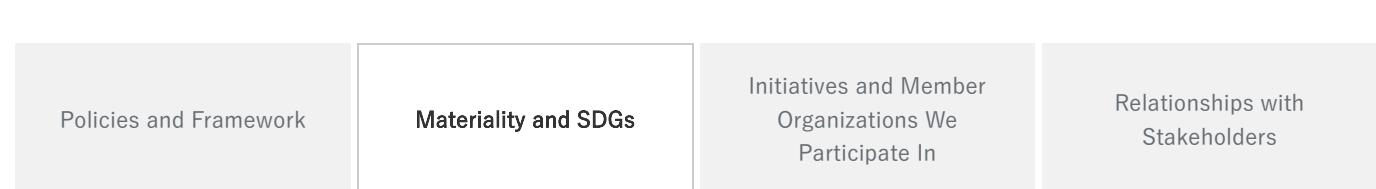
- Chair: President
- Members: Executive Officers for the 3 Business Sectors  
Executive Officer for technology functions  
Executive Officer for business administration functions
- Secretariat: Sustainability Strategy Planning Dept.

### Frequency of Meetings

- Held once per year

- Human Rights Committee
- Global Environment Committee

# Sustainability Management



## Asahi Kasei Group efforts for the SDGs

Transforming our world: the 2030 Agenda for Sustainable Development was adopted by the UN Sustainable Development Summit in September 2015. The agenda includes 17 Sustainable Development Goals (SDGs) and 169 targets such as ending poverty and inequality, and taking action on climate change.

Through its diverse array of businesses and technologies, the Asahi Kasei Group contributes to achievement of the SDGs in accordance with the Group Vision of providing new value to society by enabling "living in health and comfort" and "harmony with the natural environment."



## Asahi Kasei Group's Materiality

In fiscal 2017 we designated the priority issues and subjects to address as the materiality of the Asahi Kasei Group. Since then, as climate change has progressed and sustainability-related trends have accelerated worldwide, we reviewed our materiality in 2021 and added "Decarbonization" and "Circular economy" as matters of the highest importance.

### Identifying Our Materiality

#### 1. Identifying Issues

We referred to international guidelines including ISO 26000 and the GRI Standards, as well as the evaluation items used by major ESG evaluation organizations (FTSE, etc.), to identify issues according to the demands of societies and our mission, vision, and values.

## 2. Determining the Impact

We assessed the level of impact on both society and the Asahi Kasei Group and mapped it onto two axes.

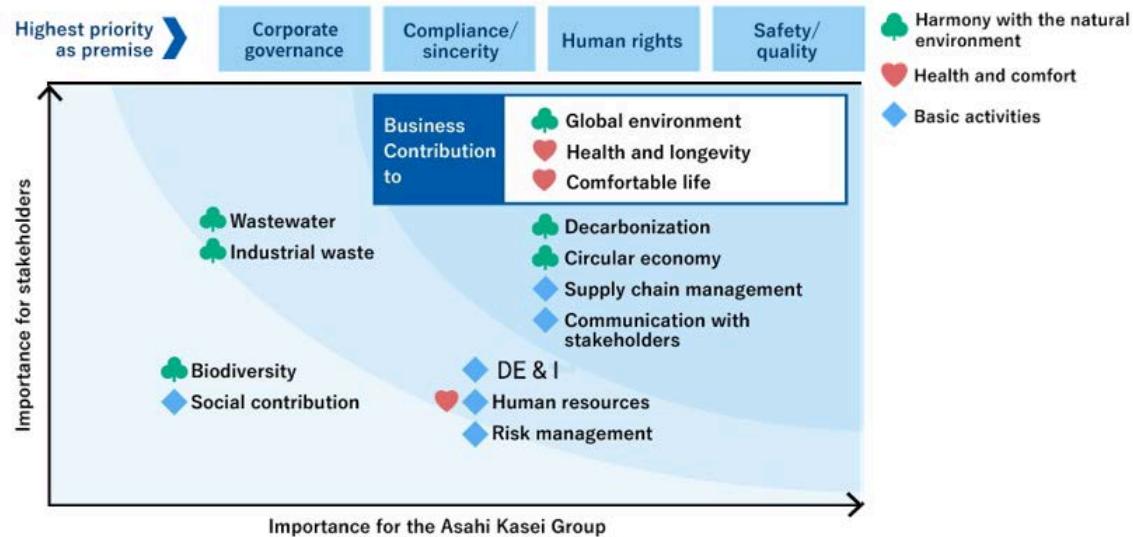
## 3. Evaluating Validity

We confirmed the validity of the plan by examining it from a variety of perspectives, such as through deliberations among divisional managers, discussions with other companies, and interviews with outside directors.

## 4. Deliberation and Approval

After deliberation by the Management Council, the proposal was approved by the Board of Directors.

The relationships between this materiality and the sustainable development goals (SDGs) are shown in the following table. We will continue to advance our initiatives while incorporating the perspectives of various stakeholders.



## Materiality List

| Theme  | Materiality  | Related SDGs   | Supervising organization<br>(Joint supervision:<br>Sustainability<br>Strategy Planning<br>Department) | Main KPIs                                  | Related Target  | FY2024 Results                     |
|--|--|--|---|--|---|------------------------------------|
| <b>Coexistence with the Environment</b><br>We position initiatives for the global environment as important issues, and we are working on measures regarding climate change, pollution prevention, development of a circular economy, and other initiatives. Using our diverse technologies, we will also develop materials and products that contribute to conserving energy and reducing CO <sub>2</sub> emissions. | Global environment*<br><br>Decarbonization<br><br>Circular economy |  | Each Business Sector<br>Corporate Research & Development  | <b>Environmental Contribution Products</b> | FY2030: More than double the GHG reduction contribution (compared to FY2020)<br>FY2035: More than 2.5 times the GHG reduction contribution (compared to FY2020)   | 1.51 times                         |
|  |  |  | Corporate ESH<br>Each Business Sector<br>Corporate Research & Development                             | <b>GHG emissions (Scope 1+2)</b>           | 2030: Reduction of 30% or more (compared to FY2013)<br>2035: Reduction of 40% or more (compared to FY2013)<br>2050: Carbon neutral  | 38% reduction (compared to FY2013) |
|  |  |  | Corporate ESH<br>Each Business Sector<br>Corporate Research & Development                             | —  | (1) Number of companies adopting our ion-exchange membrane process chlor-alkali electrolysis cell rental service: 10 companies (by FY2027-end)<br>(2) Rate of long-term periodic inspections conducted for Hebel Haus unit homes and Hebel Maison low-rise apartment buildings: 70% (by FY2025-end) | (1) 3 companies<br>(2) 67.6%       |

| Theme | Materiality      | Related SDGs | Supervising organization<br>(Joint supervision:<br>Sustainability<br>Strategy Planning<br>Department) | Main KPIs   | Related Target   | FY2024 Results  |
|-------|------------------|--------------|---|---|--|---|
|       | Wastewater       |              | Corporate ESH   | Number of accidents involving environmental pollution and number of serious incidents | FY2024 Target:<br>• Maintain zero environmental accidents and serious environmental incidents<br>• Zero environmental incidents (water quality, etc.)  | <ul style="list-style-type: none"> <li>Environmental accidents and serious environmental incidents: Zero</li> <li>Environmental incidents (water quality, etc.): 4</li> </ul>   |
|       | Industrial Waste |              | Corporate ESH   | —   | FY2024 Target:<br>• Reduction of industrial waste and promotion of recycling<br>• Reduction of industrial waste emissions from products using plastics, etc. and promotion of recycling, etc.                                | <ul style="list-style-type: none"> <li>Obtained information on disposal companies (recyclers) and disseminate this information within the company</li> <li>Ascertained current amount of plastic waste generated and processed based on the Act on Promotion of Resource Circulation for Plastics</li> </ul>      |
|       | Biodiversity     |              | Corporate ESH   | Awareness-raising Activities  | FY2024 Target:<br>Promote preservation of biodiversity<br>• Promote initiatives in line with the National Biodiversity Strategy of Japan<br>• Promote awareness-raising activities for employees in relation to biodiversity | <ul style="list-style-type: none"> <li>Submitted application for certification of the “Biotope (Moribio)” at the Moriyama Works under the 30by30 initiative (certified in FY2025)</li> <li>Produced a PR video for the Asahi Woods of Life at the Fuji Office and conduct awareness-raising activities</li> </ul> |

| Theme   | Materiality           | Related SDGs  | Supervising organization<br>(Joint supervision:<br>Sustainability<br>Strategy Planning<br>Department) | Main KPIs | Related Target  | FY2024 Results   |
|---|-----------------------|---|---|-----------|---|--|
| <b>Living in health and comfort</b><br><br>We will contribute to healthy and comfortable lifestyles and affluent living with our distinctive products and technical capabilities. | Health and longevity* |    | Each Business Sector<br>Corporate Research & Development  | —         | Contribute to saving lives by providing innovative pharmaceuticals and medical devices that meet unmet needs        | <ul style="list-style-type: none"> <li>• 52% growth in cumulative AED shipments during the three years of the previous Medium-Term Management Plan (compared with the prior three-year period)</li> <li>• 7% growth in cumulative LifeVest prescriptions during the three years of the previous Medium-Term Management Plan (compared with the prior three-year period)</li> </ul> |
|   | Comfortable life*     |   | Each Business Sector<br>Corporate Research & Development  | —         | FY2025 Target:<br>(1) ZEH rate in newly built houses: 90%<br>(2) ZEH-M rate in newly built houses: 85% <sup>1</sup> | (1) ZEH rate: 91%<br>(2) ZEH-M rate: 82%   |

| Theme  | Materiality          | Related SDGs   | Supervising organization<br>(Joint supervision:<br>Sustainability<br>Strategy Planning<br>Department) | Main KPIs                                | Related Target   | FY2024 Results  |
|--|----------------------|--|---|--|--|---|
| <b>Basic Activity</b><br><br>We will strengthen the base for business development, leading to the creation of new value. | Corporate Governance |        | General Affairs   | Effectiveness assessment and improvement | Enhance the supervisory and decision-making functions of the Board of Directors        | <ul style="list-style-type: none"> <li>Conducted evaluation of the effectiveness of the Board of Directors (including periodic use of external third-party institutions)</li> <li>Discussed the evaluation results and responses to identified issues at the Board of Directors meetings in March and April 2025</li> </ul> |
|  | Compliance/sincerity |  | General Affairs   | —  | Enhance compliance awareness and promote thorough understanding of the Code of Conduct | Conducted Cs Talk (workplace discussions based on case studies) at all workplaces in Japan from November 2024 to March 2025   |
|  | Risk Management      |  | General Affairs   | —  | Appropriate management and operation of Significant Group Risks                        | Selection and update of Significant Group Risks: Resolved at the Board of Directors meeting in April 2024<br>Management: For each risk subject, the responsible department set targets and KPIs, and reported on progress to the Board of Directors   |

| Theme | Materiality                     | Related SDGs | Supervising organization<br>(Joint supervision:<br>Sustainability<br>Strategy Planning<br>Department) | Main KPIs   | Related Target   | FY2024 Results   |
|-------|---------------------------------|--------------|---|---|--|--|
|       | Safety/quality                  |              | Corporate ESH/Corporate Quality Assurance   | Serious process safety accidents<br>Lost time frequency rate        | FY2024 Target:<br>(1) Serious process safety accidents: Zero<br>(2) Process safety accidents: Zero<br>(3) Process safety accident intensity: 0.5 or less (average)   | (1) Serious process safety accidents: 1<br>(2) Process safety accidents: 2<br>(3) Process safety accident intensity: 1.17 (average)    |
|       | Human rights                    |              | Human Resources/Corporate Procurement & Logistics   | —   | Continued implementation of awareness-raising activities   | Implemented initiatives such as business and human rights training by rank, e-learning on harassment, and training on unconscious bias |
|       | Human Resources                 |              | Human Resources   | —   | Employee engagement survey<br>(1) Monitor the “action driving growth” indicator<br>(2) Percentage of respondents with favorable scores (3.5 or higher on a 5-point scale) for the “vitality” indicator<br>FY2027 target: 60% | (1) 3.73 (5-point scale)<br>Reference:<br>FY2022: 3.71<br>FY2023: 3.72<br>(2) 57.3%  |
|       | Diversity, equity and inclusion |              | Human Resources   | Proportion of women in managerial positions who play a leading role | Proportion of women working as managers and Group Masters<br>FY2030 Target:10%   | 4.9% (as of April 1, 2025)   |
|       | Supply chain management         |              | Corporate Procurement & Logistics   | Administered CSR Procurement Questionnaire                          | CSR procurement questionnaire for major suppliers<br>(1) Questionnaire response rate: 100%<br>(2) Improvement rate of  | (1) Response rate: 99.8% (564 companies surveyed)<br>(2) Improvement rate: 90.9% <sup>2</sup>  |

| Theme | Materiality                     | Related SDGs | Supervising organization<br>(Joint supervision:<br>Sustainability<br>Strategy Planning<br>Department) | Main KPIs                              | Related Target   | FY2024 Results   |
|-------|---------------------------------|--------------|---|--|--|--|
|       | Communication with stakeholders |              | Investor Relations/Human Resources/General Affairs and others   | —                                      | <ul style="list-style-type: none"> <li>(1) Build and maintain good relationships with society, customers, suppliers, employees, and others</li> <li>(2) Proactively promote constructive dialogue with shareholders and investors</li> </ul> | <ul style="list-style-type: none"> <li>(1) Held community exchange meetings, social contribution activities, dialogue with customers and suppliers, and town hall meetings between officer and employees</li> <li>(2) Conducted individual dialogue with shareholders and investors (358 IR/SR meetings), as well as management briefings, financial results briefings, and plant tours</li> </ul> |
|       | Social contribution activities  |              | Corporate Communications  | Amount of activity (in monetary terms) | Expenditures related to social contribution activities: 1% or more of ordinary income  | 0.71% of ordinary income   |

\* Contribution through business

Notes:

<sup>1</sup> ZEH (Net Zero Energy House) and ZEH-M (ZEH-Mansion): Houses and apartment buildings with a net energy consumption of zero or less as a result of advanced insulation and energy saving combined with power generation such as solar

<sup>2</sup> Because questionnaires are conducted alternately each year for raw material suppliers and material suppliers, item (1) is calculated using all companies surveyed as the denominator, aggregated over two years.

# Sustainability Management

Policies and Framework

Materiality and SDGs

Initiatives and Member Organizations We Participate In

Relationships with Stakeholders

## Participation in initiatives (major initiatives)

(as of August 2025)

|  |  |
|--|--|
|  <p><b>UN Global Compact</b></p>  | <p>The Asahi Kasei Group supports the United Nations Global Compact.</p> <p>➤ <a href="#">UN Global Compact</a></p>  |
|  <p><b>Led by the UN Development Programme</b></p> <p><b>Business Call to Action (BCtA)</b></p> | <p>Business Call to Action (BCtA), a multilateral alliance led by six development agencies and governments, including the United Nations Development Programme (UNDP), challenges companies to advance core business activities that contribute to the achievement of the Sustainable Development Goals (SDGs).</p> <p>Asahi Kasei joined with an initiative to support the fiber industry in India through the creation of a comprehensive value chain for Bemberg™ cupro.</p> <p>➤ <a href="#">Business Call to Action (BCtA) Asahi Kasei Case Study (in Japanese)</a></p>   |
|  <p><b>Declaration for Partnership Building</b></p>   | <p>In 2022, Asahi Kasei endorsed the Declaration for Partnership Building in support of the Council for Promoting Partnership Building to Open Up the Future, promoted by the Cabinet Office, the Small and Medium Enterprise Agency, and other organizations.</p> <p>In addition to Asahi Kasei, other companies in the Asahi Kasei Group, including Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, and Asahi Kasei Pharma have also announced their endorsement of the Declaration for Partnership Building.</p> <p>➤ <a href="#">Declaration for Partnership Building portal site (in Japanese)</a></p>     |
|  <p><b>「ホワイト物流」<br/>推進運動</b></p> <p>賛同企業</p> <p><b>White Logistics Movement</b></p>             | <p>The White Logistics Movement is aimed at ensuring stability in logistics needed for people's daily lives and industrial activity and contributing to economic growth in response to the truck driver shortage, which continues to intensify. The Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries are the advocates of the movement.</p> <p>Asahi Kasei has made a statement of voluntary action endorsing the movement and is working to improve logistics.</p> <p>➤ <a href="#">White Logistics Movement (in Japanese)</a></p> |

|  |  |
|--|--|
|  <p><b>GX</b><br/>League<br/>2022</p> <p>GX League</p>  | <p>The GX League is an initiative led by the Ministry of Economy, Trade and Industry (METI) involving efforts to transform the overall economic system through measures such as decarbonization and carbon neutrality.</p> <p>Asahi Kasei is a member of the GX League.</p> <p>➤ GX League <a href="#">□</a></p>   |
|  <p><b>デコ活</b><br/>くらしの中のエコろがけ</p> <p>National movement to create new, affluent lifestyles that lead to decarbonization(Deco Actions)</p> | <p>Deco Actions (decarbonization actions) is a new national movement launched in October 2022 to encourage behavioral change and lifestyle transformation with the aim of realizing the goal of carbon neutrality in 2050 and GHG emissions reduction targets in 2030.</p> <p>Asahi Kasei has declared its commitment to “Deco Actions.”</p> <p>➤ Deco Actions website (in Japanese) <a href="#">□</a></p>   |
|  <p><b>Challenge Zero</b></p> <p>Challenge Net Zero Carbon Innovation (Challenge Zero)</p>  | <p>Challenge Zero is an initiative promoted by the Japan Business Federation (Keidanren) in coordination with the Japanese government to support companies and groups in their efforts to achieve a decarbonized society.</p> <p>Asahi Kasei supports this initiative and has announced specific efforts and policies:</p> <p>➤ Challenge Zero <a href="#">□</a></p>   |
|  <p><b>BASC</b><br/>Battery Association for Supply Chain</p> <p>Battery Association for Supply Chain (BASC)</p>                         | <p>The Battery Association for Supply Chain (BASC), established as a general incorporated association on April 1, 2021, is an organization engaged in activities such as the international standardization of the battery supply chain (industries related to battery materials, components, and raw materials) and the creation of a battery ecosystem, with the aim of achieving a decarbonized society.</p> <p>Asahi Kasei will actively work together with participating companies and organizations to advance activities through the development of the battery supply chain, contributing to the realization of a decarbonized society.</p> <p>➤ BASC <a href="#">□</a></p> |
|  <p><b>RE100</b><br/>CLIMATE GROUP   CDP</p> <p>RE100</p>   | <p>RE100 is an international collaborative initiative consisting of companies committed to running their business operations on 100% renewable energy.</p> <p>As a member of this initiative, Asahi Kasei Homes became the first Japanese house builder to achieve this goal in fiscal 2023.</p> <p>➤ RE100 <a href="#">□</a></p>  |
|  <p><b>JAPAN HYDROGEN ASSOCIATION</b></p> <p>Japan Hydrogen Association (JH2A)</p>  | <p>The Japan Hydrogen Association (JH2A) advances global collaboration in the hydrogen field as well as the creation of hydrogen supply chains.</p> <p>As a chemical manufacturer that utilizes hydrogen, Asahi Kasei will take an active role in offering proposals in the Association's working group activities with regard to issues that should be addressed to generate and expand demand for hydrogen.</p> <p>➤ Japan Hydrogen Association (JH2A) <a href="#">□</a></p>   |

|   |   |
|---|---|
| <br><b>Hydrogen Council</b>  | <p>The Hydrogen Council is a global initiative that aims to promote the use of hydrogen to encourage the transition to clean energy for the realization of a sustainable society. As a Steering Member, Asahi Kasei works together with various companies and organizations in the supply chain, helping to promote the use of hydrogen while building a future business.</p> <p>➤ <a href="#">Hydrogen Council</a> □</p>   |
| <br><b>Hydrogen Europe</b>   | <p>Hydrogen Europe is an organization that promotes the building of a global hydrogen industry in Europe and beyond, with the aim of realizing a zero-emission society. As a supplier of water electrolysis equipment, Asahi Kasei supports this initiative and will proactively make recommendations.</p> <p>➤ <a href="#">Hydrogen Europe</a> □</p>   |
|  <b>CLEAN FUEL AMMONIA ASSOCIATION</b><br><b>Clean Fuel Ammonia Association (CFAA)</b> | <p>Ammonia shows promise as an energy carrier for hydrogen. This association aims to establish a value chain from supply to utilization of CO<sub>2</sub>-free ammonia through technology development/evaluation, economic evaluation, policy recommendations, international collaboration, and other efforts. Asahi Kasei participates as a member company in the Clean Fuel Ammonia Association.</p> <p>➤ <a href="#">Clean Fuel Ammonia Association</a> □</p>  |
| <br><b>30by30 Alliance for Biodiversity</b>  | <p>Asahi Kasei and Asahi Kasei Homes participate in the 30by30 Alliance for Biodiversity, launched by the Ministry of the Environment in April 2022. Initiatives such as the Asahi Woods of Life in Fuji City, Shizuoka Prefecture, have been certified as Nationally Certified Sustainably Managed Natural Sites, a system established by the Ministry of the Environment to recognize areas where biodiversity is conserved through private-sector initiatives and other efforts.</p> <p>➤ <a href="#">30by30 Alliance for Biodiversity</a> □</p> |
| <br><b>Keidanren Initiative for Biodiversity Conservation</b>                        | <p>The Keidanren Initiative for Biodiversity Conservation is a support effort by the Japan Business Federation (Keidanren) to promote autonomous, active efforts by companies to partake in biodiversity conservation activities, with the aim of achieving harmony between the environment and the economy. Asahi Kasei supports this initiative and has announced specific efforts and policies.</p> <p>➤ <a href="#">Keidanren Initiative for Biodiversity Conservation</a> □</p>  |
| <br><b>Circular Partners (CPs)</b>   | <p>The Ministry of Economy, Trade and Industry (METI) established CPs to organically link government, industry, and academia in an ambitious and pioneering partnership aiming to realize a circular economy that maximizes added value while effectively and cyclically utilizing resources. Asahi Kasei participates in CPs.</p> <p>➤ <a href="#">Circular Partners website (in Japanese)</a> □</p>   |

|   |  |
|---|--|
|  <p><b>Clean Ocean Material Alliance (CLOMA)</b></p>                      | <p>The Clean Ocean Material Alliance (CLOMA) is a platform established to accelerate innovation by strengthening collaboration among a wide range of stakeholders across industry sectors amid a need to implement worldwide initiatives to overcome the marine plastic litter problem, a global-scale challenge.</p> <p>➤ Clean Ocean Material Alliance ☐</p>   |
| <p><b>europeanbioplastics</b><br/>European Bioplastics</p>  | <p>European Bioplastics works to promote the adoption of bioplastics, which play an important role in realizing a sustainable society. Through its involvement in European Bioplastics, Asahi Kasei is creating new value in the environmental field.</p> <p>➤ European Bioplastics ☐</p>  |
| <p><b>pinfa</b><br/>Phosphorus, Inorganic &amp; Nitrogen Flame Retardants Association (Pinfa)</p>   | <p>Through Asahi Kasei Europe GmbH, its European headquarters, Asahi Kasei has become the first Japanese resin manufacturer to join Pinfa (Phosphorus, Inorganic &amp; Nitrogen Flame Retardants Association), an organization dedicated to improving the safety and lowering the environmental impact of both non-halogenated flame retardants and plastic products that use non-halogenated flame retardants.</p> <p>➤ Phosphorus, Inorganic &amp; Nitrogen Flame Retardants Association (Pinfa) ☐</p>   |
|  <p><b>Responsible Care (RC) Global Charter</b></p>                    | <p>The Responsible Care (RC) Global Charter is a voluntary action policy for the chemical industry enacted by the International Council of Chemical Associations (ICCA) in 2006 to further enhance and strengthen RC activities worldwide. RC activities are proposed and promoted by the Japan Chemical Industry Association, with companies that handle chemical substances acting voluntarily to ensure that they protect the environment, health and safety at each stage from development, manufacture, distribution, use, and final consumption of the end product through to its disposal, while taking measures to gain greater public trust through disclosure and communication.</p> <p>We endorsed this action policy when we signed a Declaration of Support for the RC Global Charter in 2008, and again in November 2014, when we signed a Declaration of Support for the Revised RC Global Charter, which was revised in May 2014.</p> <p>➤ Companies that signed the Responsible Care Global Charter Declaration ☐</p> |
|  <p><b>LCA Society of Japan (JLCA)</b></p>                             | <p>The LCA Society of Japan is an industry-academia-government collaboration established to promote and raise awareness of life cycle assessment (LCA) and advance related technologies. As a member company, Asahi Kasei participates in its activities through information exchange and by contributing opinions to rule-making.</p> <p>➤ LCA Society of Japan ☐</p>   |
|  <p><b>UTLCA</b><br/>UTokyo LCA Center for Future Strategy (UTLCA)</p> | <p>The UTokyo LCA Center for Future Strategy (UTLCA) is an industry-academia collaboration platform led by the University of Tokyo, working to implement life cycle assessment (LCA) in society and advance its methodologies. As a participating company, Asahi Kasei contributes to the practical application of LCA through collaboration with research activities.</p> <p>➤ UTokyo LCA Center for Future Strategy (UTLCA) ☐</p>  |

## Membership in organizations (main organizations)

| Name of organization                           | Role of the Asahi Kasei Group   |
|--|---|
| Japan Business Federation (Keidanren)          | Vice Chair<br>Chair of Environment Committee<br>Chair of Committee on Social Security |
| Japan Chemical Industry Association (JCIA)     | Director  |
| Plastic Waste Management Institute             | Chairman  |
| Japan Petrochemical Industry Association       | Chairman  |
| Japan Federation of Housing Organizations      | Director  |
| Japan Pharmaceutical Manufacturers Association | Director  |
| Japan Intellectual Property Association        | Vice Chair  |



# Sustainability Management

| Policies and Framework | Materiality and SDGs | Initiatives and Member Organizations We Participate In | Relationships with Stakeholders |
|------------------------|----------------------|--|---------------------------------|
|------------------------|----------------------|--|---------------------------------|

## Relationships with Stakeholders

The Asahi Kasei Group's business operations depend on relationships of trust with our stakeholders. We believe that corporate value is raised by understanding the requirements and meeting the expectations of various stakeholders such as customers, shareholders and investors, business partners, local communities, the general public, and employees.

We provide many opportunities for communication to enable our business operations to be improved through dialog with stakeholders.

### Communication with stakeholders

| Main stakeholders          | Basic premises   | Main opportunities for communication   |
|----------------------------|--|--|
| Customers                  | We believe that it is by maintaining customer satisfaction and providing reliable and enjoyable products and services that we contribute to society.   | <ul style="list-style-type: none"> <li>• Face-to-face discussion by marketing and sales personnel</li> <li>• Providing product and service information on websites</li> <li>• Taking inquiries via telephone, website, etc.</li> </ul>   |
| Shareholders and investors | We engage in a wide range of communication activities and strive to disclose information in a timely and fair manner to enable our domestic and international institutional investors, securities analysts, and individual investors to gain an accurate understanding of the Asahi Kasei Group. | <ul style="list-style-type: none"> <li>• Briefings and meetings with securities analysts and institutional investors</li> <li>• Seminars for individual investors</li> <li>• Website disclosure of information</li> <li>• Taking inquiries via telephone, website, etc.</li> <li>• Shareholders meeting</li> </ul> |
| Suppliers                  | A relationship of mutual trust with our suppliers is fostered through fair and principled purchasing practices based on regulatory compliance and respect for the global environment and human rights.   | <ul style="list-style-type: none"> <li>• Safety Conferences and other meetings</li> <li>• CSR Procurement Questionnaire</li> <li>• Whistleblower System (Compliance Hotline)</li> </ul>  |

| Main stakeholders                        | Basic premises  | Main opportunities for communication   |
|--|---|--|
| Local communities and the general public | We work to honor and respect the local culture of each community where our operations are based, and to maintain effective dialog and communication with community members.   | <ul style="list-style-type: none"> <li>• Periodic community dialog meetings</li> <li>• Community contribution activities</li> </ul>  |
| Employees                                | The Asahi Kasei Group considers fulfilling and satisfying working conditions and workplace culture, in which employees feel motivated to achieve and take pride in their career, to be a key to business performance. | <ul style="list-style-type: none"> <li>• Training and interviews</li> <li>• Discussion and interaction with management</li> <li>• Internal magazine and intranet</li> <li>• Whistleblower System (Compliance Hotline)</li> <li>• Engagement Surveys, etc.</li> </ul> |

# Contribution through Business Activities

The Asahi Kasei Group has set a goal of realizing a virtuous cycle of two sustainability pillars: "Contributing to a sustainable society" and "Sustainable growth of corporate value." With this goal in mind, the Group is confronting social issues in a variety of fields head-on. In the fields of materials, homes, and healthcare, we will continue to create innovative products, services, and business models, generating new value that will lead to a sustainable future.

| Challenges taken on, issues addressed | Carbon neutrality/ circular economy  | Creation of new value through digital innovation   | More comfortable, safe and secure lives  | Homes/communities enriching people's lives | Society of active longevity |  |
|---------------------------------------|--|--|--|--|-----------------------------|--|
| Vision by sector                      | Material   | Homes  | Healthcare   |  |                             |  |
|                                       | Providing sustainable solutions that contribute to a better life for people and the Earth by utilizing the technology and knowledge of materials and chemistry | Enabling secure and enriched living through the provision of high-quality, highly durable homes and construction materials, and various related services | Contributing to the lives of people through the provision of innovative pharmaceuticals and medical devices that meet unmet needs under the mission "Improve and save patients' lives" |  |                             |  |

## Areas of Contribution and Business Examples

| Fields   |                      | Care for People | Care for Earth   |
|----------|----------------------|-----------------|--|
| Material | Environment & Energy |                 | <p><b>Clean energy</b></p> <ul style="list-style-type: none"> <li>• Battery separators <ul style="list-style-type: none"> <li>➢ Hipore™ □</li> <li>➢ Celgard™ □</li> <li>➢ Alkaline water electrolysis system (green hydrogen)* □</li> </ul> </li> <li>• Solar cell parts <ul style="list-style-type: none"> <li>➢ Lightweight resins □</li> </ul> </li> </ul> <p><b>Energy conservation and improvement of the environment</b></p> <ul style="list-style-type: none"> <li>➢ CO<sub>2</sub> sensors □</li> <li>➢ Water filtration modules □</li> <li>➢ Ion-exchange membranes □</li> <li>➢ Polycarbonate(PC) production technology □</li> <li>➢ Highly purified carbonate production technology □</li> </ul> |

| Fields      |               | Care for People   | Care for Earth   |
|-------------|---------------|---|--|
|             |               |   | <p><b>Carbon neutrality</b></p> <ul style="list-style-type: none"> <li>• Next-generation CO<sub>2</sub> chemistry*</li> <li>• New CO<sub>2</sub> separation and capture system*</li> </ul>   |
|             | Mobility      | <p><b>Safety and reliability</b></p> <ul style="list-style-type: none"> <li>➢ Airbag material □</li> <li>➢ Alcohol sensor □</li> <li>• Contactless pulse sensing*</li> </ul> <p><b>Comfortable space</b></p> <ul style="list-style-type: none"> <li>➢ Dinamica™ non-woven suede □</li> <li>• Low VOC material</li> <li>➢ Air conditioning CO<sub>2</sub> sensors □</li> </ul> | <p><b>Fuel efficiency</b></p> <ul style="list-style-type: none"> <li>➢ S-SBR for tires □</li> <li>• Weight-saving materials</li> </ul> <p><b>EV/HEV</b></p> <ul style="list-style-type: none"> <li>• Lithium-ion battery (LIB) separators <ul style="list-style-type: none"> <li>➢ Hipore™ □</li> <li>➢ Celgard™ □</li> </ul> </li> <li>• LIB-related materials <ul style="list-style-type: none"> <li>➢ Lightweight resins □</li> </ul> </li> </ul> |
|             | Life Material | <p><b>Comfort and convenience</b></p> <ul style="list-style-type: none"> <li>• 5G-related (glass fabric, etc.)</li> <li>➢ Regenerated cellulose fiber □</li> </ul> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• Pharmaceutical and food additives</li> <li>➢ UVC LEDs for disinfection □</li> </ul>  | <p><b>Food loss reduction and low environmental impact</b></p> <ul style="list-style-type: none"> <li>• Saran Wrap™</li> <li>• Ziploc™</li> <li>➢ Water-washable printing plates □</li> </ul>  |
| Homes       | Home & Living | <p><b>Safety and reliability/Comfort and health</b></p> <ul style="list-style-type: none"> <li>• Hebel Haus™ unit homes</li> <li>• Hebel Maison™ apartment buildings</li> <li>• High-quality pre-owned Hebel Haus™ homes</li> </ul>   | <p><b>Contribution to the environment</b></p> <ul style="list-style-type: none"> <li>• Net zero energy houses/solar power generation systems, etc.</li> <li>• High-performance insulation</li> </ul>   |
| Health Care | Health Care   | <p><b>Acute conditions (critical care and circulatory)</b></p> <ul style="list-style-type: none"> <li>➢ Recomodulin™ anticoagulant □</li> <li>➢ Thermogard System™ □</li> <li>➢ LifeVest™ wearable defibrillator □</li> </ul>   |  |

| Fields | Care for People  | Care for Earth |
|--------|--|----------------|
|        | <p><b>Chronic conditions (orthopedics)</b></p> <ul style="list-style-type: none"> <li>➤ Teribone™ osteoporosis therapy <a href="#">□</a></li> <li>➤ Reclast™ osteoporosis therapy <a href="#">□</a></li> <li>➤ Kevzara™ rheumatoid arthritis therapy <a href="#">□</a></li> <li>➤ Honeken™ – Bone Checkup Project <a href="#">□</a></li> </ul> <p><b>Provision of safe biopharmaceuticals</b></p> <ul style="list-style-type: none"> <li>➤ Planova™ virus removal filters <a href="#">□</a></li> <li>➤ Bioprocess equipment <a href="#">□</a></li> <li>➤ Next-generation antibody drug contract development and manufacturing organization (CDMO) <a href="#">□</a></li> <li>➤ Biosafety testing contract research organization (CRO) <a href="#">□</a></li> </ul> |                |

\* Under development

## Related information

### ➤ Medium-term Management Plan

We will strive to further improve our corporate value through the implementation of our medium-term management plan.



# Asahi Kasei Group's ESH & QA

## ESH & QA Activities

Based on our Group Mission of contributing to life and living for people around the world, the Asahi Kasei Group's operations span three sectors: Material, which includes the electronics business and the chemical business that handles chemical substances; Homes, which includes the construction materials business; and Healthcare, which includes the pharmaceuticals and life science businesses. These business activities are supported by activities in Environment, Safety, Health, and Quality Assurance.

The Environment, Safety and Health, Quality Assurance, and Health and Productivity Management sincerely fulfill roles in line with business activities, in order to provide new value to society by enabling 'living in health and comfort' and 'harmony with the natural environment' in accordance with our Group Vision.



Risk management and responsible business activities of the Asahi Kasei Group

## Message from the Executive Officer for ESH & QA

The environment surrounding companies has been undergoing major changes with a greater awareness of companies' place in society and calls for decarbonization. Asahi Kasei's unchanging Group Mission is "We, the Asahi Kasei Group, contribute to life and living for people around the world." Based on this mission, we aim for a mutually reinforcing cycle of "contributing to sustainable society" and "sustainable growth of corporate value." We will grow by responding to various challenges while embracing change under the concepts of "Trailblaze Together" and "A-Spirit" representing the Asahi Kasei spirit. We will also raise the level of our activities in the environment, safety, health, quality assurance, and health and productivity management, while providing reliable solutions to customers.

At the Asahi Kasei Group, we believe that the health and growth of our employees and an environment in which a diverse range of human resources can play an active role are essential to improving the vitality of the organization. We also recognize that a major prerequisite for business continuity and growth is for all organizations to avoid having serious accidents, critical quality issues, and compliance violations.

We are striving to strengthen efforts to prevent the occurrence and spread of such risks and to foster a culture of safety and quality assurance through our group-wide Life Saving Actions program and quality risk education for all employees. Additionally, we earnestly strive to solve the environmental issues facing a sustainable society, greenhouse gas reduction in particular, and will continue to provide high corporate value to all of our stakeholders, including future generations.



Asahi Kasei Corp.  
Executive Officer for ESH &  
QA  
Masatsugu Kawase

## Policy

ESH & QA at the Asahi Kasei Group is guided by the following policy.

### ESH & QA and Health & Productivity Management Policy

Based on the Group Mission of “contributing to life and living for people around the world,” the Asahi Kasei Group gives the utmost consideration to health maintenance, operational safety, occupational health and safety, quality assurance, and environmental protection throughout the product lifecycle from R&D to disposal as preeminent management tasks in all operations.

- Based on health management activities, we advance and support efforts to maintain and promote the mental and physical health of employees, while improving the organizational climate through the empowerment of individuals and invigoration of organizations.
- We strive for stable and safe operation while preventing occupational accidents and securing the safety of personnel and members of the community.
- We flexibly anticipate the constantly changing needs of customers and society to create and provide products and services with quality that ensures safety and security.
- To counter climate change and preserve the global environment, we reduce the environmental impacts of all operations.

In addition to maintaining legal compliance, we set self-imposed targets for continuous improvement, while performing proactive information disclosure and communication to gain public understanding and trust.

Revised on July 11, 2022

## Management Framework

The Asahi Kasei Group defines ESH & QA activities in accordance with our ESH Management Guidelines and QA Management Guidelines and uses those activities to build a management system. We have an ESH & QA Committee which reports directly of the President to deliberate concerning plans and their results. This committee also cooperates with the Sustainability Committee, which promotes sustainability Group-wide. In addition, the ESH & QA Promotion Council sub-committee gathers regularly, and ESH & QA initiatives are continuously improved with the repetition of Plan-Do-Check-Act (PDCA) cycles at the Regions and Works, business units, and Group-wide.

Concerning ESH & QA management systems, we have obtained ISO 14001 environmental management system certification for environmental protection and an Occupational Health & Safety Management System (OHSMS) has been adopted for occupational health & safety.

Regarding Quality Assurance activities, under the supervision of Corporate Quality Assurance, each business organization establishes a management system based on ISO 9001 and other standards, as we work daily to reinforce quality assurance to ensure the provision of safe and reliable products and services to customers and society.

Regarding health and productivity management, our Health & Productivity Management Committee meets twice per year in principle, to formulate basic policy regarding health & productivity management, set targets, and evaluate results.

## ESH & QA Committee Management Organization



## ESH & QA Committee / ESH & QA Promotion Council

|                            |                       |  |
|----------------------------|-----------------------|--|
| ESH & QA Committee         | Chair                 | Asahi Kasei Corp. President  |
|                            | Committee Members     | Asahi Kasei Executive Officer for ESH & QA, Asahi Kasei Corporate ESH Officer, Asahi Kasei Corporate Quality Assurance Officer, Asahi Kasei ESH & QA Administrator, Asahi Kasei Senior General Manager of Corporate ESH, Asahi Kasei Senior General Manager of Corporate Quality Assurance, General Manager of Corporate Health and Productivity Management, Core Operating Company ESH & QA Administrator |
|                            | Observers             | Asahi Kasei Audit & Supervisory Board Members, persons designated by the Committee Chair   |
|                            | Secretariat           | Corporate ESH, Corporate Quality Assurance   |
|                            | Frequency of meetings | Once per year  |
| ESH & QA Promotion Council | Chair                 | Executive Officer for Asahi Kasei ESH & QA   |
|                            | Committee Members     | Asahi Kasei Executive Officer for the Environment, Safety and Health, Asahi Kasei Executive Officer for Quality Assurance, Asahi Kasei Senior General Manager for Corporate ESH, Asahi Kasei Senior General Manager for Corporate Quality Assurance, General Manager for Corporate Health and Productivity Management, Asahi Kasei ESH & QA Promoters, Core Operating Company ESH & QA Promoters           |
|                            | Secretariat           | Corporate ESH, Corporate Quality Assurance   |
|                            | Frequency of meetings | 4 times per year   |

## ESH & QA education and training

In order to ensure the advancement of ESH & QA activities, the Asahi Kasei Group conducts practical ESH education and training concerning basic knowledge of and theories about ESH. The training program applies to all key personnel who implement ESH, including ESH managers and production managers of factories and manufacturing departments, as well as first-line managers and candidates for those positions, group leaders of research departments, and ESH personnel.

Each fiscal year, we provide training on five subjects (general ESH activities, employee health, process safety, environmental protection, and occupational health and safety) to newly appointed employees over a total of two days. In fiscal 2024, a total of 63 people took part in approximately one month of self-study and two days of online lectures.

In addition, with the goal of improving the Group's ESH level, a training course for assistant managers that was formally initiated in fiscal 2012 continues to be held and improved while incorporating feedback. In fiscal 2024, a total of 269 people took part in the roughly one month self-study course and one day of online lectures.

Regarding QA training, we have held the Quality Assurance Forum since fiscal 2017 as training for core personnel involved in QA. Over a six-month period, selected younger and mid-level employees across the Group attend lectures by outside experts (mainly university professors at the forefront of the Japanese Society for Quality Control and professionals with practical corporate experience in quality assurance) and join in group discussions. In fiscal 2024, 45 employees took part and completed the program. Regarding chemicals management and product safety, various training programs are held throughout the Group each year. In fiscal 2024, ten different curriculums were implemented. Especially with respect to Japan's Chemical Substances Control Law, Industrial Safety and Health Act, and Poisonous and Deleterious Substances Control Law, basic training is continually held several times each year, with some 900 employees participating in fiscal 2024.

We will continue to promote education and training to meet various needs both inside and outside the company.

## ESH & QA Conference

Every year, the Asahi Kasei Group holds an "ESH & QA Conference" as the culmination of annual activities in the environment, safety, health, quality assurance, and health and productivity management. The conference is held to promote information-sharing and revitalize activities related to the environment, safety, health, quality assurance, and health and productivity management. It includes a message from the President, reports on activity status and presentations of case studies of each department by Executive Officers in charge, as well as lectures by outside experts, and safety award presentations.

In fiscal 2024, the conference was held in December and was attended by more than 2,000 participants at the conference site and online.

As a special lecture, Dr. Akihito Shimazu, Professor in the Faculty of Policy Management at Keio University, who has long been an active leader in the field of occupational health as a primary figure in mental health, gave a lecture on "Work Engagement: How to Work in a Healthy and Active way."



Message from President Kudo



Special Lecture by Dr. Akihito Shimazu, Professor, Faculty of Policy Management, Keio University

## Organizations implementing ESH and QA Activities

[Japan]

| Prefecture | Location    | Sector                          | Company                                  | Plant, laboratory, or department               | Main products/business line   |  |
|------------|-------------|---------------------------------|--|--|---|--|
| Ibaraki    | Kasama      | Material                        | Asahi Kasei Metals Ltd.                  | Tomobe Plant                                   | Aluminum paste  |  |
|            |             |                                 | Asahi SKB Co., Ltd.                      | -  | Explosive devices   |  |
|            | Sakai       | Homes                           | Asahi Kasei Construction Materials Corp. | Sakai Plant                                    | Autoclaved aerated concrete panels  |  |
|            |             |                                 | Sakai Kako Co., Ltd.                     | Neoma Foam Plant                               | Phenolic foam insulation panels   |  |
| Tochigi    | Mibu        | Material                        | Asahi Kasei Color Tech Co., Ltd.         | Mibu Plant                                     | Construction materials processing   |  |
|            | Mikawa      | Homes                           | Asahi Kasei Jyuko Co., Ltd.              | Tochigi Prod. Dept.                            | Manufacture of foundation rebar for Hebel Haus (FREX and HBS)   |  |
|            | Saitama     | Kamisato                        | Material                                 | Asahi Kasei Techno Plus Co., Ltd.              | Saitama Plant   |  |
| Yamanashi  | Fujiyoshida | Material                        | Fuji Seisen Co., Ltd.                    | -  | Dyeing and finishing of yarns and fabrics   |  |
| Chiba      | Chiba       | Material                        | Asahi Kasei Corp.                        | Chiba Plant                                    | Acrylic resin and polystyrene resin   |  |
|            |             |                                 | Asahi Kasei Color Tech Co., Ltd.         | Sodegaura Plant                                | R&D for plastic compounding technology  |  |
|            |             |                                 | PS Japan Corp.                           | Chiba Plant                                    | Product management and production technology development for polystyrene  |  |
|            |             |                                 | Asahi Kasei Energy Service Corp.         | -  | Operation of power plant of Nakasode Clean Power Corp. and Shin Nakasode Power Corp.  |  |
|            |             |                                 | Asahi Kasei Optical Co., Ltd.            | Chiba Plant                                    | Plastic optical fiber   |  |
|            |             |                                 | Asahi Kasei Advance Corp.                | Kashiwa PDC                                    | Construction materials processing   |  |
| Tokyo      | Tokyo       | Material                        | Asahi Kasei Home Products Corp.          | -  | Development and sale of cling film and other household products   |  |
|            |             |                                 | Asahi Kasei Advance Corp.                | -  | Trading company handling fibers, resins, chemicals, construction materials, etc. of Asahi Kasei   |  |
|            |             | Homes                           | Chuo Build Industry Co., Ltd.            | -  | Manufacture, sale, and leasing of temporary equipment for civil engineering and construction, design and installation of various labor-saving framing systems, etc. |  |
|            |             |                                 | Asahi Kasei Foundation Systems Co., Ltd. | -  | Installation of piles   |  |
|            |             | Others                          | Asahi Kasei Create Co., Ltd.             | -  | Management and sales of real estate, insurance agency, subcontracted office work  |  |
|            |             |                                 | Asahi Kasei Amidas Co., Ltd.             | -  | Personnel placement, agency and training; ISO consulting  |  |
|            |             |                                 | Asahi Kasei Ability Corp.                | -  | Printing, bookbinding, and office work  |  |
|            |             | Asahi Research Center Co., Ltd. | -  | -  | Information and analysis  |  |
| Kanagawa   | Kawasaki    | Material                        | Asahi Kasei Corp.                        | Monomers Prod. Dept.                           | Methyl methacrylate, cyclohexyl methacrylate, acetonitrile  |  |
|            |             |                                 |  | Latex Prod. Dept.                              | Styrene-butadiene latex   |  |
|            |             |                                 |  | Synthetic Rubber Prod. Dept.                   | Synthetic rubber, elastomer, utilities (electricity, steam, water)  |  |
|            |             |                                 |  | Acrylic Plastics Prod. Dept.                   | Acrylic resin   |  |
|            |             |                                 |  | Ion Exchange Membranes Prod. Dept.             | Ion-exchange membranes  |  |
|            |             | R&D                             |  | Sustainable Polymers Lab.                      | Development of performance polymer, resin processing technology, application development  |  |
|            |             |                                 |  | -  | Design, installation, development, inspection, and maintenance of facilities, development of information systems  |  |
|            | Kawasaki    | Others                          | Asahi Kasei Engineering Corp.            | -  | Plant, equipment, process engineering, and related work/development   |  |
|            | Atsugi      | R&D                             | Asahi Kasei Corp.                        | Informatics Initiative                         | Business support by informatics, promotion of digital transformation  |  |
|            |             | Homes                           | Asahi Kasei Jyuko Co., Ltd.              | Atsugi Prod. Dept.                             | Assembly of steel frames and processing of insulation for homes   |  |
| Shizuoka   | Fuji        | Material                        | Asahi Kasei Corp.                        | Microza Plant                                  | Filtration membranes and modules  |  |
|            |             |                                 |  | Photoproducts Plant                            | Liquid photosensitive resin, photosensitive printing plates   |  |
|            |             |                                 |  | Electronics Materials Plant                    | Photosensitive polyimide production and development   |  |
|            |             |                                 |  | Fuji 2nd Plant                                 | Photosensitive dry film, fuel cell materials  |  |
|            |             |                                 |  | WGF Project                                    | Optical materials and components  |  |
|            |             |                                 |  | UVC Project                                    | Development of UVC LEDs   |  |
|            |             |                                 |  | Asahi Kasei Epoxy Co., Ltd.                    | Fuji Plant  |  |
|            |             |                                 |  | R&D Ctr.                                       | Epoxy curing agent  |  |
|            |             |                                 |  | Fab 3  | R&D for compound semiconductors   |  |
|            |             |                                 |  | Fuji Branch                                    | Wafers of Hall elements and infrared sensors  |  |
|            |             | Homes                           |  | Asahi Kasei Homes Corp.                        | Compound semiconductor substrates   |  |
|            |             |                                 |  | Housing R&D Ctr.                               | R&D to actualize and advance the Long Life Home   |  |
|            |             | Health Care                     |  | Asahi Kasei Pharma Corp.                       | Pharmaceutical intermediates  |  |
|            |             |                                 |  | Asahi Kasei Engineering Corp.                  | Design, installation, and development of facilities, development of information systems   |  |
|            |             | Others                          |  | Asahi Kasei Create Co., Ltd.                   | Insurance agency  |  |
|            |             |                                 |  | Asahi Kasei Amidas Co., Ltd.                   | Training, consulting, personnel placement   |  |
|            |             |                                 |  | Asahi Kasei Ability Corp.                      | Delivery of mail, guidance for obtaining qualifications and training  |  |
|            |             |                                 |  | Platform Laboratory for Science and Technology | Analysis and computer simulation  |  |
|            | Ohito       | R&D                             | Asahi Kasei Corp.                        | Energy Solutions Lab.                          | Medium to long term R&D, advancement of synergy and creation of new business  |  |
|            |             |                                 |  | Research Lab. of Advanced Science & Tech.      | Membranes and materials in the Material sector, R&D in the Health Care sector, etc.   |  |
|            |             |                                 |  | Ohito Pharmaceuticals Plant                    | Pharmaceutical intermediates  |  |
|            |             |                                 |  | Ohito Diagnostics Plant                        | Diagnostic enzymes, diagnostic reagent kits   |  |
|            |             |                                 |  | Pharmaceuticals Research Ctr.                  | New pharmaceuticals R&D   |  |
| Aichi      | Miyoshi     | Health Care                     | Asahi Kasei Pharma Corp.                 | -  | Measurement, evaluation, analysis, clinical testing   |  |
|            | Hozumi      | Homes                           | Asahi Kasei Construction Materials Corp. | Hozumi Plant                                   | Insurance agency  |  |
| Fukui      | Echizen     | Material                        | Kyokujitsu Textile Mills Co., Ltd.       | -  | Woven fabrics   |  |
|            | Fukui       | Material                        | Asahi Kasei Advance Corp.                | -  | Trading company handling fibers, resins, chemicals, construction materials, etc. of Asahi Kasei   |  |
|            |             | Material                        | Asahi Kasei Advance Fukui Corp.          | -  | Processing of industrial materials and nonwovens  |  |
|            | Awara       | Material                        | Asahi Kasei Advance Corp.                | Kanazu Logistics Center                        | Storage of fiber products   |  |

| Prefecture | Location      | Sector                         | Company                                  | Plant, laboratory, or department  | Main products/business line   |
|------------|---------------|--------------------------------|--|---|---|
| Shiga      | Moriyama      | Material                       | Asahi Kasei Corp.                        | Spunbond Plant  | Spunbond  |
|            |               |                                |  | Roica Plant   | Elastic polyurethane filament   |
|            |               |                                |  | Electronics Materials Plant   | Photosensitive polyimide  |
|            |               |                                | Asahi Kasei Battery Separator Corp.      | Hipore Plant  | Microporous membrane  |
|            |               | Others                         | Asahi-Schwebel Co., Ltd.                 | Moriyama Plant  | Glass fabric  |
|            |               | Asahi Kasei Amidas Co., Ltd.   | Asahi Kasei Office                       | Contract work   | Design, installation, and development of facilities, development of information systems                           |
|            | Takashima     | Material                       | Asahi Kasei Corp.                        | Aibano Branch   | Metal cladding  |
|            | Higashioomi   | Homes                          | Asahi Kasei Jyuko Co., Ltd.              | Shiga Plant   | Steel frames, roofing, insulation, opening panels   |
|            | Material      | Asahi Kasei Corp.              | Home Products Prod. Dept.                | Saran Wrap, Saran Fiber, and food packaging films   |   |
|            |               |                                | Resin Products Prod. Dept.               | Food packaging and polystyrene films  |   |
| Mie        |               |                                | Suzuka                                   |   |   |
|            | Sundic Inc.   | Mie Plant                      | Polystyrene sheet                        |   |   |
|            | Material      | Asahi Kasei Finechem Co., Ltd. | Osaka Plant                              | Specialty chemicals   |   |
|            |               | Asahi Kasei Advance Corp.      | -  | Trading company handling fibers, resins, chemicals, construction materials, etc. of Asahi Kasei |   |
| Okayama    | Mizushima     | Material                       | Asahi Kasei Corp.                        | Monomers Prod. Dept. 1  | Cyclohexanol, cyclohexane, cyclohexene, pyrolysis gasoline  |
|            |               |                                |  | Monomers Prod. Dept. 2  | Acrylonitrile, methacrylonitrile, acetonitrile, styrene, polycarbonatediol  |
|            |               |                                |  | Polymers Prod. Dept. 2  | High density polyethylene, low density polyethylene, polyacetal   |
|            |               |                                | PS Japan Corp.                           | Ceolus Mizushima Prod. Dept.  | Microcrystalline cellulose  |
|            |               | R&D                            | Asahi Kasei Corp.                        | Mizushima Plant   | Polystyrene   |
|            |               | Others                         | Asahi Kasei Engineering Corp.            | Chemistry & Chemical Process Lab.   | Research on chemical processes and functional products  |
|            |               |                                |  | -   | Design, installation, development, inspection, and maintenance of facilities, development of information systems  |
|            |               |                                |  |   |   |
| Yamaguchi  | Iwakuni       | Homes                          | Asahi Kasei Construction Materials Corp. | Iwakuni Plant   | Autoclaved aerated concrete panels  |
|            |               |                                | Iwakuni Sun Products Co., Ltd.           | -   | Construction materials processing   |
| Fukuoka    | Chikushino    | Material                       | Asahi Kasei Corp.                        | Chikushino Plant  | Metal cladding  |
| Oita       | Oita          | Material                       | Asahi Kasei Corp.                        | Oita Plant  | Defense explosives  |
|            |               |                                | Japan Elastomer Co., Ltd.                | Oita Plant  | Synthetic rubber, elastomer   |
|            |               | Health Care                    | Asahi Kasei Life Science MT Corp.        | Sepacell Plant  | Leukocyte reduction filters   |
|            |               |                                |  | Planova Oita Plant  | Virus removal filters   |
| Kumamoto   | Yatsushiro    | Material                       | Asahi Kasei Advance Corp.                | Yatsushiro Chemical Center  | Storage of caustic soda   |
| Miyazaki   | Nobeoka/Hyuga | Material                       | Asahi Kasei Corp.                        | Core Chemical Prod. Dept.   | Manufacture of nitric acid, caustic soda, chlorine, hydrochloric acid, etc.                                       |
|            |               |                                |  | Specialty Chemicals Prod. Dept.   | Manufacture of vinylidene chloride resin and latex  |
|            |               |                                |  | Electrolysis System Manufacturing Dept.   | Development and manufacture of electrolyzers for chlor-alkali, manufacture of polymers for ion-exchange membranes |
|            |               |                                |  | Ceolus Plant  | Microcrystalline cellulose  |
|            |               |                                |  | Leona Plastics & Materials Plant  | AH salt, adipic acid, hexamethylenediamine, polyamide 66  |
|            |               |                                |  | Fastening Prod. Planning & Tech. Dept.  | Resin anchors   |
|            |               |                                |  | Hyuga Chemicals Plant   | Coating materials   |
|            |               |                                |  | Nobeoka Power Supply Dept.  | Utilities (electricity, steam, water)   |
|            |               |                                |  | Leona Filament Plant  | Nylon 66 filament   |
|            |               |                                |  | Bemberg Plant   | Cuprammonium rayon, nonwoven cellulose filament   |
|            |               |                                |  | Nonwovens Plant   | Artificial suede, melt-blown and spunlace nonwovens   |
|            |               |                                |  | Hipore Hyuga Plant  | Microporous membrane  |
|            |               |                                |  | Asahi Kasei Fibers Nobeoka Co., Ltd.  | Cellulosic filament, synthetic nonwovens  |
|            |               |                                |  | Asahi Kasei Leona Filament Co., Ltd.  | Nylon 66 filament   |
|            |               |                                |  | Asahi Kasei Microdevices Corp.  | Fab 1   |
|            |               |                                |  |   | Magnetic sensors  |
|            |               |                                |  | Asahi Kasei Electronics Co., Ltd  | Fab 2   |
|            |               |                                |  |   | LSIs  |
|            |               |                                |  | Asahi Kasei Microsystems Co., Ltd   | Nobeoka Manufacturing   |
|            |               |                                |  | Asahi Kasei Technosystem Co., Ltd.  | LSIs  |
|            |               |                                |  | Asahi Kasei Advance Corp.   | Nobeoka Plant   |
|            |               |                                |  | Asahi Kasei New Port Terminal Co., Ltd.   | Plant diagnostic and environmental surveillance devices   |
|            |               |                                |  | Nobeoka Plastic Processing Co., Ltd.  | South Kyushu Office   |
|            |               |                                |  | Asahi Chemitech Co., Ltd.   | Sale of pharmaceuticals (reagents)  |
|            |               |                                |  | Asahi Kasei Hydropower Technoservice Co., Ltd.  | -   |
|            |               |                                |  | Asahi Kasei Finechem Co., Ltd.  | Receiving and storage of fuel and feedstocks  |
|            |               |                                |  | Nobeoka Plant   | Polyamide 66 compounding  |
|            |               |                                |  | Asahi Kasei Hydropower Technoservice Co., Ltd.  | Resin anchors, detonator housings/leads   |
|            |               |                                |  | Asahi Kasei Finechem Co., Ltd.  | Operation and facilities management of hydropower plants  |
|            |               |                                |  | Nobeoka Plant   | Specialty chemicals   |
|            |               |                                |  | Nobeoka Pharmaceuticals Plant   | Pharmaceutical intermediates  |
|            |               | Health Care                    | Kayaku Japan Co., Ltd.                   | Tohmi Plant   | Industrial explosives   |
|            |               |                                |  | Detonator Plant   | Detonators  |
|            |               |                                | Asahi Kasei Life Science MT Corp.        | Planova Plant   | Virus removal filters   |
|            |               |                                |  | Planova Okatomi Plant   | Virus removal filters   |
|            |               |                                |  |   |   |
|            |               | Others                         | New Asahi Services Co., Ltd.             | -   | Insurance agency, cellular phone sales, bowling alley   |
|            |               |                                | Asahi Kasei Engineering Corp.            | -   | Design, installation, development, inspection, and maintenance of facilities, development of information systems  |
|            |               |                                | Toyo Kensa Center Co., Ltd.              | Nobeoka Office  | Measurement, evaluation, analysis   |
|            |               |                                | Asahi Kasei Ability Corp.                | -   | Printing, bookbinding, and office work  |
|            |               |                                | Asahi Kasei Networks Corp.               | -   | IT-related business   |
|            |               |                                | Cable Media Waiwai Co., Ltd.             | -   | Cable TV  |
| Miyazaki   | Material      | Asahi Kasei Advance Corp.      | Miyazaki Chemical Center                 |   | Repackaging sodium hypochlorite and PAC   |

Note: This is a list of Asahi Kasei's main plants, laboratories, and subsidiaries.

[Overseas]

| Regions       | Countries/Cities | Sector      | Company  | Main products/business line  |
|---------------|------------------|-------------|--|--|
| North America | USA              | Others      | Asahi Kasei America, Inc.                              | Business support services  |
|               |                  | Material    | Asahi Kasei Plastics North America Inc.                | Coloring and compounding of performance resin  |
|               |                  |             | Asahi Kasei Plastics (America) Inc.                    | Compounded performance resin operations  |
|               |                  |             | Crystal IS, Inc.                                       | Development of aluminum nitride substrates and UVC LEDs                                  |
|               |                  |             | AKM Semiconductor, Inc.                                | Sale of LSIs   |
|               |                  | Homes       | Asahi Kasei Homes North America, Inc.                  | Holding company of housing business  |
|               |                  | Health Care | Asahi Kasei Bioprocess America, Inc.                   | Bioprocess equipment and systems   |
|               |                  |             | Bionova Scientific, LLC                                | Biologics CDMO Business  |
|               |                  |             | Bionique Testing Laboratories LLC                      | Mycoplasma testing   |
|               | Mexico           | Material    | Asahi Kasei Plastics Mexico S.A. de C.V.               | Sale of performance plastic compounds  |
| Asia/Oceania  | Korea            | Material    | Tongsuh Petrochemical Corp., Ltd.                      | Acrylonitrile, sodium cyanide, acetonitrile  |
|               |                  |             | Asahi Kasei E-materials Korea Inc.                     | Lithium-ion battery separator  |
|               |                  |             | Asahi Kasei Microdevices Korea Corp.                   | Electronic devices marketing and technical support                                       |
|               | Taiwan           | Material    | Asahi Kasei Wah Lee Hi-Tech Corp.                      | Photosensitive dry film  |
|               |                  |             | Asahi-Schwebel (Taiwan) Co., Ltd.                      | Glass fabric   |
|               |                  |             | Asahi Kasei Microdevices Taiwan Corporation            | Electronic devices marketing support   |
|               | Hangzhou         | Material    | Asahi Kasei Microza (Hangzhou) Co., Ltd.               | Industrial filtration membranes and systems  |
|               |                  |             | Hangzhou Asahi Kasei Spandex Co., Ltd.                 | Spandex  |
|               | Guangzhou        | Material    | Asahi Kasei Plastics (Guangzhou) Co., Ltd.             | Sale of performance resin  |
|               | Chengdu          | Material    | Senseair Chengdu Gas Sensors Co., Ltd.                 | Branch office of Senseair  |
|               | Shanghai         | Others      | Asahi Kasei (China) Co., Ltd.                          | Investment and business support services   |
|               |                  | Material    | Asahi Kasei Plastics (Shanghai) Co., Ltd.              | Sale of performance resin  |
|               |                  |             | Asahi Kasei Performance Chemicals Corp.                | HDI-based polyisocyanate, polycarbonatediol  |
|               |                  |             | Asahi Kasei Advance (Shanghai) Co., Ltd.               | Processing and sale of fibers and textiles   |
|               |                  |             | Asahi Kasei Microdevices (Shanghai) Co., Ltd.          | Electronic devices marketing and technical support                                       |
|               | Changshu         | Health Care | Asahi Kasei Bioprocess China (Shanghai)                | Promotion of Planova and other bioprocess products                                       |
|               |                  | Material    | Asahi Kasei Electronics Materials (Changshu) Co., Ltd. | Photosensitive dry film  |
|               | Suzhou           | Material    | Asahi Kasei Plastics (Changshu) Co., Ltd.              | Processing and sale of synthetic resin   |
|               | Zhangjiagang     | Material    | Asahi Kasei Electronics Materials (Suzhou) Co., Ltd.   | Photosensitive dry film  |
|               | Beijing          | Health Care | Asahi Kasei Pharma (Beijing) Co., Ltd.                 | Regulatory affairs and business support in China   |
|               | Hong Kong        | Material    | Asahi Kasei Plastics (Hong Kong) Co., Ltd.             | Sale of performance resin  |
|               | Vietnam          |             | Asahi Kasei Fibers (H.K) Ltd.                          | Promotion and marketing of fibers and textiles   |
|               |                  | Material    | Asahi Kasei Plastics Vietnam Co., Ltd.                 | Analysis and development of performance plastic parts using CAE technology               |
|               |                  |             | Asahi Kasei Advance Vietnam Co., Ltd.                  | Fiber products   |
|               |                  |             | Asahi Kasei Airbag Fabric Vietnam Co., Ltd.            | Fabric for airbags   |
|               | Thailand         | Homes       | Asahi Kasei Jyuko Vietnam Corp.                        | Steel-frame members  |
|               |                  | Others      | Asahi Kasei Asia Pacific Co., Ltd.                     | Business support services  |
|               | Singapore        | Material    | Asahi Kasei Plastics (Thailand) Co., Ltd.              | Coloring and compounding of performance resin  |
|               |                  |             | Asahi Kasei Advance (Thailand) Co., Ltd.               | Processed yarn   |
|               |                  |             | Thai Asahi Kasei Spandex Co., Ltd.                     | Spandex  |
|               | India            | Material    | Asahi Kasei Synthetic Rubber Singapore Pte. Ltd.       | Synthetic rubber   |
|               |                  |             | Asahi Kasei Plastics Singapore Pte. Ltd.               | Performance resin  |
|               |                  |             | Polyxylenol Singapore Pte. Ltd.                        | PPE powder   |
| Europe        | Australia        | Homes       | Asahi Kasei Homes Australia Pty Ltd                    | Holding company of McDonald Jones Homes Group  |
|               | Sweden           | Material    | Senseair AB  | Provision of sensing solutions; development, manufacture, and sale of gas sensor modules |
|               | Germany          | Others      | Asahi Kasei Europe GmbH                                | Business support services, sale of performance resin                                     |
|               |                  | Material    | Asahi Kasei Microdevices Europe GmbH                   | Electronic devices marketing and technical support                                       |
|               |                  | Health Care | Senseair Germany GmbH                                  | Branch office of Senseair  |
|               | Austria          | Health Care | Virasure Forschung und Entwicklung GmbH                | Technical and sales support of bioprocess equipment                                      |
|               | Belgium          | Material    | Asahi Photoproducts Europe n.v./s.a.                   | Biosafety testing  |
|               |                  | Health Care | Asahi Kasei Bioprocess Europe n.v./s.a.                | Sale of photopolymer, printing-plate making systems                                      |
|               | Italy            | Material    | Asahi Kasei Fibers Italia S.r.l.                       | Sale of virus removal filters  |
|               | United Kingdom   | Material    | Asahi Photoproducts (UK) Ltd.                          | Sale of cupro cellulosic fiber and nonwovens   |
|               |                  |             |  | Sale of photopolymer, printing-plate making systems                                      |

Note: This is a list of Asahi Kasei's main subsidiaries.

**Fiscal 2024 ESH & QA Program Targets and Results**

★★★ Complete ★★ Satisfactory ★ Unsatisfactory

**Environment, Safety and Health (General)**

| FY2024 Targets   | FY2024 Results  | Attainment | FY2025 Targets   |
|--|---|------------|--|
| Foster a safety culture  | Promoted Life Saving Actions (LSA) activities<br>Held the ESH & QA Conference (December)<br>Conducted on-site dialogue at each region and site  | ★★         | Foster a safety culture and enhance the platform for safety<br>Promote interactive (on-site) activities<br>Advance second-person safety activities (awareness-raising) |
| Strengthen organization for ESH and developing human resources specializing in ESH | Reorganized three SBUs and newly established the Corporate ESH Department under the Material sector<br>Completed requirements for Group Masters in the ESH field  | ★★         | Strengthen and develop human resources specializing in ESH<br>Utilize the Group Masters program<br>Reorganize the ESH education framework                              |
| Safety management support for overseas sites                                       | China: Ongoing support for each site through the regional headquarters<br>U.S.: Established an ESH department at the regional headquarters and continued Safety Conferences<br>Southeast Asia: Conducted Safety Conferences centered on the regional headquarters | ★★         | —  |

**Environmental Protection**

| FY2024 Targets   | FY2024 Results  | Attainment | FY2025 Targets   |
|--|---|------------|--|
| Maintain zero environmental accidents and serious environmental incidents<br>Maintain zero environment incidents (air, water, etc.)  | Maintained zero environmental accidents and serious environmental incidents<br>Environment incidents (air, water, etc.): 4  | ★★         | Eliminate environmental accidents, serious environmental incidents, and environmental incidents (air, water, etc.)<br>• Maintain zero environmental accidents and serious environmental incidents<br>• Achieve zero environmental incidents (air, water, etc.)<br>• Prevent compliance violations through education and dissemination of environmental laws and case studies<br>• Conduct identification and disposal of low-concentration PCB waste   |
| Reduce industrial waste and promote recycling<br>Reduce and recycle industrial waste of products using plastic, etc.<br>• Reduce emissions by improving intensity levels, etc.<br>• Improve recycling rate of industrial waste of products using plastic, etc. | Ascertained current amount of plastic waste generated and processed based on the Act on Promotion of Resource Circulation for Plastics<br>Obtained information on disposal companies (recyclers) and disseminated this information within the company<br>Failed to increase recycling rates for industrial waste of products using plastic, etc. (FY2023: 46.9%, FY2024: 45.1%) | ★★         | Build a circular economy<br>• Promote resource circulation by achieving zero landfill disposal of waste plastics (excluding those from the homes business)<br>• Manage chemical substance emissions by identifying quantities under the amended Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement<br>• Promote reduction of fluorocarbon emissions and transition to non-fluorocarbon/low-GWP alternatives in line with fluorocarbon emission control guidelines |
| Promote biodiversity conservation<br>• Promote 30by30 initiatives in line with the national biodiversity strategy of Japan<br>• Educate and raise awareness by disseminating Biodiversity Guidelines   | Submitted application for certification of the "Biotope (Moribio)" at the Moriyama Works under the 30by30 initiative (postponed to FY2025 due to large number of applications)<br>Produced a PR video for the Asahi Woods of Life at the Fuji Office and conducted awareness-raising activities   | ★★★        | Promote biodiversity conservation<br>• Conduct assessment of nature-related risks and opportunities as recommended by TNFD<br>• Obtain Nationally Certified Sustainably Managed Natural Sites certification under the Act on Promoting Activities to Enhance Regional Biodiversity for the Moribio biotope at the Moriyama Works   |

**Global Environmental Countermeasures**

| FY2024 Targets  | FY2024 Results   | Attainment | FY2025 Targets  |
|---|--|------------|---|
| Visualize and utilize GHG emissions data, and promote data management associated with participation in the GX League<br>Continuous training of responsible persons, including third party verification findings<br>Consider improving the accuracy of Scope 3 calculations in cooperation with the procurement department | Built a GHG Visualization System using BI tools and established data management methods through participation in the GX League<br>Improved accuracy of emission factors and calculation methods through third-party assurance<br>Implemented initiatives with the procurement department to enhance Scope 3 calculation accuracy                                       | ★★★        | Promote GHG emissions reduction toward building a low-carbon society<br>• Promote implementation of GHG emissions reduction plans at each site  |
| Coordinate with related parties, and prepare periodic energy reports and medium- to long-term plans in accordance with amendments to the law<br>Modify performance system in accordance with amendments to the law  | Performed measures to comply with new reporting system, Energy Efficiency and Global Warming Countermeasures online reporting System (EEGS)<br>Performed measures to comply with revisions to the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures<br>Modified performance system in accordance with amendments to the law | ★★★        | Monitor GHG emissions through operation of the calculation system and data utilization<br>• Implement visualization and utilization of GHG emissions data<br>• Automate Scope 1 and Scope 2 calculations and implement Scope 3 reduction plans<br>• Prepare for full-scale operations by 2026 for the GX League |

**Process Safety**

| FY2024 Targets   | FY2024 Results                                    | Attainment | FY2025 Targets   |
|--|---|------------|--|
| Maintain a record of zero serious process safety accidents | Serious process safety accidents: 1               | ★          | Zero serious process safety accidents                    |
| Maintain a record of zero process safety accidents         | Process safety accidents: 2                       | ★          | Zero process safety accidents                            |
| Process safety accident intensity of 0.5 or less (average) | Process safety accident intensity: 1.17 (average) | ★          | Process safety accident intensity: 0.5 or less (average) |

**Occupational Health and Safety**

| FY2024 Targets   | FY2024 Results  | Attainment | FY2025 Targets   |
|--|---|------------|--|
| Zero fatalities or permanent injuries  | Fatal accidents: 2 (1 at a domestic contractor, 1 at an overseas contractor)  | ★          | Zero fatalities or permanent injuries  |
| The numerical targets for lost time injuries other than the above are as follows   |   |            |  |
| Domestic employees:<br>Frequency rate of lost time injuries of 0.1 or less<br>Severity rate of lost time injuries of 0.005 or less | Domestic employees:<br>The frequency rate of lost time injuries was 0.31<br>The severity rate of lost time injuries was 0.004 | ★<br>★★★   | Domestic employees:<br>Frequency rate of lost time injuries of 0.1 or less<br>Severity rate of lost time injuries of 0.005 or less |
| Overseas employees:<br>Frequency rate of overseas lost time injuries of 0.9 or less  | Overseas employees:<br>The frequency rate of overseas lost time injuries was 1.37   | ★          | Overseas employees:<br>Frequency rate of overseas lost time injuries of 0.9 or less  |

**Quality Assurance**

| FY2024 Targets  | FY2024 Results   | Attainment | FY2025 Targets   |
|---|--|------------|--|
| Zero serious product accidents  | Serious product accidents: zero  | ★★★        | Maintain a record of zero serious product accidents  |
| Zero violations of laws and regulations related to product safety and chemical substance management | Violations of laws and regulations related to product safety and chemical substance management: zero | ★★★        | Maintain a record of zero violations of laws and regulations related to product safety and chemical substance management |

# Environment

The Asahi Kasei Group will contribute to the achievement of a carbon neutral and sustainable world by reducing the environmental impact of our business activities and improving the environment around the world through our businesses.



## › Environmental Management

We have established a group-wide management system in recognition of environmental initiatives as important management tasks.



## › Climate Change

We implement measures that deal with climate change by reducing greenhouse gas emissions and developing innovative technologies.



## › Pollution Prevention and Resource Circulation

We strive to use natural resources and energy efficiently throughout the entire life cycle of our products, as well as achieve resource circulation in society.



## › Water Resource Preservation

We strive to enhance water use efficiency in our business activities while contributing to the conservation of water resources worldwide.



## › Biodiversity

We work towards the sustainable use of biological resources in our business activities while taking biodiversity into account.



## › Environmental Contribution Products

We define products that help improve the environment throughout their entire life cycle as environmental contribution products, and we are making efforts in this area.

# Environmental Management

[Environmental Management](#)

[Climate Change](#)

[Pollution Prevention and Resource Circulation](#)

[Water Resource Preservation](#)

[Biodiversity](#)

[Environmental Contribution Products](#)

## Policy

As expressed in our [Group Vision](#) that includes "harmony with the natural environment," the Asahi Kasei Group places high priority on environmental initiatives. The Group Policy regarding global environmental measures is shown below.

### The Asahi Kasei Group's Global Environmental Policy

#### 1. Building a low-carbon society

- (1) Taking into account Japan's Plan for Global Warming Countermeasures and Nippon Keidanren's "Proposal on Japan's long-term growth strategy under the Paris Agreement," the Asahi Kasei Group aims for greenhouse gas emissions related to its business activities to meet reduction targets by 2030 and 2035.
- (2) The Asahi Kasei Group will promote energy conservation across the full range of our business activities with the aim of preventing global warming and conserving limited resources.
- (3) The Asahi Kasei Group will develop a plan to reduce CO<sub>2</sub> (Scope 3) emissions from its supply chain.
- (4) The Asahi Kasei Group will help create a low-carbon society incorporating our proprietary technologies, contributing to the reduction of global greenhouse gas emissions by providing products, technologies, and services to the global market.

#### 2. Preserving water resources

The Asahi Kasei Group will contribute to preserving global water resources through our water purification membrane module business, water recycling service business, and the sale of water quality monitoring equipment and wastewater treatment products. It will measure water withdrawals while striving to maintain and improve the efficiency of its water usage.

#### 3. Building a Circular Economy

The Asahi Kasei Group will promote the reduction of environmental impacts and the efficient utilization of resources and energy throughout the entire life cycle in its business activities in order to contribute to a circular economy. Specifically, it will promote the 3Rs of Reduce, Reuse, and Recycle, and increase the usage of resources and energy with lower environmental impacts as well as renewable resources and energy.

#### 4. Achieving harmony with nature

The Asahi Kasei Group will give due consideration to the conservation of natural capital and biodiversity, and promote the reduction of environmental impacts of its business activities. We will also monitor and carefully manage our use of land and biological resources.

#### 5. Improve the level of management at our overseas plants

The Asahi Kasei Group will create monitoring items that enable environmental management practices equivalent to those at its plants in Japan.

#### 6. Collaboration with our supply chain partners

The Asahi Kasei Group will proactively collaborate with members of its supply chain to undertake the abovementioned activities.

## Management System

The Group's global environmental countermeasures are part of our activities for ESH & QA, and we have established a management system based on ISO 14001 requirements.

Please see below for our ESH & QA promotion framework.

- Asahi Kasei Group's ESH & QA

## Targets and results

Based on the Asahi Kasei Group's Global Environmental Policy, we promote activities with the following indicators and targets. Regarding climate change measures, we have set greenhouse gas emissions reduction targets to be met by 2030 and 2035.

### Quantitative indicators and targets of global environmental measures

#### 1. Building a low-carbon society

##### GHG emissions

By 2050, carbon neutral  
 By 2035, emissions reduction of 40% or more (from fiscal 2013)  
 By 2030, emissions reduction of 30% or more (from fiscal 2013)

##### Clean power generation

Maintain use of biomass fuel at 60% or more by energy content in mixed combustion at the biomass power plant in Nobeoka.

## 2. Energy management target

### Management target

Improve unit energy consumption by an annual average of at least 1% over a 5-year period.

## 3. Water resource preservation activity target

Our target is shown in the response to question 9.15 of the CDP 2024 below.

Details of activities and achievements for fiscal 2024 are posted here.

➤ [FY2024 ESH & QA Program Targets and Results](#)  (38.1KB)

Our response concerning CDP 2025 are posted here.

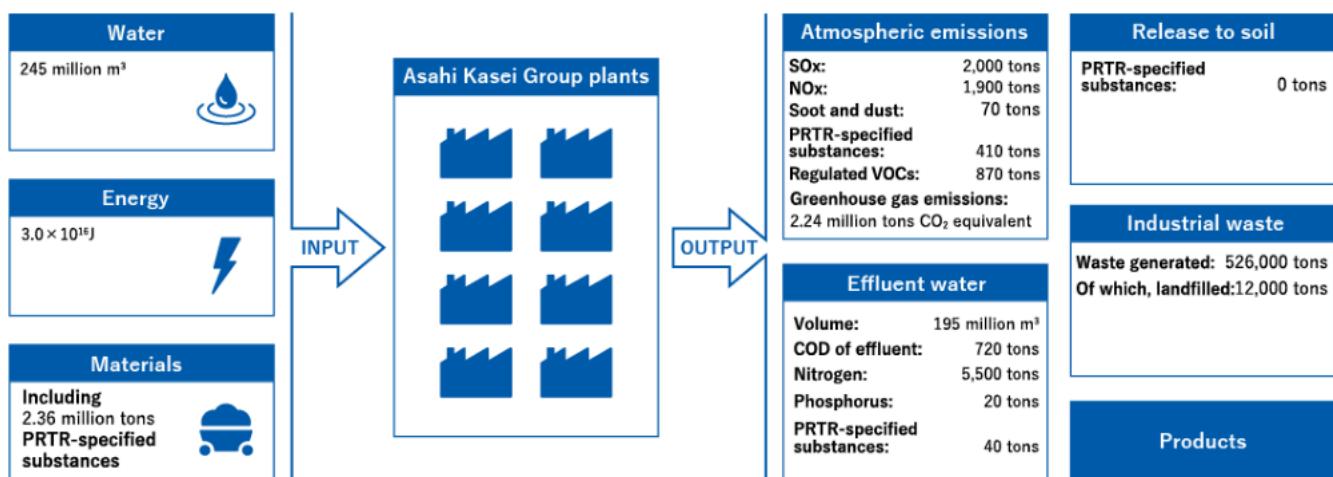
➤ [CDP Corporate Questionnaire 2025 \(Japanese Document\)](#)  (1.2MB)

➤ [\(References\\*\) CDP Corporate Questionnaire 2025 \(English Document\)](#)  (1.1MB)

\* Our official response is in Japanese, and the English response is a machine translation.

## Environmental impacts

The diagram below describes the environmental impacts of business activities at Asahi Kasei Group plants.



Asahi Kasei Group (domestic) Main Environmental Impacts (FY2024)

Notes:

- Energy consumption includes hydroelectric power generation (based on the Energy Saving Act conversion). Energy consumption including overseas consumption is 3.8 × 10<sup>16</sup> J.
- The conversion factor for electricity used to calculate energy consumption is 3.6 GJ/MWh.

## Violations and fines related to environmental laws and regulations, etc.

There were no violations or fines related to environmental laws and regulations in fiscal 2024.

# Climate Change

Environmental Management

**Climate Change**

Pollution Prevention and Resource Circulation

Water Resource Preservation

Biodiversity

Environmental Contribution Products

## Responding to Climate Change

Disclosure based on TCFD Framework

Click here to read our response to CDP Corporate Questionnaire 2025

- CDP Corporate Questionnaire 2025 (Japanese Document)  (1.2MB)
- (References\*) CDP Corporate Questionnaire 2025 (English Document)  (1.1MB)

\* Our official response is in Japanese, and the English response is a machine translation.

## Carbon Neutrality Policy

In accordance with its Group Mission, the Asahi Kasei Group is committed to contributing to life and living for people around the world. The Asahi Kasei Group has long been aware that climate change is a global issue that will have a significant impact on both the natural environment and society, and we see it as our mission to use the scientific expertise we have cultivated since our founding to deal with this issue leveraging our combined strength.

In May 2021, the Asahi Kasei Group adopted a policy for carbon neutrality as described below. (In April 2025, a new target for 2035 was added.)

### Greenhouse gas (GHG) emissions targets for the Asahi Kasei Group \*

**2050 :** Carbon neutral

**2035 :** Emissions reduction of 40% or more (from fiscal 2013)

**2030 :** Emissions reduction of 30% or more (from fiscal 2013)

\* Scope 1 (direct GHG emissions) and Scope 2 (indirect emissions use of electricity, heat, and steam supplied by other companies), absolute quantity

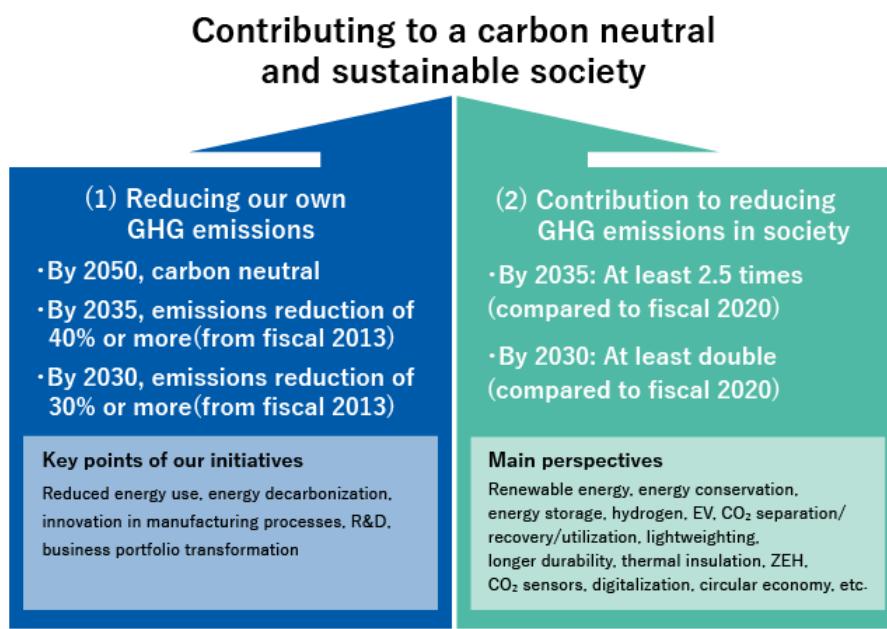
## Initiative Policy

In addition to reducing GHG emissions from our own business activities, we believe that it is also important to help to reduce GHG emissions in society<sup>1</sup> through our diverse array of technologies and businesses to deal with climate change. Our materiality explicitly includes initiatives toward “decarbonization”, and in April 2022, we launched the Carbon Neutrality Project<sup>2</sup>. Under the leadership of the Executive Officer for GX, we are formulating scenarios and implementing specific measures to achieve our GHG emissions reduction targets. In the review process, the President, Executive Officer for Corporate Strategy, and others work to strengthen the content of the program, while regularly confirming its direction.

Regarding "Care for Earth," we are committed to addressing climate change issues group-wide, both in terms of (1) reducing the amount of our own GHG emissions and (2) contribution to reducing the amount of GHG emissions in society through our businesses and technologies.

<sup>1</sup> See our [Environmental Contribution Products](#) for our contribution to reducing the amount of GHG emissions in society.

<sup>2</sup> See Disclosure under [TCFD Framework > Governance](#)



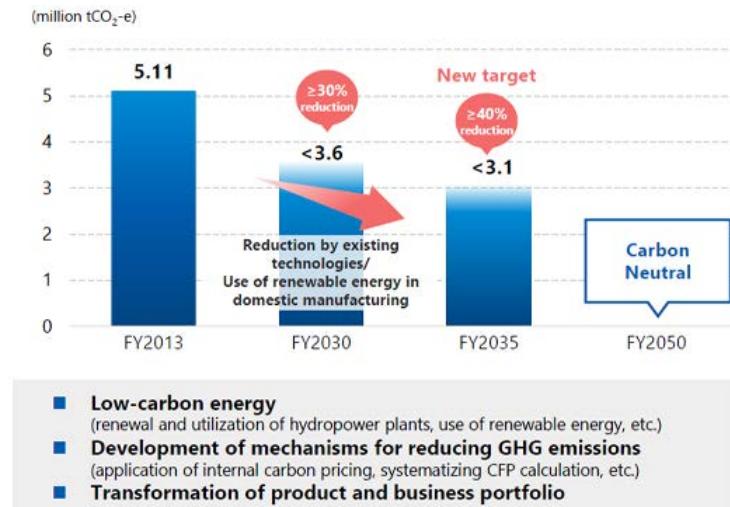
- The Asahi Kasei Group's ESH & QA and Health & Productivity Management Policy
- The Asahi Kasei Group's Global Environmental Policy

## Reducing GHG Emissions from Our Own Operations

### Concrete measures to reduce GHG emissions and their projected impacts

We are targeting a reduction in GHG emissions by at least 30% by 2030, and by at least 40% by 2035 as compared to fiscal 2013, with a goal of becoming carbon neutral by 2050. Measures will be advanced as described below.

We are advancing a wide range of efforts, including reducing energy consumption, decarbonizing energy sources (such as upgrading and utilizing hydroelectric power plants and expanding the use of renewable energy), innovating manufacturing processes, and shifting toward high value-added and low-carbon businesses through transformation of our product and business portfolio.



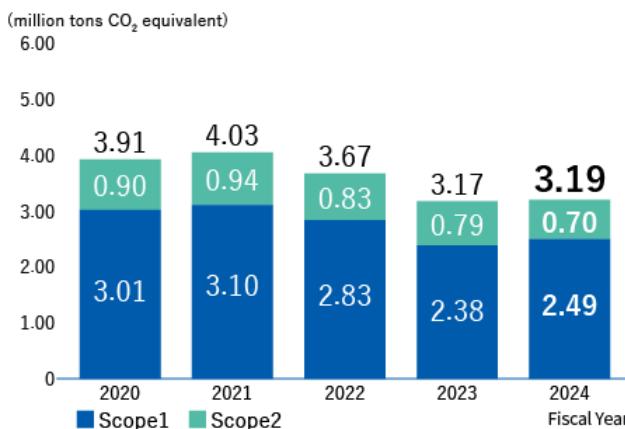
GHG Emissions Targets (Base year: FY2013 results, Scope 1 & 2)

## Scope 1 and 2 GHG emissions (Japan and overseas)

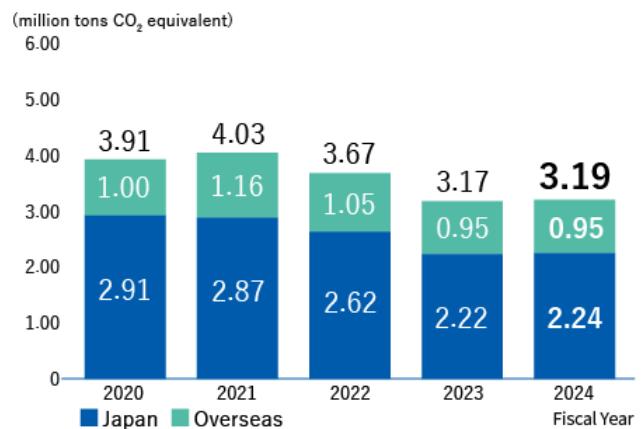
All production sites of Asahi Kasei Corp. and its consolidated subsidiaries under management control are subject to calculation of Scope 1 and Scope 2 GHG emissions of the Asahi Kasei Group, and GHG emissions from generation of electricity and steam sold outside the Asahi Kasei Group are included.

In fiscal 2024, our Scope 1 GHG emissions were 2.49 million tons of CO<sub>2</sub>-eq, and Scope 2 GHG emissions were 0.70 million tons of CO<sub>2</sub>-eq, bringing the total of Scope 1 and 2 to 3.19 million tons of CO<sub>2</sub>-eq. This is a reduction in GHG emissions of approximately 38% compared to the 5.11 million tons of CO<sub>2</sub>-eq. released in the baseline year of 2013.

Note: The Scope 1 and 2 GHG emissions data for fiscal 2024 are figures prior to third-party assurance.



Changes in GHG emissions (Scope 1 + Scope 2) \*

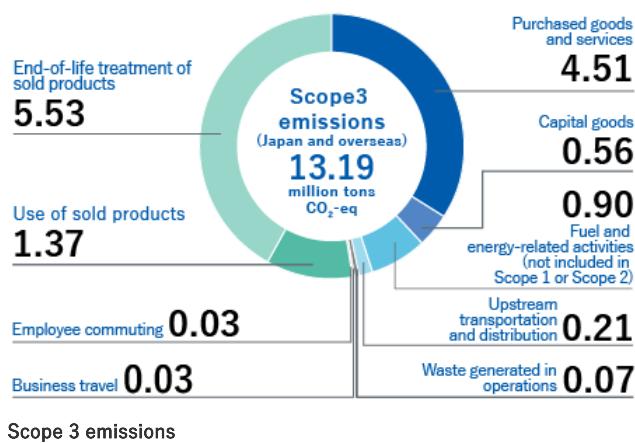


Changes in GHG emissions (Japan and overseas) \*

\* 74.3% coverage (company sales included in GHG emissions calculation / total consolidated sales x 100)

- Global greenhouse gas emissions by segment (ESG Data)
- Overseas greenhouse gas emissions by fiscal year (ESG Data)

## Scope 3 emissions



\* The Scope 3 GHG emissions data for fiscal 2024 are figures prior to third-party assurance.

\* Scope 3 emissions: Greenhouse gases emitted indirectly by a company throughout its supply chain. The methods for calculating Scope 3 emissions from Category 1, 5, 11 and 12 are described in Environmental data.

### ➤ Scope 3 emissions by fiscal year (ESG Data)

Note: GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

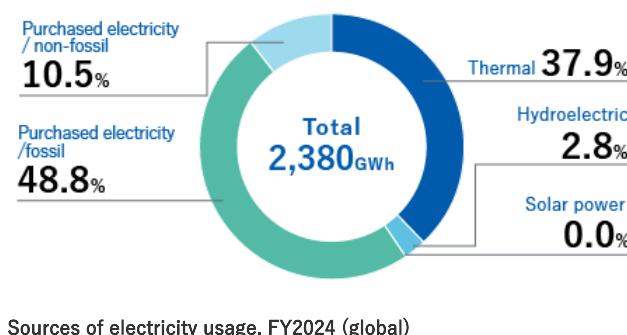
## Efforts to Reduce CO<sub>2</sub> Emissions

### Renewable energy

The Asahi Kasei Group has 9 hydroelectric power plants in the Nobeoka/Hyuga region, which provide approximately 3% of the Group's (Japan and overseas) electricity use. Generation of the equivalent amount of purchasing electricity would result in approximately 30 thousand tons\* of CO<sub>2</sub> emissions annually.

We also have a biomass power generation facility.

\* Using Japan's Ministry of Economy, Trade and Industry and Ministry of the Environment, Order No. 3 of 423 g CO<sub>2</sub>/kWh.



### Renewable energy purchased and generated

The table below shows the amount of renewable energy purchased and generated.<sup>2</sup>

(Due to factors such as the partial external sale of in-house generated electricity, the total electricity use shown in the graph above does not correspond exactly with the figures for generation and purchase shown in the table below.)

| Type of energy                                 | Unit | FY2024 <sup>1</sup> |
|--|------|---------------------|
| Hydroelectric power generation                 | MWh  | 70,716              |
| Solar power generation                         | MWh  | 330                 |
| Biomass <sup>3</sup> generation                | MWh  | 45,183              |
| Purchased non-fossil certificates <sup>4</sup> | MWh  | 178,294             |
| Biomass <sup>3</sup> steam                     | GJ   | 232,151             |

<sup>1</sup> The data for renewable energy purchased and generated in fiscal 2024 are figures prior to third-party assurance.

<sup>2</sup> Hydroelectric power generation with no environmental value under the FIT system is excluded from the tally.

<sup>3</sup> The calculation is made by multiplying the amount of electricity and steam generated by the input ratio of biomass fuel in the co-combustion power generation of biomass and coal.

<sup>4</sup> Purchased non-fossil certificates include purchases for the Asahi Kasei Group.

## Using Renewable Electricity in the Homes Business

As part of its efforts to address climate change, in 2019 Asahi Kasei Homes joined RE100—a global initiative that aims for companies to procure 100% of the electricity used in their business activities from renewable energy sources.

With the goal of contributing to carbon neutrality while enhancing resilience and realizing sustainable urban living, Asahi Kasei Homes has been working with customers to generate renewable electricity by promoting the installation of solar power systems in Hebel Haus™ homes and the use of surplus electricity through its power supply service, Hebel Power. As a result, Asahi Kasei Homes achieved its RE100 goal in fiscal 2023—well ahead of its original 2038 target—becoming the first home builder in Japan to do so.

## Energy saving in domestic logistics

The Asahi Kasei Group promotes railway shipment with consideration of the environment.

The Asahi Kasei Group's product shipment volume amounted to some 1.0 billion ton-kilometers in fiscal 2024—a increase of around 4% from fiscal 2023—emitting approximately 74 thousand tons of CO<sub>2</sub> equivalent—an increase of about 2%. All logistics operations are outsourced, and in cooperation with the transport firms, a wide range of measures are employed to reduce energy consumption and alleviate the environmental impacts of physical distribution. We also actively participate in initiatives as a shipper, such as the “eco-transportation system” executed by local governments.

We have received Eco-Rail Mark certification in recognition of our preferential shipment of products by rail, an ecological mode of transport which results in lower CO<sub>2</sub> emissions for a given weight and distance than many other means of transportation.



- CO<sub>2</sub> emissions from product shipment (ESG Data)

## Domestic promotion of company-owned low-pollution vehicles

The Asahi Kasei Group is phasing in low-pollution vehicles for use in marketing and within plant grounds. In fiscal 2024, some 93% of company-owned vehicles were low-pollution vehicles.

- Low-pollution vehicles (ESG Data)

## Asahi Kasei green bond

Please see here for more details.

› Asahi Kasei green bond (2020)  (218.0KB)

› Asahi Kasei green bond (2023)  (124.3KB)

› Annual Reporting (fiscal 2020)  (126.3KB)

› Annual Reporting (fiscal 2021)  (135.3KB)

› Annual Reporting (fiscal 2022)  (130.8KB)

› Annual Reporting (fiscal 2023)  (27.0KB)

› Annual Reporting (fiscal 2024)  (126.9KB)

## Related information

### › Environmental Contribution Products

Description of Asahi Kasei Group's Environmental Contribution Products, which contribute to reducing society's impact on the environment.



# Climate Change

Environmental Management | **Climate Change** | Pollution Prevention and Resource Circulation |

Water Resource Preservation | Biodiversity | Environmental Contribution Products

Responding to Climate Change

**Disclosure based on TCFD Framework**

## Climate Change Initiatives (Disclosure based on TCFD<sup>1</sup> Framework)

Updated on August, 2025

### Awareness surrounding climate change

The global average temperature in 2024 has already risen by 1.55°C compared to pre-industrial levels, exceeding the Paris Agreement's target of limiting the temperature rise to below 1.5°C by the end of this century. According to the United Nations Environment Programme (UNEP)<sup>2</sup>, unless current efforts to combat global warming are further strengthened, the global average temperature is projected to rise by 2.8°C by the end of the century, heightening the sense of crisis surrounding climate change. Although there are some trends or course adjustments that run counter to climate actions, as well as concerns over increased energy consumption due to the widespread adoption of AI, the Asahi Kasei Group continues to recognize the critical importance of climate change as a global issue. While short-term fluctuations may occur, we believe that, over the medium-to-long term, efforts toward adaptation and mitigation of climate change will continue to progress.

### The Asahi Kasei Group's stance

Over the century since our founding, the Asahi Kasei Group has developed its business by taking challenges in response to the social issues that have changed with the times, transforming ourselves in the process. As climate change compels a fundamental transformation of social systems, we are striving to achieve two mutually reinforcing aspects of sustainability—"contributing to sustainable society" and "sustainable growth of corporate value"—in line with our Group Mission to contribute to life and living for people around the world. Through these efforts, we are taking on the challenge of reaching carbon neutrality by 2050 while achieving sustainable growth of corporate value.

Additionally, we will continue to steadily reduce our greenhouse gas emissions (Scope 1 and 2), and further work to reduce emissions throughout the entire supply chain, including Scope 3 emissions.

<sup>1</sup> TCFD: Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board (FSB) in 2017, the TCFD was dissolved in October 2023 and its functions were succeeded by the International Financial Reporting Standards (IFRS) Foundation and integrated into the International Sustainability Standards Board (ISSB) standards.

<sup>2</sup> UNEP: United Nations Environment Programme. An organization established to implement the "Declaration on the Human Environment" and the "Action Plan for the Human Environment," both adopted at the United Nations Conference on the Human Environment.

## Governance

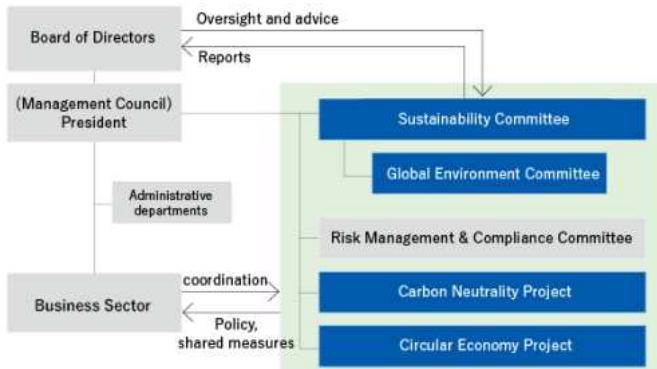
The Asahi Kasei Group considers green transformation (GX), which focuses on initiatives related to climate change, to be an important management issue, and we are working toward GX by positioning it as one of the core subjects of our management strategy.

Policies and other important matters related to climate change are deliberated and decided by the Board of Directors, while specific related matters are discussed and determined by the Management Council, which serves as the executive decision-making body. These include decisions on the Medium-term Management Plan, GHG emissions reduction targets, and capital investment plans, as well as progress reviews on their implementation. In formulating the Medium-term Management Plan that started in fiscal 2025, discussions were held to review and revise the orientation and goals related to GX, which were then compiled and submitted to the Management Council and Board of Directors for deliberation and approval. The President, who chairs the Sustainability Committee, along with other members of the Board of Directors, possesses the appropriate skills and competencies to drive the Asahi Kasei Group's climate change strategy.

### ➤ Director Skills Matrix

In order to promote these decisions by the Board of Directors and Management Council at a business level, the Asahi Kasei Group has established the Sustainability Committee chaired by the President, where Executive Officers responsible for each business unit share and discuss issues concerning sustainability, including climate change. The outcomes of these discussions are reported to the Board of Directors and serve as the basis for further deliberations on company-wide initiatives. Under the Sustainability Committee, the Global Environment Committee—chaired by the Executive Officer for GX and comprising Senior General Managers of business units, the Production Center, Corporate Production Technology, and Corporate Research and Development—shares and discusses issues related to environmental matters as a whole. The Carbon Neutrality Project, which is led by the Executive Officer for GX, reviews scenarios and implements specific measures to achieve our targets for reducing GHG emissions. In the review process, the President, Executive Officer for Corporate Strategy, and others work to strengthen the content of the program, while regularly confirming its orientation. Furthermore, the Circular Economy Project, also under the supervision of the Executive Officer for GX, is responsible for formulating the Asahi Kasei Group's policies and orientation concerning the circular economy, as well as managing progress and driving each related initiative forward.

In the Material sector—which accounts for more than 90% of the Asahi Kasei Group's total GHG emissions—dedicated departments for carbon neutrality and carbon footprint management were newly established in April 2025. Going forward, we will further strengthen collaboration between the business departments and corporate functions to accelerate our initiatives toward carbon neutrality.



## Sustainability Committee

- Sharing, discussion, and alignment of all aspects of ESG, including climate change
- Chair: Asahi Kasei President  
Committee members: Executive Officer for Technology Functions, Executive Officer for Business Management Functions, Executive Officers for the 3 business sectors
- Main topics in fiscal 2024: after discussing overall trends in sustainability and ESG, the committee shared recognition and held discussions on specific topics such as sustainability disclosures, carbon neutrality, circular economy, hazardous chemicals, natural capital/biodiversity, and human rights
- In principle, held once per year

## Global Environment Committee

- Sharing, discussion, and alignment of all aspects of the E (Environment) of ESG
- Chair: Executive Officer for GX  
Committee members: Presidents of Business Sectors, Senior General Manager of the Production Center, Senior General Manager of Corporate Production Technology, Senior General Manager of Corporate Research and Development, and others
- In principle, held once per year

## Carbon Neutrality Project

- Scenario analysis and implementation of specific measures to achieve GHG emissions reduction targets
- Project oversight: Executive Officer for GX, Project General Manager
- In principle, held four times per year

## Circular Economy Project

- Examination of Asahi Kasei Group policies and orientation related to the circular economy, and management and promotion of progress in each initiative
- Project oversight: Executive Officer for GX, Project General Manager
- In principle, held four times per year

## Strategy

Having identified and analyzed key opportunities and risks associated with various climate change scenarios, the Asahi Kasei Group is working to control risk while actively seizing opportunities in accordance with our medium-term management plan.

### Underlying assumptions

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While a variety of scenarios can be envisaged, depending on the progress of measures to counter global warming, we have analyzed the following two representative scenarios.

- A scenario where GHG emissions are strongly curbed in order to limit global warming to “+1.5° C” since the Industrial Revolution (WEO: Net Zero Emissions by 2050 Scenario [NZE]<sup>3</sup>)
  - A scenario centered on transition risks from tightened controls and major social and market transformation
- A scenario where not enough progress is made to prevent global warming, and the temperature increase is “+4° C” (IPCC SSP3-7.0<sup>4</sup>)
  - A scenario centered on physical risks from extreme weather events with social and ecological changes

We considered the opportunities and risks in each of the Material, Homes, and Healthcare sectors from the above scenarios.

Note: These analyses are based on a variety of assumptions, and changes to these assumptions may result in actual risks and opportunities differing significantly.

<sup>3</sup> One of the scenarios listen in the International Energy Agency (IEA)'s WEO (World Energy Outlook) 2024. A scenario that will allow us to achieve worldwide net-zero in 2050 in order to limit the temperature increase to 1.5° C by 2100.

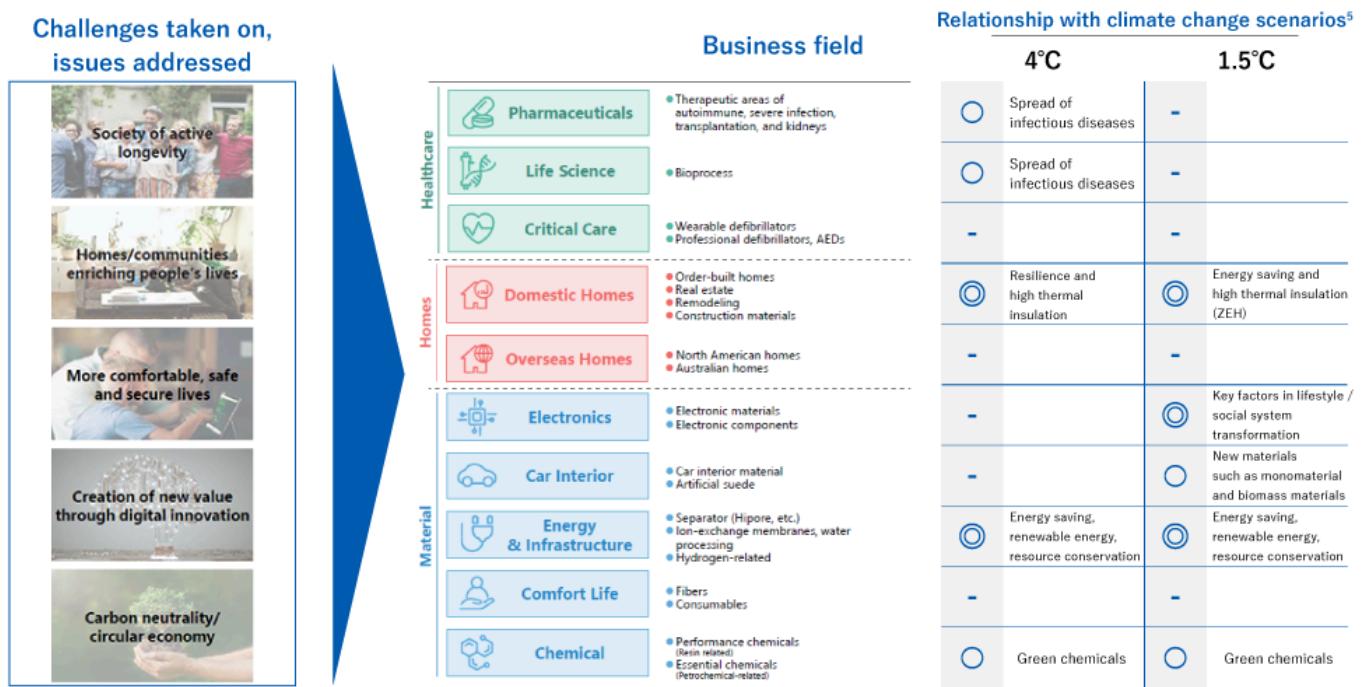
<sup>4</sup> One of the scenarios included in the IPCC's Sixth Assessment Report. “SSP” stands for “Shared Socioeconomic Pathways” and the SSP3-7.0 is a scenario in which regional rivalry results in climate policies not being adopted, and temperatures rise by up to 4° C in 2100.

## Opportunities

We are advancing business portfolio transformation to provide value in anticipation of megatrends, such as the shift to a carbon neutral society. Under the three-year Medium-term Management Plan that started in fiscal 2025, we plan to make expansion-related investments totaling approximately ¥670 billion in First Priority businesses—including Critical Care, Electronics, and Overseas Homes—and in Growth Potential businesses such as Energy & Infrastructure. Of this amount, approximately ¥100 billion will be allocated to investments related to reducing our own GHG emissions.

In addition, we have established a “Care for Earth Investment Framework” (\$100 million over 5 years from fiscal 2023 to fiscal 2027) in our CVC activities and are investing in startup companies in the environmental field, as we aim to incorporate and collaborate on new technologies, particularly in response to climate change.

We recognize that the orientation of our business development can provide business opportunities with a variety of products and services in climate change mitigation and adaptation.



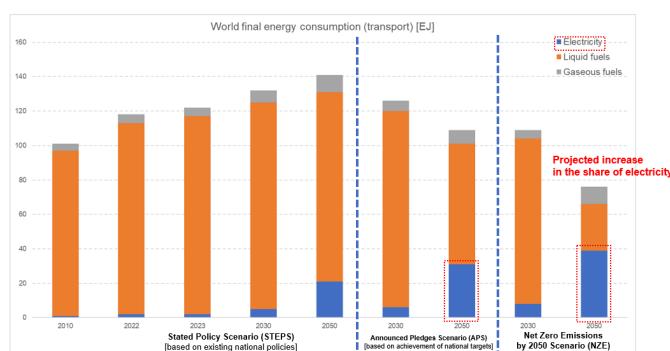
### Disclosure concept on the relationship between climate change scenarios and business

<sup>5</sup> Items judged highly relevant, including those directly addressed in the IPCC's Sixth Assessment Report and the WEO 2024, indicated by double circle: ◎

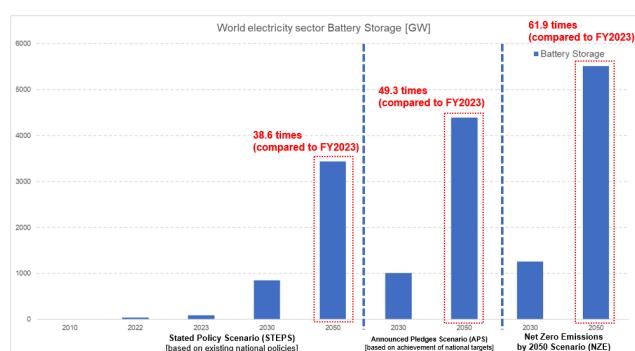
Items not covered by the above, but considered to be broadly related, indicated by single circle: ○

Items considered neutral in relation to the business, indicated by dash: —

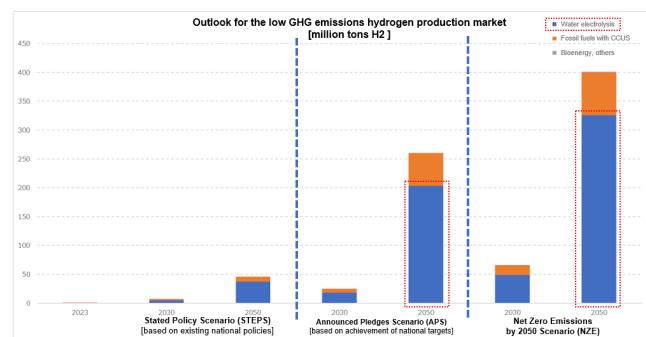
For example, as part of efforts to achieve carbon neutrality by 2050, rapid electrification is expected in the transportation sector, and significant growth in both the battery and hydrogen markets. These are among the Asahi Kasei Group's highest priority business fields.



Projected energy consumption in the transportation sector (2010–2050)<sup>6</sup>



Projected battery capacity (2010–2050)<sup>6</sup>



Outlook for the low GHG emissions hydrogen production market (2023–2050)<sup>6</sup>

<sup>6</sup> Graphs by Asahi Kasei based on the IEA's World Energy Outlook 2024.

| Opportunities   |  |   |  |
|-----------------|--|---|--|
|                 | Important Changes                      | Main opportunities  | Principal initiatives, Products  |
| +1.5°C scenario | Transition to a carbon neutral society | <ul style="list-style-type: none"> <li>Promoting the diffusion of ZEH<sup>7</sup> and ZEH-M<sup>7</sup> by government policy</li> <li>Growing demand for renewable energy</li> <li>Increasing need for energy conservation</li> <li>Growing demand for carbon neutral products</li> </ul> | <ul style="list-style-type: none"> <li>Making homes and communities carbon neutral through expansion of ZEH-compliant <b>Hebel Haus*</b>  and <b>Hebel Maison*</b> </li> <li>Making energy carbon neutral (<b>Hebel Power*</b> )</li> <li>Promotion of energy conservation, process innovation (<b>chlor-alkali electrolysis</b> , <b>Neoma Foam*</b>, etc.)</li> <li>Utilization of biomass raw materials (<b>bioethanol-derived basic chemicals<sup>8</sup></b> <b>certified biomass products</b>)</li> <li>Development of processing technology for specialty chemicals made from CO<sub>2</sub> (<b>polycarbonate</b>, <b>components of LIB electrolyte</b>, etc.)</li> <li>Development of <b>Environmental Contribution Products</b></li> <li>Promotion of carbon neutrality and enhancing product competitiveness by understanding their carbon footprint of products<sup>9</sup></li> </ul> |
|                 | Spread of electric vehicles (EVs)      | <ul style="list-style-type: none"> <li>Growing EV-related demand (Battery components, materials for reducing vehicle weight)</li> </ul>   | <ul style="list-style-type: none"> <li>Development and supply of next-generation society components and systems (<b>engineering plastics</b> , electronic components, etc.)</li> <li>Strengthening of collaboration with automobile and battery manufacturers (<b>LIB separators</b> , <b>automotive interior fabrics</b> , etc.)</li> </ul>  |
|                 | Advent of a hydrogen society           | <ul style="list-style-type: none"> <li>Increased demand for water electrolysis that utilizes renewable energy</li> </ul>  | <ul style="list-style-type: none"> <li>Development and commercialization of green hydrogen production systems (<b>alkaline water electrolysis</b> )</li> </ul>  |
|                 | Transition to a circular economy       | <ul style="list-style-type: none"> <li>Increased demand for components compatible with a circular economy</li> <li>Circular economy-related infrastructure development</li> </ul>   | <ul style="list-style-type: none"> <li>Development of material and chemical recycling technologies and promotion of their rollout in society</li> <li>Utilization of biomass raw materials (<b>bioethanol-derived basic chemicals<sup>8</sup></b> <b>biomass-derived polyamide 66</b>)</li> <li>Providing long-life housing (<b>Hebel Haus*</b> , <b>Hebel Maison*</b> , <b>Renovation*</b> , <b>used Hebel Haus*</b> )</li> </ul>   |
|                 | Expansion of the digital market        | <ul style="list-style-type: none"> <li>Digital solutions for carbon neutrality in society, life, and industry</li> </ul>  | <ul style="list-style-type: none"> <li>Promotion of business in electronic devices, such as <b>current sensors</b>  and <b>CO<sub>2</sub> sensors</b> , and semiconductor and substrate-related electronics materials</li> </ul>   |

| Opportunities |  |  |   |
|---------------|--|--|---|
|               | Important Changes  | Main opportunities   | Principal initiatives, Products   |
| +4°C scenario | Serious storm and flood damage                           | • Increasing need for disaster-resilient housing                 | • Enhancing resilience of homes and communities  , including <a href="#">Hebel Haus*</a>  and <a href="#">Hebel Maison*</a>    |
|               | Rise in temperature                                      | • Increasing needs for advanced thermal insulation               | • Providing insulation materials and housing with advanced thermal insulation ( <a href="#">Neoma Foam*</a> , <a href="#">Hebel Haus*</a>  , <a href="#">Hebel Maison*</a>  , <a href="#">remodeling*</a>  ) |
|               | Higher incidences of heat stroke and infectious diseases | • Growing demand for related pharmaceuticals and medical devices | • Providing products for pharmaceuticals and medical services, and critical care services   |

\* Pages in Japanese

<sup>7</sup> ZEH (Net Zero Energy House) and ZEH-M (ZEH-Mansion): Houses and apartment buildings with a net energy consumption of zero or less as a result of advanced thermal insulation and energy saving combined with power generation such as solar

<sup>8</sup> [Asahi Kasei Group sustainability briefing materials \(January 2023\)](#), p. 15  (2.8MB) <sup>9</sup> A

product's GHG emissions from raw material extraction to production

## Risks

Based on these scenarios, we have analyzed the climate change risks in the Material, Homes, and Healthcare sectors from various perspectives.

Under the +1.5°C scenario, we assume risks arising from tighter regulations through policies such as carbon pricing aimed at achieving carbon neutrality, as well as from shifts in demand toward materials suitable for a carbon neutral society. We also recognize potential risks associated with changes in market structures driven by the emergence of innovative technologies that accelerate the transition to a circular economy and support carbon neutrality.

The +4°C scenario assumes mainly physical risks, such as extreme heatwaves, heavy rain, and flooding. In particular, we recognize the risk to production facilities from serious storm and flood damage at our key hubs in Japan and overseas.

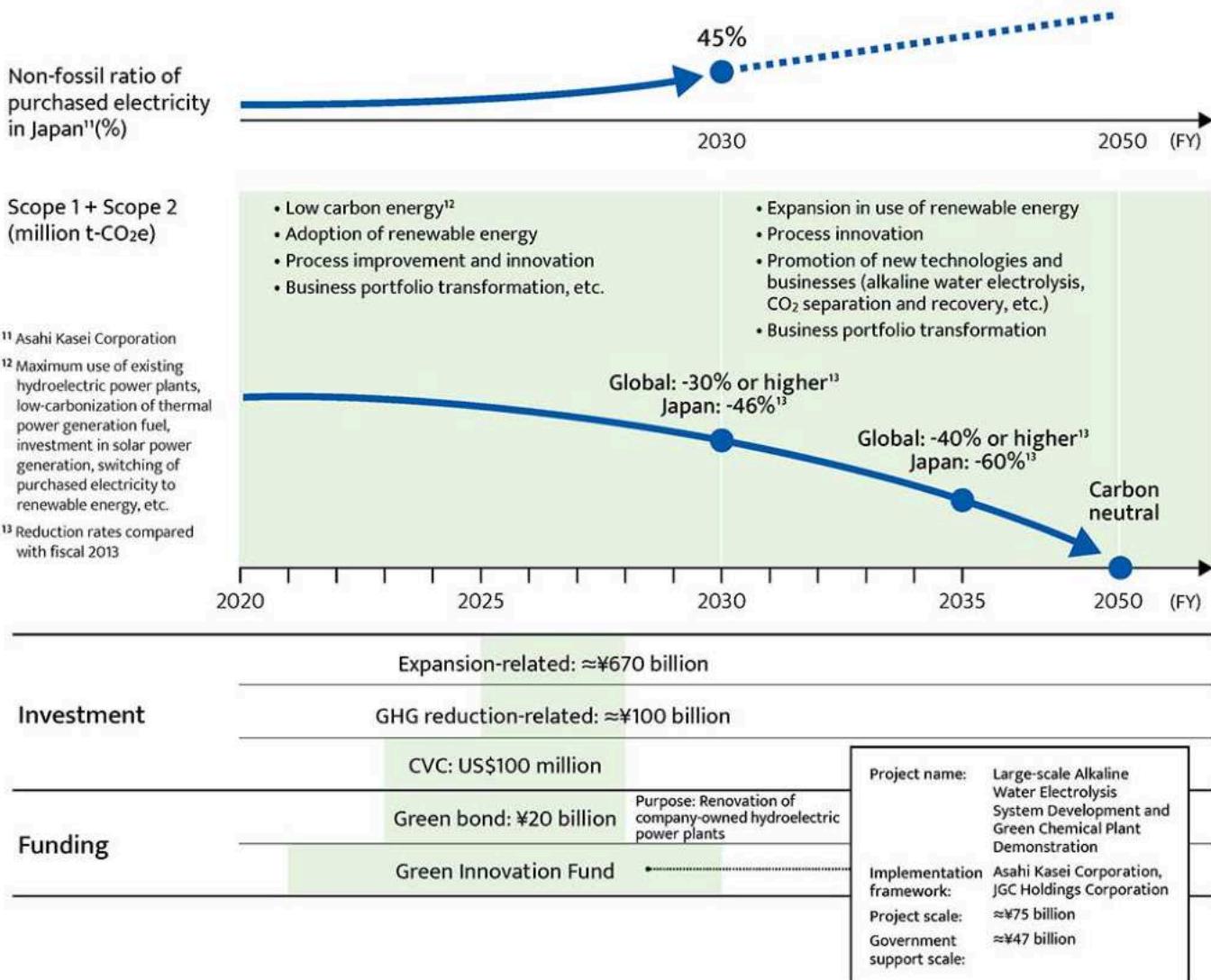
Although the magnitude of these risks may vary, the Asahi Kasei Group recognizes that all of them could materialize as climate change progresses and will continue working to mitigate such risks.

| Risks           |  |   |  |
|-----------------|--|---|--|
|                 | Important Changes                      | Main Risks  | Principal initiatives  |
| +1.5°C scenario | Transition to a carbon neutral society | <ul style="list-style-type: none"> <li>Cost increases due to more stringent regulations (manufacturing, raw material)           <ul style="list-style-type: none"> <li>Estimate: Multiplying the Asahi Kasei Group's current GHG emissions (Scope 1, 2) by carbon costs, equates to approximately ¥48 billion/year<sup>10</sup></li> </ul> </li> <li>Changes in materials needs (carbon neutral needs, required specifications)           <ul style="list-style-type: none"> <li>It is expected that demand for materials with a high carbon footprint of products will decrease, and material needs will change with more widespread use of electric vehicles</li> </ul> </li> <li>Investors and customers select companies based on their carbon neutrality initiatives, and damage to reputation in society</li> </ul> | <ul style="list-style-type: none"> <li>Promoting action toward carbon neutrality</li> <li>Expansion in utilization of renewable energy, etc.</li> <li>High efficiency in energy use, development and commercialization of innovative industrial processes</li> <li>Utilization of biomass raw materials</li> <li>Accelerating products' carbon neutrality by understanding their carbon footprint of products</li> <li>Reviewing allocation of management resources (including business portfolio transformation)</li> </ul> |
|                 | Changes in market structures           | <ul style="list-style-type: none"> <li>Contraction of existing markets due to transition to a circular economy           <ul style="list-style-type: none"> <li>Assuming that the transition to a circular economy will be gradual, with a gradual decline in demand growth for linear economy products</li> </ul> </li> <li>Contraction of existing markets due to the advance of alternative technologies           <ul style="list-style-type: none"> <li>We are heightening our risk awareness while closely monitoring technological trends.</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>Development of material/chemical recycling technologies and furthering their rollout in society</li> <li>Utilization of biomass raw materials</li> <li>Reviewing allocation of management resources (including business portfolio transformation)</li> </ul>  |

| Risks                |                                |  |   |
|----------------------|--------------------------------|--|---|
|                      | Important Changes              | Main Risks   | Principal initiatives   |
| <b>+4°C scenario</b> | Serious storm and flood damage | <p>"Physical" production risks</p> <ul style="list-style-type: none"> <li>• Damage to factories causing suspension of production</li> <li>• Raw material supply chains disrupted by disasters affecting suppliers</li> </ul> <p>We recognize the risk of flooding at major locations based on the status of initiatives, frequency of occurrence, insurance coverage, etc.</p> | <ul style="list-style-type: none"> <li>• Continuous revision of BCP and reinforcement of preemptive response (review inventory levels, consider switching to multiple suppliers/locations, etc.)</li> </ul> |
|                      | Rise in temperature            | <p>"Human" production risks</p> <ul style="list-style-type: none"> <li>• Deterioration of working environment and productivity at construction sites</li> </ul> <p>We are aware of the risk of reduced productivity, primarily due to intense heat.</p>  | <ul style="list-style-type: none"> <li>• Measures to prevent heatstroke at construction sites</li> <li>• Measures to industrialize and utilize IT in home construction</li> </ul>                           |

<sup>10</sup> Asahi Kasei Group GHG emissions in 2024 (Scope 1 and 2 preliminary figures): 3.19 million t-CO<sub>2</sub>e. When the carbon cost is set at ¥15,000/t-CO<sub>2</sub>, with reference to the CO<sub>2</sub> price level in 2030 by NZE scenario of WEO 2024,etc.

## Roadmap to achieving carbon neutrality



## Risk management

The Asahi Kasei Group places strong emphasis on managing both the opportunities and risks associated with climate change.

## GHG emissions monitoring

For Scope 1, 2, and major categories of Scope 3, the Asahi Kasei Group annually tracks GHG emissions performance figures with third-party assurance. Progress toward targets is shared within the Carbon Neutrality Project, where future initiatives are discussed and reviewed.

In addition, during the formulation and annual review of the Medium-term Management Plan, we confirm the status of initiatives to reduce GHG emissions and incorporate the findings into our business strategies and measures.

## Internal carbon pricing (ICP)

When making capital investments, we evaluate profitability by incorporating ICP into our assessments and use the results in our investment decisions. We set ICP prices while taking into account carbon and market prices projected by the International Energy Agency (IEA), as well as the Asahi Kasei Group's own cost projections for carbon neutrality.

## Indicators and goals

The Asahi Kasei Group considers the following indicators to be related to climate change opportunities and risks.

|  | Targets and results   | Meaning of indicator   |
|--|---|--|
| <b>GHG emissions<sup>14</sup></b>                  | <p><b>Target:</b> by 2030, reduction of 30% or more (46% domestic reduction) compared to fiscal 2013<br/>by 2035, reduction of 40% or more (60% domestic reduction) compared to fiscal 2013<br/>by 2050, achievement of carbon neutrality</p> <p><b>Results:</b> 3.19 million t-CO<sub>2</sub>e in fiscal 2024 [preliminary figure] (38% reduction)</p> | Indicates Scope 1 and 2 reductions   |
| <b>GHG emissions<sup>14</sup>/operating income</b> | <b>Results:</b> 15,000 t-CO <sub>2</sub> e per billion yen in fiscal 2024   | Decrease indicates reduced carbon tax risk                                       |
| <b>ROIC</b>  | <p><b>Target:</b> 2027, 6.0%<br/>2030, 8.0% or more</p> <p><b>Results:</b> 5.5% in fiscal 2024</p>  | Increase indicates evolution into a highly profitable entity resilient to change |

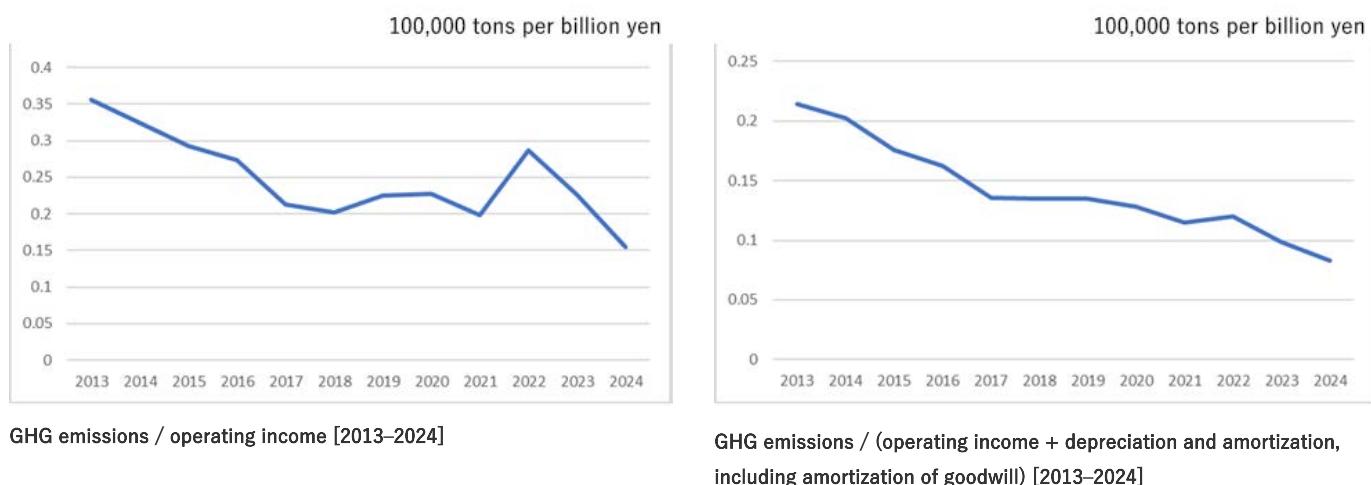
### Other related matters

|  |  |
|--|--|
| <b>Internal carbon pricing</b>   | ¥15,000/t-CO <sub>2</sub> , utilized in our investment decision-making, awards program, etc.   |
| <b>Incorporation of climate change issues into directors' remuneration</b> | Monetary performance-linked compensation, which accounts for 30% of directors' remuneration, is based on a combination of achievement levels for financial targets and non-financial targets, including sustainability promotion (such as GHG emissions reduction) |

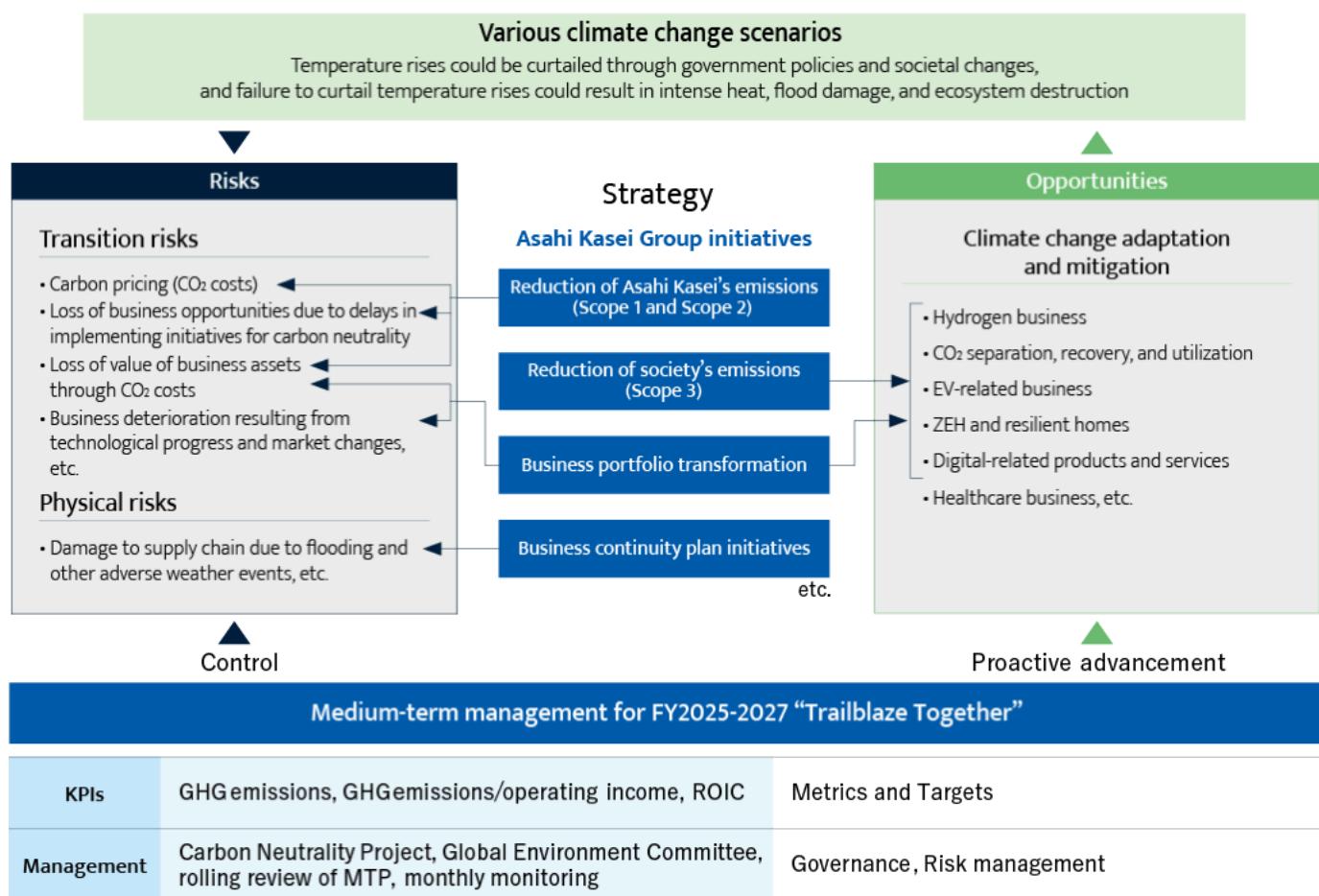
<sup>14</sup> GHG emissions cover Scope 1 and Scope 2. The calculation covers seven types of GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

We have also set a goal to more than double by fiscal 2030 and increase by 2.5 times by fiscal 2035, compared to fiscal 2020 levels, the GHG emission reduction contribution of our products and services (Environmental Contribution Products) that help reduce society's GHG emissions across the entire value chain.

We have also set a goal to more than double by fiscal 2030 and increase by 2.5 times by fiscal 2035, compared to fiscal 2020 levels, the GHG emission reduction contribution of our products and services (Environmental Contribution Products) that help reduce society's GHG emissions across the entire value chain.



## Overview of the our response to climate change



## Related information

### › Environmental Contribution Products

Description of Asahi Kasei Group's Environmental Contribution Products, which contribute to reducing society's impact on the environment.

# Pollution Prevention and Resource Circulation

Environmental Management | Climate Change | **Pollution Prevention and Resource Circulation** |

Water Resource Preservation | Biodiversity | Environmental Contribution Products

## Pollution Prevention

## Resource Circulation Initiatives

## Policy

“Building a circular economy” is a major plank of the Asahi Kasei Group’s Global Environmental Policy and “Circular Economy” is included in our materiality. We work to efficiently utilize resources and energy and to reduce the environmental impact throughout the entire life cycle in our business activities. In order to contribute to a circular economy, we have worked to reduce industrial waste, reduce the impact of chemical substances, prevent air and water pollution, and use resources effectively.

In addition, we will continue to contribute to building a circular economy, as we established it as one of the issues we will work on to achieve our vision for 2030 in the Medium-term Management Plan “Trailblaze Together” for fiscal 2025–2027.

- Sustainability Management > Asahi Kasei Group’s Materiality > Materiality List
- Sustainability Vision - Asahi Kasei Group Vision > Sustainability with a View Toward 2050

## Reduction of industrial waste and promotion of recycling

As well as working to reduce the amount of industrial waste through the 3Rs of reduce, reuse, and recycle, the Asahi Kasei Group is also working on renewables.

The amount of industrial waste generated by the Asahi Kasei Group (Japan and overseas) in fiscal 2024 was 559.1 thousand tons, of which 19.9 thousand tons was specially managed industrial waste. Additionally, the industrial waste recycling rate<sup>1</sup> was 72.5%, and the non-recycling rate<sup>2</sup> was 27.5% (of which the heat recovery rate was 20.6%). So that we can continue to recycle in the future, we will keep on taking steps to separate waste and search for processing sites where waste can be recycled.

We are also promoting initiatives to suppress emissions of waste plastic and to increase the recycling rate. The volume of waste plastic emitted in fiscal 2024 in Japan was 19.4 thousand tons (a 4.9% reduction year on year) and the recycling rate was 45.1% (a 1.8% reduction from the previous fiscal year). To suppress emissions, we are advancing initiatives to increase unit consumption (reducing emission of unnecessary scraps) and to turn emitted plastic into valuable articles (such as raw materials). With respect to recycling initiatives, we are subcontracting the disposal of waste to recyclers of waste plastic with material and chemical recycling capabilities. Going forward, we will continue our initiatives to suppress waste plastic emissions and to recycle.

The Asahi Kasei Group has been working toward the goal<sup>3</sup> of reducing landfill waste plastic in Japan to zero. Because temporary construction waste could not be effectively used, the amount of waste plastic sent to landfill in fiscal 2024 was 4.5 tons, missing the target. We are continuing our initiatives toward zero landfill waste plastic.

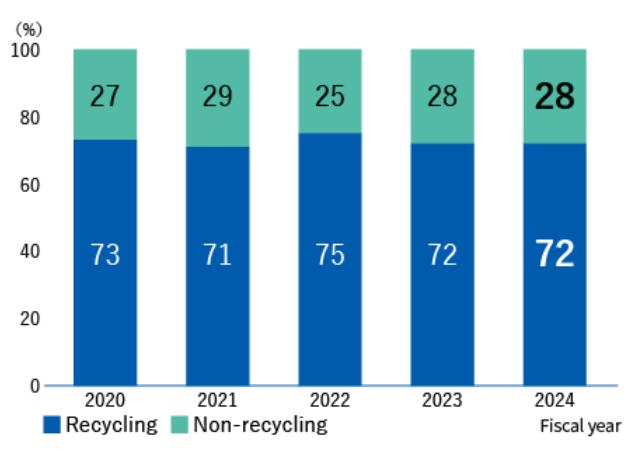
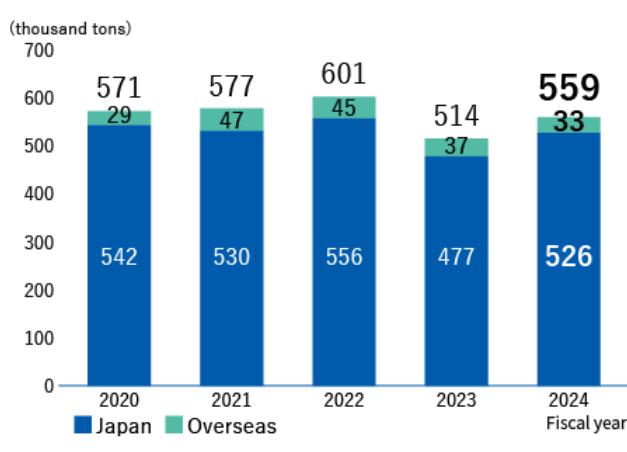
Regarding PCB<sup>4</sup> waste, we are systematically moving forward with proper management and disposal within the disposal timeframe.

We enhanced our daily management of off-site treatment of industrial waste by expanding the use of electronic manifests. We also performed periodic on-site inspections of consigned firms to ensure that proper treatment is performed by industrial waste collection, transportation, and processing contractors in accordance with sound systems of control.

- 1 Recycling rate : Percentage of chemical recycling and material recycling
- 2 Non-recycling : Percentage of heat recovery, weight reduction, and landfill disposal rate
- 3 Target of : Excluding waste plastic generated by the homes business reaching zero landfill waste plastic
- 4 PCBs (polychlorinated biphenyls) are persistent and pose a risk to the living environment and human health. Their manufacture and use are essentially prohibited in Japan.



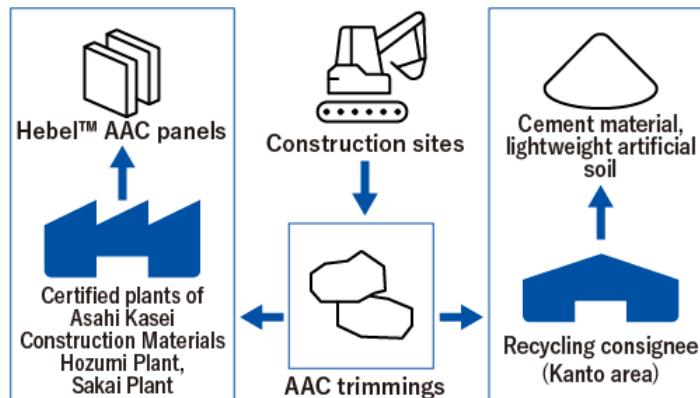
FY2024 flow of industrial waste\*



\* Transformation into solid fuel and raw fuel was classified as recycling (material recycling) between fiscal 2020 and fiscal 2021. From fiscal 2022 onward, it has been classified as non-recycling (heat recovery).

## Reducing industrial waste from construction materials and homes businesses

In the construction materials business, Asahi Kasei Construction Materials collects and recycles Hebel™ autoclaved aerated concrete (AAC) panels in its own plants, utilizing its certification for "wide-area recycling"<sup>1</sup>. Asahi Kasei Homes is also reducing the volume of waste as well as implementing sorted waste collection at housing construction sites. With these measures, waste for final disposal has been reduced to zero at new construction sites.

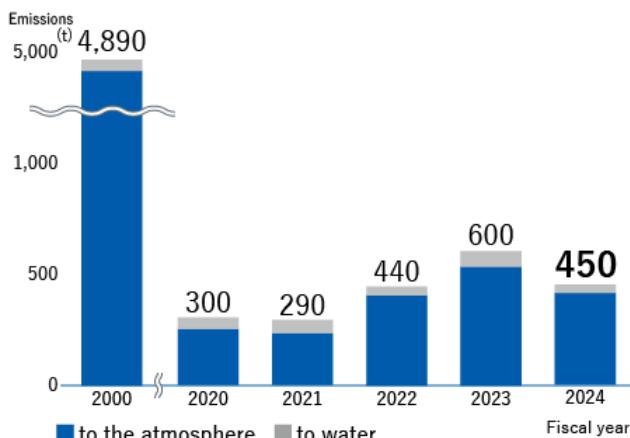


Recycle flow for trimmings of Hebel™ AAC panels

<sup>1</sup> Certification for wide-area recycling : For certain parties, who perform recycling in a wide-area, Japan's Minister of the Environment eliminates the need to obtain separate waste transport permits for each local area. The system was established to promote further recycling of industrial waste.

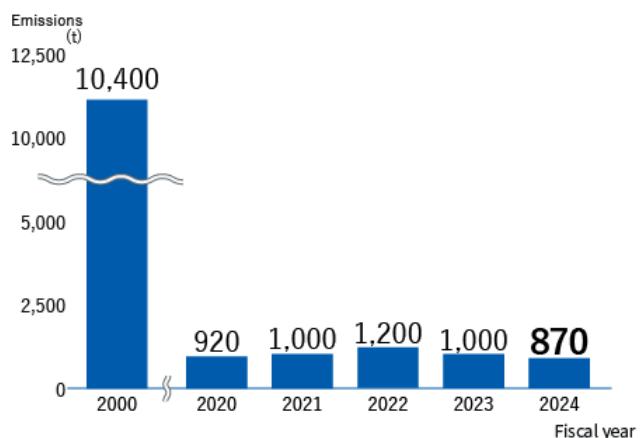
## Reducing emissions of chemical substances

The Asahi Kasei Group works to reduce the release of chemicals substances specified in the PRTR<sup>1</sup> Law and other chemical substances which we have voluntarily designated for reduction with priority based on the degree of hazardousness and amount of release. As shown in the graphs below, releases of PRTR-specified substances and VOC<sup>2</sup> emissions were reduced by 91% and 92%, respectively from fiscal 2000. We will continue to enhance control of operation and equipment to prevent any accidental release.



Note: PRTR-specified substances changed in fiscal 2023 due to regulatory revision.

Releases of PRTR-specified substances



Releases of VOCs

<sup>1</sup> PRTR : Pollutant release and transfer register. Under the PRTR Law, releases to the environment and off-site transfers of specific hazardous chemical substances must be monitored and recorded for each production facility and operating site. Results are reported to the government, which publishes aggregated results.

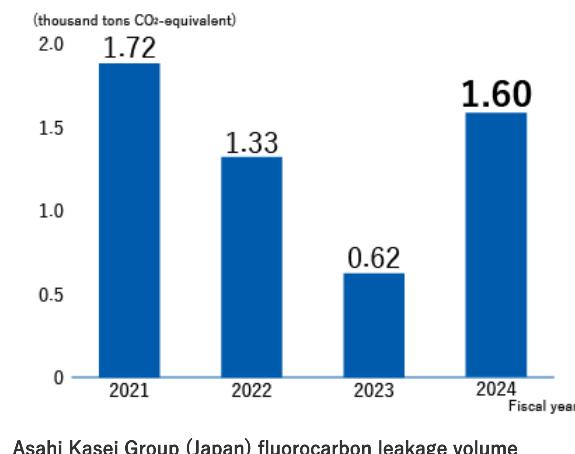
<sup>2</sup> VOC : Volatile organic compound. Although the term generally applies to any organic compound which is in gaseous state at the time of release, regulations for the control of their release exclude methane and some fluorocarbons which do not form oxidants.

## Initiatives to suppress emissions of fluorocarbons

In accordance with the Act on Rational Use and Appropriate Management of Fluorocarbons, we are working to properly maintain equipment and facilities subject to the act and to take measures to prevent leakage of fluorocarbons. The Asahi Kasei Group is advancing with deployment of the Refrigerant Management System (RaMS), as we work towards proper management including simple and regular inspections of legally-subject equipment. Our company's individual calculated volume\* of fluorocarbon leakage in fiscal 2024 was 972.3 tons of CO<sub>2</sub>-equivalent. Also, the Asahi Kasei Group's total calculated volume of fluorocarbon leakage was 1602.7 tons of CO<sub>2</sub>-equivalent.

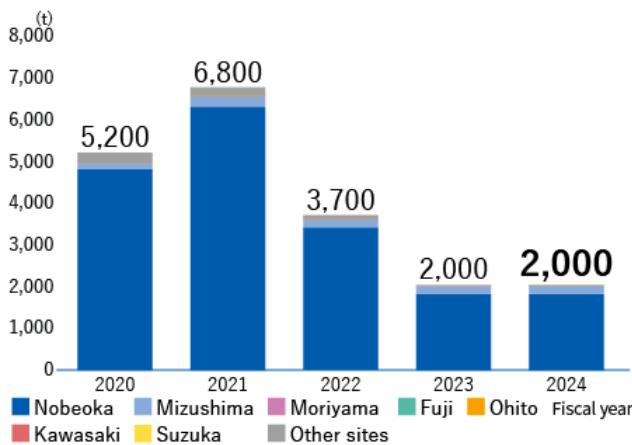
In the future, we will continue to take measures to prevent leakage of fluorocarbons.

\* Calculated volume of fluorocarbon leakage : Volume of fluorocarbon leakage calculated based on filling and recovery certificates, in case of fluorocarbon filling and recovery during equipment maintenance.

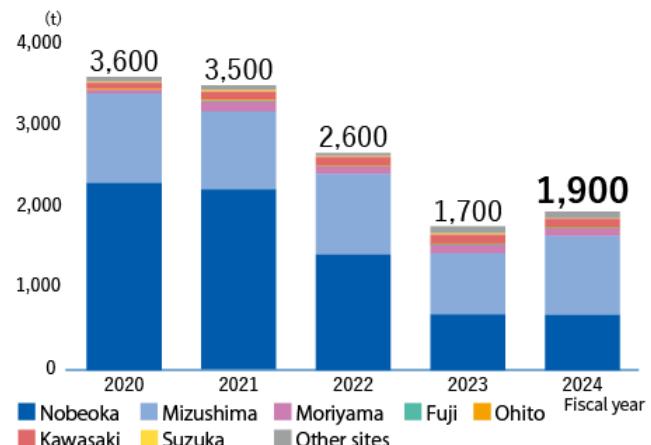


## Preventing air pollution

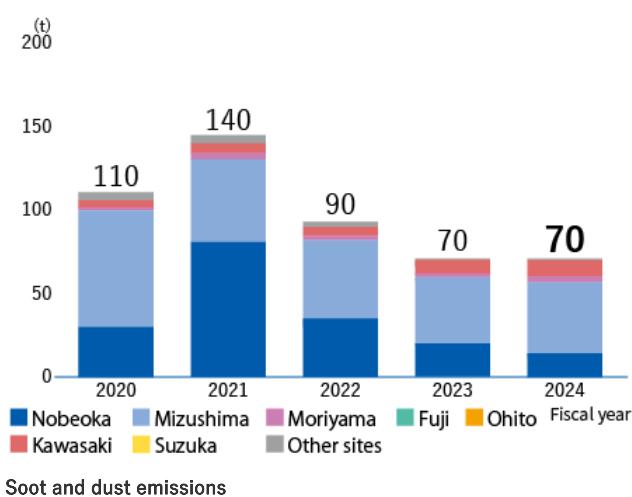
The Asahi Kasei Group works to control emissions and prevent leakage in order to avoid the pollution of air, water, soil, and groundwater. Measures to prevent noxious odors include the installation of exhaust gas absorption equipment and increasing the capacity of our wastewater treatment facilities. To prevent soil pollution, we perform tests and take appropriate measures in accordance with the Soil Contamination Countermeasures Act and related regulations. Substances covered by the Air Pollution Control Act are managed within regulatory standards on a continuing basis.



SOx emissions



NOx emissions



Soot and dust emissions

# Pollution Prevention and Resource Circulation

Environmental Management | Climate Change | **Pollution Prevention and Resource Circulation** |

Water Resource Preservation | Biodiversity | Environmental Contribution Products

## Pollution Prevention

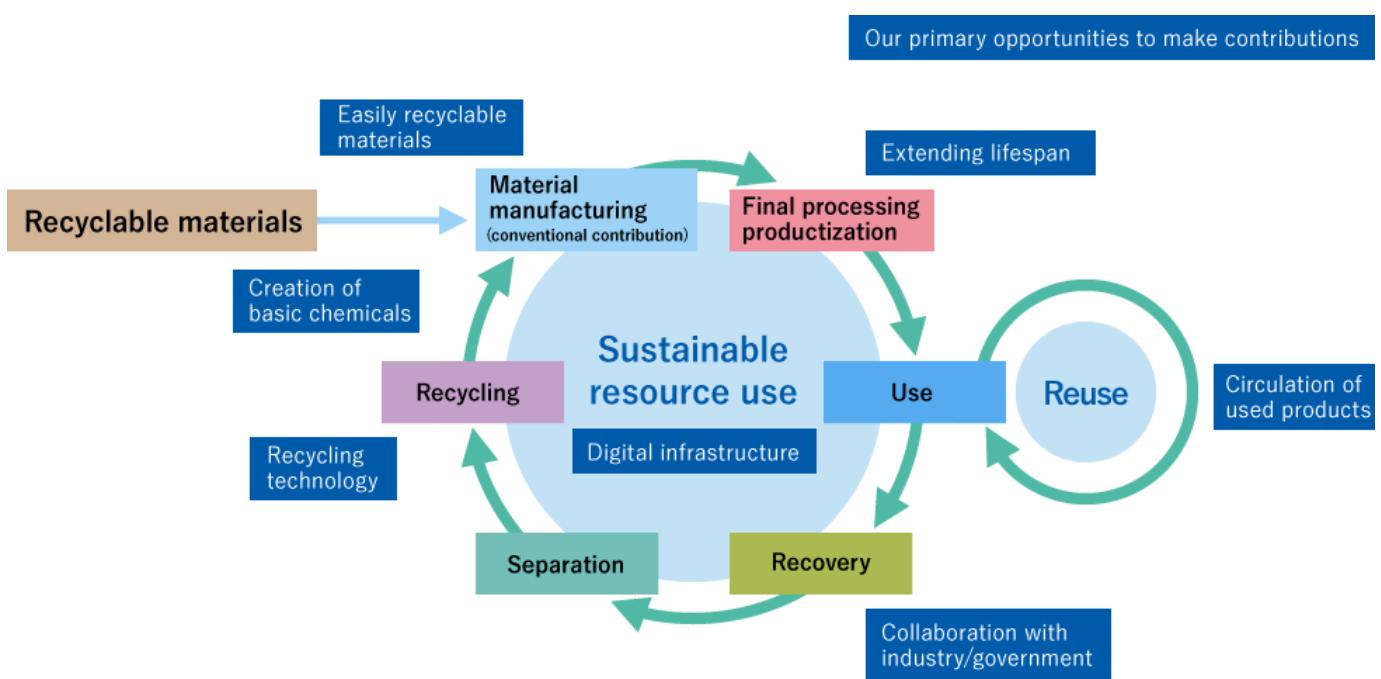
## Resource Circulation Initiatives

## Policy

The Asahi Kasei Group will promote the reduction of environmental impacts and the efficient utilization of resources and energy throughout their entire life cycle in its business activities in order to contribute to a circular economy. Specifically, it will promote the 3Rs of Reduce, Reuse, and Recycle, and increase the usage of resources and energy with lower environmental impacts as well as renewable resources and energy.

## Asahi Kasei Group initiatives

We are working to recycle used plastics, use biomass raw materials, extend the service lifespan of our products, and improve their recyclability.



## Targets of resource circulation

The Asahi Kasei Group has established the following targets, and has joined and discloses information through the Circular Partners (CPs) established, managed, and operated by the Ministry of Economy, Trade and Industry.

| Item  | Value | Unit      | Achievement timeframe |
|---|-------|-----------|-----------------------|
| 1. Number of companies adopting the ion-exchange membrane process for chlor-alkali electrolysis cell rental service           | 10    | Companies | Fiscal 2027           |
| 2. Rate of long-term periodic inspections conducted for Hebel Haus™ unit homes and Hebel Maison™ low-rise apartment buildings | 70    | %         | Fiscal 2025           |

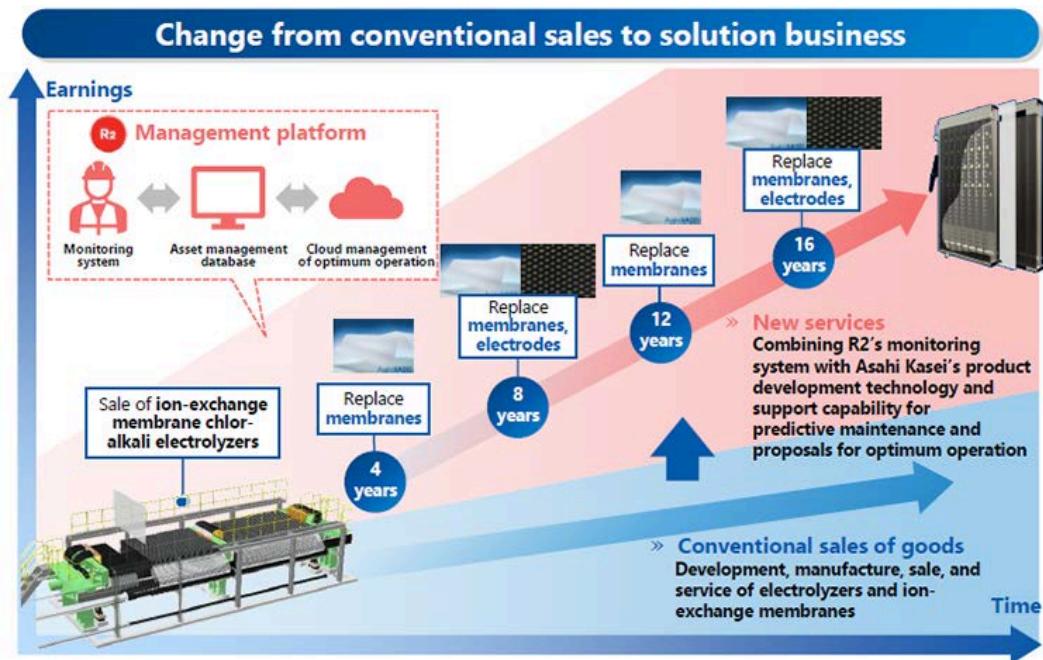
### Overview

- Formerly, customers of our chlor-alkali electrolysis process needed to keep spare cells for use during maintenance. Such spare cells tended to be idle assets when not in use. Our electrolysis cell rental service eliminates the need for each customer to keep spare cells themselves, and allows electrolysis cells to be effectively utilized within a region through reuse by multiple customers. This enables the 3Rs of Reduce, Reuse, and Recycle for the precious metals used in the electrolysis cells.
- Asahi Kasei Homes provides Hebel Haus™ unit homes and Hebel Maison™ low-rise apartment buildings which have featured earthquake-resistant, fire-resistant, durable designs since the launch of its business. We have continued to pursue homes that allow long-term residency, with the “long-life home” strategy adopted in 1998, and “ALL for LONGLIFE” philosophy adopted in 2020. By managing clear indicators through the regular implementation of periodic inspections every 5 years for the first 30–60 years after construction, we are able to promote long-term use of products from the perspective of a circular economy, and also confirm the results of those efforts.

## Examples of Initiatives

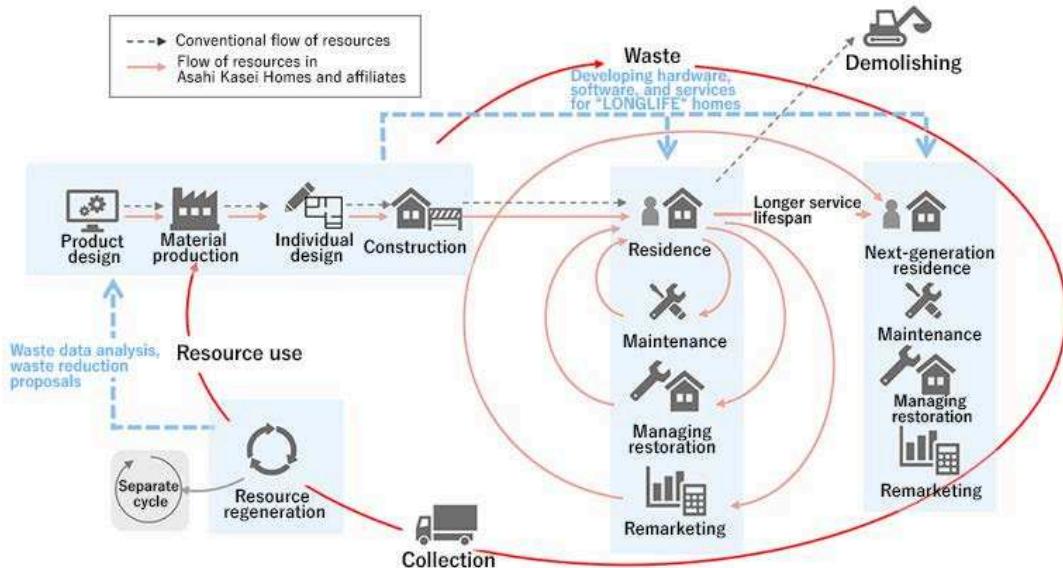
### Ion-exchange process for chlor-alkali electrolysis

In our business of the ion-exchange process for chlor-alkali that sells systems for manufacturing the basic chemicals caustic soda and chlorine, we provide an electrolysis cell rental service that allows enhanced resource use rate and effective utilization of precious metals. We are also promoting systems for monitoring the operation conditions of customers' electrolysis processes and making a transition from a conventional sales business to a solution business, as we aim to develop into a business conducive to a circular economy.



## Homes business

We provide long-life homes (products and services) conducive to the realization of a circular economy. In order to embody LONGLIFE, we have built a comprehensive system, including specification development that considers the lifecycle of homes, residence-specific design and construction, after-service featuring 60 years of free inspections, enhanced value-added for used homes, consulting during renovations and inheritance, and more. Through the functioning of this system with the help of customers and partner corporations, we enable circular use of homes that crosses generations.



Overview of the circular economy in Asahi Kasei Homes and affiliates

We are also working on other initiatives aimed at achieving a circular economy from various perspectives, as we emphasize coordination with a diverse array of stakeholders, including universities, research organizations, and other companies, as well as coordination with national strategy. We established the Asahi Kasei-AIST Sustainable Polymer Coordination Research Laboratory with the aim of early realization of a social system that enables provision of sustainable polymers.

## ISCC PLUS Certification\* acquisition status

For the following products, we have acquired ISCC PLUS certification, which is an international certification system for sustainable products. Moving forward, we will continue to meet the expectations of society and our customers by offering products and services with sustainability-based qualities as we aim for a circular society.

\* ISCC (International Sustainability and Carbon Certification) PLUS certification

ISCC certification is an international certification for sustainability and carbon, and in particular, ISCC PLUS is a certification system that provides supply chain management and guarantees of primarily biomass and regenerated raw materials and products sold throughout the world.

| Product                                       | Product name  |
|---|---|
| Acrylonitrile (AN)                            |   |
| Styrene monomer (SM)                          |   |
| Cyclohexanol                                  |   |
| Cyclohexane                                   |   |
| Adipic acid, compd. with hexamethylenediamine |   |
| Adipic acid                                   |   |
| Hexamethylenediamine                          |   |
| Styrene-butadiene rubber (SBR)                | Tufdene™ solution-polymerized SBR<br>Asaprene™ solution-polymerized SBR   |
| Butadiene rubber (BR)                         | Diene™ polybutadiene rubber<br>Asaprene™ polybutadiene rubber   |
| Thermoplastic elastomer (TPE)                 | Tufprene™, Asaprene™ T styrenic thermoplastic elastomer<br>Tuftec™ hydrogenated styrenic thermoplastic elastomer<br>S.O.E.™ hydrogenated styrenic thermoplastic elastomer                     |
| Polyethylene (PE)                             | Sunfine™ ultra high molecular weight polyethylene<br>Suntec™ LD low-density polyethylene<br>Suntec™ EVA ethylene-vinyl acetate copolymer<br>Suntec™ HD and Creolex™ high-density polyethylene |
| Polyoxymethylene (POM)                        | Tenac™ polyacetal   |
| Polyphenylene ether (PPE)                     | Xyon™ modified polyphenylene ether (mPPE)   |
| Polyvinylidene chloride (PVDC)                | Saran Wrap™ cling film  |

# Water Resource Preservation

Environmental Management | Climate Change | Pollution Prevention and Resource Circulation |

**Water Resource Preservation** | Biodiversity | Environmental Contribution Products

[Click here to read our response to CDP Corporate Questionnaire 2025](#)

- CDP Corporate Questionnaire 2025(Japanese Document)  (1.2MB)
- (References\*)CDP Corporate Questionnaire 2025(English Document)  (1.1MB)

\* Our official response is in Japanese, and the English response is a machine translation.

## Policy

Asahi Kasei Group's business is intrinsically related to water resources. Ensuring their sustainability is one of our societal missions and a prerequisite for the continuity of our business. We will contribute to the conservation of water resources around the world through our Japan and overseas filtration membrane module business (water supply, seawater desalination, etc.), the development of sludge reduction products for wastewater treatment, and the expansion of our surface oil detector series. We also have a policy of reducing our intake of water resources by ascertaining the quantity of our water withdrawals and maintaining and improving the efficiency of our water usage through circular use.

## Target

### Reduction of the environmental impact

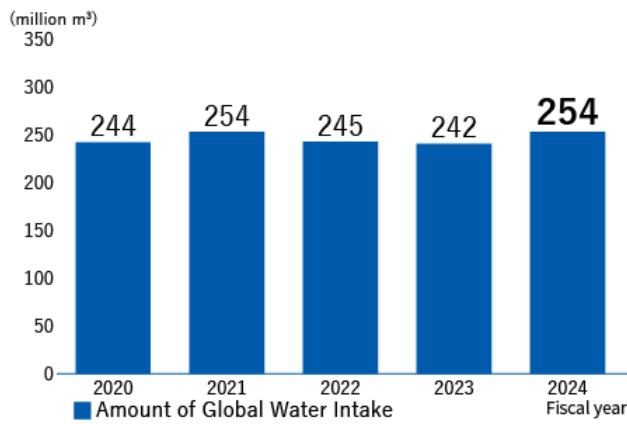
As a chemical manufacturer that handles a large volume of chemical substances, chemical agents, and water, we believe it is important to responsibly secure the sustainability of water. We have therefore set the annual company-wide target of "zero environmental accidents or incidents."

In order to prevent violations of laws and regulations, we use voluntary standards for wastewater quality in order to maintain a stricter level of control than general local regulations and manufacturing facilities.

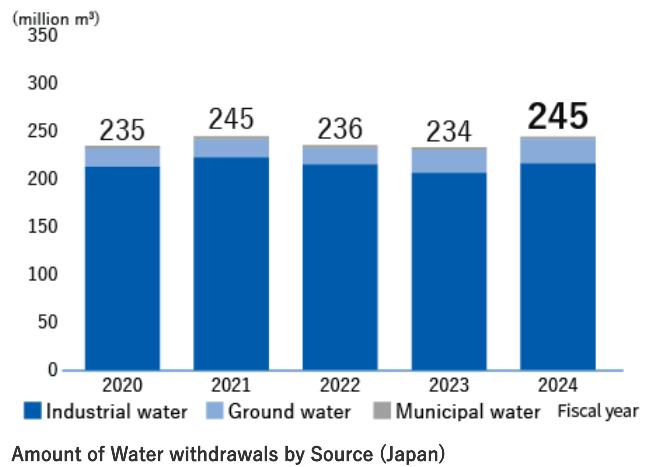
In fiscal 2024, we achieved our target, with no violations or penalties.

## Reducing water usage

The Asahi Kasei Group endeavors to reduce the amount of water used in each of our plants, to collect used water and reuse it circularly, and to reduce water withdrawals and discharges.



Amount of Global Water withdrawals (Japan and overseas)



Amount of Water withdrawals by Source (Japan)

## Water reuse initiatives

We strive to reduce water withdrawals and discharges through reuse of intake water. Primarily, we work on reusing water by repeatedly using the coolant water used for thermal exchange in equipment and facilities.

The water reuse rate\* in fiscal 2024 (Japan) was about 2.0 times the amount of water withdrawals. Locations with high reuse rates include the Kawasaki Works: approx. 11.8 times; the Mizushima Works: approx. 3.8 times; and Moriyama Works: approx. 2.8 times. We will continue working to reuse water from the perspective of long-term water resource security.

\* Water reuse rate = Amount of water used (including reused water) / water withdrawals

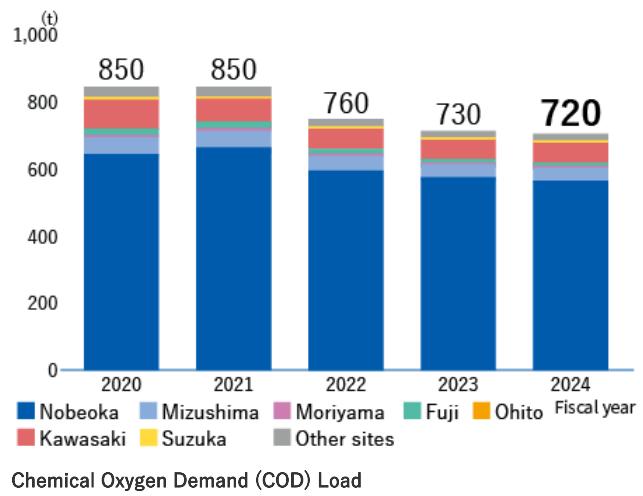
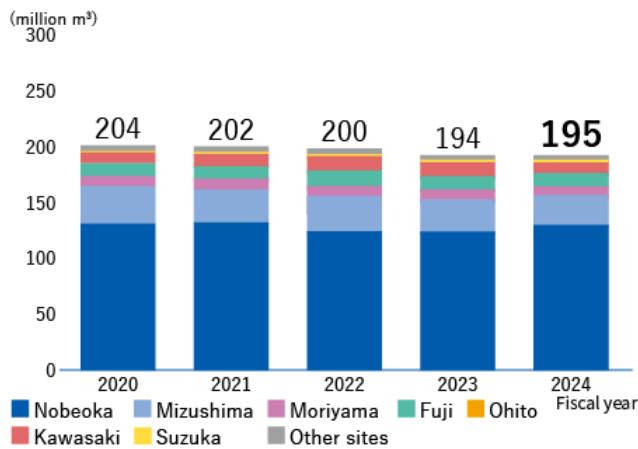
## Prevention of water pollution

The Asahi Kasei Group is thorough in its water discharge management and leakage countermeasures in order to prevent contamination of bodies of water or groundwater. In addition, as an annual goal for group-wide environmental safety activities, we have set zero instances of leakage as covered by the Water Pollution Prevention Act.

In 2012, we issued our Guidelines on Wastewater Management. In addition to proceeding with confirmation of the state of wastewater management based on this, we are also working on enhancing the capacity of wastewater treatment facilities and other equipment.

The Asahi Kasei Group sets voluntary management targets for the quality of wastewater from our offices and plants, managing water quality to a higher level than wastewater regulation standards.

In fiscal 2024, there were neither instances of leakage as related to the Water Pollution Prevention Act nor violations or fines related to environmental laws and regulations.



## Asahi Kasei products and technologies for water environmental issues

### Microza™ hollow fiber filtration membrane

We are a supplier of water treatment membranes and filtration systems. Microza™ is a hollow fiber membrane we have developed for water treatment. It is used in more than 1,600 water purification plants and wastewater plants worldwide, including in the United States, China, Korea, Singapore, Thailand, Indonesia, and Middle Eastern countries.

Going forward, we will continue to work on global water environmental issues with the aim of resolving various problems related to water resources.

➤ [Microza™ hollow fiber filtration membrane](#) □

### Saran™ Polyvinylidene Chloride Fiber

One important issue in wastewater treatment is reducing the amount of sludge generated, which is directly tied to decreasing its environmental impact. The Asahi Kasei Group conducts research and development into new commercial products that feature a unique technology using microorganism immobilized carrier that flows, making use of the characteristics of Saran™ fiber, which microorganisms inhabit easily.

Existing facilities can adopt these products by making simple improvements like installing screens, without requiring major modifications. This improves processing capabilities and reduces the amount of sludge generated.

➤ [Saran™ polyvinylidene chloride fiber \(Asahi Kasei Home Products website\)](#) □

### Apolarm™ series environmental monitoring products

Asahi Kasei Technosystem's Apolarm™ Series detects a wide range of oil leaks, including floating oil (oil film and oil layers), sediment oil, and water-soluble oil. We will continue to expand our product line and protect the aquatic environment with oil detection devices for specific applications.

|                  |   |
|------------------|---|
| <b>Apolarm C</b> | Oil layers of 3 mm or more trigger a capacitance shift and sound an alarm.                              |
| <b>Apolarm M</b> | A non-contact laser detector that can sense minuscule amounts of oil film on the water surface.         |
| <b>Apolarm B</b> | Detects oil and organic solvents that have a greater specific gravity than water, causing them to sink. |
| <b>Apolarm F</b> | Detects leakage of fluorescent water-soluble oils.  |

➤ [Apolarm™ Series environmental monitoring products \(Asahi Kasei Technosystem website\)](#) □

# Biodiversity

Environmental Management | Climate Change | Pollution Prevention and Resource Circulation |

Water Resource Preservation | **Biodiversity** | Environmental Contribution Products

## Biodiversity Conservation Initiatives

Natural Capital-related Analysis and Disclosure

## Policy

The Asahi Kasei Group is committed to reducing the impact of its business activities on biodiversity and ensuring the sustainable use of natural capital. These efforts are also vital from the perspectives of contributing to decarbonization and a circular economy. Recognizing consideration for “biodiversity” as one of the Asahi Kasei Group’s materiality issues, we strive to raise employee awareness through environmental and safety education, while advancing a wide range of initiatives.

### Guidelines for the biodiversity conservation

The Asahi Kasei Group has established guidelines for the biodiversity conservation as the foundation for its biodiversity initiatives. The guidelines cover such aspects as identifying and addressing the relationship between business activities and biodiversity, compliance with relevant laws and regulations, collaboration with local communities, greening within business sites, and biodiversity education for employees. The guidelines are revised as necessary to reflect evolving social expectations and to further enhance our initiatives.

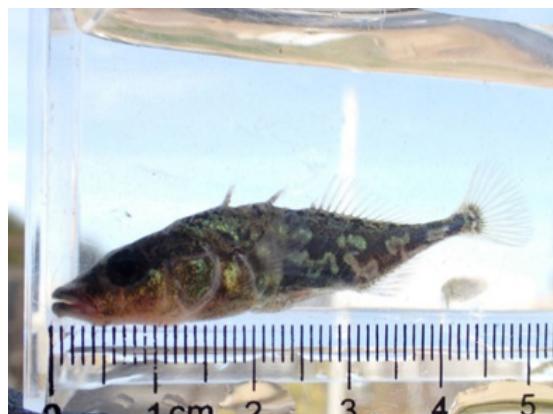
### Certification as a Nationally Certified Sustainably Managed Natural Site

In support of the 30by30<sup>1</sup> target, the Asahi Kasei Group has joined the 30by30 Alliance for Biodiversity, established in April 2022, to promote the certification of corporate green spaces and other conserved areas as OECMs<sup>2</sup>. In the first half of fiscal 2023, Asahi Woods of Life in Fuji City, Shizuoka Prefecture, was certified as a Nationally Certified Sustainably Managed Natural Site<sup>3</sup>, followed by Moribio (Moriyama Biotope) in Moriyama City, Shiga Prefecture, in the first half of fiscal 2025.





Moribio, certified as a Nationally Certified Sustainably Managed Natural Site



The smallhead stickleback inhabiting Moribio

<sup>1</sup> The 30by30 Alliance is an initiative for halting and reversing biodiversity loss to put nature on a path to recovery (nature-positive) by 2030 while effectively conserving at least 30% of land and sea areas as healthy ecosystems by 2030.

<sup>2</sup> Other Effective area-based Conservation Measures is a designation for areas that contribute to conservation of biodiversity outside of protected areas.

<sup>3</sup> A Nationally Certified Sustainably Managed Natural Site is a system launched in fiscal 2023 by the Ministry of the Environment of Japan to certify areas where biodiversity is conserved with the support of local communities, etc. As of fiscal 2024, 328 sites nationwide, including Asahi Woods of Life, have been certified.

## Biodiversity initiatives in procurement

The Asahi Kasei Group promotes biodiversity conservation throughout its supply chain. Our Supplier Code of Conduct includes provisions requiring suppliers to identify the impact of their business activities on ecosystems and to make efforts to protect biodiversity. In addition, our annual CSR Procurement Questionnaire for suppliers includes questions on biodiversity initiatives and corrective mechanisms, enabling us to monitor their progress.

- CSR Procurement > Supplier Code of Conduct
- CSR Procurement > Approach to ongoing suppliers

## Group-wide activities for biodiversity conservation

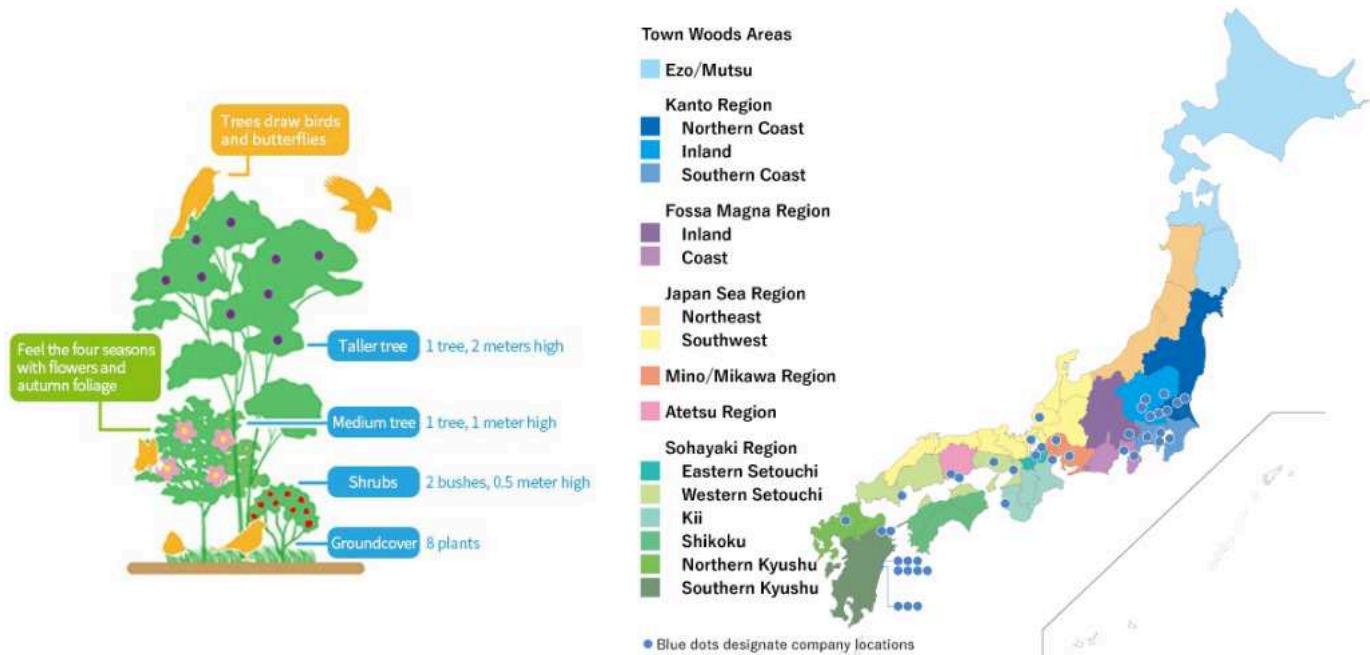


### What is the "Town Woods" Program?

We aim to increase value from the perspective of biodiversity while enhancing green spaces at Asahi Kasei Group operating sites in Japan. We will use Town Woods Pots as a tool to heighten understanding and awareness of the value of biodiversity among personnel.

### What are Town Woods Pots?

This new way of landscaping by Asahi Kasei Homes combines four layers of vegetation of varying heights: Tall, medium, short, and groundcover. While compact enough to integrate with urban residential areas, they increase the space for other plants and wildlife in artificial environments that otherwise have little greenery. Our Town Woods Program uses the phytosociological method to classify green spaces at operating sites throughout Japan, selecting the most suitable regional vegetation when creating the Town Woods plantings.



| Stage                        | Example Initiatives  |
|------------------------------|--|
| <b>Stage 1: Installation</b> | <ul style="list-style-type: none"> <li>Installing the Town Woods Pots</li> <li>Posting information about the Town Woods Pots</li> <li>Maintaining them properly so they thrive</li> </ul>    |
| <b>Stage 2: Observation</b>  | <ul style="list-style-type: none"> <li>Recording trunk thickness and tree height</li> <li>Photographing and recording information on features like flowering, fruiting, and foliage</li> <li>Photographing and recording information on the wildlife that visits the Town Woods Pots</li> <li>Photographing and recording information on naturally occurring vegetation</li> </ul>   |

| Stage  | Example Initiatives   |
|--|---|
| <b>Stage 3: Dissemination</b>                              | <ul style="list-style-type: none"> <li>Proactive dissemination of information to people inside and outside business sites, including records of observations and photographs of plants and animals (website, bulletin boards, communication with communities, etc.)</li> </ul>  |
| <b>Stage 4: Development Initiatives in other locations</b> | <ul style="list-style-type: none"> <li>Expanding the initiative to other locations</li> <li>Collaborating with other programs both within and outside the site</li> </ul>   |

## Notable activities in fiscal 2024

### Actions in the Fuji area

#### Biodiversity conservation activities in collaboration with Fuji City and local stakeholders

The Asahi Woods of Life biotope, located on the premises of the Fuji Office, was recognized in March 2025 under the SEGES Green Certification System operated by the Organization for Landscape and Urban Green Infrastructure, earning the Superlative Stage certification of Social and Environmental Green Evaluation System (SEGES). The biodiversity conservation activities at Asahi Woods of Life are conducted jointly with Fuji City and other local stakeholders.

##### 1. Town Woods activities

Since 2020, Asahi Kasei Homes and Tokoha University have been conducting joint research using Asahi Woods of Life as a test field to verify the restoration of local vegetation. The research focuses on solving local environmental issues such as oak wilt, deer grazing damage, and wetland desiccation.

##### 2. Black-spotted frog protection activities

This is a joint initiative between the Fuji Office and Fuji City's Environmental Protection Division. The black-spotted frog is endangered in Fuji City, and efforts are underway to protect it at the Asahi Woods of Life rice paddies. Each spring, egg clutches laid in the paddies are carefully collected early to protect them from predators and reared safely. In collaboration with a local eco-activity group, a release site was prepared in the Ukishimagahara Nature Park wetland, where a juvenile frog release event was held. This project, involving cooperation among citizen groups, companies, and the local government, was well received as a significant step toward conserving Fuji City's biodiversity.

##### Biodiversity monitoring training

##### 3. A Geographic Information System (GIS) can be used to record and manage biological species and populations. The Fuji Office has actively introduced GIS and organized training sessions inviting representatives from Fuji City Hall, universities, and local eco-activity groups to learn about its application, contributing to local community engagement. Biodiversity conservationists using GIS expressed surprise at such a comprehensive corporate-led activity, which greatly increased the recognition of Asahi Woods of Life.

##### FY2024 Shizuoka Prefecture biodiversity seminar (on-site tour)

##### 4. Asahi Woods of Life was selected as a site for the on-site tour course of the OECM seminar hosted by Shizuoka Prefecture. More than 30 participants, mainly from companies and organizations, attended and showed strong interest in learning about the biotope's role in regional contribution activities.

##### Fuji Office firefly festival

##### 5. This local contribution activity has continued since 2009. Firefly larvae raised at the Fuji Office are released into the waterways of Asahi Woods of Life, where they mature and take flight. In 2024, participation was limited to employees, their families, Fuji City representatives, and invited companies, yet the event attracted around 750 attendees and was a great success.



Explanation before releasing black-spotted frogs



GIS hands-on training session

## Actions in the Moriyama Area

### Ex-situ conservation of smallhead stickleback, an endangered freshwater fish, and joint effort among companies and communities for dragonfly conservation

In Moriyama, we draw groundwater for industrial use in cooling equipment. Its quality is strictly monitored, and it is discharged to nearby rivers after use. A portion of the discharged water from our Moriyama Works is also used for agriculture, which has become vital for local farmers as well as wildlife inhabiting the waterfront areas. Against this backdrop, and since water is intrinsically related to our business operations, in fiscal 2010 we started initiatives to protect biodiversity with a focus on water resources. In fiscal 2015, we began ex-situ conservation of smallhead stickleback, an endangered freshwater fish, and in fiscal 2016, we began dragonfly conservation activities in cooperation with companies that have operations located in Shiga Prefecture and local communities.

In fiscal 2024, we held an observation event at the biotope (Moribio) for employees and their families, gathering 41 participants. Thanks to the support of experts, the observation sessions provided a good opportunity to learn about biodiversity conservation while having fun by observing smallhead sticklebacks and dragonflies living in the biotope, and creating a container biotope for dragonflies. After the observation session, a lunch gathering was held where participants shared stories about dragonflies and smallhead sticklebacks.

The Biodiversity Biwako Network (BBN)—a group of five companies with operations in Shiga Prefecture—conducts surveys and conservation activities on dragonfly habitats in collaboration with local communities. Each company decides on a dragonfly to be promoted for conservation. Asahi Kasei has chosen the *Sympetrum kunckeli*, a dragonfly that inhabits wetlands, and continues conservation of this species in the biotope on-site. In fiscal 2024, adult *Sympetrum kunckeli* were confirmed at the Moriyama Works, demonstrating tangible results from these efforts. BBN also promotes awareness through exhibitions and events at the Lake Biwa Museum, helping local residents learn about the importance of biodiversity conservation.

In addition to activities through BBN, we also collaborate with Moriyama City to carry out dragonfly conservation and observation events in the nearby Biwako Forest of Global Citizens. We will continue to work on biodiversity conservation through our activities at the Moribio and the BBN.



Observing wildlife at the Moribio



Dragonfly figure-making activity at the Lake Biwa Museum

## Actions by Asahi Kasei Jyuko Co., Ltd.

### Project to rediscover living with the woods and water in Higashiomi

We are carrying out conservation works at Asahi Kasei Jyuko Co., Ltd.'s Shiga Plant—principally at the “Yuya Hebel Biotope” created on the plant's grounds in June 2017—in aid of the four-spotted skimmer (selected as our “dragonfly to be promoted for conservation”), a species listed on Shiga Prefecture's Red Data Book and which surveys of dragon flies in the surrounding area show to be at risk of extinction due to habitat degradation in recent years.

In March 2025, under the guidance of experts, the plant conducted pond maintenance for the first time in five years, removing reeds, cattail roots, accumulated mud, and fallen leaves from the pond, followed by a period of sun drying.

During the rescue of aquatic life hiding in the mud and debris, 171 individuals from 16 species were confirmed, including the giant water bug and several species of dragonfly larvae, as well as the wrinkled frog—both listed in Shiga Prefecture's Red Data Book. In addition, during the Asahi Kasei Jyuko Autumn Festival—an annual event held at the Shiga Plant for local residents, business partners, and employees' families—an observation session was held at the Yuya Hebel Biotope for the first time in five years since the COVID-19 pandemic. With explanations from experts, participants observed aquatic and insect life such as water scorpions, black-spotted frogs, and various dragonflies, while learning about the company's ongoing biodiversity conservation activities in an enjoyable way.



Pond maintenance work



Observation at the “Yuya Hebel Biotope”

## Actions in the Suzuka Area

Actions in the Suzuka Area A river known as River No. 19 cuts through the grounds of our Suzuka Works from north to south, and water used for cooling and other purposes in the production line is discharged into this river under water-quality monitoring.

Although the river is narrow, it supports maintain a favorable environment for aquatic plants and organisms, by carefully protecting the old stone embankment. Around these cobblestone pavements and in the crevices, plants such as *Limnophila sessiliflora* grow, crabs inhabit, and various small fish including the pale chub swim in the river water, as dragonflies and butterflies visit the waterside. In the early morning when there are few people around, birds such as ducks, great blue herons, and egrets can be seen flying in and resting.

This year, white and red carp were also spotted swimming upstream, delighting everyone.

The number of soft-shelled turtles, which have lived in the area for a long time, has increased to five, and they can sometimes be seen swimming with large movements of their arms and legs. The adult turtles have grown noticeably larger, much to everyone's surprise.

Employees look forward to seeing what kind of creatures they may find when walking by the river. Every time various creatures are found, we realize how important it is to maintain the riparian environment of River No. 19, home to many aquatic organisms. We will steadily conserve the cobblestone revetment and continue to ensure water quality control of the discharge water to conserve the environment so that these aquatic organisms can live peacefully.



Ducks swimming by the *Limnophila sessiliflora* in River No. 19



White carp swimming upstream in River No. 19



Adult soft-shelled turtle swimming in River No. 19

## Actions in Nobeoka and Hyuga Area

Since 2007, the Nobeoka Office has participated in a reforestation program led by Miyazaki prefecture to create forests in cooperation with companies. Under this program, Asahi Kasei has worked to conserve the environment by planting broad-leaf trees and other trees across approximately 50 hectares of forested land in the prefecture. In the past, as many as 400 people took part in these tree-planting activities, but because of the pandemic they were temporarily suspended. However, the event resumed in fiscal 2022 with the number of participants limited to approximately 150 people. In fiscal 2024, tree planting was conducted in the Hinokage Town Water Source Conservation Forest Area, where about 150 participants, including Asahi Kasei Group employees and members of the retirees' association, planted 1,500 broadleaf saplings under the guidance of the local forestry cooperative.



Planting trees



Commemorative photo after tree planting session

# Biodiversity

Environmental Management | Climate Change | Pollution Prevention and Resource Circulation |

Water Resource Preservation | **Biodiversity** | Environmental Contribution Products

Biodiversity Conservation Initiatives

**Natural Capital-related Analysis and Disclosure**

## Our awareness of natural capital

In 1922 Asahi Kasei began using water from Lake Biwa for the manufacture of fibers, and in 1923 began manufacturing synthetic ammonia in Nobeoka using hydroelectric power generated with the area's abundant water resources. Water is indispensable to our manufacturing operations, and our growth has been supported by the benefits of water. In recent years, however, climate change and the loss of biodiversity have been accelerating, heightening society's awareness of environmental challenges. Companies are now expected to demonstrate a more proactive stance and take responsible action toward the conservation and restoration of natural capital. Against this backdrop, we recognize the importance of clarifying how our business activities depend on and impact natural capital, and have begun related analyses. Going forward, we will apply the insights gained from these analyses to strengthen management practices that give due consideration to natural capital, further advancing our efforts to achieve both contributing to sustainable society and sustainable growth of corporate value.

## Analysis based on the LEAP approach<sup>1</sup>

In analyzing our dependencies and impacts on natural capital, Asahi Kasei adopted the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD)<sup>2</sup>. We prioritized and narrowed down the scope of evaluation by considering the following factors, designating Asahi Kasei Corporation (domestic sites) as the focus of analysis and setting the Material sector as the target business sector:

- Sites and businesses that constitute core parts of the overall configuration of the Asahi Kasei Group
- Presence of many large-scale manufacturing facilities
- Operations expected to have significant dependence on and impact related to natural resources

<sup>1</sup> LEAP approach : An analytical framework proposed by TNFD for organizing a company's dependencies, impacts, opportunities, and risks related to natural capital across four stages: Locate, Evaluate, Assess, and Prepare.

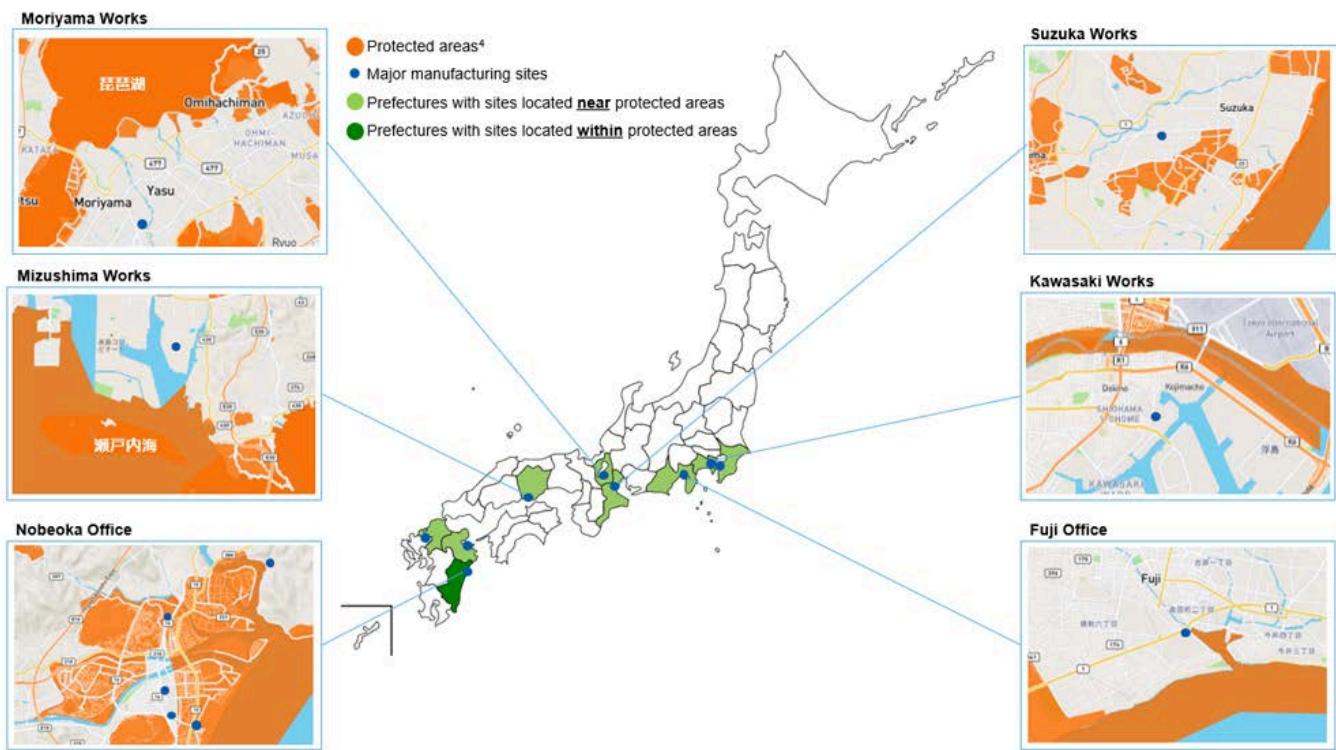
<sup>2</sup> TNFD : Task Force on Nature-related Financial Disclosures. An international initiative established in 2021 to develop a framework for companies to manage and disclose risks related to natural capital and nature-related issues.

## Analysis by manufacturing site

As part of our analysis based on the LEAP approach, we used tools such as the Integrated Biodiversity Assessment Tool (IBAT)<sup>3</sup>, developed by the International Union for Conservation of Nature and Natural Resources (IUCN) and other organizations, to assess whether Asahi Kasei's major domestic manufacturing sites are located within or near nature conservation areas, key biodiversity areas, or regions with high water stress. The analysis confirmed that none of the sites assessed are located on land considered critical to ecosystems, such as habitats of endangered species, nor within areas subject to strict legal protection, and that no sites are situated in regions with high water stress.

At the same time, we reaffirmed that many of our manufacturing sites are located in or near areas rich in natural environments, underscoring the importance of utilizing these natural blessings appropriately while ensuring strict compliance with environmental regulations.

Below are excerpts from the IBAT assessment results.



<sup>3</sup> IBAT : Integrated Biodiversity Assessment Tool. A tool for assessing the potential impact of business operations or development plans on biodiversity.

<sup>4</sup> Protected areas : Legally or institutionally designated zones established to conserve natural environments and wildlife, such as national parks and nature reserves, where development and use are restricted.

## Analysis by business activity

For our business activities, we used ENCORE<sup>5</sup>, a tool managed and operated by Global Canopy, the UN Environment Programme Finance Initiative (UNEP FI), and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), to organize and assess the degree of our business dependence on and impact on nature.

The results showed that our business operations are broadly dependent on ecosystem functions to ensure stable operations, particularly on water use and wastewater treatment within manufacturing processes. The analysis also revealed that the sustainable management of water resources and the reduction of environmental impacts caused by air and water pollutants are key issues in addressing our impacts on natural capital.

Water is a critical resource forming the foundation of our business, and its proper management is essential for stable operations. Minimizing environmental impacts from emissions is equally important. In addition to complying with all relevant laws and regulations, Asahi Kasei will continue to advance voluntary initiatives to further improve environmental performance.

## Dependence

|                                 |   | Related businesses       |    |    |    |    |    |
|---------------------------------|---|--------------------------|----|----|----|----|----|
|                                 |   | Dependence on ecosystems |    |    |    |    |    |
| Business activity preconditions | Mitigation of floods and storm surges   | M                        | M  | M  | M  | M  | M  |
|                                 | Global climate regulation   | VL                       | VL | VL | VL | VL | VL |
|                                 | Rainfall from forest evapotranspiration (subcontinental scale)                      | VL                       | M  | -  | -  | VL | VL |
|                                 | Retention of soil and sediments   | M                        | M  | M  | L  | L  | L  |
|                                 | Mitigation of storms and heavy rainfall by vegetation                               | M                        | M  | M  | M  | M  | M  |
|                                 | Maintenance of soil fertility through decomposition of organic and inorganic matter | -                        | -  | -  | -  | -  | -  |
|                                 | Water flow regulation (ecosystem-based water storage and release)                   | M                        | M  | M  | M  | M  | M  |
|                                 | Pest control  | -                        | -  | -  | -  | -  | -  |
|                                 | Place for education, science, and research  | -                        | -  | -  | -  | -  | -  |
|                                 | Genetic resources for new species development                                       | -                        | -  | -  | -  | -  | -  |
| Use                             | Maintenance of species populations  | -                        | -  | -  | -  | -  | -  |
|                                 | Animal power for transport and movement   | -                        | -  | -  | -  | -  | -  |
|                                 | Local climate regulation (evaporative cooling, shade, etc.)                         | L                        | L  | L  | L  | L  | L  |
|                                 | Space for tourism, recreation, and sports   | -                        | -  | -  | -  | -  | -  |
|                                 | Cultural, artistic, and religious value   | -                        | -  | -  | -  | -  | -  |
|                                 | Visual comfort and aesthetic value  | -                        | -  | -  | -  | -  | -  |
|                                 | Pollination of crops by insects and wind  | -                        | -  | -  | -  | -  | -  |
|                                 | Biomass as raw material (plants and animals)  | -                        | -  | -  | -  | -  | -  |
|                                 | Water supply  | M                        | M  | M  | M  | M  | M  |
|                                 | Dilution of human-derived emissions (air and water)                                 | L                        | L  | L  | ND | L  | L  |
| Processing                      | Water purification (decomposition of pollutants, etc.)                              | M                        | M  | M  | M  | M  | M  |
|                                 | Decomposition of waste materials  | L                        | L  | M  | L  | L  | L  |
|                                 | Air purification  | VL                       | VL | VL | VL | VL | VL |
|                                 | Noise reduction (by vegetation, topography, etc.)                                   | VL                       | VL | VL | VL | VL | VL |
|                                 | Reduction of light pollution and similar impacts                                    | L                        | VL | VL | VL | VL | VL |

VH ...Very High  
 H ...High  
 M ...Medium  
 L ...Low  
 VL ...Very Low  
 ND ...No Data  
 - ...Not applicable

## Impact

|   |       | Related businesses  |              |    |         |   |           |    |        |    |             |    |            |   |                   |
|---|-------|---|--------------|----|---------|---|-----------|----|--------|----|-------------|----|------------|---|-------------------|
|   |       | Impact on ecosystems  |              |    |         |   |           |    |        |    |             |    |            |   |                   |
| Consumption of natural capital (other than water) | Water | Large-scale water use   | M            | H  | M       | M | M         | L  |        |    |             |    |            |   |                   |
|   |       | Extent of freshwater use  | -            | -  | -       | - | -         | -  |        |    |             |    |            |   |                   |
|   |       | Extraction of resources (mineral resources, petroleum, gas, etc.) | -            | -  | -       | - | -         | -  |        |    |             |    |            |   |                   |
|   |       | Extraction of natural resources (e.g., fish, timber)              | -            | -  | -       | - | -         | -  |        |    |             |    |            |   |                   |
|   |       | Extensive land use  | L            | L  | L       | L | L         | L  |        |    |             |    |            |   |                   |
|   |       | Extensive seabed use  | -            | -  | -       | - | -         | -  |        |    |             |    |            |   |                   |
|   |       | Emission of greenhouse gases (GHG)                                | M            | M  | M       | M | L         | VL |        |    |             |    |            |   |                   |
|   |       | Emission of air pollutants (other than GHGs)                      | M            | M  | M       | M | M         | L  |        |    |             |    |            |   |                   |
|   |       | Discharge of toxic pollutants to water and soil                   | VH           | VH | VH      | M | M         | H  |        |    |             |    |            |   |                   |
|   |       | Discharge of nutrient pollutants to water and soil                | -            | -  | -       | - | M         | -  |        |    |             |    |            |   |                   |
| Pollution   |       | Generation and discharge of solid waste                           | M            | M  | M       | M | M         | L  |        |    |             |    |            |   |                   |
|   |       | Introduction of non-native species                                | -            | -  | -       | - | -         | -  |        |    |             |    |            |   |                   |
|   |       | Nuisance impacts such as noise and light                          | VH           | VH | VH      | M | M         | M  |        |    |             |    |            |   |                   |
|   |       | VH  | ...Very High | H  | ...High | M | ...Medium | L  | ...Low | VL | ...Very Low | ND | ...No Data | - | ...Not applicable |

<sup>5</sup> ENCORE : Exploring Natural Capital Opportunities, Risks and Exposure. A tool designed to help organizations assess their exposure and sensitivity to nature-related risks, and to understand their dependencies and impacts on natural capital.

## Findings from the evaluation

Based on the evaluation results of both our sites and business activities, we confirmed the importance of paying close attention to natural capital conservation at each location—particularly given that many sites are situated in or near areas rich in natural environments, and in light of the need for careful water resource management and pollution prevention. At each site, we recognize that in addition to complying with relevant environmental laws and regulations, it is vital to enhance environmental awareness and promote coexistence with local communities through voluntary initiatives tailored to local environmental characteristics. Through these various region-specific activities, Asahi Kasei will continue striving to achieve both the conservation of local biodiversity and the sustainable use of natural capital.

## Sites with large-scale operations and greater potential impact on nature

Sites such as the Nobeoka Office and the Mizushima Works are located near natural environments including forests and coastal areas, and due to the large scale of their operations, they are considered to have relatively greater potential impacts on nature. At these sites, Asahi Kasei not only ensures full compliance with environmental laws and regulations, but also implements measures to manage wastewater and pollutant emissions with due consideration for the natural environment. In addition, the following initiatives are being undertaken to contribute to the restoration of nature.



### Nobeoka Office Initiatives:

Promotion of forest conservation and regeneration through tree-planting activities



### Mizushima Works Initiatives:

Promotion of urban greening and biodiversity conservation through the Town Woods<sup>6</sup> program

<sup>6</sup> Town Woods : An Asahi Kasei Group initiative aimed at enhancing the value of green spaces at business sites and raising awareness of biodiversity conservation. The program uses the Town Woods Pots, developed by Asahi Kasei Homes, which allow layered vegetation structures to be created even in small spaces, enabling site-specific planting suited to local environments.

## Sites located near important nature conservation areas

Most of Asahi Kasei's major manufacturing sites are located in or near nature reserves, making it essential that all business operations at these sites are conducted with full consideration for the surrounding natural environment. Among these, Lake Biwa is particularly important from a conservation standpoint, as it serves both as a vital resource for human life and as a diverse habitat for aquatic plants and animals. Because the Moriyama Works is located close to Lake Biwa and its tributaries, special attention to environmental stewardship is required. At this site, in addition to complying with environmental laws and regulations and properly managing all discharges, Asahi Kasei actively carries out the following initiatives.



### Moriyama Works Initiatives:

Promotion of biodiversity conservation activities and the reuse of all water used at the facility

## Other sites

We recognize that our other sites also have various connections with natural capital. Accordingly, in addition to addressing the major dependencies and impacts identified in this analysis—such as water use and pollution—we are advancing initiatives that include recognizing and preparing for flood risks associated with extreme weather events, as well as promoting biodiversity conservation activities that emphasize the importance of nature's benefits. Among these, the Fuji Office is particularly focused on natural capital conservation through the management and operation of the Asahi Woods of Life, in collaboration with Asahi Kasei Homes. Specific activities include tree-planting events conducted together with local residents, firefly observation gatherings, and rice-harvesting events in the on-site paddy fields. These initiatives play a symbolic and significant role in Asahi Kasei's natural capital-related efforts.

For more details on our biodiversity conservation activities, please refer to:

- Biodiversity Conservation

## Opportunities and risks

Asahi Kasei recognizes and analyzes key opportunities and risks related to natural capital and aims to proactively seize opportunities while effectively managing and controlling associated risks. The diagram below summarizes the main natural capital-related opportunities and risks across the different stages of our business activities — upstream (raw material extraction), direct operations (production and development), and downstream (product use and disposal). Going forward, we will further deepen our analysis to identify and advance initiatives that both manage our dependencies and impacts on natural capital and contribute to enhancing corporate value.



## Examples of response implementation

|               | Responses   | Examples of response implementation  |
|---------------|---|--|
| Opportunities | 1) Investment in BCP measures and environmental protection facilities   | ➤ Environmental protection and safety investments across the Asahi Kasei Group   |
|               | 2) and 3) Development of material/chemical recycling technologies and furthering their rollout in society                                       | ➤ Business partnership on waste plastic-to-oil conversion by Asahi Kasei Advance    |
|               | 4) Promotion of products that contribute to environmental conservation, including our Environmental Contribution Products                       | ➤ Asahi Kasei Group initiatives for Environmental Contribution Products  |
|               | 5) Greening with consideration for biodiversity, conservation activities in collaboration with local communities, and tree-planting initiatives | ➤ Asahi Kasei Group initiatives for biodiversity conservation  |
| Risks         | 1) Diversification of procurement sources and securing of appropriate inventory levels  | Ongoing review of BCP measures   |
|               | 2) Establishment of frameworks for procuring recycled materials   | -  |
|               | 3) Reuse of wastewater and utilization of rainwater   | ➤ Asahi Kasei Group initiatives related to water management  |
|               | 4) Efficient use of water resources, thorough control of pollutant emissions, and disclosure of related measures                                |  |
|               | 5) Thorough management of pollutant emissions and promotion of waste recycling  | ➤ Asahi Kasei Group initiatives for pollution prevention and resource circulation  |
|               | 6) and 7) Development of material/chemical recycling technologies and furthering their rollout in society                                       | ➤ Business partnership on waste plastic-to-oil conversion by Asahi Kasei Advance  |

## Future policy

As society's awareness of issues related to natural capital continues to grow, Asahi Kasei believes that accurately understanding our dependencies and impacts on natural capital, and conducting responsible business activities, are essential for creating sustainable corporate value. Going forward, we will continue to deepen our understanding of our relationship with nature, while advancing initiatives aimed at appropriately managing risks and impacts, and creating new opportunities.

# The Asahi Kasei Group's Environmental Contribution Products

Environmental Management | Climate Change | Pollution Prevention and Resource Circulation |

Water Resource Preservation | Biodiversity | **Environmental Contribution Products**

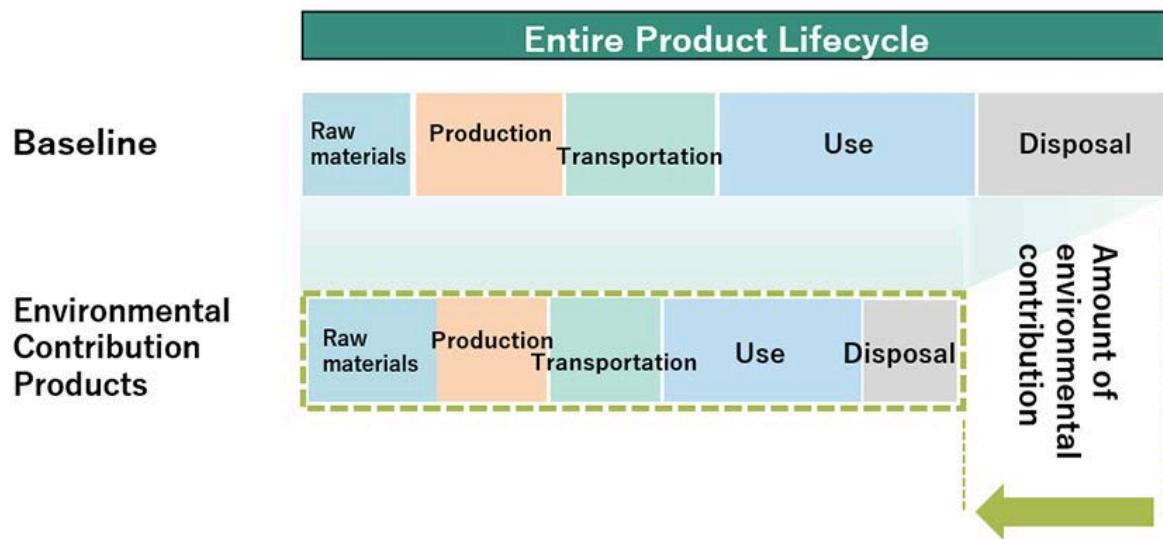
## Our Initiatives

## Description of Environmental Contribution Products

### What are Environmental Contribution Products?

The Asahi Kasei Group internally certifies products and services that contribute to improving the environment and reducing the environmental impacts along their overall lifecycle as Environmental Contribution Products.

### Conceptual diagram of Environmental Contribution Products and amount of environmental contribution



Environmental Contribution Products are evaluated at each stage from collection of raw materials to production, transportation, use, and disposal.

During the evaluation, we compare them to standard products on the market or our conventional products (as a baseline) to confirm whether or not they have reduced the overall environmental impacts.

Even if there is a high environmental impact at one of the stages, if they reduce the impacts over the entire lifecycle, we still certify them as Environmental Contribution Products.

We proactively implement these efforts because we believe they can contribute to reducing the environmental impacts on society overall.

The calculation for the amount of environmental contribution from Environmental Contribution Products is based on our internally-formulated “Guidelines for Environmental Contribution Products” which references various guidelines published by The Institute of Life Cycle Assessment, Japan, the Japan Chemical Industry Association, the Ministry of Economy, Trade and Industry, and the World Business Council for Sustainable Development (WBCSD), for example. We utilize external databases such as the LCA (lifecycle assessment) database “IDEA” provided by the National Institute of Advanced Industrial Science and Technology (AIST) for use in calculations such as for the amount of environmental contribution.

## Targets and results

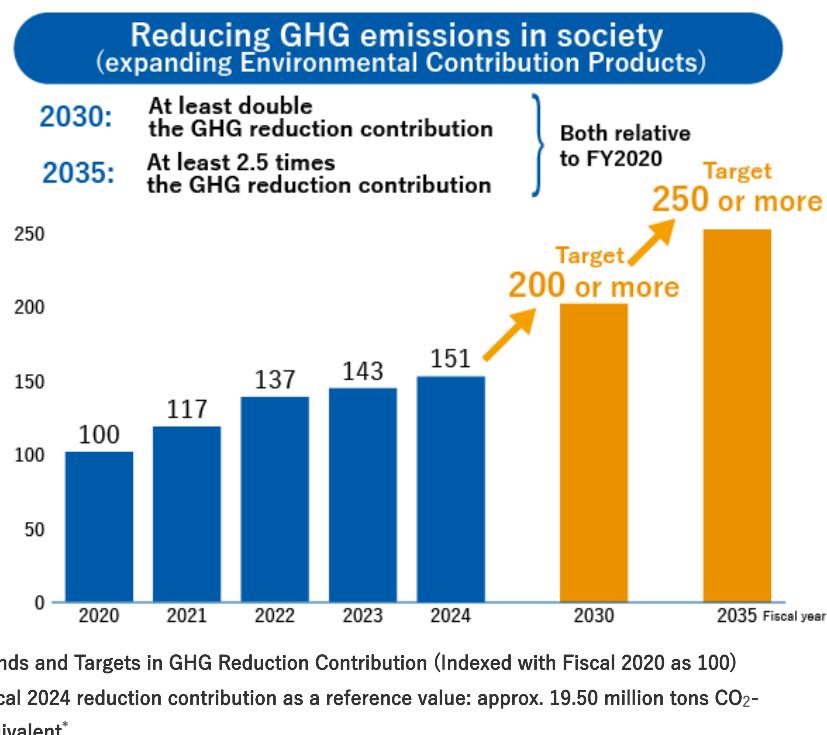
The Asahi Kasei Group aims to contribute to reducing GHG emissions in society as a whole by expanding GHG reduction contribution through Environmental Contribution Products.

We set specific targets for GHG reduction contribution to increase by at least double in fiscal 2030 and by 2.5 times or more in fiscal 2035 compared to fiscal 2020.

Up to this point, we have certified 26 products as Environmental Contribution Products, and GHG reduction contribution for fiscal 2024 was 1.51 times that of fiscal 2020.

We will continue enlarging our environmental contributions through business by engaging in research and development that focuses even more heavily on environmental contribution.

### Contribution to reducing GHG emissions through Environmental Contribution Products



\* Baselines and the approach for the relative contribution ratio are established separately for each respective product as deemed appropriate based on the perspective of internal management.

Therefore, please bear in mind that the above values are simple totals of the contribution amount for each product, and are rational only under a certain set of conditions (and not suitable for comparisons with other companies).

## New establishment of Next Environmental Contribution Products Candidates

Beginning in fiscal 2024, our company has established a new framework called “Next Environmental Contribution Products Candidates”, as we work towards early evaluation and visualization of environmental contribution (such as GHG reduction contribution) for technologies and product ideas that are at the research and development stage but could become Environmental Contribution Products in the future.

By adopting a LCA viewpoint starting at the stage of research and development, we aim to enable quantitative evaluation of environmental impact at each stage, from design to material selection and process building, leading to smooth post-market certification and creation of environmental value.

## Internal Certification Process

Products proposed by each business are internally certified as Environmental Contribution Products after external experts on the LCA Review Panel confirm the rationality of the environmental contribution from an LCA perspective. The inclusion of academic perspectives has promoted the improvement of the knowledge and skills of our human resources and has also led to a deeper understanding of the need to promote initiatives for Environmental Contribution Products with a medium- to long-term perspective.



### LCA Review Panel (held on June 26, 2025)

|                |  |
|----------------|--|
| Chair:         | Hiroyuki Uchida (Principal, Mizuho Research & Technologies, Ltd.)            |
| Panel Members: | Keigo Matsuda (Professor, Nagoya University)                                 |
|                | Kensuke Kobayashi (Associate professor, Prefectural University of Hiroshima) |



A meeting of the FY2025 LCA Review Panel

At the LCA Review Panel, personnel in charge of each product explain the details of environmental contributions and receive comments and advice from outside experts on the suitability of the establishment of baselines and our approach to environmental contribution.

**External expert Hiroyuki Uchida (Principal, Mizuho Research & Technologies, Ltd.)**

The importance of reduction contribution and Environmental Contribution Products is increasing more than ever as an initiative that aligns corporate growth with GHG emission reductions. On the other hand, if the calculation method is incorrect, there is a risk of causing misunderstandings in society and not producing accurate GHG emission reductions. I commend Asahi Kasei's sincere efforts to reduce GHG emissions, including calculations based on major guiding documents, reviews by external experts, and disclosure of the process. I look forward to the company's continued efforts to achieve its targets for 2030 and 2035 under appropriate management.

Note: Titles, etc. are current as of the time of publication

# The Asahi Kasei Group's Environmental Contribution Products

Environmental Management | Climate Change | Pollution Prevention and Resource Circulation |

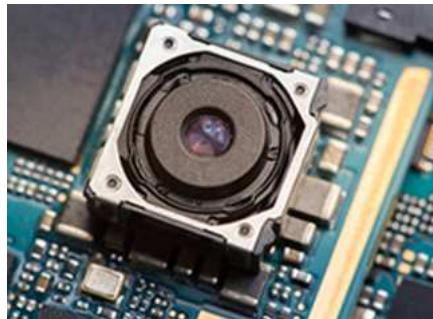
Water Resource Preservation | Biodiversity | **Environmental Contribution Products**

Our Initiatives

Description of Environmental Contribution Products

## Description of Environmental Contribution Products

- › Overview of Environmental Contribution Products  (890.2KB)



ICs for smartphone camera modules<sup>1</sup>

- Saving resources by integrating functions



› Dinamica™ artificial suede

- Increasing the usage rate of recycled PET and reduction of solvents (DMF)



› Ecoloop™ OPS film

- Increasing the usage rate of recycled material



› Dimethyl carbonate production process using CO<sub>2</sub> as a raw material

- CO<sub>2</sub> as a raw material



› Polycarbonate production process using CO<sub>2</sub> as a raw material

- CO<sub>2</sub> as a raw material



Adipic acid production process

- High efficiency in N<sub>2</sub>O decomposition



Cyclohexanol production process

- High yield



Acrylonitrile production process

- High yield (catalysts)



Lithium-ion battery (LIB) separators



&gt; Hipore™



&gt; Celgard™

- Essential for LIBs in electric vehicles



- Ion-exchange membrane process for chlor-alkali electrolysis
- Low electricity consumption in electrolysis



- Filtration membrane Microza™
- High durability of membrane (resource-saving) / reuse of water resources

> CO<sub>2</sub> sensors

- Optimization of ventilation



&gt; Current sensor (components for large air conditioners)

- Energy conservation with inverter motors



&gt; Hall elements and Hall ICs (components for home air conditioners)

- Energy conservation with inverter motors

> ICs<sup>2</sup> for temperature-compensated crystal oscillators (TCXO) for communication base stations

- Reduction of electricity consumption due to absence of heater



➤ **Hebel Haus™ unit homes**

- Durability for 60 to 100 years / ZEH etc., energy conservation



➤ **Hebel Maison™ apartment buildings**

- Durability for 60 to 100 years / ZEH etc., energy conservation



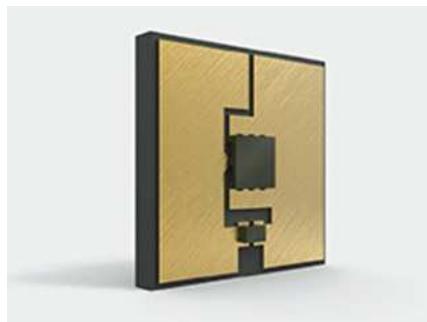
➤ **Neoma Foam™ insulation material**

- Energy-saving through advanced thermal insulation performance



➤ **AWP™ photosensitive resin for printing plates**

- High printing performance, productivity, no solvent required



➤ **UVC LEDs for water sterilization**

- Low electricity consumption and no use of mercury



➤ **Asaclean™ purging compound**

- Resource saving in the cleaning of molding machines



➤ **S-SBR synthetic rubber for fuel-efficient tires**

- Contribution to tires' rolling performance



➤ **Elastomer for asphalt modification**

- Improvement of road durability



➤ **Modified PPE Xyon™ (solar cell connector material)**

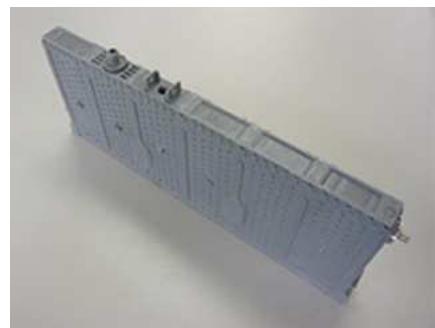
- Reduction in the number of modules required for high-voltage systems and the quantity of resin used



- HDI-based polyisocyanate Duranate™ low viscosity grade
  - Reduction in solvent use for paint manufacturers



- Duranol™ polycarbonatediol for soft feel paint
  - Reduction in solvent use (butyl acetate)



- Modified PPE Xyron™ (automotive secondary battery component)
  - Weight saving of battery cases in hybrid vehicles

<sup>1</sup> Photo shows a camera module for a smartphone in which the lens controller IC is built-in.

<sup>2</sup> Photo shows a wafer of ICs for TCXO

# Society

The Asahi Kasei Group aims to be a corporate entity that contributes to sustainable society in harmony with the community by taking social issues into consideration and striving for fair information disclosure.



## › Quality Assurance

We deliver safe and reliable products and services to our customers and strive for genuine communication with them.



## › CSR Procurement

We work to promote CSR in partnership with our suppliers through fair and transparent business activities that take account of environmental issues and human rights.



## › Human Resources

We respect each and every employee and aim to create a rewarding and vibrant workplace.



## › Human Rights

We respect the human rights of all people involved in the business activities of the Asahi Kasei Group, and encourage each and every one of them to achieve their full potential.



## › Health & Productivity Management and Occupational Health & Safety

We engage in diverse activities based on an occupational safety management system to achieve employee health and safety in the workplace.



## › Process Safety

We continually make voluntary efforts to ensure operational safety in accordance with our Basic Policy on Safe Operation.



## › Social Contribution Activities

We aim to contribute to community development through proactive communication with everyone in the local community and a diverse community fellowship program all around Japan.

# Quality Assurance

## Quality Assurance

CSR Procurement

Human Resources

Human Rights

Health & Productivity Management and Occupational Health & Safety

Process Safety

Social Contribution Activities

## Policy

Products and services provided by the Asahi Kasei Group internally and externally include materials, products, installations, various services, and after-sales support. We believe that providing safe and reliable products and services that satisfy our customers is our ultimate mission.

We have established the Asahi Kasei Group Quality Policy and Regulation on Quality Assurance, and based on these, we promote quality assurance to provide products and services that satisfy our customers and society.

### Asahi Kasei Group Quality Policy

The Asahi Kasei Group flexibly anticipates the constantly changing needs of customers and society to create and provide products and services with quality that ensures safety and security.

## Management Framework

In April 2019, we appointed a dedicated Executive Officer for Quality Assurance to further reinforce the management framework. The Corporate Quality Assurance department of Asahi Kasei Corporation oversees and coordinates Group-wide quality assurance activities.

Corporate Quality Assurance consists of three groups: the Corporate Quality Assurance Planning Group, which proposes new plans and supports quality assurance activities at each internal organization; the Corporate Quality Audit Group, which proposes improvements for preventing compliance risks that occur during quality assurance activities at business organizations and offers support in preparing governance; and the Corporate Chemical Regulatory Group, which fulfills the function of ensuring compliance with chemical laws and regulations as a diversified chemical manufacturer. Corporate Quality Assurance performs a head-office function as a hub for the Group's quality assurance framework and strives every day to reinforce quality assurance by coordinating activities across the entire Asahi Kasei Group to deliver safe and reliable products and services to our customers and society.

Each core operating company and strategic business unit within the Asahi Kasei Group performs quality assurance in accordance with the products and services provided in each business area, in conformity with the Group Principles.

Regulation on Quality Assurance stipulate the quality assurance activities to be led by Asahi Kasei ESH & QA Manager, such as the presidents of the core operating companies and strategic business units. The bylaws also define the appointment and roles of Quality Assurance Managers who play a central role in activities to enhance quality assurance in the relevant organization. The Quality Assurance Managers' Conference is held four times a year to transmit and share information among the entire Asahi Kasei Group regarding quality assurance activities. In addition, from fiscal 2019, we have started to provide an opportunity for the Executive Officer for Quality Assurance and the Senior General Manager of Corporate Quality Assurance to meet directly with ESH

& QA Managers, Quality Assurance Managers, and others to discuss the enhancement of quality assurance and for frank exchange of opinions and sharing of ideas through face-to-face meetings, thereby creating an environment that enables us to build a quality assurance system with reliable safety and security.



Diagram of quality assurance framework

#### Quality Assurance Meeting (held each month):

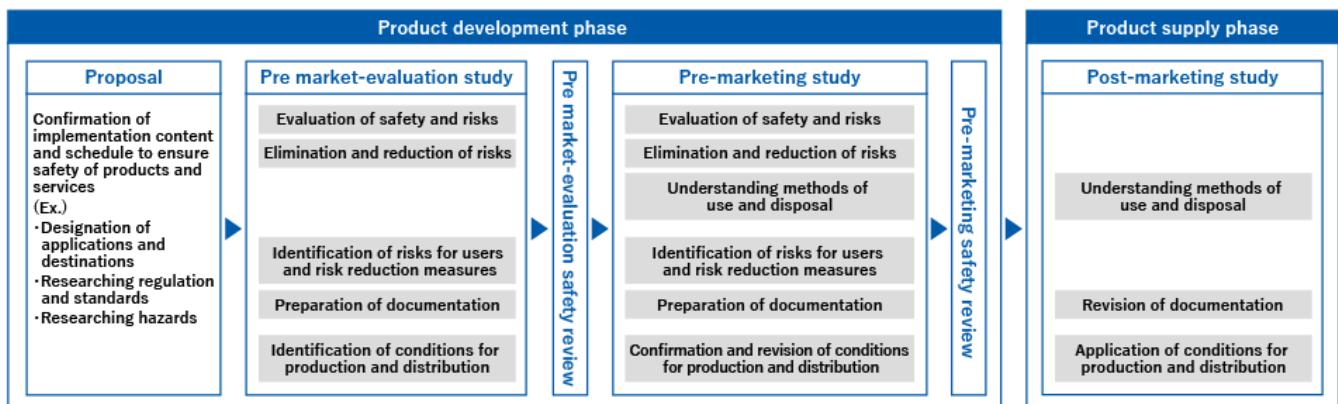
Based on the Monthly Quality Assurance Report prepared by Corporate Quality Assurance, the Executive Officer for ESH & QA, the Executive Officer for Quality Assurance, and the Senior General Manager of Corporate Quality Assurance of Asahi Kasei Corporation hold the Quality Assurance Meeting to discuss information related to quality assurance.

#### Quality Assurance Managers' Conference (held four times a year):

Quality Assurance Managers, who play a central role in strengthening quality assurance, meet to transmit and share information among the entire Asahi Kasei Group.

## Quality assurance initiatives

The Asahi Kasei Group defines the procedure for risk assessment in quality assurance by internal company regulations. Risk assessment is implemented at each stage of product development and product supply, to ensure product safety and to prevent product problems and complaints from emerging. In addition, we have also established appropriate measures to be taken if a serious product problem or serious accident occurs or is likely to occur.

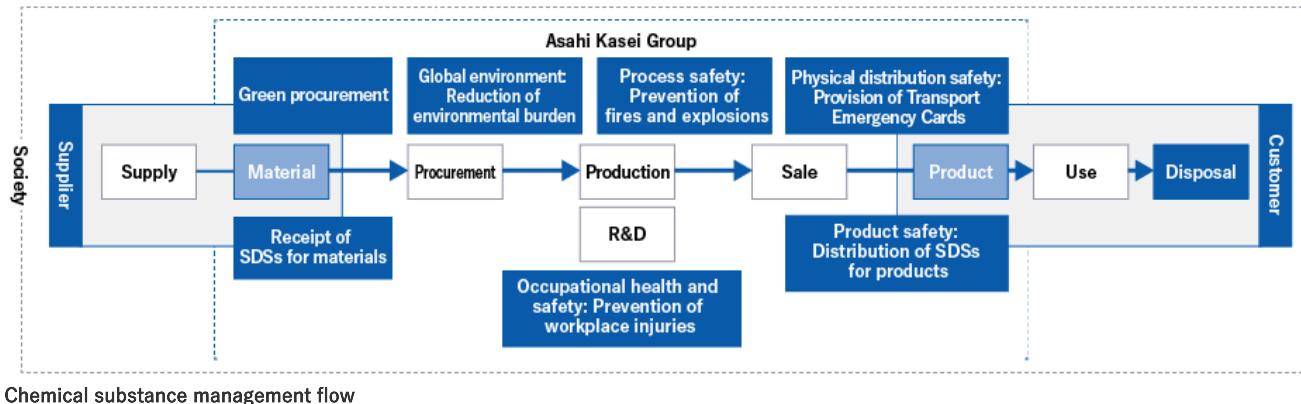


Flow of quality assurance activities

## Chemical substance management

The Asahi Kasei Group identifies the properties of chemical substances and appropriately manages each process from product development, raw material procurement, and production (including intermediates) through to use and disposal in order to ensure the safety of products and production processes. We implement the chemical substance management shown in the diagram below at each stage from the perspectives of the global environment, process safety, occupational health and safety/physical health, and quality assurance.

The Asahi Kasei Group implements chemical substance management focused on each business division in cooperation with Corporate Quality Assurance and Corporate ESH of Asahi Kasei Corporation.



### R&D

The management of chemical substances begins in the R&D stage when the applications for chemical substances are determined, and from that stage onwards we strive to design products and process while being considerate of the environment. For products that are expected to be exported to other countries in the future in addition to being sold domestically, we conduct research on each country's laws and regulations and consider the requisite measures.

### Materials purchase

When purchasing materials, information related to the safety of chemical substances is received from the supplier. This information serves as a guide to safe storage and handling.

### Production

At the production stage, we manage chemical substances, including intermediates, in an appropriate manner to suppress emissions into the environment. We also strive to prevent fires, explosions, and leaks at facilities where chemical substances are handled to ensure the safety of local communities and preserve the global environment. To protect the health of employees, we manage chemical substances by performing sound risk assessment for chemical substances and preventing workplace exposure to hazardous substances.

### Sale, use, and disposal

Guidance for proper sale, use and disposal of chemical substances and chemical products is provided in Safety Data Sheets (SDSs), technical bulletins, and product brochures.

Transport Emergency Cards are issued to guide the proper environmental and safety response in the event of an accident during physical distribution. Moreover, when products are exported outside of Japan, we take appropriate measures to comply with local laws and regulations.

## Appropriate labeling and information provision

As the Asahi Kasei Group provides customers with products and services that are end products for domestic and household-use products, we provide information that includes product performance, precautions, and suggested usage to ensure safe use of our products and services.

We endeavor to provide descriptions of products and services to customers, including product labeling and advertisements, that are easy to understand and not misleading. In addition, we confirm the content of descriptions and advertisements of products and services at each stage from product development and introduction to sale, and continuously check that there is no infringement of related laws, regulations, or voluntary industry standards, and confirm that customers are able to properly use products and services safely and reliably.

## Compliance with chemical substance regulations around the world and sharing of information

As laws and regulations concerning chemical substances continue to be adopted around the world, we have been confirming, responding to, and managing them within the company to ensure compliance. In addition, some of these regulations require the sharing of information. Besides providing the necessary information to our customers, we actively work to provide information on chemical substances contained in products throughout the supply chain. One of our activities is participating in the Joint Article Management Promotion-consortium (JAMP) as an upstream company since its establishment in 2008. JAMP is promoting the dissemination of information on such chemical substances. We continue to promote the use of chemSHERPA, a communication tool, as part of JAMP's activities.

➤ JAMP 

## Responding to Globally Harmonized System (GHS)

Globally Harmonized System of Classification and Labelling of Chemicals (GHS) is a system for classifying and labelling chemicals by hazard in accordance with globally unified rules in order to help with accident prevention and health and environmental protection. The Asahi Kasei Group is advancing a program to classify the hazards of all of our chemical products in accordance with GHS categories, and revise our SDSs and label our products with safety information accordingly.

## Quality assurance training and human resources development

### Development of core human resources for quality assurance

We have held the Quality Assurance Forum since fiscal 2017 to foster core human resources for quality assurance in the Asahi Kasei Group. In fiscal 2024, 45 employees selected from throughout the Asahi Kasei Group gathered once per month for a period of six months for group discussions on a certain subject each time, combined with lectures on each subject by outside experts (mainly university professors at the forefront of the Japanese Society for Quality Control and experts who gained practical experience in quality assurance in companies). At the final session, participants in each business sector discuss issues in their own organizations based on what they learned, and prepare a declaration summarizing their own future actions for organizational improvement. In fiscal 2025, we are continuing this as a key project for in-house quality assurance training.

### Fostering a quality assurance mindset

In fiscal 2024, we worked to foster a quality assurance mindset primarily through the following three activities.

- Quality education

These activities featured the Executive Officer for Quality Assurance independently visiting various sites in Japan and overseas and giving lectures to gain each individual's understanding and eliminate quality incidents by raising the capabilities of our workplaces. Under the policy that "Everyone has a role in quality," we implemented these activities for not only the plants, but also sales, administrative personnel, and management separately.

- Town hall meetings

With the aims of building a relationship of mutual understanding and trust between the Executive Officer for Quality Assurance and the workers on the front lines of the workplace, and creating a foundation that enables each individual worker to be active and fulfilled, we hold Asahi Kasei town hall meetings with lectures and workshops at various sites in Japan and overseas. Over 3,000 employees have participated in these meetings at 62 sites in Japan and overseas (as of May 2025).

- Monthly quality activities

Coinciding with Quality Month in November, the President of Asahi Kasei, the Presidents of core operating companies, the president of each strategic business unit, and the Senior General Manager of Corporate Quality Assurance issued messages to Group employees about the importance of quality assurance. Training via e-learning was conducted as well to raise awareness on the subject.

These activities will be continued in fiscal 2025 and beyond, as we look to devote even more effort to fostering human resources through expansion of robust quality education.

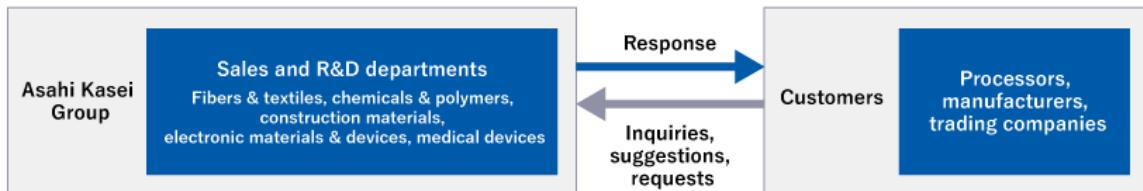
## Education on compliance with chemical substance regulations

We provide regular training to research, production, and sales staff in each region where we are located. Such training includes sharing the most up-to-date information on the latest chemical substance-related laws and regulations (Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., Industrial Safety and Health Act, Poisonous and Deleterious Substances Control Act, etc.) in Japan and overseas for the compliance with chemical substance regulations, examining possible responses, and presenting the latest themes in chemical substance management.

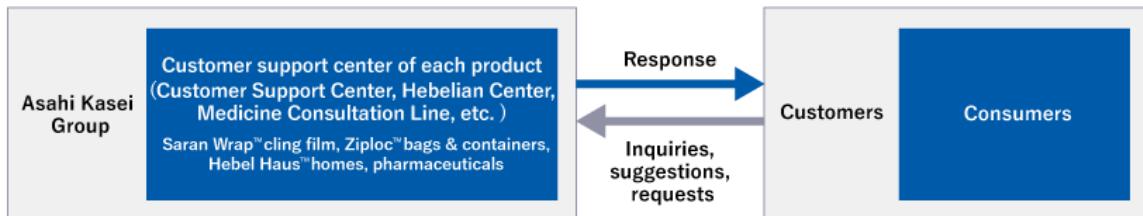
## Mechanisms to utilize customer feedback

We believe satisfying customers and providing products and services that are a delight to use translates into contribution to society. In order to achieve this, we believe that it is most important to identify true needs by listening carefully to customer feedback to establish two-way communication. We have built frameworks for such communication with customers in each of our businesses and strives to listen to frank and honest feedback.

## Materials, intermediates, devices



## Final products, homes



## Communication with customers

- Product and business inquiries

## Related information

## ➤ Search for Products

Product Catalogue of the Asahi Kasei Group categorized by Business Sector and Company Name.

# CSR Procurement

Quality Assurance

**CSR Procurement**

Human Resources

Human Rights

Health &amp; Productivity Management and Occupational Health &amp; Safety

Process Safety

Social Contribution Activities

## Policy

It is the policy of the Asahi Kasei Group to consider suppliers as important partners and to treat them with sincerity.

Our Mission and Vision for procurement are an expression of our ideals to apply in daily activities as we work to uphold our Procurement Policy and promote procurement practices with an emphasis on CSR.

Accordingly, the policy covers environmental aspect, including energy use and climate change, biodiversity, reducing pollution and waste, and efficient use of resources, while the policy covers social perspective, including anti-discrimination, equal opportunity, freedom of association, and compliance with local laws concerning working hours and wages.

A relationship of mutual trust with our suppliers is fostered through fair and principled purchasing practices based on regulatory compliance and respect for the environment and human rights.

➤ The Asahi Kasei Group Procurement Policy [\(100.6KB\)](#)

### Procurement Principles

#### Mission

**Building resilient and sustainable supply chains for the Asahi Kasei Group**

#### Vision

**Providing stable and competitive procurement and logistics functions**

#### Basic Policy

##### 1. Compliance

We uphold all laws relevant to purchasing transactions as well as the Asahi Kasei Group's internal regulations.

##### 2. Fairness and impartiality

Selection of bids and conclusion of contracts are performed in a fair and impartial manner.

##### 3. Open door principle

We provide fair opportunities to any potential supplier, both domestic and overseas.

##### 4. CSR-focused procurement

We perform purchasing in close coordination with our group-wide activities for CSR.

##### 5. Partnership

We strive to deepen mutual understanding and build relationships of trust with suppliers.

The Asahi Kasei Group Procurement Principles

## Supplier Code of Conduct

We conduct business activities in various countries and regions around the world, and are expected to address social issues to achieve a sustainable society, including measures against climate change and respect for human rights, not only within the Asahi Kasei Group but throughout the entire supply chain as well.

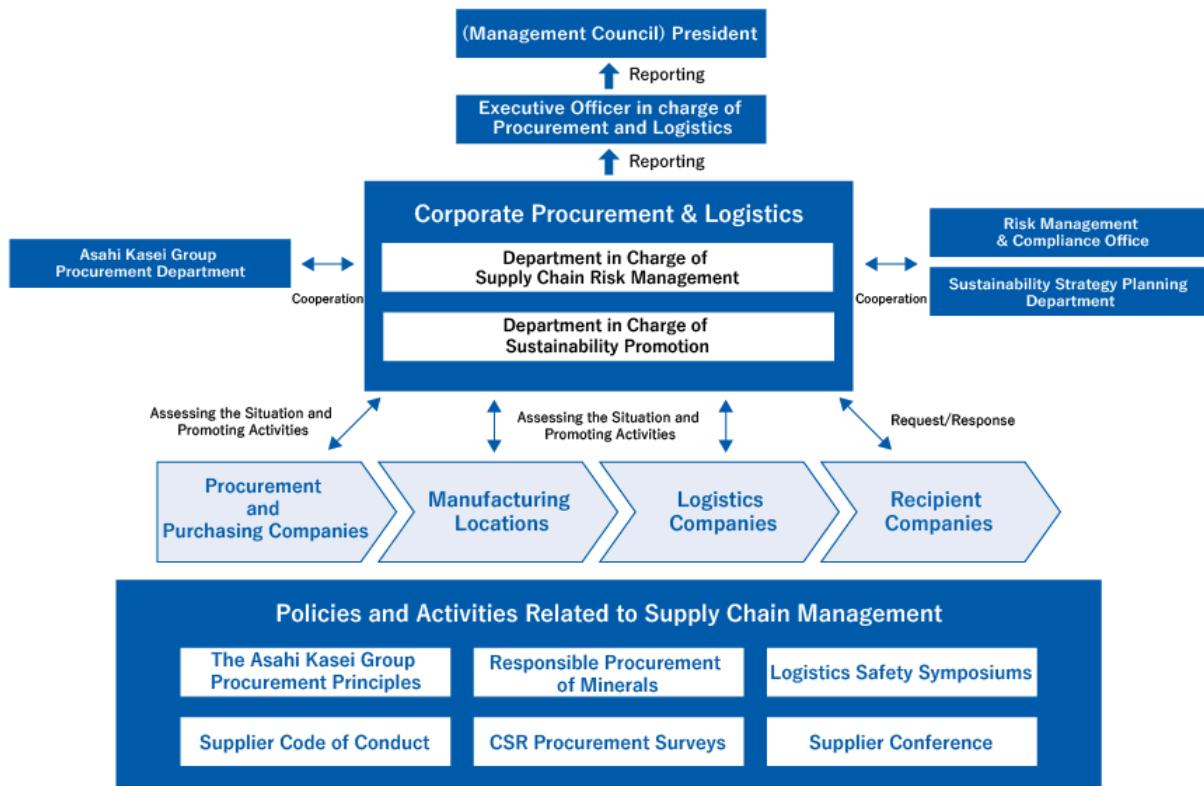
For this reason, we formulate our Supplier Guidelines in 2021 as a tool for promoting CSR procurement based notably on our Procurement Policy, our Sustainability Policy, our Human Rights Policy, and our Quality Policy. In fiscal 2024, we shared the latest trends with the procurement managers of Asahi Kasei Homes, Asahi Kasei Medical, Asahi Kasei Microdevices and other companies and organized meeting feedback sessions on the direction of Group-wide activities and the content of each item. Results of the discussions were newly summarized in the Asahi Kasei Group's Supplier Code of Conduct. To ensure that our suppliers understand and consent to our policies, we have started to disclose them on our website along with our Procurement Policy and we ask suppliers to sign and submit a consent form for the Asahi Kasei Group's Supplier Code of Conduct. We will continue to monitor compliance through CSR assessments of our suppliers and cooperate to make improvements.

➤ Supplier Code of Conduct [\(186.5KB\)](#)

## Management System

Corporate Procurement & Logistics is responsible for the Asahi Kasei Group Procurement Policy, and the department cooperates with the Sustainability Strategy Planning Department to familiarize Group Companies with the content.

In fiscal 2022, we clearly defined the department responsible for sustainability promotion within Corporate Procurement & Logistics to strengthen CSR procurement activities in procurement and logistics functions. In addition, in light of recent changes in the procurement environment, we are promoting activities with the following system regarding supply chain management.



Supply Chain Management Framework

## Participation in the Declaration for Partnership Building system

In 2022, Asahi Kasei endorsed the Declaration for Partnership Building in support of the Council for Promoting Partnership Building to Open Up the Future, promoted by the Cabinet Office, the Small and Medium Enterprise Agency, and other organizations.

In our declaration, we have specified the following:

- We agree with the purpose of the White Logistics Movement, and based on our voluntary action declaration, we are working to improve logistics based on mutual understanding and cooperation with suppliers, logistics operators, and other related parties.
- We have established the Supplier Code of Conduct in an effort to promote understanding and initiatives among our suppliers in areas such as human rights, labor, health and safety, the environment, and ethics.
- We continue to provide in-house training on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors.

We revised our declaration in September 2025, adding the following points.

- Compliance with “Promotion Standards” in the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors  
We engage in price negotiations with subcontractors at least once per year. We determine prices after properly implementing the actions indicated in the “Guidelines on Price Negotiations to Properly Transfer Labor Costs.”
- Payment Conditions for Promissory Notes, Etc.  
Subcontract payments shall be made in cash to the extent possible. When payment is made by a promissory note, the discount and other fees shall not be borne by the subcontractor, and the payment term shall be within 60 days from sight.

We will continue to aim to build new partnerships by promoting collaboration, co-existence and co-prosperity with our business partners in the supply chain.

In addition to Asahi Kasei, other companies in the Asahi Kasei Group such as Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, and Asahi Kasei Pharma have also announced their endorsement of the Declaration for Partnership Building.

➤ Declaration for Partnership Building portal site □



## Raising awareness of Procurement Policy and Supplier Code of Conduct

To ensure that suppliers are familiar with our Procurement Policy and Supplier Code of Conduct, we strive to raise awareness by disclosing them on the website and asking them to complete our CSR procurement questionnaires. In fiscal 2024, we held an online briefing session for approximately 350 domestic suppliers eligible to answer the CSR procurement questionnaire at the time of implementation, during which we also explained our Procurement Policy and Supplier Code of Conduct.

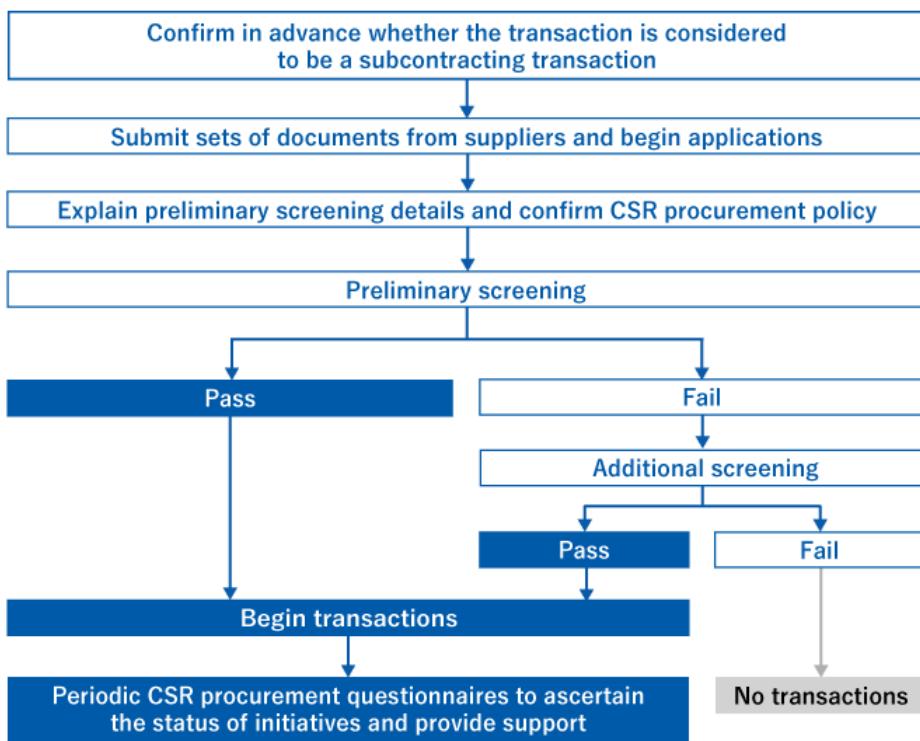
## Evaluation of CSR at suppliers

The Asahi Kasei Group is working with its suppliers to promote CSR procurement with the aim of constructing a sustainable supply chain.

We conduct supplier surveys as part of our CSR procurement from two perspectives, 1) evaluation at the commencement of new transactions and 2) ongoing evaluation of suppliers.

### Approach to new suppliers

When we start doing business with a new supplier, we evaluate, including from a CSR perspective, whether or not we can do business with them after conducting a preliminary screening based on our Procurement Policy.



Process flow for new suppliers

If significant problems are detected during the preliminary screening, we encourage suppliers to make improvements as soon as possible. If subsequent screenings do not confirm that the issues have not been rectified, business dealings may not be possible.

## Approach to ongoing suppliers

In 2012, we began annually implementing CSR procurement questionnaires for our ongoing suppliers to ensure that they conduct business activities taking CSR into consideration. Furthermore, starting in 2021, we made revisions using the latest version of the UN Global Compact's "CSR Procurement Self Assessment Tool Set" and reviewed the number of questions and answer choices from the perspective of international ESG standards. Whenever we conduct questionnaires, adding new suppliers as needed, and disclose their results. Through these questionnaires, we aim to improve our CSR level in cooperation with suppliers, as well as to strengthen our monitoring framework through dialogue with our suppliers and understanding their activities, in order to build a sustainable supply chain wherein environmental and social risks throughout the supply chain are ascertained and countermeasures applied.

### Question categories

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1. Corporate governance related to CSR
2. Human rights
3. Labor
4. Environment
5. Fair corporate activities (ethics and compliance)
6. Quality and safety
7. Information security
8. Supply chain
9. Harmony with the local community

➤ FY2024 CSR Procurement Questionnaire  (1.1MB)

## FY2024 CSR Procurement Questionnaire

In fiscal 2024, we asked 564 of our major suppliers of raw materials to complete a questionnaire, and received responses from 563 companies. The applicable suppliers included the top 85% of material suppliers by value of contracts with Corporate Procurement & Logistics, as well as certain suppliers to group companies based on their importance in terms of supply chain management.

### Number of responses and results to our CSR Procurement Questionnaire

| Rating       | Raw material suppliers |            | Material suppliers |   | Logistics suppliers |
|--------------|------------------------|------------|--------------------|---|---------------------|
|              | FY2021                 | FY2023     | FY2022             | FY2024<br>(including group company suppliers) | FY2023              |
| A            | 79 (78%)               | 164 (76%)  | 119 (56%)          | 317 (56%)                                     | 13 (65%)            |
| B            | 17 (17%)               | 40 (19%)   | 60 (28%)           | 181 (32%)                                     | 4 (20%)             |
| C            | 3 (3%)                 | 10 (4%)    | 28 (13%)           | 56 (10%)                                      | 3 (15%)             |
| D            | 2 (2%)                 | 1 (1%)     | 7 (3%)             | 9 (2%)  | 0 (0%)              |
| <b>Total</b> | <b>101</b>             | <b>215</b> | <b>214</b>         | <b>563</b>                                    | <b>20</b>           |

By category, achievement scores for Labor, Fair Corporate Activities, Quality and safety, and Information Security were high, while scores for Environment, Supply Chain, and Harmony with the Local Community were relatively low.



Results of CSR Procurement Questionnaire (FY2024)

The Asahi Kasei Group sends out feedback sheets to those suppliers who have responded to our CSR procurement questionnaire. In addition, for suppliers that received a C or D rating, we visit them or conduct online interviews to confirm the situation and offer support for improvements.

If significant problems are detected as a result of the talks, we exchange ideas with the supplier and encourage them to make improvements as soon as possible. If follow-up screenings do not confirm that the issues have been rectified, we will consider halting or reviewing business dealings.

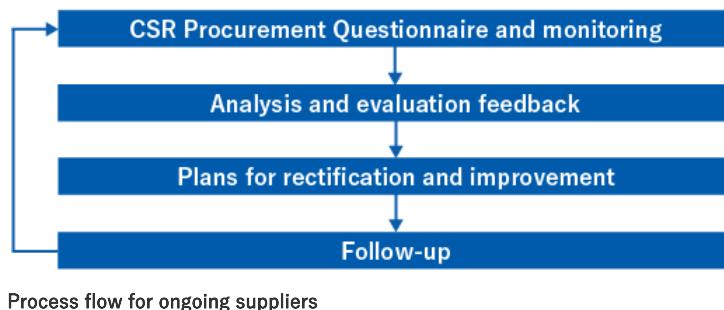
In addition to the above follow-up, we are conducting interviews with suppliers who have significantly improved their evaluation compared to the previous questionnaire, and hearing about best practices in CSR promotion activities.

## Support for improvement of the evaluation of the CSR Procurement Questionnaire for suppliers

In fiscal 2024, we conducted interviews with 12 of the 14 suppliers who received a C or D rating in the fiscal 2023 questionnaire (raw material and logistics suppliers). However, in fiscal 2024, no significant issues were discovered with any of our suppliers. In addition, we conducted interviews with 4 suppliers, who had significantly improved their evaluation compared to the fiscal 2021 questionnaire, and heard about best practices in CSR promotion activities.

For the 65 suppliers ranked C and D in the fiscal 2024 questionnaire, we individually evaluated and analyzed all responses and risks to the supply chain, and are communicating with them as needed regarding improvements based on the Asahi Kasei Group's feedback.

➤ [CSR Procurement Questionnaire Feedback Sheet](#)  (1.6MB)



## Supplier environmental certification

In the CSR procurement questionnaire, we also surveyed the status of environmental management systems by acquiring a third-party certification system such as the international standard ISO 14001. Approximately 80% of our major raw material suppliers (out of 215 companies) in the fiscal 2023 questionnaire and approximately 75% of our major suppliers (out of 563 companies) in the fiscal 2024 questionnaire have systems and mechanisms in place to promote environmental protection.

## Response to conflict minerals

It is a global trend that more and more countries are banning the procurement of minerals from inhumane armed groups, particularly in the Democratic Republic of the Congo and neighboring countries. In the US, this is required by the Dodd-Frank Act of 2010.

The Asahi Kasei Group considers conflict minerals to be a serious issue, and our policy is to ensure transparency in our supply chains and to procure minerals responsibly. We do not obtain, procure, or utilize minerals from armed groups, and avoid supporting conflict and inhumane activities.

## Initiatives in fiscal 2024

In addition to the CSR procurement questionnaire, individual surveys on conflict minerals are conducted on a regular basis to prevent complicity in negative human rights impacts due to their use. In fiscal 2024, we sent a request to our suppliers to investigate all of the 9 raw materials we procure to see if any fall under conflict minerals (tantalum, tin, tungsten, gold, cobalt, and mica). As a result, we were able to confirm that all of the raw materials we use are not conflict minerals. The CMRT (Conflict Minerals Report) and EMRT (Extended Minerals Report) published by RMI (Responsible Minerals Initiative) are used to conduct these surveys.

## Contribution to sustainable logistics

The Asahi Kasei Group, primarily from the position of a cargo owner, is working to contribute to sustainable logistics. In response to a severe shortage of truck drivers in Japan, we announced in 2019 our declaration of voluntary activities as part of the White Logistics Movement promoted by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry, and Fisheries. We work on initiatives toward enhancing the productivity and efficiency of the trucking industry while improving the working conditions for drivers.

To cope with the “2024 problem,” in which limits on overtime hours have been applied to truck drivers since April 2024, raising the difficulty of securing transportation, especially long-distance transportation, we are promoting measures such as modal shifts, shortening waiting and loading times, and streamlining drivers’ auxiliary tasks.

In December 2023, the Chemicals Working Group established within the “Physical Internet Realization Council” led by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, in which we also participate, announced a voluntary action plan to optimize logistics and improve productivity. This voluntary action plan forms the basis of our promotion efforts such as the reform of business practices in cooperation with our customers and logistics providers.

- Asahi Kasei Corporation “White Logistics Movement” Declaration of voluntary activities [!\[\]\(9ccbed3f4a1dc59a3c9edb5cdc354332\_img.jpg\)](#)
- Physical Internet Realization Council Chemicals Working Group Voluntary Action Plan for Optimizing and Improving the Productivity of Chemical Logistics [!\[\]\(b6c33c271216dbc92950986ee3e0b052\_img.jpg\)](#)

## Training for Employees

### Group-wide Procurement Conference

The Asahi Kasei Group holds an annual Group-wide Procurement Conference gathering together procurement personnel of business units and group companies. The conference features sharing of our Procurement Policy, Mission, and Vision, lectures by outside lecturers, interaction among procurement organizations through group discussions to share expertise and knowledge. Going forward, we will continue these activities to strengthen procurement capabilities aimed at building a sustainable supply chain.



Fiscal 2024 Group-wide Procurement Conference

## Educational activities through training

At the Asahi Kasei Group, to promote sustainable procurement, Corporate Procurement & Logistics has been providing ongoing training to employees of procurement-related departments in coordination with the Sustainability Strategy Planning Department and the procurement departments at subsidiaries and affiliates. The details of training activities in fiscal 2024 are as follows:

| Training                                  | Content                                      | Summary of Training   |
|---|--|---|
| <b>Procurement Personnel Training (1)</b> | The Subcontract Act                          | Target: Personnel responsible for raw materials<br>Participants: 24                                       |
| <b>Procurement Personnel Training (2)</b> | Trends in supply chain risk management       | Target: Personnel responsible for raw materials<br>Participants: 24                                       |
| <b>Procurement Personnel Training (3)</b> | Reorganization of the petrochemical industry | Target: Personnel responsible for raw materials, personnel responsible for materials<br>Participants: 139 |

In addition to the above, we created an internal e-learning course on sustainability activities in the supply chain, and personnel responsible for procurement contracts are voluntarily taking the course.

## Initiatives in fiscal 2024

In addition to the aforementioned educational activities, we have started the “Sustainability Ambassador System” in fiscal 2023, consisting of certain personnel responsible for materials, in an effort to continually improve sustainability literacy within departments in fiscal 2024 as well.

Specifically, we implemented discussions on heightening follow-up activities related to the CSR procurement questionnaire, study groups on industry trends in sustainability, and discussions on strengthening supplier engagement activities.

## Communication with suppliers

### Supplier Conference

We began the Supplier Conference for major material suppliers, holding the first one in fiscal 2024 in Nobeoka. Fifty-five supplier companies in Nobeoka participated in this conference, wherein we described the Asahi Kasei Group's Procurement Principles and Supplier Code of Conduct as an explanation of CSR activities we promote, and introduced examples of CSR activities by suppliers. From fiscal 2025, we plan to expand the conference, such as holding it at other production sites, etc.



Fiscal 2024 Supplier Conference

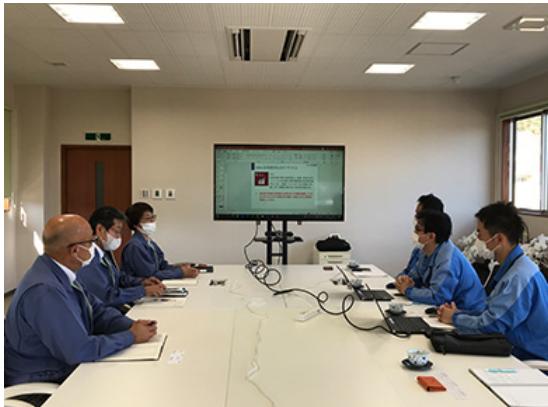
## Communication with other suppliers

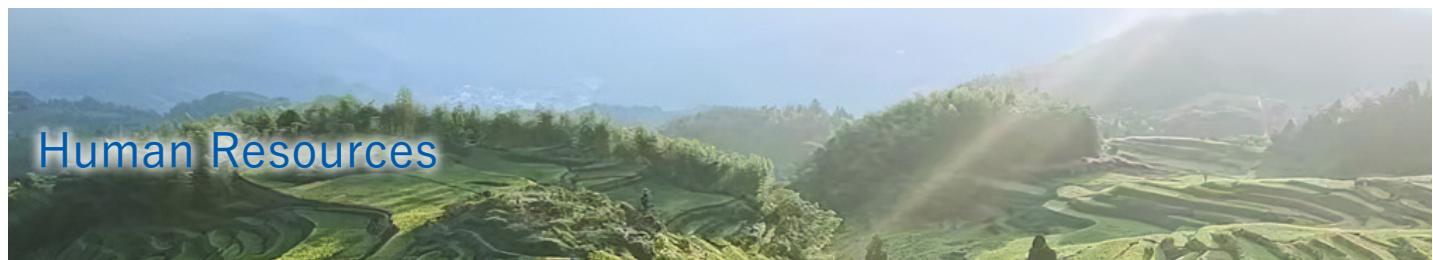
Safety Conferences are periodically held at our principal production sites to discuss accident and disaster prevention and exchange information with suppliers.

We also actively engage in close communication with our suppliers by actually visiting them, or having them visit our offices, to inform them about sustainability-related trends and promotional activities, as well as to exchange views. We will continue to enhance mutual communication, improve safety, and promote sustainable procurement.

The Asahi Kasei Group compliance hotline also accepts reports and inquiries from suppliers.

### ➤ Reporting and consultation hotline for suppliers





# Human Resources

[Quality Assurance](#)
[CSR Procurement](#)
[Human Resources](#)
[Human Rights](#)
[Health & Productivity Management and Occupational Health & Safety](#)
[Process Safety](#)
[Social Contribution Activities](#)

## Human Resources Strategy

Human resources development and active engagement

Diversity, Equity & Inclusion (DE&I)

Employment and Labor Practices

## Human Resources Principles

The Asahi Kasei Group's Human Resources Principles, established in March 2006, outline the values and behavioral guidelines that should be embraced by each and every employee—our human resources. By ensuring that our employees act in accordance with these principles, we aim to establish it as part of our corporate culture and achieve both growth for each and every employee and development for our Group.

### Corporate Commitment

The basic commitment to human resources is to provide the venue for a dynamic and fulfilling career as a part of a lively and growing corporate group.

### Basic Expectations

- Enterprise and growth through challenge and change
- Integrity and responsibility in action
- Respect for diversity

### Expectations of Leaders

- Building the team, heightening performance and achievement
- Going beyond conventional boundaries, in thought and action
- Contributing to mutual development and growth

## The Asahi Kasei Group Human Resource Strategy

In 2022 we celebrated the centennial of our founding. Since the beginning, we successfully grew our business by solving social issues that have changed with the times, and continuously transforming our business portfolio. In light of these circumstances, and the recognition of the need for further transformation towards a sustainable society, we developed our human resources strategy aligned with our medium-term management plan focused on the theme "Trailblaze Together," which began in fiscal 2025.

### Two-pillared human resources strategy: lifelong growth and co-creation of diverse individuals

The Asahi Kasei Group uses the term "A-Spirit" to describe what we expect of our employees. The 'A' represents the first letter of 'Asahi Kasei', signifying that our employees are expected to have ambitious motivation, a healthy sense of urgency, quick decisions, and a spirit of advancement as they embrace new challenges.

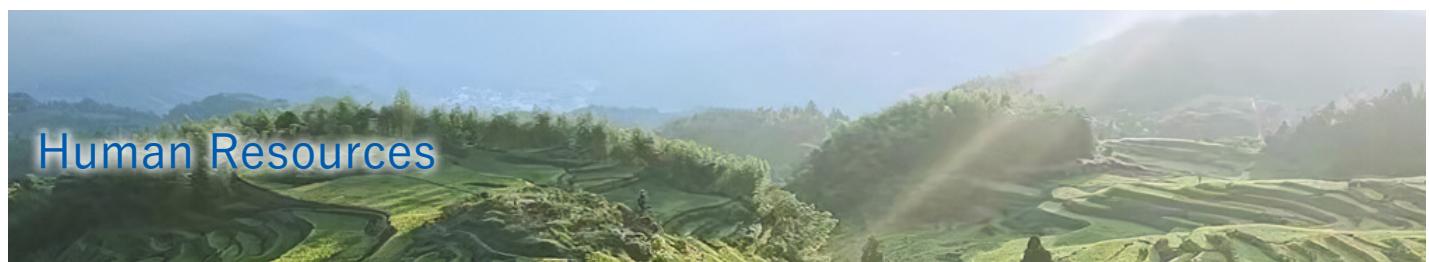
We believe that these efforts will enable us to further develop and leverage our intangible assets, including our open and frank corporate culture, diverse talents and technologies, as well as the Group Values of sincerity, challenge, and creativity that have been nurtured over the past 100 years. A fundamental transformation of our business portfolio will require us to reawaken the A-Spirit, and we need human resources and organizations that will keep taking on challenges and making changes proactively and decisively. With this in mind, our Medium-term Management Plan positions "lifelong growth" and "co-creation" as the pillars of our human resources strategy.

We are running various initiatives to encourage all employees to envision their own career goals and continue learning/challenging for growth towards "lifelong growth," and to create an organization, where diverse human resources can play an active role and we make diversity into a strength towards "co-creation." Furthermore, in order to promote both "lifelong growth" and "co-creation," we will work even harder to improve our management skills to maximize the abilities of individuals and teams and connect them to results.

### The Asahi Kasei Group Human Resource Strategy



Specific initiatives related to "lifelong growth" are described on the "Human resources development and active engagement" page, and those related to "co-creation" are described on the "DE&I" page.



Quality Assurance

CSR Procurement

**Human Resources**

Human Rights

Health &amp; Productivity Management and Occupational Health &amp; Safety

Process Safety

Social Contribution Activities

Human Resources  
Strategy**Human resources  
development and active  
engagement**Diversity,  
Equity & Inclusion (DE&I)Employment and Labor  
Practices

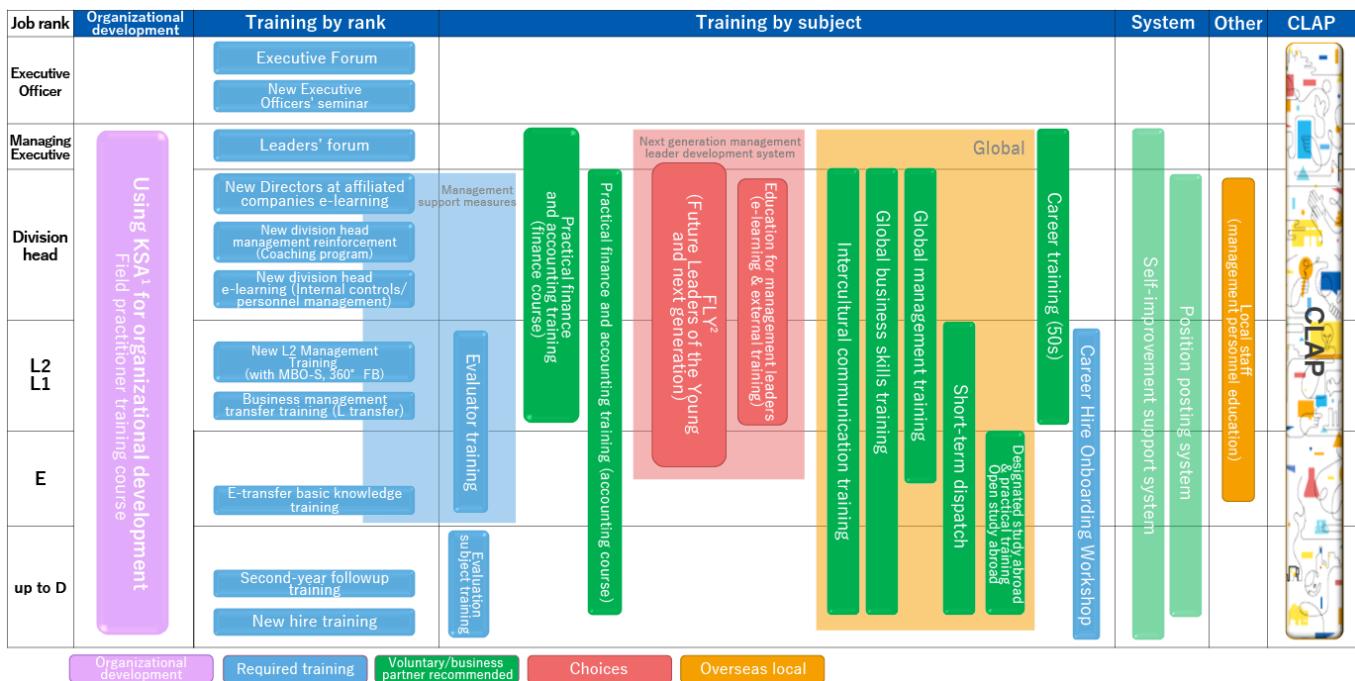
## Policy

Based on the idea that "everything starts with people — people are our most valuable assets," the Asahi Kasei Group upholds a policy of "lifelong growth" whereby we encourage challenge and growth in the development of our human resources. We will focus on encouraging all employees to develop their career path independently and continue learning and taking on challenges for personal growth, while also strengthening management skills to maximize the abilities of individuals and teams.

## Human resource development system

We offer a combination of 'training by rank' and 'training by subject' programs to help employees develop their skills and improve job performance. In addition to building basic skills to carry out their tasks, we support the line managers, develop top management candidates in the next generation, and foster individuals who will be successful globally.

## Diagram of human resources development system in fiscal 2024



<sup>1</sup> KSA is the name of our engagement survey for vitality and growth assessment.

<sup>2</sup> FLY is a selective program to foster next-generation leaders.

## Reference: Asahi Kasei Group's investment in training per employee (actual)

|  | FY2022                   | FY2023                   | FY2024                   |
|--|--------------------------|--------------------------|--------------------------|
| Investment in training (total)           | 3,471,596 (thousand yen) | 4,248,249 (thousand yen) | 4,767,811 (thousand yen) |
| Investment in training (per employee)    | 198 (thousand yen)       | 242 (thousand yen)       | 265 (thousand yen)       |
| Time invested in training (per employee) | 25.7 (hours)             | 28.1 (hours)             | 27.0 (hours)             |

➤ Human resource training-related data

## Measures to support self-directed career development

### Promoting CLAP, a learning platform for learning together

We launched CLAP (Co-Learning Adventure Place) in December 2022 to provide employees with access to more than 10,000 internal and external learning contents anytime. To further support continuous, self-motivated learning, we are strengthening initiatives to create an environment where employees can learn together through the development of learning communities. In fiscal 2023, we introduced a nine-month community program called “New Graduate Club” for new employees, providing opportunities to learn and grow alongside their peers. As a result, the average e-learning hours per person increased 3.5 times compared with the previous year’s new employees, helping to ease concerns about career development. This initiative received the Grand Prize in the Corporate HR Division of the HR Award 2024 (sponsored by Japan Human Resources and supported by the Ministry of Health, Labour and Welfare). Going forward, we will continue to promote new ways of learning through learning communities, with the goal of increasing the number of employees who engage in continuous learning.



### Encouraging the senior generation’s participation by extending the retirement age

In this rapidly changing era, there is a growing number of issues that require the wisdom and experience of diverse human resources. Given the age distribution, it is also imperative to transfer technological skills to younger generations. We have thus extended the retirement age to 65 from fiscal 2023, in the hope that all employees will continue to hone their expertise and stay active even after the age of 60. We have also revised our compensation system from a conventional rehiring system to a new system with a treatment that allows employees to hone their expertise and take on roles needed by others, so that they can further show their skills and lead fulfilling lives.

### Position posting system

We adopted a position posting system in fiscal 2003. Since then, a cumulative total of approximately 600 employees has voluntarily moved from one department to another to take on new challenges each year. To support lifelong growth and self-directed career development, which are the pillars of our human resources strategy, we aim to revitalize the workforce by expanding the scope of concurrent roles within the company, enabling employees to gain experience outside their departments for a certain period.

### Supporting independent study

In October 2003, the Asahi Kasei instituted a program to support independent study by employees. To encourage employees to acquire higher level job performance and specialized or technological ability, the company will pay part of the cost of attending courses or lectures. In fiscal 2024, a total of 1,315 employees utilized the program.

## Measures to improve management capabilities to draw out the strengths of individuals and teams

We aim to create an organization that can enhance vitality and spur the growth of both individuals and the organization.

### Action for improved engagement KSA (vitality and growth assessment)

In fiscal 2020, we reviewed the content of our existing employee awareness survey and introduced KSA (vitality and growth assessment), a new survey that aims to confirm work engagement and behaviors conducive to growth. The survey is provided once a year to all employees in Japan, and the report is provided to line managers as reference information for understanding the current state of their organizations. We also engage in activities aimed at creating a better workplace through dialogue with employees.

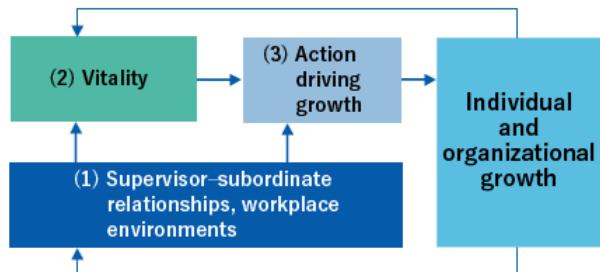
At the same time, we conduct stress checks to identify health risks and create an environment in which each employee can achieve sustainable growth while maintaining good physical and mental health.

**KSA is based on the Vitality and Growth Environment Model in Organizational Behavior by Professor Hirakimoto of Osaka University, and assesses the state of individuals and organizations in terms of three indicators (1) supervisor-subordinate relationship, workplace environments (2) vitality (3) action driving growth.**

By assessing the level of impact of those three indicators, it can:

- Clarify the effects of initiatives taken so far
- Indicate the current state of the organization to guide next steps.

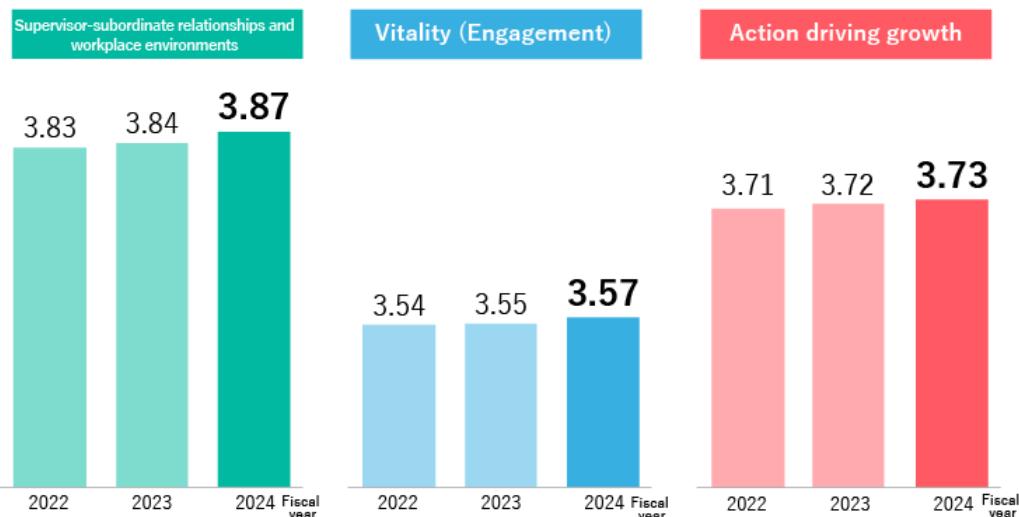
#### The KSA (Vitality and Growth Assessment) Structure



#### Items measurable by KSA (Vitality and Growth Assessment)

| (1) Supervisor-subordinate relationships, workplace environments (organizational resources)   | (2) Vitality (Engagement)  | (3) Action driving growth  |
|---|--|--|
| <ul style="list-style-type: none"> <li>● Supervisor encouragement</li> <li>● Interpersonal relationships supporting work</li> <li>● Inspiring ingenuity</li> <li>● Respecting diversity</li> <li>● Workplace encouraging frank discussion (psychological safety)</li> </ul> | <ul style="list-style-type: none"> <li>● Ability to maintain a positive outlook (individual capabilities)           <ul style="list-style-type: none"> <li>- Self confidence, self actualization</li> <li>- Ability to overcome adversity</li> <li>- Ability to set a path toward a goal</li> <li>- Optimism</li> </ul> </li> <li>● Work engagement</li> </ul> | <ul style="list-style-type: none"> <li>● Experiential learning behavior</li> <li>● Contribution to the organization</li> <li>● Problem solving, making improvements</li> <li>● Job crafting</li> </ul> |

#### Trends of the 3 KSA indicators



Note: Answer on a scale of 1 to 5.

## Enhancing management skills and developing upper-management candidates

We are continuously enhancing programs for newly appointed General Managers, recognizing the importance of strong organizational management. Each new General Manager participates in six months of individual coaching as well as group coaching sessions held during joint training programs. Using the KSA framework, the programs support participants' ability to analyze issues in their organizations, clearly see their own personal issues, and implement action plans for improvement. Follow-up surveys with the supervisors of program participants show that 93% observed behavioral or attitudinal changes, noting enhanced human skills such as flexibility and empathy, as well as a stronger awareness of their role in leading their organizations. As of March 2025, approximately 340 of the 700 employees on the level of General Manager have completed the program.

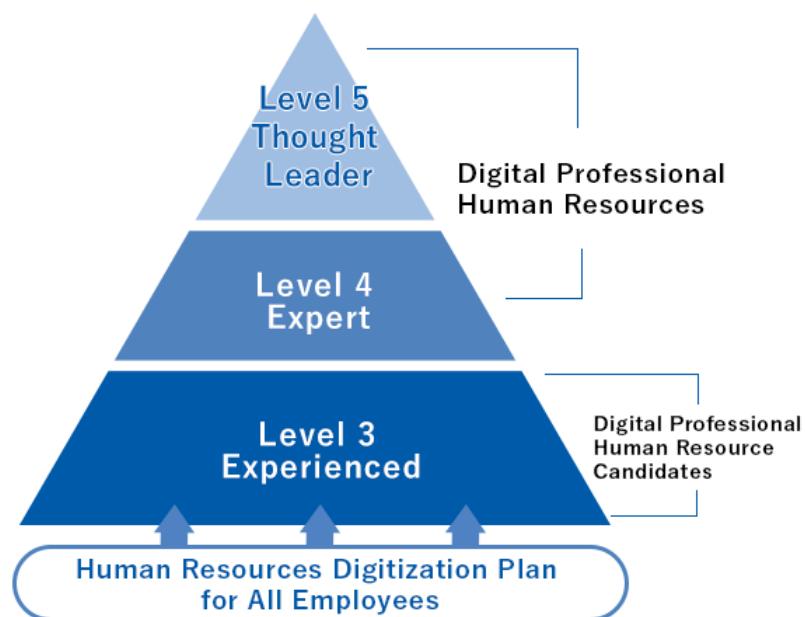
We also put emphasis on the development and acquisition of upper management talent. In addition to encouraging their personal growth through coaching, we offer programs to strengthen leadership and teamwork. Every year, several employees are designated as Group Officers\* through this program. In fiscal 2024, there were 35 Group Officers and 98 General Managers and Senior General Managers as candidates to become Group Officers. We will maintain this talent pool in terms of both quality and quantity.

\* Among Executive Officers, those who have the responsibility and authority to enhance the Asahi Kasei Group's overall value are designated as Group Officers with the approval of the Board of Directors. Specifically, they are Lead Executive Officers or above in Asahi Kasei, as well as Executive Officers of equivalent standing in the core operating companies.

## Developing digital human resources to promote Digital Transformation (DX)

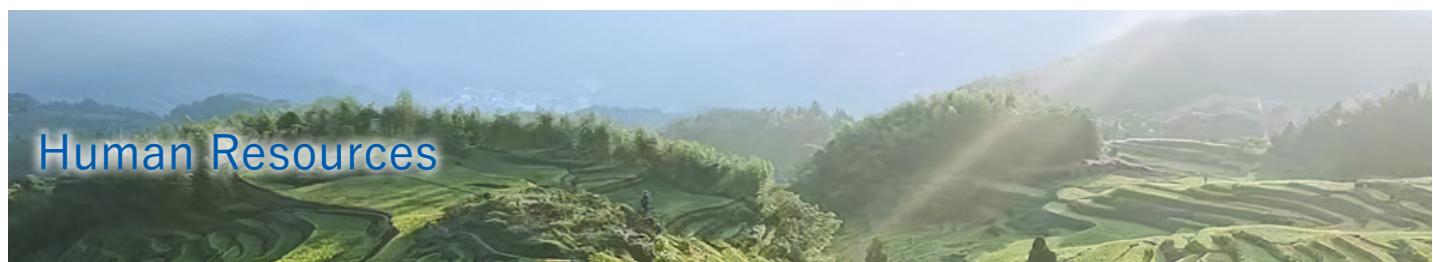
In 2021, we formulated DX Vision 2030 to promote the development of DX as a pillar of our growth strategy. We will strive to achieve a sustainable society a reality by maximizing the benefits of digital technology.

The most important factor in promoting DX is digital human resources. While enhancing DX training by employee level, we are working on initiatives to increase the number of digital professionals who can promote advanced digitalization by 10 times to 2,500 employees by the end of fiscal 2024 compared to fiscal 2021. As a result of these efforts, the number reached 3,157 as of March 2025, exceeding the target. In addition to promoting basic digital literacy for all employees through the Asahi Kasei DX Open Badge program, launched internally in April 2021, we will continue to enhance on-site support so that digital professionals can lead DX initiatives in their respective workplaces and generate tangible results.



## Functional enhancement of HR Dept.

For successful human capital management, it is essential to enhance the organizational capacity of the HR department, which plays a crucial role in achieving this goal. Upon redefining the capabilities required for the HR department in the future, we put particular emphasis on improving data utilization skills and career consulting capabilities. As for the data utilization skills, we have developed an in-house program, supervised by Professor Hiroya Hirakimoto of Osaka University, that enables many HR staff members to acquire knowledge of organizational behavior and other theories related to people and organizations, as well as practical skills in data collection and statistical analysis. We also encourage employees to obtain national career consultant certifications. As of April 2025, around 40 employees have been certified.



# Human Resources

[Quality Assurance](#)
[CSR Procurement](#)
[Human Resources](#)
[Human Rights](#)
[Health & Productivity Management and Occupational Health & Safety](#)
[Process Safety](#)
[Social Contribution Activities](#)

Human Resources  
Strategy

Human resources  
development and active  
engagement

**Diversity,  
Equity & Inclusion (DE&I)**

Employment and Labor  
Practices

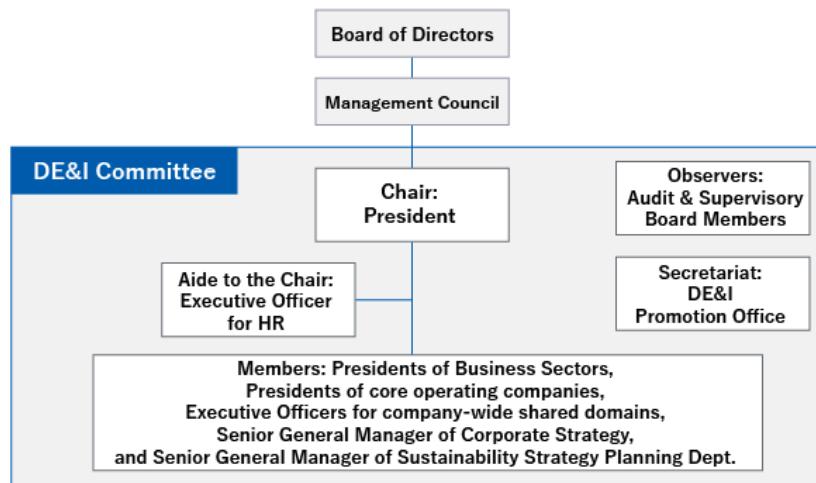
## Policy

The Asahi Kasei Group Code of Conduct clearly stipulates that "we must respect individuals' basic human rights and diversity, not discriminate on the basis of nationality, ancestry, race, ethnicity, religion, gender, ideology, age, physical characteristics, sexual orientation and gender identity, employment status, form of contract, etc., nor condone such discrimination" as company policy. We promote the establishment of a vibrant workplace that ensures equal opportunity and enables all employees to perform at their best without experiencing discrimination. We aim to instill our company policy on an ongoing basis to prevent any discrimination or harassment through training by rank, including new employees, newly appointed assistant managers, and new managers, and corporate ethics training held at each core operating company and in each region.

We have also identified "co-creation" as one of the pillars of our human resources strategy in the Medium-term Management Plan. To respond to a rapidly changing business environment and continue creating new value, it is essential for us to enhance "co-creation" by leveraging diverse human resources to collaborate in new business development. For this reason, we position diversity, equity and inclusion (DE&I) as an important element of our management strategy. To leverage our co-creation, we must 'expand' and 'connect' our diversity, organically integrating technologies, businesses, and human resources to bring out our unique value.

## Promotion framework

Recognizing the importance of continuously developing an organization comprised of talented individuals with diverse backgrounds to ensure our sustainable business growth, we promote the diversity, equity and inclusion (DE&I) initiatives group-wide, led by the DE&I Promotion Office, a department dedicated to addressing this subject. To further strengthen our promotion framework and drive DE&I as a key management priority group-wide, we have established a DE&I Committee chaired by the President of Asahi Kasei and whose members include the Presidents of Business Sectors. The committee reviews the progress of DE&I initiatives and holds discussions to address emerging challenges. The status of committee activities is reported to the Board of Directors.



## Development of diverse professionals through the Group Masters program

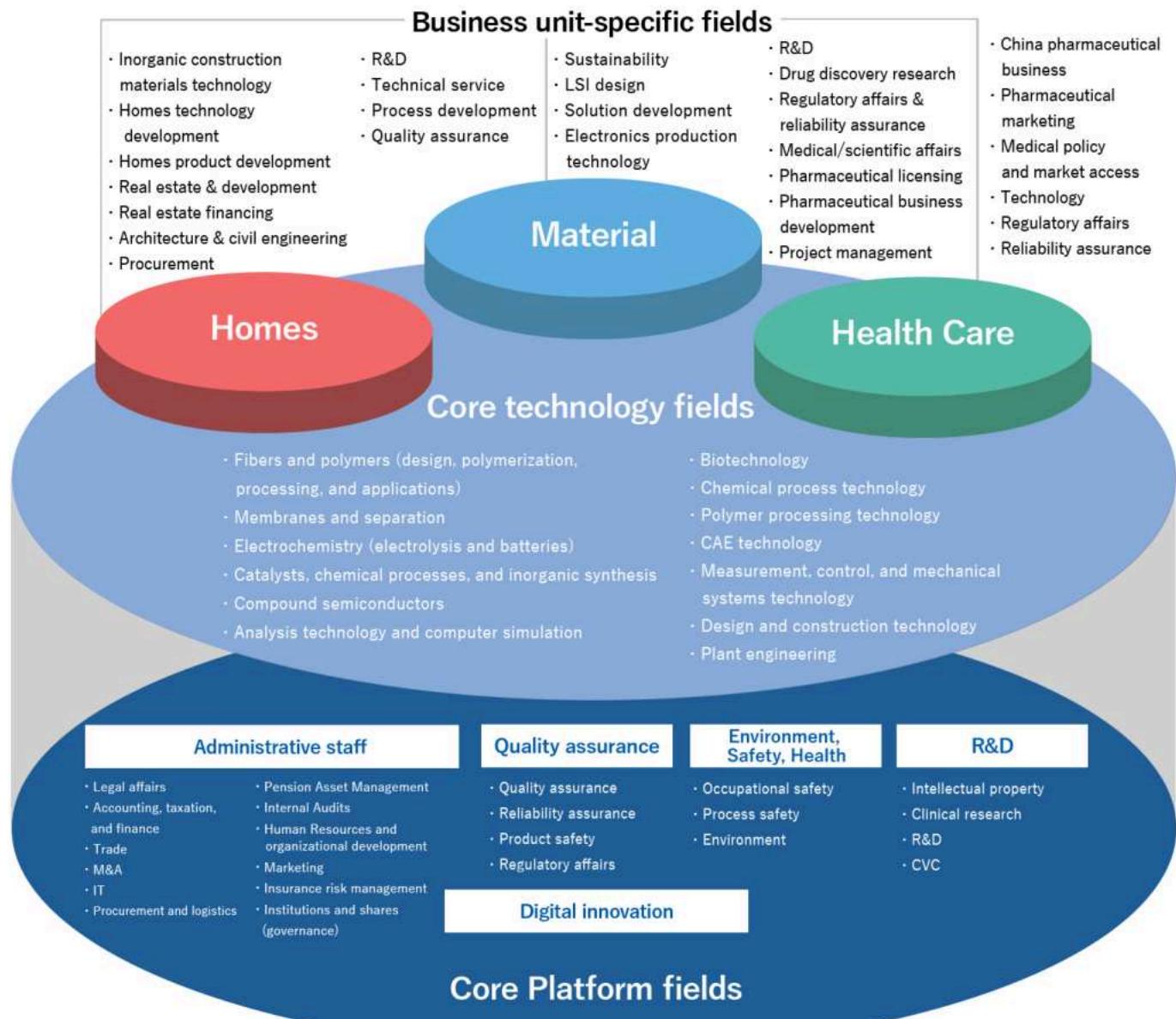
We employ a "Group Masters" program to broaden the segment of human resources with expertise that holds universal value through the appointment, training, and treatment of human resources expected to be actively involved and participating in creating new business and strengthening existing business as "Group Masters." Under the program, we have defined five categories of Group Masters. We have clarified the respective roles of each Group Master category and enhanced treatment to create a mechanism that encourages the growth of human resources while securing outstanding external human resources at the same time. Group Masters lead the R&D of core technology fields, connecting diverse technologies and human resources to expand our business.

We have also formulated a succession plan for Group Masters in each field, and have linked the succession plan to business reinforcement and human resource development, which will strengthen our competitive edge.

### Categories and roles of Group Masters

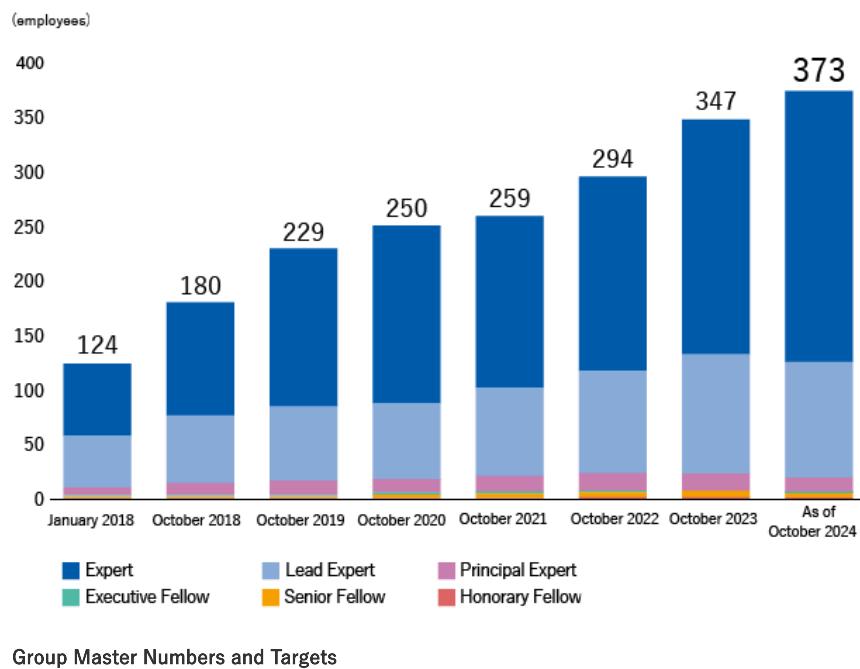


## Target areas



## Number of Group Masters and targets

In the previous Medium-Term Management Plan, we set a KPI for the total number of Group Masters within the Asahi Kasei Group. We achieved our target of 360 by fiscal 2024, reaching 373 in total. Going forward, we will further strengthen initiatives to ensure that the activities of Group Masters contribute even more to the creation of new businesses and the enhancement of existing ones. These efforts include formulating activity roadmaps within each specialized field and actively promoting collaboration both within and across areas of expertise.



## Expansion of opportunities for women toward achieving gender balance

### Basic Approach

Based on the belief that achieving gender balance is one of the key pillars of DE&I promotion, Asahi Kasei Group established a dedicated organization (currently the DE&I Promotion Office) in 1993. As we work to create an environment where everyone can continue to play an active role, regardless of gender, we have since focused particularly on expanding job opportunities for women and enhancing support measures that help employees balance work and family life. Since the 2010s, we have continuously implemented initiatives such as distributing handbooks on nurturing newly hired female graduates, holding seminars for employees before taking and after returning from maternity or childcare leave to support their active engagement in workplace after experiencing childbirth, child care, and other life events, and providing career development support for female managers.

### Initiatives to appoint women to leadership positions and build the talent pipeline

We focus on the ratio of women in leadership positions (managers and Group Masters) as a key indicator to measure the success of our diversity initiatives, setting a target of 10% by fiscal 2030.

The achievement of the above is coupled with the implementation of various initiatives to form a candidate pool as a mechanism to continuously produce female leaders. For example, our mentor program, which has been conducted continuously since 2013, has been joined by a cumulative total of 165 newly appointed female managers. Through the program, participants actively reflect on their career development and approaches to problem-solving, fostering ambition toward personal growth.

In addition, to further motivate female managers and help broaden their perspectives, we held roundtable discussions in fiscal 2023 with two female Outside Directors and in fiscal 2024 with two female Executive Officers and female managers. These sessions provided opportunities for female Executive Officers to share their own career experiences and expectations for female managers, while participants exchanged views to cultivate a management-oriented mindset, heighten their ambition to take on new challenges, and foster awareness and behavioral change.



The roundtable discussion between Outside Directors and female managers



The roundtable discussion between Executive Officers and female managers

In parallel with the above initiatives, we also establish individual personnel plans for specific women in each business sector and core operating company every year, implementing measures that lead directly to actual appointments.

As a result of these initiatives, the number of female managers has increased from three in 1994 to 335 in fiscal 2024. We currently have two female Executive Officers, two female Directors, and one female Audit & Supervisory Board Member (as of June 2025).

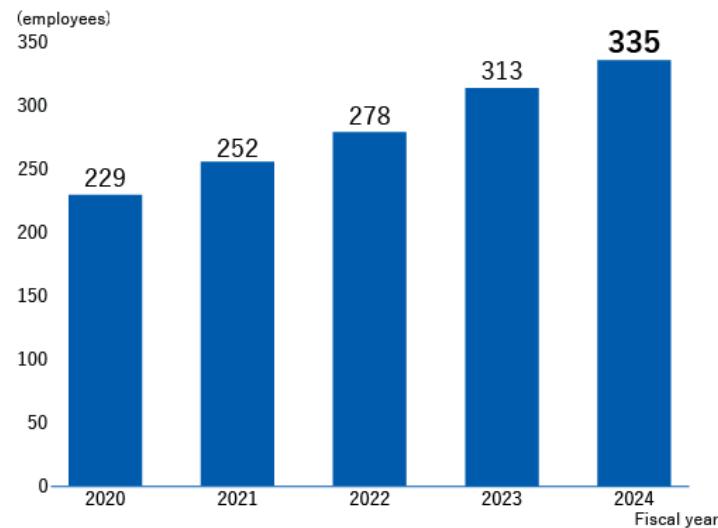
To promote gender balance and support diverse work styles and career development, we operate an intranet program called the “Partial Role Model Channel,” which features a wide range of employees active across the organization—including female managers and Group Masters, as well as male employees who have taken parental leave and are actively involved in housework and childcare. The program was developed in response to employee feedback that there are few role models around them. By presenting a variety of role models, it encourages female employees to pursue career advancement and inspires male employees to take on childcare responsibilities. It also aims to help employees, regardless of gender, envision building medium- to long-term careers while balancing work and family life.



Excerpts from the Partial Role Model Channel

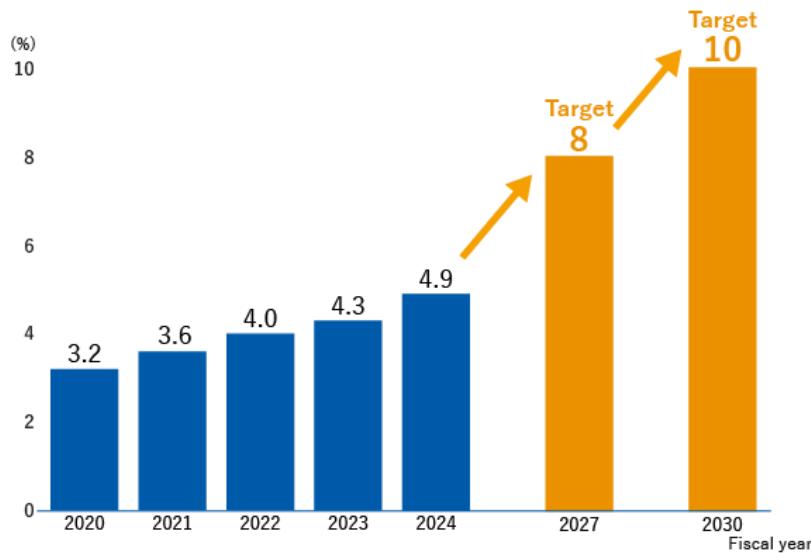
## Transforming management awareness

To make the most of each individual's diversity and enhance overall organizational strength, it is important to recognize and appropriately address unconscious bias, such as gender-based role stereotypes. Based on this belief, we conducted unconscious bias training for all Executive Officers, General Managers, and Managers from fiscal 2023 through fiscal 2024. By helping management-level employees become aware of their own biases and learn how to address them, we aim to increase psychological safety in the workplace and foster the development of inclusive leadership that supports the success of diverse employees.



Changes in the number of female managers

Note: As of April 1 of the following fiscal year



Proportion of women working as managers and Group Masters

Note: As of April 1 of the following fiscal year

|                                       |  |
|---------------------------------------|--|
| <b>Asahi Kasei Group Action Plan*</b> | We have developed an action plan to promote the active participation of women more than ever. As part of our efforts to create an environment in which diverse human resources with various values and backgrounds can play an active role together and contribute to the growth of our business and organization.   |
| <b>Term</b>                           | FY2022 to 2025   |
| <b>Content</b>                        | <p><b>Objective 1</b></p> <p>Expand the pool of human resources who can be candidates for senior management positions in leadership roles:</p> <p>Increase the number of female managers by 40% compared to March 31, 2022</p> <p>Latest status: 35.1% increase (as of April 1, 2025)</p> <p><b>Objective 2</b></p> <p>Achieve a situation where women are active in leadership positions:</p> <p>Implement the following items during the period of the plan to increase the ratio of women at the manager level and above and in Group Master positions to at least 10% by the end of fiscal 2030</p> <p>1) Formulate and implement action plans to encourage women's activities for each business organization</p> <p>2) Promote a better understanding of the importance of diversity and inclusion initiatives, including the promotion of women's participation</p> <p>Latest status: 4.9% (as of April 1, 2025)</p> |

\* Asahi Kasei, Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Pharma, and Asahi Kasei Medical (Asahi Kasei Life Science from April 2025 onwards)

## Promotion of work style reforms

The Asahi Kasei Group is promoting work style reforms to enable all employees to reach their full potential in alignment with social trends.

In response to the COVID-19 pandemic, we made the work-from-home program introduced in fiscal 2019 a permanent system in July 2022. At the same time, we introduced a work-from-home allowance and expanded the flextime program to support more flexible ways of working.

|   |   |
|---|---|
| <b>Work-from-home program</b>                 | Eliminated limit on number of times the program can be used   |
|   | Expanded eligibility for new employees, etc.  |
|   | Introduced work-from-home allowance   |
| <b>Flexible work hours without core hours</b> | Establishment of the system, and application of the concept of “interval” between working hours to eligible employees |

## Promotion of work-life balance

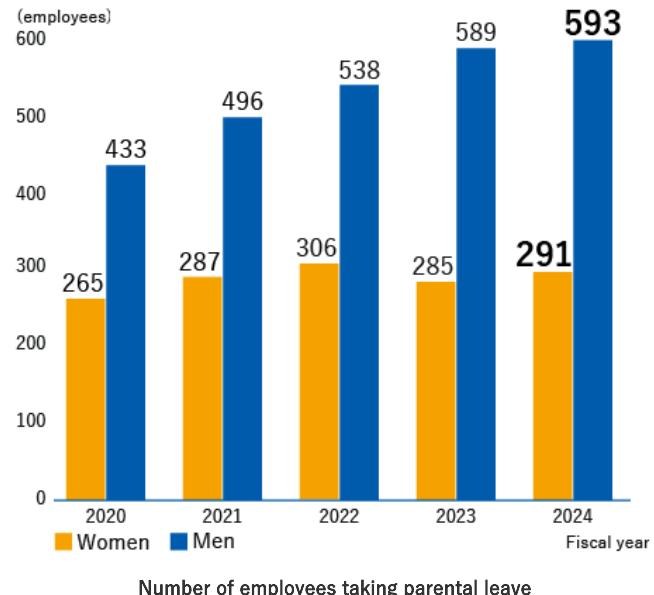
To promote work-life balance, the Asahi Kasei Group complies with laws and regulations aimed at eliminating and reducing long working hours and provides various forms of support for employees to work with security and vitality in accordance with their individual circumstances and values from the perspective of balancing work and family life. At the same time, we also foster a workplace culture in which everyone can make use of these provisions by raising awareness of them through our corporate intranet and offering management support for superiors. Many of the provisions we offer are also available to non-permanent employees with some changes to the details, and are actually utilized by them.

### Parental leave

At group companies in Japan\*, we have a parental leave system that allows employees to take leave until April 1 following the child's third birthday.

In fiscal 2024, 884 employees took advantage of the parental leave system, of which 593 were men and 291 were women. The parental leave utilization rate for men was 92.8%, and we continue to promote the use of parental leave through initiatives such as the “Fathers and Fathers-to-be Seminar” and distributing related video content.

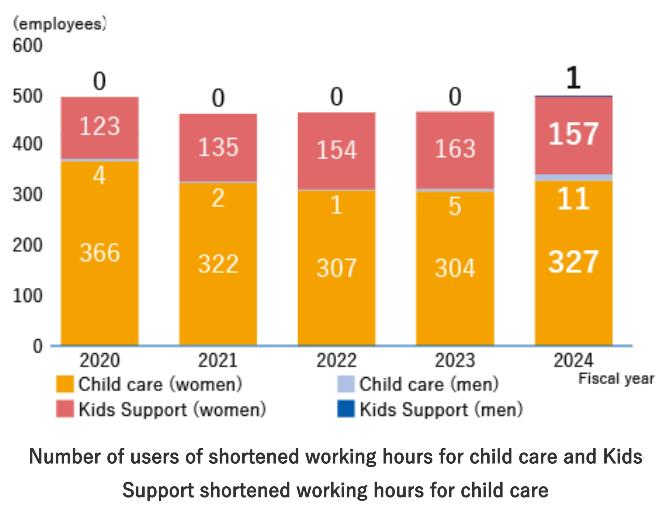
\* Permanent employees of Asahi Kasei, Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Pharma, Asahi Kasei Medical (Asahi Kasei Life Science from April 2025 onwards), and major affiliates in Japan are eligible.



## Shortened working hours for child care

At group companies in Japan\*, employees are able to utilize shortened working hours to care for preschoolers, with the working day shortened by up to 2 hours until the child enters elementary school. Since September 2007, a provision called "Kids Support" has been introduced to enable employees to work shorter hours until their child finishes the third grade of elementary school. We are working to create an environment where these provisions may be used concurrently with a "flex-time" system for flexible working hours.

In fiscal 2024, 496 employees took advantage of shortened working hours for child care and "Kids Support", of which 12 were men. In April 2020, we began to expand the applicable period of shortened working hours for child care for contract employees (up to the start of elementary school) and the Kids Support shortened working hours for child care.



\* Asahi Kasei, Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Pharma, and Asahi Kasei Medical (Asahi Kasei Life Science from April 2025 onwards)

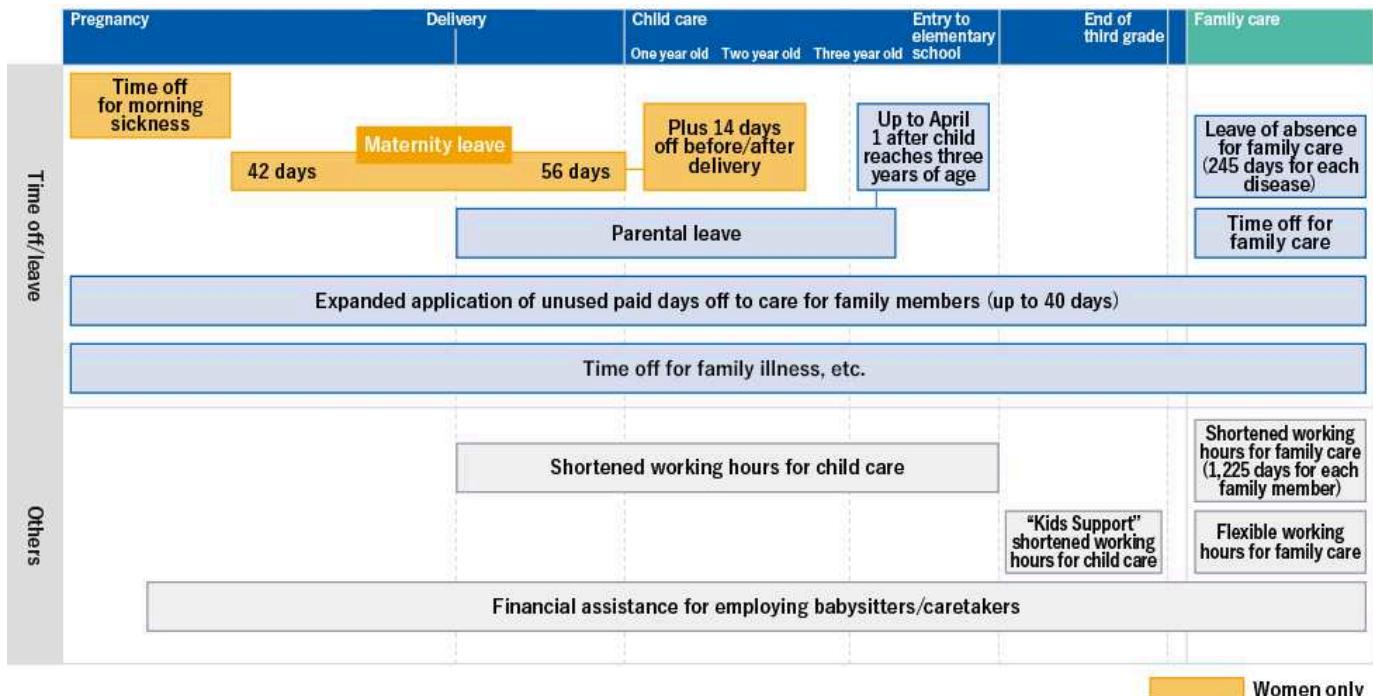
## Support for balancing work and family care

Group companies in Japan\* have established systems to support caring for family members that go beyond legal requirements to provide support for balancing work with care for family members. Employees can take a total of 245 days of leave of absence for family care per family member (per illness), and up to 1,225 days of shortened working hours for family care. We have also introduced a flexible working hours for family care system that makes use of the flextime system and other programs. In addition, we are working to promote awareness and utilization of these systems by offering various seminars on caregiving, providing e-learning content, and publishing informational handbooks to meet diverse employee needs.

\* Asahi Kasei, Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Pharma, and Asahi Kasei Medical (Asahi Kasei Life Science from April 2025 onwards)



Booklet on balancing work with care for family members



## Personnel transfers across business sectors

The Asahi Kasei Group proactively conducts personnel transfers across business sectors to leverage its strengths in diverse technologies, businesses, and markets. These transfers enable employees to gain experience in different fields, broaden their perspectives, and facilitate the organic utilization of management resources group-wide. For example, in the overseas expansion of our Homes business, we utilized the Asahi Kasei Group's collective human resources, expertise, and management foundations to achieve faster business development and enhance cash-generating capability. Such cross-organizational utilization of talent is an initiative that maximizes one of our key intangible assets—our diversity in business and technology—and we plan to further strengthen these efforts going forward.

## Introduction of talent management system "CaMP"

In fiscal 2022, the Asahi Kasei Group introduced the talent management system CaMP (Career Management Place) to enhance the visualization of human resources. CaMP centrally manages information such as each employee's career aspirations, expertise, and experience, and is utilized for human resource development and personnel placement to create an environment that enables every individual to maximize their potential. The introduction of this system allows for better alignment between employees' career goals and organizational needs, enabling more flexible and strategic talent management. CaMP also contributes to strengthening co-creation by serving as a foundation that connects diverse talent and fosters the creation of new value group-wide.

## Development of global human resources

The Asahi Kasei Group positions the development of human resources who can support global business expansion as an important strategy and promotes various initiatives that encourage international experience, challenges, and success.

We operate several programs, including the Study Abroad Program Open to All for young employees who wish to gain overseas experience, the Overseas Practical Training Program for selected employees aspiring to become managers at overseas subsidiaries, and the Study Abroad Program for Nominated Employees for those who want to be involved in global business development. Except during the COVID-19 pandemic, about 15 to 20 employees are dispatched annually through these programs. We are also working to develop local talent in our overseas subsidiaries to strengthen their co-creation skills. We provide, administer and promote programs tailored to regional and organizational needs, including the relocation of local employees overseas, raising awareness about our philosophy, providing intercultural communication and manager training. Through these efforts, we are promoting the appointment of local talent to key positions at overseas sites and developing outstanding individuals who can contribute to the whole Asahi Kasei Group beyond their specific business areas. Since 2022, we have also implemented AK Global Connect, a cross-border online reciprocal mentoring program between Japan and the U.S., with approximately 50 pairs participating and receiving highly positive feedback.

We also actively promote talented individuals who have joined the Asahi Kasei Group through international M&A, involving them in group-wide management at the Executive Officer level.

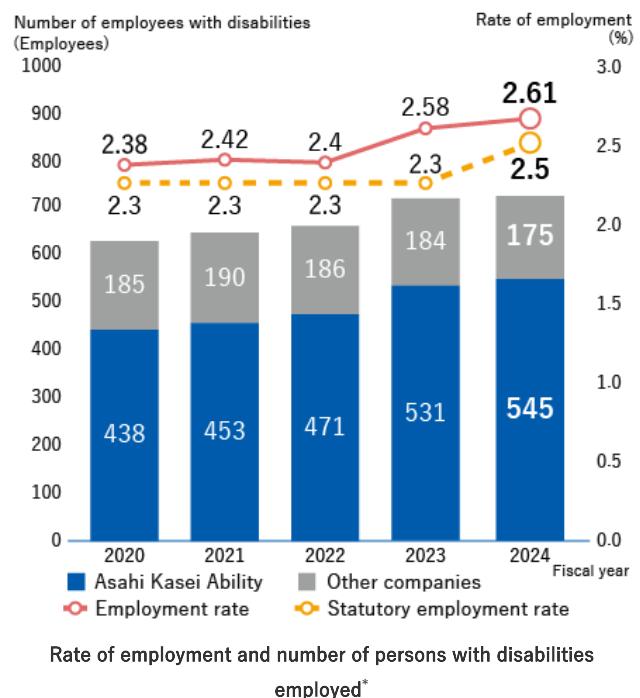
As of now, Asahi Kasei Corporation has four non-Japanese Executive Officers.

## Employment of persons with disabilities

The Asahi Kasei Group supports all employees regardless of disability status so that they can fulfill their potential and work in comfort.

Asahi Kasei Ability Corp. was established in 1985 as a special subsidiary for the employment of persons with disabilities, performing a wide range of services for the Asahi Kasei Group, including office automation services such as data entry, digitizing documents (conversion to PDF files), website design, as well as printing of business cards, document printing and binding, dispatch of sample products, cleaning, copying, and planter box gardening.

The statutory employment rate for persons with disabilities in fiscal 2024 was 2.5%, while the Asahi Kasei Group's annual hiring rate for the year was 2.66%.\* As of March 31, 2025, it was 2.61% (720 persons), and we are taking steps to comply with the legal requirement to raise the statutory employment rate to 2.7% by July 2026.



\* The rate of employment and the number of persons employed are the average figures for each fiscal year for applicable companies of the Asahi Kasei Group. Calculations are based on total employment of 27,921 persons at the 22 applicable companies as of March 31, 2025. (number of persons calculated in accordance with the Act on Employment Promotion, etc. of Persons with Disabilities)

## Initiatives at Asahi Kasei Ability

### 1. Strengthening of sales activities

#### (1) Establishment and operation of dedicated departments

In response to the increase in the statutory employment rate, we will continue to increase the employment of people with disabilities. Furthermore, in order to create jobs that allow people with disabilities to work with vigor and pride, we have established a Sales Promotion Department as a dedicated department, which started full-scale activities in fiscal 2023. We strive to increase awareness of the Asahi Kasei Group and our businesses both internally and externally and by extension, to create jobs for people with disabilities to ensure their employment.

#### (2) Workplace tours

Each office (Nobeoka, Mizushima, Osaka, Fuji, and Tokyo) invites visitors as occasion demands and presents its operations and workplaces to many companies and municipalities within and outside the Asahi Kasei Group.

### 2. New businesses

#### Employment of health keepers (massagers)

The Nobeoka Office employs a visually impaired person (health keeper) who is a certified masseur to provide services to our employees in a bid to employ more people with disabilities and as a welfare program for our employees. The program has been very well received by employees, and future expansion is being considered.

### 3. Abilympics (skills competition for people with disabilities)

A total of 41 employees from Asahi Kasei Ability participated in the Abilympics (a skills competition for people with disabilities) in various prefectures and won awards. In the fiscal 2024 national competition (held in Aichi Prefecture), 12 employees who advanced from the prefectural rounds competed as representatives from their respective prefectures, and one employee received an Effort Award in the photography category.



Opening ceremony of the FY2024 national competition (Miyazaki Prefecture team)



Scene from the building cleaning competition



Hidenori Igarashi won the Effort Award

## System to support the activities of all motivated human resources

The Asahi Kasei Group has developed a wide range of supportive measures to create an environment that supports the individual circumstances of employees and allows them to fully demonstrate their abilities.

### Support for returning to work after medical treatment

We have established a Rehabilitation Work System that allows employees to resume work in a phased manner in accordance with the instructions of an industrial physician to support a smooth return to work after a period of medical treatment. In March 2023, we also launched a new program called Time Off for Medical Appointments to assist employees in balancing work and medical treatment. This program provides support for employees who need to visit hospitals for medical care, including infertility treatment.

### Leave of Absence to Accompany Spouses on Overseas Transfers

As globalization continues to advance, the number of personnel whose spouses are transferred overseas has been increasing. In 2013, we introduced the Leave of Absence to Accompany Spouses on Overseas Transfers. This system allows employees to take a leave of absence to accompany their spouse abroad. In fiscal 2024, 15 employees utilized this system, including 2 men.

### Support activities for LGTBQ employees

Since January 2021, we have offered equal recognition to same-sex partners as married couples under our internal rules to support LGBTQ employees. Our head office building is also equipped with genderless restrooms that are accessible to anyone regardless of their sex or gender identity. In fiscal 2024, we implemented an e-learning program to promote understanding of gender diversity, which is mandatory for managers. We will continue to promote LGBTQ awareness among employees and create a more comfortable workplace.

## Activity evaluation and recognition by external organizations

### Platinum Kurumin certification

In 2016, Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Medical Co., Ltd.\* received Platinum Kurumin certification from the Ministry of Health, Labour and Welfare. Platinum Kurumin certification is awarded to companies that demonstrate particularly outstanding initiatives in actively supporting the development of the next generation. In addition, Asahi Kasei Homes Corp. and Asahi Kasei Construction Materials Corp. have received Kurumin certification.

\* As of April 2025, the certification for Asahi Kasei Medical will be succeeded by Asahi Kasei Life Science.



### Eruboshi certification based on the Act on the Promotion of Women's Active Engagement in Professional Life

Asahi Kasei has been certified as an outstanding company in promoting opportunities for women among those that have formulated and submitted an action plan under the Act on the Promotion of Women's Active Engagement in Professional Life. In 2024, the company received the Eruboshi (two-star) certification from the Ministry of Health, Labour and Welfare.



### Bronze rating in the PRIDE Index 2024

Six group companies—Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Medical Co., Ltd.—received the Bronze rating in the PRIDE Index 2024, an evaluation index that recognizes initiatives to support LGBTQ+ and other sexual minorities in the workplace.



### Certified as a “Best Workplace,” the highest rating in the D&I Award 2024

Seven group companies—Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Pharma Corp., Asahi Kasei Medical Co., Ltd., and Asahi Kasei Ability Corp.—were certified as Best Workplaces, the highest rating in the D&I Award 2024 organized by JobRainbow Co., Ltd.



# Human Resources

Quality Assurance

CSR Procurement

**Human Resources**

Human Rights

Health &amp; Productivity Management and Occupational Health &amp; Safety

Process Safety

Social Contribution Activities

Human Resources  
StrategyHuman resources  
development and active  
engagementDiversity,  
Equity & Inclusion (DE&I)**Employment and Labor  
Practices**

## Policy

The Asahi Kasei Group believes that all of the human resources working group-wide are the source of new value creation based on their diversity and capability to change.

As a signatory to the United Nations Global Compact, the Asahi Kasei Group supports and respects the labor-related principles set forth therein. We also endorse the United Nations Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles, and we will use these frameworks to grasp and appropriately address labor issues in our business.

The United Nations Global Compact stipulates the following labor principles.

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Businesses should uphold the elimination of all forms of forced and compulsory labor
- Businesses should uphold the effective abolition of child labor
- Businesses should uphold the elimination of discrimination in respect of employment and occupation

Furthermore, the Asahi Kasei Group Code of Conduct clearly states that the Asahi Kasei Group, as well as its suppliers, does not allow inhumane practices such as child and compulsory labor, prohibits discrimination for any reason including employment status, respects human rights and diversity, and carries out its business with sincerity and a sense of responsibility.

Based on the above approach, we will not only comply with domestic and international labor laws and regulations on the following labor issues, but also strive to create a work environment where employees can reach their maximum abilities while working with safety and peace of mind.

- Prevention of child and compulsory labor
- Reduction of excessive working hours
- Formulation of working conditions based on consultation between management and labor
  - Asahi Kasei Corporation offers new graduates a starting salary of at least 115% above the national weighted average of regional minimum wages in Japan.
  - We maintain a set standard of living for our employees by complying with each region's decided minimum wage and paying a fair living wage.
  - We also adhere to the minimum wage regulations set by local ordinances and provide equal remuneration for the same positions, without considering gender or other differences, based on the fundamental principle of equal pay for equal work.
- Guarantee of freedom of association and collective bargaining rights
  - We guarantee the freedom of association and collective bargaining rights for the employees we hire.

The Asahi Kasei Group's working conditions are formulated and implemented based on consultation and agreement between management and labor.

## Management Framework

General Affairs and Human Resources of Asahi Kasei Corporation oversee the Asahi Kasei Group's initiatives related to personnel and labor management. Each group company has its own HR policy and is actively engaged in human resource development. Regular audits are conducted to ensure compliance with laws and regulations, as well as to prevent any improprieties. The results of these audits are reported to the Board of Directors as necessary.

## Compliance with labor standards

### Consultation between management and labor regarding labor standards

We strive to ensure legal compliance through such means as sharing information on topic and amendments to labor-related laws with group companies in order to ensure group-wide legal compliance.

In fiscal 2017, the Asahi Kasei Group also established an expert committee for the labor union and company to examine work style reform, and measures such as a work-from-home program have been implemented.

Moreover, we have promoted the use of annual leave days to reduce working hours. In addition to this, we monitor workplaces that have comparatively long working hours with the aim of preventing excessive working hours at the level of each organization.

In fiscal 2024, there were no administrative penalties for violations of the Labor Standards Act.

Recognizing the need to deepen understanding of working hour management, we are reinforcing awareness of proper work hour management across the company. In addition to providing necessary guidance to both supervisors and employees, we have been offering e-learning courses on attendance management to all personnel responsible for work hours and attendance since fiscal 2022 to promote greater understanding.

## Communication between management and labor

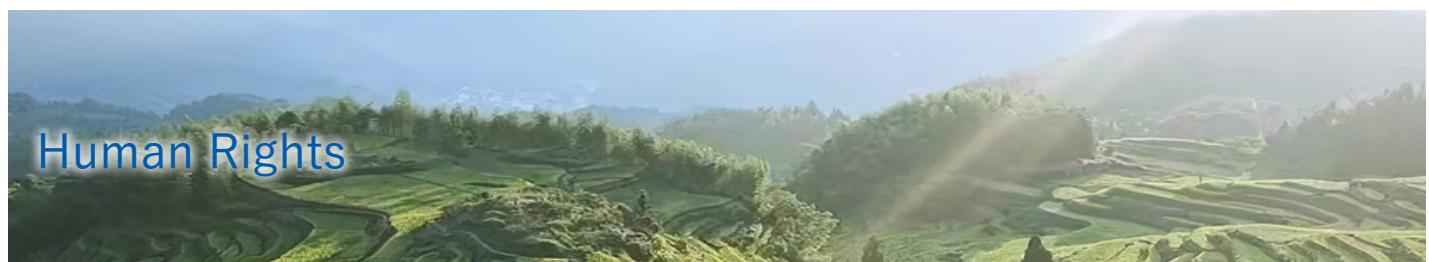
The Asahi Kasei Group supports employees' freedom of association and right to collective bargaining and strives to maintain and strengthen a constructive partnership between management and labor.

Discussions on the overall management of the Asahi Kasei Group are held on a regular basis between the management of Asahi Kasei Corp. and the labor union, and separate discussions are periodically held at each business unit and operating site. We also hold regular management roundtables with the Asahi Kasei Group Federation of Labor Unions, which is an alliance of our individual labor unions, to provide opportunities for discussion and to facilitate communication between management and labor.

We have concluded a union shop agreement with the Asahi Kasei Labor Union (an agreement under which all employees, except managers and supervisors, are members of the union), and the union has 9,596 members (as of March 1, 2025).

## Creating Regional Employment

In the regions where the Asahi Kasei Group's businesses operate, we contribute to local communities through employment and procurement activities in those communities.



Quality Assurance

CSR Procurement

Human Resources

**Human Rights**

Health &amp; Productivity Management and Occupational Health &amp; Safety | Process Safety | Social Contribution Activities

## Policy

Respect for everyone's human rights is one of the most important parts of the Asahi Kasei Group's business activities. The Asahi Kasei Group Human Rights Policy, established in March 2022 with the approval of the Board of Directors, conforms to the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights. In addition, we endorse the 10 Principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, as well as the Children's Rights and Business Principles. Based on these frameworks, we will grasp and appropriately address human rights issues in our business.

### Asahi Kasei Group Human Rights Policy

Respect for human rights is the basis of all activities of the Asahi Kasei Group. We pursue our Group Mission to "contribute to life and living for people around the world" in accordance with the basic approach and efforts expressed in this human rights policy.

Even as times change, the Asahi Kasei Group's commitment to the people of the world never changes. We believe nothing is more important than for diverse people to enjoy vibrant lives while respecting each other's individuality and human rights.

We require all officers and employees of the Asahi Kasei Group, including those under non-regular employment, to respect human rights in accordance with this Policy. We expect all of our business partners, including our suppliers, to understand and support this Policy.

### Our Approach

We are committed to respecting the human rights of all stakeholders throughout our activities and business value chain.

We respect human rights as stipulated in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In addition, we support the 10 Principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights. Our activities are based on these principles.

We comply with applicable laws and regulations in all countries and regions where our activities are conducted. Where national/regional laws fall short of or conflict with international human rights principles, we will seek ways to honor the principles of internationally recognized human rights to the extent possible while complying with the national/regional laws.

If we identify that we have caused or contributed to negative impacts on human rights in the business value chain, we endeavor to remediate them through appropriate processes with business partners.

## Addressing Human Rights Issues

The Asahi Kasei Group practices the following.

- We comply with all applicable laws and regulations related to working hours and wages.
- We comply with all applicable laws and regulations related to safety and hygiene. We also prevent accidents and disasters, create a safe and hygienic work environment, and strive to maintain the physical and mental health of our employees.
- We strictly prohibit compulsory labor, slave labor, human trafficking, and child labor.
- We strictly prohibit any discrimination based on race, ethnicity, birth, nationality, religion, gender, sexual orientation, disability, or ideology, and any inhumane treatment including harassment.
- We comply with all applicable laws and regulations related to the protection of personal information and manage this information appropriately.
- We protect the safety and health of our stakeholders by ensuring the quality and safety of our products and services.
- We understand and respect the local culture and the human rights of local communities including their health and safety.

## Promoting Respect for Human Rights

### Education

We will continue to provide necessary education and awareness-raising opportunities for all officers and employees, including those under non-permanent employment, to put this policy into practice.

### Implementation of human rights due diligence

We will implement human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights. Specifically, we will assess the human rights risks in our activities and continuously work to prevent and mitigate the identified risks. If we identify that we have caused or contributed to negative impacts on human rights, we endeavor to remediate them through appropriate processes.

### Commitment to engage with affected stakeholders

We believe that the perspective of affected stakeholders is critical for us to recognize actual or potential human rights impacts on stakeholders by our activities, and to develop appropriate responses to address such impacts. We will engage with relevant stakeholders in a timely manner to understand and consider measures to address human rights issues.

### Grievances Mechanisms

We will continuously work towards the optimization of our grievance mechanisms through a system to which our employees and the employees of our business partners can report and consult on human rights concerns. We ensure confidentiality regarding reported cases and the personal information of the persons submitting reports and have measures in place to protect those persons from unfair treatment caused by reporting issues.

### Disclosure

We will monitor and regularly disclose the progress of our efforts to respect human rights through our website, the Asahi Kasei Report, and other relevant communication channels.

Approved by the Board of Directors of Asahi Kasei Corporation on March 8th, 2022

➤ Asahi Kasei Group Human Rights Policy  (360.1KB)

## Participation in human rights initiatives (signatory to United Nations Global Compact)

We actively participate in subcommittee activities related to the respect for human rights, provided and managed by the United Nations Global Compact Network Japan. In fiscal 2024, we continued participation in the working group drawing up the "Practical Manual on Human Rights Due Diligence" within the Supply Chain Subcommittee, and worked to refine its contents. Additionally, we participated in lectures and workshops lead by experts at the HRDD Subcommittee and Human Rights Education Subcommittee, so we could now utilize the latest trends in respect for human rights and examples from participating companies to enhance our own initiatives on respecting human rights.

- Participation in human rights initiatives (signatory to United Nations Global Compact)

## Management Framework

In 2022, We established the Human Rights Committee as a forum for discussion and guidance on the respect of human rights, and also as an organization to promote the implementation of the Asahi Kasei Group Human Rights Policy. The Human Rights Committee is positioned as a subcommittee of the Sustainability Committee. The committee chaired by the President is composed of members from diverse fields, including leaders responsible for business units, administrative functions, and technology functions. Matters discussed by the Human Rights Committee are reported to the Board of Directors.

In fiscal 2023, we shared global trends related to human rights and reviewed group initiatives on respecting human rights.

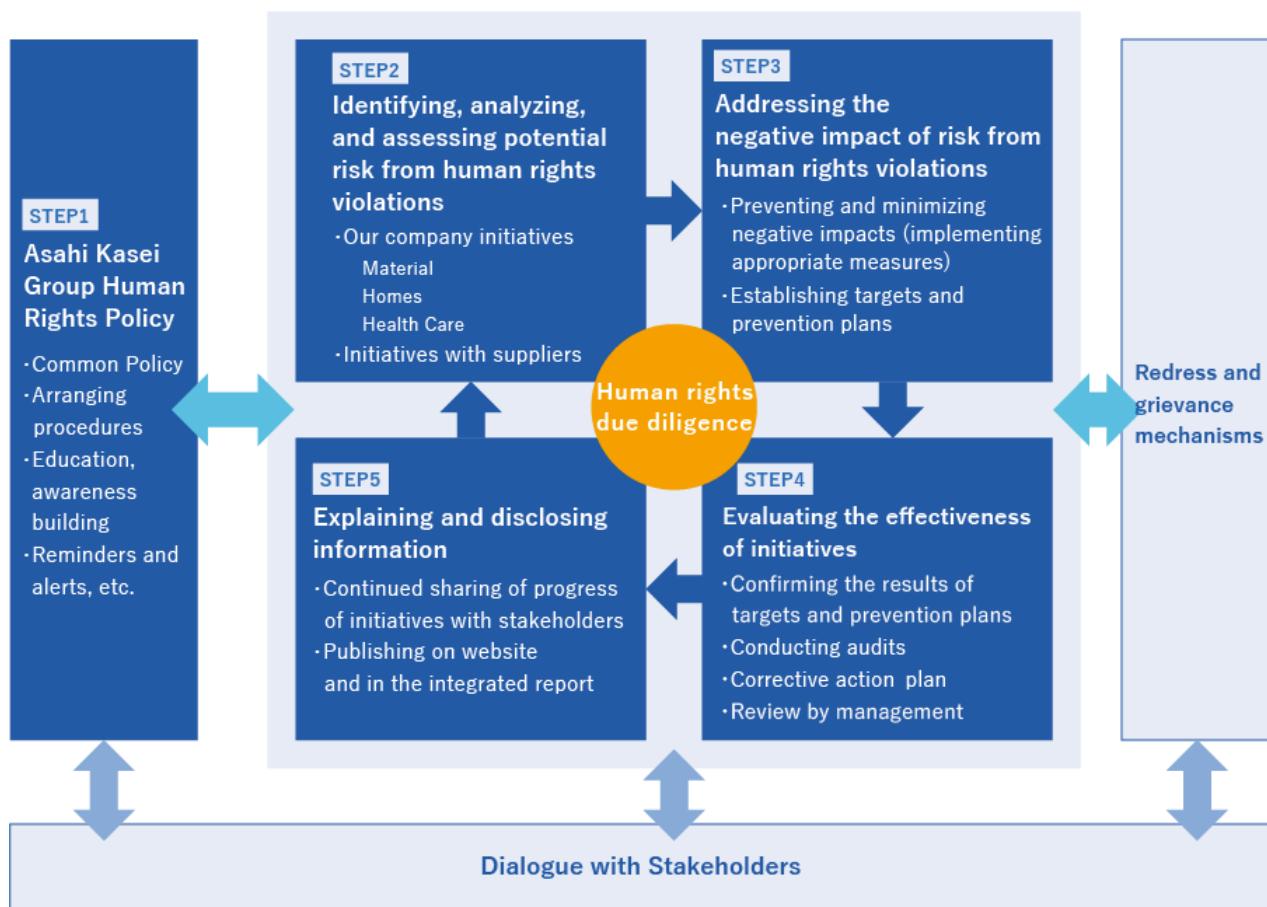
In fiscal 2024, the Human Rights Committee shared and discussed the latest international trends in human rights as well as the implementation status and direction of the Asahi Kasei Group's initiatives. As a result, recognizing that things traditionally taken for granted may not be the best option when considering the perspective of human rights, we concluded that we should bear in mind that our existing businesses may require revisions, and we should enhance our sensitivity to social trends and norms as an organization. In addition, it was reaffirmed that when an issue arises in any business operation, we should consult with the Secretariat and respond appropriately.



## Implementation of human rights due diligence

The Asahi Kasei Group recognizes that human rights due diligence is crucial in fulfilling our responsibility to respect human rights. To proactively identify, prevent, and mitigate any potential negative impacts the group may have on society, we will continue to deepen our initiatives step by step.

In fiscal 2024, we did an internal examination leveraging the knowledge of external experts, and made overall revisions so that all processes in the implementation of human rights due diligence would be deployed in actual business duties.



## Initiatives in FY2023 - Survey on Human Rights Violation Risks for Business Unit Managers

In fiscal 2023, we focused on advancing primarily Step 2 of our human rights due diligence process. To promote actions and business activities in line with the Asahi Kasei Group Human Rights Policy, we issued a survey on human rights violation risks in the value chain to 34 business unit managers across the Asahi Kasei Group while heeding the advice of external experts. At the Human Rights Committee meeting, we raised awareness of issues related to specific human rights violation risks for each business revealed through the survey results and hearings, and reported on the trends related to human rights and both foreign and domestic business, as well as on the status of an examination of their impact on the Asahi Kasei Group. This process reaffirmed the importance of initiatives to respect human rights, and we also reviewed future plans and our reporting structure in order to promote respect for human rights.

➤ FY2023 Human Rights Violation Risks Survey for Business Unit Managers [\(246.4KB\)](#)

## Initiatives in FY2024

### (1) Arranging and extracting human rights risks from the results of the fiscal 2023 internal survey

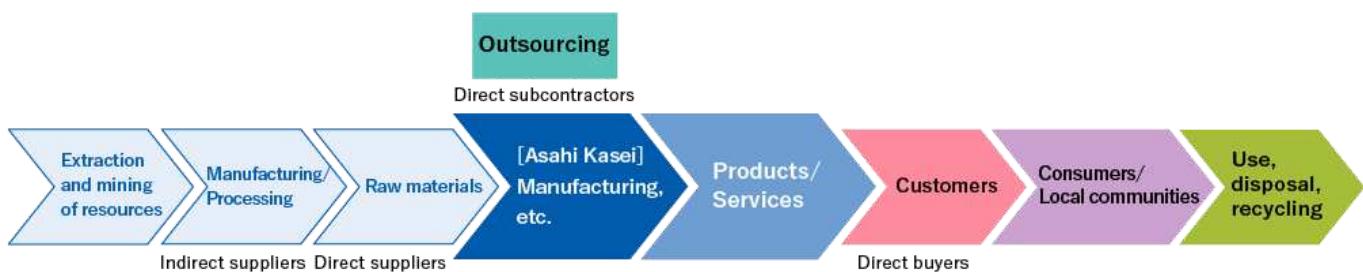
We extracted specific potential human rights risks based on the survey to business unit managers given in fiscal 2023. In addition, there were 5 separate cases of business unit personnel consulting with the Secretariat about human rights on the value chain in fiscal 2024, and we responded by implementing necessary corrective or preventative measures based on the actual situation of each. Even for low-risk issues, we implement measures such as continual monitoring.

## (2) Examining deployment into existing duties of the procedure for human rights due diligence across the whole Asahi Kasei Group

Starting in fiscal 2024, we have revisited the United Nations Guiding Principles on Business and Human Rights (UNGPs), as we revised our procedures and documentation related to operations in the Asahi Kasei Group's 3 sectors (Material, Homes, Healthcare). In addition to examining primarily STEP 2 in the process for implementation of due diligence used in 2023, we have visualized the targets (business scope, type of industry, active region) of a series of initiatives in human rights issues up to STEP 5, and we enumerated any necessary tasks, including Group-wide documentation. Based on the Medium-term Management Plan newly started in fiscal 2025, we plan to share a direction with dedicated departments across each sector, and to proceed with deployment into existing duties and with spreading awareness to relevant parties.

## Asahi Kasei Group's Initiatives on Human Rights Issues in the Value Chain

Based on the aforementioned risk issues, in addition to initiatives implemented at each business and existing measures implemented comprehensively as a group, we have also prepared measures, including ones that will be necessary in the future, as additional initiatives related to business and human rights at every step in the Asahi Kasei Group's value chain.



Asahi Kasei Group value chain

| Asahi Kasei Group value chain | Resource extraction   | Manufacturing/Processing (Indirect suppliers) | Raw materials (Direct suppliers) | Asahi Kasei (manufacturing, etc.)   | Outsourcing (Direct subcontractors)  | Products/Services  | Customers (Direct buyers)   | Consumers/Local communities   | Use, disposal, recycling  |
|-------------------------------|---|---|----------------------------------|---|--|--|---|---|---|
| Related departments           | ·Procurement (Raw materials, supplies)  |   |                                  | <ul style="list-style-type: none"> <li>·Human Resources, Legal</li> <li>·Corporate Strategy, Compliance</li> <li>·Production</li> <li>·Corporate environmental safety and health</li> <li>·Quality Assurance</li> </ul>                                   | <ul style="list-style-type: none"> <li>·Procurement (Outsourced processing)</li> </ul>           | <ul style="list-style-type: none"> <li>·Sales, Marketing</li> <li>·Logistics, Quality Assurance</li> </ul> | <ul style="list-style-type: none"> <li>·Sales, Marketing</li> <li>·Quality Assurance</li> </ul>               |   |   |
| Related human rights topics   | <ul style="list-style-type: none"> <li>·Working conditions</li> <li>·Labor conditions</li> <li>·Occupational Health and Safety</li> </ul> |   |                                  | <ul style="list-style-type: none"> <li>·Working conditions</li> <li>·Labor conditions</li> <li>·Occupational Health and Safety</li> <li>·Discrimination and harassment</li> <li>·Product quality and safety</li> <li>·Environmental protection</li> </ul> | <ul style="list-style-type: none"> <li>·Working conditions</li> <li>·Labor conditions</li> </ul> | <ul style="list-style-type: none"> <li>·Product safety</li> <li>·Advertising and promotion</li> </ul>      | <ul style="list-style-type: none"> <li>·Product warnings</li> <li>·Personal information management</li> </ul> | <ul style="list-style-type: none"> <li>·Consideration for local communities</li> <li>·Environmental protection</li> </ul> | <ul style="list-style-type: none"> <li>·Environmental protection</li> </ul> |

| Asahi Kasei Group value chain   | Resource extraction  | Manufacturing/Processing (Indirect suppliers)   | Raw materials (Direct suppliers)   | Asahi Kasei (manufacturing, etc.)   | Outsourcing (Direct subcontractors)   | Products/Services   | Customers (Direct buyers)  | Consumers/Local communities | Use, disposal, recycling |
|---|--|---|--|---|---|---|--|-----------------------------|--------------------------|
| Potential serious risks for the Asahi Kasei Group   | <ul style="list-style-type: none"> <li>Child labor, compulsory labor, or excessive labor</li> <li>Responsible use of minerals</li> <li>Forest destruction caused by plant-derived raw materials</li> <li>Fear of negative impacts due to insufficient awareness of human rights risks at tier 2 and 3 raw materials suppliers</li> <li>Low wages, non-payment of living wages</li> <li>Dangerous or poor working conditions</li> </ul>       | <ul style="list-style-type: none"> <li>Occupational health &amp; safety at company plants</li> <li>Management of appropriate working hours (at plants, offices, etc.)</li> <li>Discrimination and harassment</li> <li>Special consideration of respect for diversity (workplace facilities, etc.)</li> <li>Labor conditions for foreign workers</li> <li>Environmental pollution and destruction</li> </ul> | <ul style="list-style-type: none"> <li>Occupational health &amp; safety, and labor conditions for employees at cooperating companies (work hours, unfair discipline or dismissal)</li> <li>Labor conditions at subcontractors and agencies</li> <li>Discrimination and harassment</li> <li>Unreasonable deadlines and cancellation conditions</li> </ul> | <ul style="list-style-type: none"> <li>Health hazards</li> <li>Inappropriate expressions</li> <li>Business activities in countries and regions with human rights risks</li> </ul>   | <ul style="list-style-type: none"> <li>Unintended uses (e.g., military, abuse)</li> </ul>   | <ul style="list-style-type: none"> <li>Health hazards</li> <li>Forced evictions</li> <li>Influence of decreasing resources on maintenance of nearby residents' lives and social infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Environmental pollution and destruction</li> <li>Mistaken disposal due to lack of information on reuse</li> </ul> |                             |                          |
| Initiatives (FY2024)  | <ul style="list-style-type: none"> <li>Priority procurement of certified raw materials (FSC, RSPO, etc.)</li> <li>Organizing format for consent forms for revisions to Supplier Code of Conduct and acquiring signatures</li> <li>Individual supply chain surveys (conflict minerals, etc.)</li> <li>Supplier improvement activities through the CSR procurement questionnaire</li> <li>Risk screening using a dedicated database</li> </ul> | <ul style="list-style-type: none"> <li>Confirmation at entering new agreement with supplier (specifications, etc.)</li> <li>Spreading awareness of the Supplier Code of Conduct and holding briefing sessions</li> <li>Continuous monitoring of suppliers (expanding the scope of CSR procurement questionnaire)</li> </ul>   | <ul style="list-style-type: none"> <li>Comprehensive Group-wide initiatives (education, awareness-raising)</li> <li>Individual initiatives in the 3 sectors (PDCAs at each production site and office)</li> <li>Monitoring and auditing of legal compliance status</li> </ul>  | <ul style="list-style-type: none"> <li>Provision of safety data sheets (SDS)</li> <li>Product user manual (safety / caution items, defective product response)</li> <li>Dissemination of guidelines for environmental and human rights information disclosure</li> <li>Risk screening using a dedicated database</li> </ul> | <ul style="list-style-type: none"> <li>Supply chain survey response (each business unit responses to requests from customer corporations)</li> <li>Participation in EcoVadis supply chain evaluations (by business unit)</li> </ul> | <ul style="list-style-type: none"> <li>Holding briefing sessions and conferences</li> </ul>   | <ul style="list-style-type: none"> <li>Product user manual (use, disposal, how to recycle)</li> </ul>  |                             |                          |
| <ul style="list-style-type: none"> <li>Stakeholder engagement: improvement activities for suppliers during the monitoring process</li> </ul>  |  |   |  |   |   |   |  |                             |                          |
| <ul style="list-style-type: none"> <li>Compliance with laws: view of respect for international norms</li> <li>Framework establishment and reporter protections for whistleblowing internally and at suppliers: Expand hotline, document correction procedure, reporting and review</li> </ul> |  |   |  |   |   |   |  |                             |                          |

## Consideration of human rights in the supply chain

The Asahi Kasei Group operates a diverse range of businesses, and we work to understand the key issues to be addressed in the various value chains and supply chains of each business from a human rights perspective. Based on this understanding, we promote respect for human rights as outlined in the Asahi Kasei Group Human Rights Policy.

### Consideration of human rights in procurement

The Asahi Kasei Group is working to promote awareness about CSR, including respect for human rights, with coordination among Corporate Procurement & Logistics, the Sustainability Strategy Planning Department, and core operating companies such as Asahi Kasei Homes. In fiscal 2024, we held an online briefing session for approximately 350 domestic suppliers eligible to answer the CSR procurement questionnaire upon distribution, during which we explained our Procurement Policy and Supplier Code of Conduct. We added new suppliers targeted for implementation from the perspective of human rights in particular, as we move forward with enhancing the efficacy of our initiatives. In addition, we began requesting that suppliers sign and submit a consent form for the Asahi Kasei Group Supplier Code of Conduct (revision of the previous Supplier Guidelines) established in fiscal 2024.

We have positioned the Asahi Kasei Group Supplier Code of Conduct alongside the Asahi Kasei Group Human Rights Policy as an important pointer for implementation of human rights due diligence, as we engage in dialogue with suppliers, grasp human rights risks in the supply chain, take measures for prevention and improvement, and build a framework for reviewing results.

➤ CSR Procurement

### Consideration of human rights in logistics

The Asahi Kasei Group, primarily from the position of a shipper, is working to contribute to sustainable logistics. Starting in fiscal 2023, we expanded our CSR procurement activities to the logistics sector. This includes monitoring logistics partners through implementation of the CSR procurement questionnaire and promoting the dissemination of our Supplier Code of Conduct.

### Participation in EcoVadis (headquartered in France) supply chain evaluations

EcoVadis, an international sustainability assessment organization (headquartered in France), conducts investigations and evaluations of companies' supply chains using its proprietary platform. Several of Asahi Kasei Group's business locations, including overseas sites, are registered on EcoVadis' platform and continuously undergo supply chain evaluations. These evaluations help us improve the effectiveness of our initiatives across various fields, including labor and human rights, the environment, ethics, and procurement.

Starting in fiscal 2024, we have started to undergo supply chain evaluations for our Microza & Water Processing Div. (Fuji district) that provides Microza®. We received the Gold Medal in June 2025 for our series of supply chain and value chain activities related to production, sale, testing, design, and after-sales service for hollow fiber membrane modules and related equipment for filtration and separation. Moving forward, we will continue to practice sustainability on the supply chain in accordance with international norms in the area of respect for human rights, as well as enhance customer productivity, reduce environmental impacts, and contribute to effective utilization of our limited water resources through the provision of membrane technology in a wide variety of fields.

## Dialogue with Stakeholders

### Participation in stakeholder engagement program

In fiscal 2024, we participated in the Stakeholder Engagement Program organized by the Caux Round Table (CRT) Japan. During the program, we engaged with issues raised by NPOs/NGOs and experts, working to identify key human rights issues specific to each industry.

Through participation in this program, we learn about NPO/NGO activities related to serious human rights risks domestically and abroad, hear the findings of experts, and exchange opinions with participating corporations. We leverage this knowledge to spread the respect for human rights within our company, and prepare for effective dialogue that focuses on rights holders.

- Stakeholder Engagement Program (Caux Round Table Japan) □

### Grievance Mechanisms (reporting and consultation hotline)

The Asahi Kasei Group's compliance hotline handles reports and consultation on all aspects of compliance, including human rights. The hotline is available to suppliers and their employees in addition to Asahi Kasei Group employees. Additionally, we have set up an inquiry form on our website for non-business partners and other stakeholders, such as general customers and other local residents, as we are building a reporting system for all of our stakeholders.

The Asahi Kasei Group is advancing organization of a series of processes in the implementation of human rights due diligence, while also devoting further efforts to preparation of a framework for properly addressing actual negative effects based on the receipt of a claim or report from a rights holder.

### Number of whistleblower cases related to human rights in FY2024

In fiscal 2024, 81 reports and consultations were received through the whistleblower system. Of these, 5 reports or consultations were related to issues in human rights, such as discrimination or harassment.

We are responding to the cases for which we received reports by first devising measures for ensuring that the reporter will not receive unfair treatment as a result of the report, and then performing an investigation through a dedicated department that includes external experts. Additionally, in order to prevent human rights issues such as discrimination and harassment, we analyze the content of the received consultation and utilize it to make improvements.

- Compliance > Whistleblower system (Compliance hotline)
- Consultation and reporting hotline for business partners

## Human rights education and awareness raising activities

The Asahi Kasei Group conducts various educational and awareness-raising activities on respecting human rights to deepen understanding and ensure the practical implementation of the Asahi Kasei Group Human Rights Policy at both the management and operational levels. We will continue to promote awareness of human rights and strengthen our efforts to deepen employees' understanding of the human rights issues for which corporations are socially responsible.

|        | Content of conducted training and awareness activities   | Number of participants |
|--------|--|------------------------|
| FY2024 | Discussions on human rights cases within compliance activities for employees at the workplace unit level | 3,766                  |
|        | Human resources training (Business and Human Rights) for newly appointed Assistant Managers              | 333                    |
|        | Human resources training (Business and Human Rights) for newly appointed Managers                        | 286                    |
| FY2023 | Dialogue with the Tokyo Branch of the Labor Union  | 21                     |
|        | Discussions on human rights cases within compliance activities for employees at the workplace unit level | 3,995                  |
|        | Human rights awareness survey within the compliance questionnaire for employees                          | 28,936                 |
|        | Human rights seminars and workshops by experts at Asahi Kasei Amidas Corporation                         | 268                    |
|        | Human resources training (Business and Human Rights) for newly appointed Assistant Managers              | 317                    |
|        | Human resources training (Business and Human Rights) for newly appointed Managers                        | 314                    |
| FY2022 | Human rights seminars by external experts  | 124                    |
|        | E-Learning on human rights   | 25,230                 |
|        | Promotion of initiatives on human rights issues (Group-wide Procurement Conference)                      | 159                    |

## Harassment Prevention and Training

The Asahi Kasei Group Code of Conduct clearly stipulates a policy of zero tolerance for any kind of discrimination or harassment. To this end, we prohibit sexual harassment, harassment related to pregnancy, childbirth, and use of parental leave, family care leave, or other leave, workplace bullying and other forms of harassment in our employment regulations. We also strive to create environments with no discrimination or harassment in workplaces or towards external partners within our domestic group companies. We do this through training by rank of new employees, new Assistant Managers, and new Managers (business management positions), specialized training in different sectors, corporate ethics training for each core operating company and district, e-learning for all employees to prevent harassment, and initiatives such as internal notifications to prevent harassment of external partners such as freelancers.

|        | Content of conducted training and awareness activities (prevention of harassment and discrimination)                                   | Number of participants |
|--------|--|------------------------|
| FY2024 | Training for Senior General Managers, General Managers, and Managers to learn about unconscious bias                                   | 2,808                  |
|        | Lecture for new hires to deepen their understanding of diversity (e-learning format)   | 426                    |
|        | Lecture for newly appointed Assistant Managers and newly appointed Managers on diversity and preventing harassment (e-learning format) | 637                    |
|        | E-learning on preventing harassment for employees  | 16,716                 |
|        | E-learning to deepen understanding of gender diversity for employees   | 4,978                  |

# Health & Productivity Management and Occupational Health & Safety

[Quality Assurance](#)[CSR Procurement](#)[Human Resources](#)[Human Rights](#)[\*\*Health & Productivity Management and Occupational Health & Safety\*\*](#)[Process Safety](#)[Social Contribution Activities](#)[Occupational Health & Safety](#)[Health & Productivity Management](#)

## Policy

The Asahi Kasei Group promotes occupational health and safety based on the company policy of “giving the utmost consideration to health maintenance, operational safety, occupational health and safety, quality assurance, and environmental protection throughout the product lifecycle from R&D to disposal as preeminent management tasks in all operations.” Management and labor cooperate through Management-Labor Council and Health & Safety Committee established at each office, Works and plant, as we work on creating a company-wide environment where all employees can work at the Asahi Kasei Group in safety and health. At each production site, we hold Safety Conferences with cooperating companies for the purpose of preventing accidents and disasters, as we promote the formation of a safe and healthy workplace for all stakeholders. In addition, management holds an annual environment, safety and health audit, implemented with a focus on priority audit items defined in advance. They visit each production site and core operating company to implement the audit, while also engaging in dialogue to confirm the efficacy of activities.

### Employee participation in improving health and safety

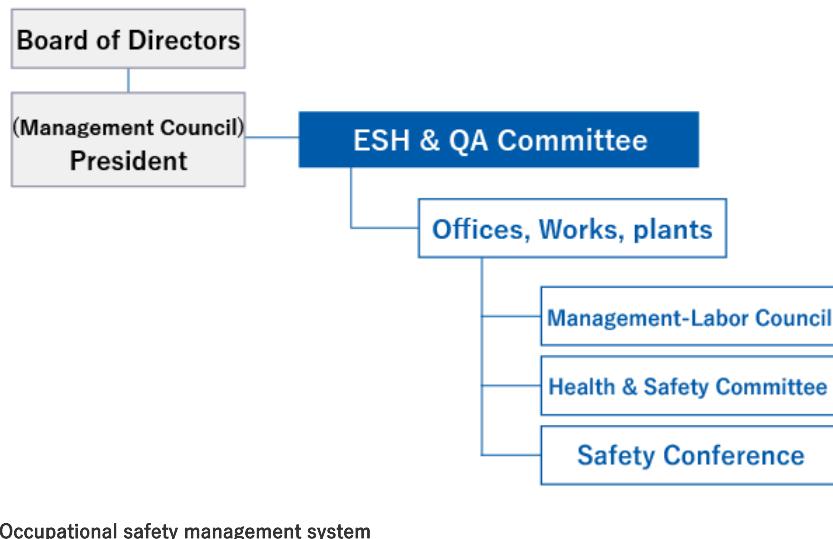
At the Asahi Kasei Group, management and labor cooperate in discussions related to occupational health and safety. At Management-Labor Council meetings, the labor union acts as a representative of the employees, and engages in discussions with management about health and safety. Discussions with management are held at every level, from workplace units to a company-wide unit, where their respective issues and efforts leading to solutions are discussed. In addition, reports are given and discussions are held at monthly meetings of the Health & Safety Committee, which are composed of personnel in charge at each site (Senior General Manager, General Manager, etc.), and labor unions.

### Health and safety activities at cooperating companies

Each production site holds regular Safety Conferences, aimed at preventing work-related accidents and disasters, with cooperating companies contracted for facility construction, manufacture, or logistics. At these meetings, we hear the views of cooperating companies and strive to enhance occupational health & safety management.

## System

The system for occupational safety management is represented by the following diagram. For the composition of the ESH & QA Committee, please refer to [Asahi Kasei Group's ESH & QA > Management Framework](#)



## Preventive action for occupational accidents

### Asahi Kasei Life Saving Actions (LSA)

In fiscal 2020, the Asahi Kasei Group established a Life Saving Actions (LSA) program to eradicate serious occupational accidents, and we began implementing it group-wide. We have established the following four behaviors as prohibited behaviors that could result in loss of life if not observed, and are promoting thorough adherence to these behaviors in all aspects of our business activities.



The four behaviors prohibited by LSA

## Occupational Health & Safety Management System

We have enacted Guidelines on Occupational Health & Safety Management System (OHSMS) in compliance with ISO 45001, and are promoting activities for health and safety at each workplace. The following workplaces have obtained ISO 45001 certification as of May 2025.

- Asahi Kasei Metals Corporation
- Ion Exchange Membranes Production Department, Kawasaki Works, Asahi Kasei Corporation
- Asahi-Schwebel Taiwan Co., Ltd.
- Thai Asahi Kasei Spandex Co., Ltd.

## Initiatives in priority issues related to occupational accident prevention

In addition to maintaining the LSA program and occupational health & safety management as pillars in occupational safety, we are working on the following priority issues from the perspective of preventing serious accidents: 1. Preventing entanglement in machinery; 2. Chemical substance management; 3. Preventing heatstroke.

### 1. Preventing entanglement in machinery

In order to systematize mechanisms for the LSA prohibition on working close to moving parts, we are devoting energy to initiatives in machine safety.

Along with formulating company-wide standards for machine safety measures, we defined a company-wide standard that describes a method for specific machine risk assessment, and implement it at every workplace.

As part of promotion of machine safety, we have created a training program for every job level, implementing education for management, machine designers, safety personnel, and machine users involved in production.

In addition, aiming to objectively grasp our employees' level of machine safety understanding and capability, as well as to spread the scope of machine safety thinking, we encourage the acquisition of Safety Assessor (SA) and Safety Sub Assessor (SSA) certifications recognized by the Japan Certification Corporation. The cumulative total of people who obtained certification by fiscal 2024 was over 50 for SA, and over 950 for SSA.

### 2. Chemical substance management

As a diversified chemical manufacturer, we consider ensuring the occupational safety for all tasks that handle chemical substances to be a priority issue. While complying with the Industrial Safety and Health Act and foreign and domestic laws related to chemical substance management, we implement chemical substance risk assessment at each production site. We intend to reduce exposure risks through internal deployment of information based on Safety Data Sheets (SDS), guidance on appropriately wearing personal protective equipment, preparation of local exhaust mechanisms, and preparation and renewal of work manuals.

In particular, there were significant changes following the revisions of the Industrial Safety and Health Act of May 2022, such as the requirement for business operators to autonomously manage chemical substances, so the Asahi Kasei Group is advancing with an appropriate response to those changes. We have held company workshops to foster chemical substance managers who are now required to be appointed at workplaces manufacturing risk-assessed substances. In fiscal 2023, we trained 329 chemical substance managers internally, and in fiscal 2024, we trained 76. Moving forward, we will work continuously on a more sophisticated chemical substance management system, and a workplace environment with even greater safety.

### 3. Preventing heatstroke

Along with the recent rise in temperatures, we have seen a trend of more accidents due to heatstroke at our company. As some cases of heatstroke become serious, we are working on countermeasures with this as a priority issue.

We position the on-site manager for each workplace as the key person for heatstroke countermeasures, and implement training for them as heatstroke prevention managers. We also measure Wet Bulb Globe Temperature (WBGT) at each site, and ensure that there is proper work management, breaks, hydration and salt intake. Also, we strive for heatstroke prevention that considers the different conditions of individuals.

Furthermore, we proactively adopt tools effective for heatstroke prevention, by supplying wearable devices and jackets equipped with cooling fans, in addition to managing the working environment, work operations, and health.

## Education on occupational health and safety

In order to have each and every person acquire and utilize fundamental knowledge on safety, the Asahi Kasei Group systematically implements education on environment, safety, and health, including content on occupational health and safety, for on-site supervisors, ESH staff, and newly-appointed members.

|            | Name of training   | Overview  | FY2024<br>Number of<br>trainees |
|------------|--|---|---------------------------------|
| By rank    | Safety training for new employees and those with six months of service | Online risk prediction training and group discussion  | 349                             |
|            | Environment, safety, and health training for assistant managers        | Online lectures and test covering all of environment, safety and health, including occupational safety  | 269                             |
|            | Safety training for Managers   | Online lectures and test covering all of environment, safety and health, including occupational safety  | 67                              |
| By subject | Machine safety training for General Managers and Managers              | Online lectures for managers to understand the necessity of machine safety and their responsibilities as managers                                   | 126                             |
|            | Machine safety training for personnel                                  | Training to learn risk assessment and risk reduction in regards to machine safety   | 117                             |
|            | Specialized course for chemical substance managers                     | Face-to-face training to foster chemical substance managers in accordance with the curriculum set out by the Ministry of Health, Labour and Welfare | 76                              |
|            | Heatstroke lecture   | Online lecture and archived distribution for on-site managers   | 344                             |

## Sharing and utilizing information of occupational accidents

We investigate causes and take measures to prevent recurrence at sites where occupational accidents occur. We share a database of information on all occupational accidents within the Asahi Kasei Group for utilization in activities such as safety training, case study discussions, and prevention of similar accidents.

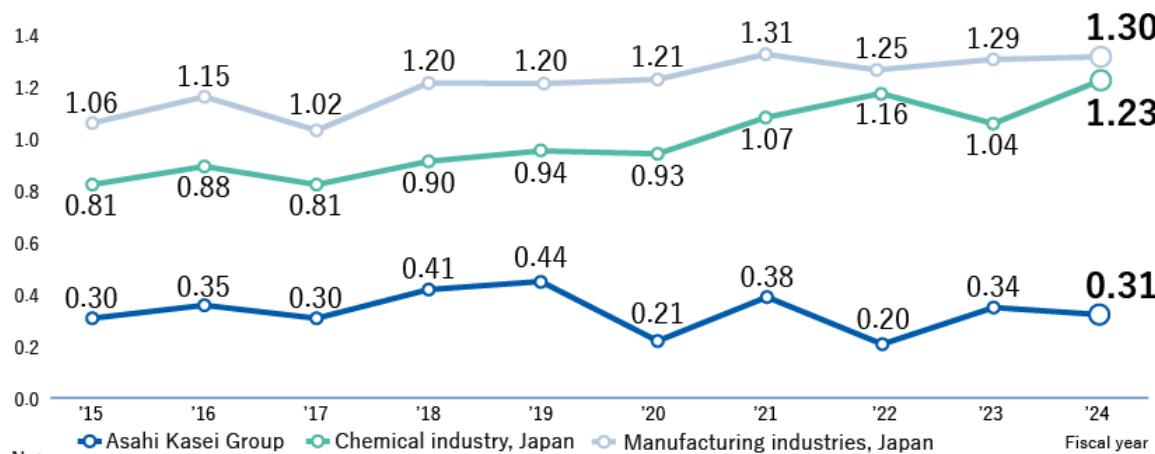
In addition, we are moving forward to create a dashboard of the database for greater utilization in safety activities.

## Occupational accident statistics

The number of lost-time injuries for employees at Asahi Kasei Group and cooperating companies domestically and foreign respectively for the past 5 years is shown in the table below. These injuries include cases like acting in violation of aforementioned LSA program. Specific examples are entanglement in machinery due to disobeying rules, falls due to not wearing the fall-prevention equipment (safety belts), etc. We are promoting continued safety activities, particularly the LSA program, as we engage in awareness-raising not only for domestic employees, but also for people in foreign and cooperating companies as well. The line charts below show the lost time frequency rates and severity rates for domestic employees of the Asahi Kasei Group.

## Number of lost-time injuries

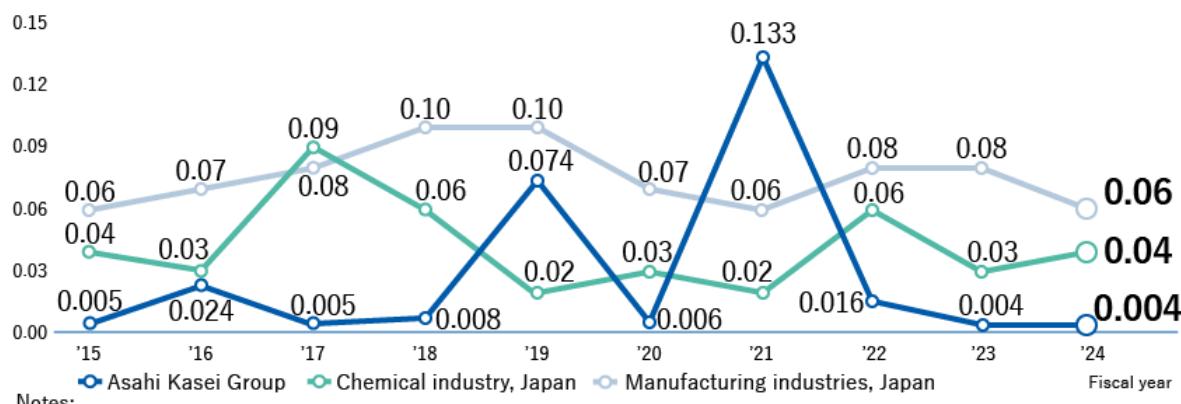
|                      | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------|--------|--------|--------|--------|--------|
| Domestic employees   | 12     | 22     | 12     | 20     | 19     |
| Domestic contractors | 11     | 14     | 13     | 14     | 29     |
| Overseas employees   | 19     | 19     | 13     | 14     | 14     |
| Overseas contractors | 5      | 1      | 3      | 2      | 6      |



Notes:

- Fiscal years for Asahi Kasei Group calendar years for the chemical industry as well as manufacturing industries in Japan.
- 100% coverage

Group Lost Time Frequency Rate (%)<sup>1</sup>



Notes:

- Fiscal years for Asahi Kasei Group calendar years for the chemical industry as well as manufacturing industries in Japan.
- The severity rate increased in fiscal 2019 because of one "caught in machinery" accident that caused lasting injury, and in fiscal 2021 because of one fatality caused by an explosion.
- 100% coverage

Group Severity Rate (%)<sup>2</sup>

<sup>1</sup> Lost Time Frequency Rate: A safety indicator showing the rate of occupational accidents and calculated by the following formula. [Lost time frequency rate = number of victims of lost time injuries ÷ total working hours × 1,000,000 hours]

Our goal of 0.1 or less is extremely ambitious. At a plant with 100 workers, it would mean only one worker in 50 years suffered from an occupational injury which resulted in a day off.

<sup>2</sup> Severity rate: A safety indicator showing the severity of occupational accidents and calculated by the following formula. [Severity rate = number of working days lost ÷ total working hours × 1,000 hours]

# Health & Productivity Management and Occupational Health & Safety

Quality Assurance

CSR Procurement

Human Resources

Human Rights

**Health & Productivity Management and Occupational Health & Safety**

Process Safety

Social Contribution Activities

Occupational Health &amp; Safety

**Health & Productivity Management**

## Health & Productivity Management Policy

Human resources are the essential element for the sustainable growth of corporate value. Providing an environment that supports the physical and mental well-being of employees is becoming increasingly crucial for corporations.

Therefore, we have developed existing Environment, Safety, Health, and Quality Assurance activities, positioning health-related initiatives as a company-wide management issue, and we published the Asahi Kasei Group's "Statement on Management for Health." Therefore, we will work to further promote health and productivity management\* based on the Asahi Kasei Group Health and Productivity Management Vision described in the Statement.

Currently, we are further enhancing our programs for the prevention of mental health issues, which is a priority in our PDCA cycle, as defined in the health and productivity management goals of our medium-term plan. Furthermore, we will promote Well-being Management that aims for a state of joy that benefits employees physically, mentally, and socially, by establishing health and productivity management targets and crafting individual countermeasures for management issues we would like to solve for the advancement of health and productivity management.

\* In Japanese "Kenkōkeiei" is a registered trademark of Nonprofit Organization Kenkōkeiei.

## Statement on Management for Health

The Asahi Kasei Group pursues sustainable growth of corporate value while contributing to the achievement of a sustainable society by leveraging its strengths of diversity and the capability to change. We believe that human resources are the key to achieving this goal.

In the future, it will become ever more important for the company to create an environment where employees can both physically and mentally healthy and where everyone can play an active role. We hereby declare that we will work to promote health and productivity management, which further refines the initiatives for promoting and maintaining health we have developed to date, under our Group Health and Productivity Management Vision.

October 2020, Asahi Kasei Corp.

## The Asahi Kasei Group Health & Productivity Management Vision

### Health and Productivity Management Vision

The Asahi Kasei Group will contribute to the achievement of a sustainable society by encouraging the active participation and growth of each individual and the improvement and development of Group productivity. To this end, the company will ensure that its employees and their families are both physically and mentally healthy, and strive to enhance their job and life satisfaction.

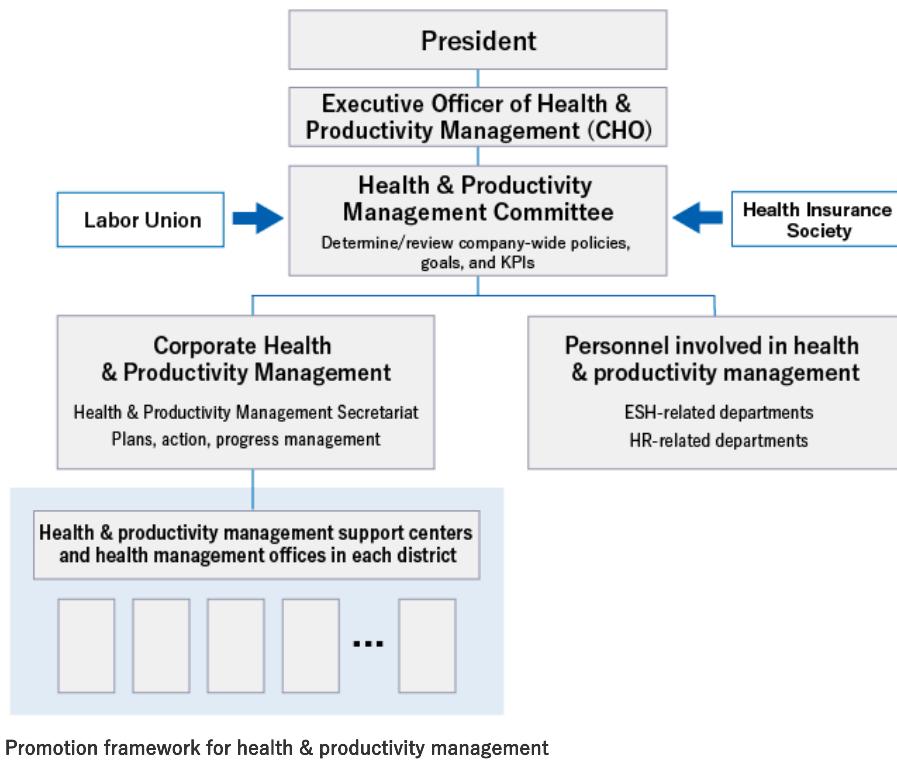
### Behavioral Guidelines

1. The company will work in tandem with health insurance companies and labor unions, to not only continuously support individual workers, but also engage in various activities, including workplace activities, that maintain and promote environmental improvement for the entire Asahi Kasei Group, and the good health of families that support employees.
2. It's also important for each individual to be aware that they are responsible for their own health, in order to enrich their own lives, and we provide support to help them achieve this.

## Promotion framework for health & productivity management

In January 2020, we established the Corporate Health and Productivity Management, and in April 2021, our nine Health Management Centers in Japan became affiliated with the head office. This enabled us to standardize and optimize overall health-related operations, improve coordination among different sites, and promptly address group-wide challenges, with unified promotion of health and productivity management. Furthermore, we started Health and Productivity Management at our small-scale establishments and affiliated companies in Japan from April 2022.

Under the leadership of the President, we are building a system overseen by the Executive Officer of Health & Productivity Management (CHO), and working on the promotion of company-wide health and productivity management. The Health & Productivity Management Committee formulates policies, and sets and examines KPIs for the purpose of enhancing corporate value, whereas Corporate Health and Productivity Management bears the responsibility of planning, implementing, and managing the progress of these policies and KPIs. Furthermore, we are aiming for sustainable growth through maintenance and improvement of employees' health by facilitating collaboration between the labor union and the health insurance society, and cooperation between relevant divisions, including ESH and HR departments.



Promotion framework for health &amp; productivity management

## Purpose of health & productivity management

We aim for a mutually reinforcing cycle of sustainability consisting of contributing to a sustainable society and sustainable growth of corporate value, by creating a synergy among the success and growth of each individual, enhanced job satisfaction and motivation, and a strong and vibrant organizational culture based on the promotion and maintenance of the physical and mental health of employees and their families, which will lead to the realization of employee well-being and the increased and enhanced productivity of the Asahi Kasei Group.



Overview of health &amp; productivity management

## Health & Productivity Management Strategy Map

For the promotion of health and productivity management, we believe it is necessary to clearly grasp what kind of investment and policy measures will address management issues, and what effects they will bring. Therefore, we visualize the targets and expected results of each measure, as well as their connection to specific initiatives, by establishing a Health & Productivity Management Strategy Map, as we aim for strategic and continuous health and productivity management.

This map focuses on priority measures, such as creating opportunities for employees to be active and grow, revitalizing individuals and organizations, and improving the quality and amount of sleep and shows the pathway to balancing attainment of well-being through health maintenance and improvement with enhanced productivity led by health and productivity management. It serves as a basis for explaining to internal and external stakeholders the relationship between our purpose of health & productivity management and specific initiatives.

➤ [Strategy Map](#)  (114.1KB)

## Health & Productivity Management Targets (Priority Measures)

To achieve our health and productivity management targets, we believe it is important both to create opportunities for employees to be active and grow, and to revitalize individuals and organizations.

To create opportunities for employees to be active and grow, we will reduce the number of days employees take off work. In addition to this, we will work on revitalizing individuals and organizations.

From the perspective of improving productivity, we will also strive to help employees get more and better-quality sleep, a lack of which is said to be a major contributing factor behind “presenteeism.”

For this reason, the Asahi Kasei Group has set its primary health and productivity management goals as follows: (1) creation of opportunities for employees to play an active role and grow, etc. (reducing absence rate (absenteeism) through countermeasures for mental health issues, people with serious lifestyle-related diseases, people with metabolic syndrome, cancer, and smoking); (2) improving the quality and quantity of sleep (reducing presenteeism); and (3) revitalizing individuals and organizations (improving work engagement).

(3) Regarding the revitalizing individuals and organizations (improving work engagement), the Asahi Kasei Group conducts annual stress checks in July to promote awareness among employees of their own stress levels with the aim of primary prevention to reduce the risk of mental health problems. In fiscal 2020, we also adopted the KSA (vitality and growth assessment) survey, which enables more detailed analysis and visualization of work engagement (enthusiasm, immersion, and vitality) in workplaces. KSA quantitatively visualizes workplace conditions according to three indicators: (1) supervisor–subordinate relationships and workplace environments, (2) vitality, and (3) action driving growth.

Each workplace is currently striving to improve work engagement by combining the results of the stress check and KSA analysis to visualize management and other initiatives implemented, and to have employees at each workplace engage in dialogue with each other.

➤ [Overview of KSA \(Vitality and Growth Assessment\)](#)

## Primary health and productivity management target items

|                                     | Item   | FY2019<br>Results | FY2020<br>Results | FY2021<br>Results | FY2022<br>Results | FY2023<br>Results | FY2024<br>Results | FY2024<br>Target <sup>4</sup> |
|-------------------------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------|
| Reducing absence rate (absenteeism) | Percentage of employees absent from work due to mental health issues <sup>1</sup>  | 0.91              | 0.98              | 1.00              | 1.07              | 1.16              | 1.20              | 0.64                          |
|                                     | Percentage of employees seriously ill with lifestyle-related diseases <sup>2</sup> | 11.0              | 11.0              | 10.7              | 10.7              | 9.9               | 10.0              | 7.7                           |
|                                     | Percentage of employees suffering from metabolic syndrome                          | 11.1              | 11.4              | 11.1              | 10.7              | 10.8              | 11.0              | 7.8                           |
|                                     | Number of days off per cancer case   | 79.2              | 68.1              | 87.5              | 88.6              | 67.3              | 82.7              | 67.3                          |
|                                     | Smoking rate (%)   | 25.8              | 24.7              | 23.5              | 22.5              | 21.8              | 20.2              | 15.5                          |
| Reducing presenteeism               | Percentage of workers not getting enough rest through sleep                        | 32.4              | 28.5              | 27.2              | 28.0              | 28.5              | 29.8              | 22.7                          |
| Improving work engagement           | Vitality (Engagement) <sup>3</sup>   | —                 | —                 | 3.54              | 3.54              | 3.55              | 3.57              | —                             |

Note: Scope of subjects: Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Pharma Corp., Asahi Kasei Life Science Corp., and certain subsidiaries and affiliates

<sup>1</sup> Percentage of employees who are absent from work for 30 or more consecutive days during the fiscal year

<sup>2</sup> Selected based on in-house criteria

<sup>3</sup> On a scale of 1 to 5

<sup>4</sup> Medium-term target as of 2020

## Specific initiatives

### Mental health and care

The Asahi Kasei Group is working to reduce the rate of employees missing work due to mental health issues in accordance with its Mental Health Care Guidelines. To reduce the number of employees on sick leave due to mental health issues, we have our occupational health staff analyze the trends and characteristics of the causes and backgrounds of these absences from the interview results on a district-by-district basis. They determine contributing factors by considering both direct causes and background information obtained from interviews. Results from each site are also aggregated, with company-wide data analyzed according to various aspects such as job category and position, which are then shared throughout the company, and for which countermeasures are created.

#### (1) Self-care measures

To promote understanding of stress and how to cope with mental health-related issues, we have been implementing and improving the training on mental health. Since 2023, we have provided mental health self-care training annually to all domestic Asahi Kasei Group employees (approximately 30,000 employees) to help them recognize and manage their own stress and mental health issues at an early stage. Also, three months later, we implement a survey on changes in behavior to measure the staying power of the training.

#### (2) Care by line of authority

As part of the line-based care, we use the results of organizational analysis of stress checks and training courses to improve the work environment. We have been offering workshops in collaboration with human resources departments, occupational health staff and the labor unions, using the stress check and KSA results in an integrated manner.

#### (3) Care by occupational health staff and others

We have conducted a program called "Follow-up Care for Transferred Employees," in which we monitored how they were adjusting to new environments and workplaces, with the aim of preventing the condition from worsening by providing early treatment to employees who show signs of illness.

We conduct the follow-up via questionnaires and interviews in which transferred employees confirm their health status and how they have adapted to their new roles and living environment, and make early intervention. The results are fed back to workplaces as necessary to support the creation of workplaces that prevent the onset of mental illness. Starting in fiscal 2024, we began deployment company-wide, with a follow-up rate for transferred employees of 99.3%. Moving forward, we will measure efficacy with early follow-ups for employees who have experienced changes in their environment.

#### (4) Care by specialized organizations

Rework programs are also available for those who took a leave of absence due to mental health issues, as part of the rework trial designed to help them resume their roles successfully. In addition, we provide care by specialists, including training sessions by external lecturers and referral of counseling services.

## Cancer awareness initiatives

### (1) Education to improve cancer literacy

We provided a company-wide e-learning program to all domestic Asahi Kasei Group employees, focusing on cancer prevention and promotion of a better work-life balance. The program aimed to educate employees about cancer, promote healthier lifestyles that can reduce the risks of cancer, and encourage regular cancer screenings for early detection and treatment.

Additionally, we invited lecturers who had experienced cancer to give company-wide online seminars on the theme of "How I Can Prepare Today," so that employees would consider the possibility of working even if they have cancer. Including on-demand participants, 585 employees attended the seminar, and 97% of them responded "highly satisfied" or "satisfied" with the content of the lecture.

We also had a gynecologist from Cancer Institute Hospital give a lecture on "Women's Cancers" as part of our health measures for women, and the video is available on the company intranet.

### (2) Recommendation for cancer screening

We encourage cancer screening during regular health checkups or physical exams, with some of the expenses covered. We also make sure our employees are familiar with our support programs for those who undergo cancer treatment and return to work after their leave.

## Initiatives for employees with severe lifestyle-related diseases and metabolic syndrome

In order to maintain and improve the health of our employees, the Asahi Kasei Group is working to prevent and address lifestyle-related diseases.

### (1) Specific health guidance and Get Fit Challenge

Our company-wide policy on specific health guidance is that, in principle, employees must attend a consultation unless they have a valid reason not to, and may also receive the guidance during work hours.

We have also expanded the program's scope with the "Get Fit Challenge" to include previously ineligible employees, which has helped to prevent lifestyle-related diseases from an early stage.

### (2) Creation of exercise occasions

Each production site organizes walking events, as well as annual physical fitness tests to monitor the changes over time. Also, exercise videos that are easy for anyone to do anywhere are available on an internal website to encourage employees to start exercising.

#### Actions to promote exercise habits at each site

To prevent the development of serious lifestyle-related diseases and metabolic syndrome, we host walking events and physical fitness tests at each production site as part of our efforts to promote regular exercise.

Utilizing a walking app, we encourage participants to change their behavior, raise health awareness, and foster communication, even in work-from-home settings. In some districts, we hold a "Mystery and Health Walk" as a recreational activity, with a quiz rally where participants search for quizzes walking within the production site's premises, with the intention of increasing the number of steps while having fun.

#### Creation of exercise videos to establish exercise habits

We have created videos of simple exercises that can be easily done at home, at one's desk, etc., and posted them on an internal website.

The Asahi Kasei Judo Team and Office District Health Management collaborated to create simple stretching videos that can be followed during office hours to refresh employees who work continuously at their desks, and to help them establish exercise habits. Programs devised by Judo Team members, who are experts on physical maintenance, were edited into short videos for use in both a personal capacity and in the workplace.



Stretching video created by the Asahi Kasei Judo Team

## Efforts to Reduce the Smoking Rate

We have implemented a total ban on smoking during working hours from April 2024, and then to ban smoking completely on company premises and during banquets\* from April 2025. This is in line with the Asahi Kasei Group No-smoking Policy, whose basic concept is supporting smokers to quit smoking and protecting employees from unwanted passive smoking. Besides the Smoking Cessation Challenge organized and implemented by the Asahi Kasei Health Insurance Society, we will provide a variety of quit smoking programs and seminars to help smokers refrain from smoking.

\* No smoking during banquets: Those who leave the dining area to smoke are not permitted to re-enter.

## Sleep Improvement Program

We launched a project to establish sleep strategies, as the quality and quantity of sleep is considered to be a major cause of presenteeism after mental health issues.

For our Sleep Strategies Project, we have continuously been providing the Sleep Improvement Program, as 80% of participants recognized that their sleep had improved due to the program. We recognize that sleep strategies are particularly challenging for shift workers, and have created videos to introduce sleep strategies into their training curriculum. Starting in June 2025, we have been implementing a company-wide survey on sleep.

## Education on Health & Productivity Management

To support employees in acquiring knowledge and skills for health and productivity management, we provide a number of training programs based on the job roles for the various employee ranks.

|                     | Training  | Method of Training                  | Purpose   | FY2024 Number of trainees |
|---------------------|---|-------------------------------------|---|---------------------------|
| Training by rank    | New employee training                             | e-learning<br>Face-to-face training | Understand the basic health concepts as a responsible member of society, commit to physical and mental self-conditioning, precautions for handling hazardous materials, and necessary company rules, etc.                               | 277 people                |
|                     | Training for new assistant managers               | e-learning                          | Basic concept of work and health, company and employee obligations in health management.  | 329 people                |
|                     | Training for new managers                         | e-learning                          | Health management services, including hazardous work and occupational disease prevention necessary for on-site management, and understanding of the Asahi Kasei Group's overall health and productivity management, and its importance. | 285 people                |
|                     | Environment, safety, health training for Managers | Online                              | Management of hazardous materials handling operations at manufacturing sites.   | 67 people                 |
| Training by Subject |   | e-learning                          | Mental Health Self-care   | 27,710 people (96.2%*)    |
|                     |   |                                     | Education on health and productivity management   | 27,091 people (94.4%*)    |

\* Percentage of participants who are eligible for the training

## Initiatives other than priority measures

### Women health measures

Supporting the health of women so they can continue to work and demonstrate their abilities during life events such as pregnancy, delivery, and child care, regardless of the presence of health problems, is very important.

We broadcast information aimed at enhancing the literacy of women's health, and have created educational content on the health of working women, which is published on the company's intranet.

In addition, as part of our support for health, we encourage cancer screenings, and implement one uterine cancer screening and one breast cancer screening every two years at the company's expense. The screening rate was 73.6% for breast cancer and 59.4% for cervical cancer in fiscal 2024. We are currently aiming to achieve a screening rate of over 60% at all sites.

At the WA space in the Women's Pavilion in collaboration with Cartier at EXPO 2025 Osaka, Kansai, Japan, the "Global Women's Body Conference 2025" was held on the theme of how future healthcare can contribute to the empowerment of women, with the Asahi Kasei Group receiving the Grand Prize.



### Health Management Support for Overseas Employees

The Asahi Kasei Group is strengthening health management of our employees working overseas, who are increasing in number as our business expands globally.

We provide pre-transfer medical checkups, vaccinations, prescriptions of anti-influenza medication in advance to prepare for a novel influenza pandemic, and pre-transfer health education, as well as annual medical checkups throughout employees' assignments and a post-transfer medical checkup including for accompanying family members requested upon their return. During an assignment, a web interview with an industrial physician is conducted. For overseas employees, we conduct the stress check in the same way as employees working in Japan. In addition, we also use a health survey form to assess symptoms, local lifestyles, mental and physical health, and vaccination status. Based on the questionnaire results and medical exams, we schedule online interviews with our industrial physician or health advisor as required.

Moreover, for employees working overseas who are suspected of working long hours, online interviews with industrial physicians are conducted based on the medical interview results.

"Health Letter from Tokyo" is regularly distributed to expatriates as well, providing information such as health checkup results and lifestyle questionnaires, and health information, all compiled by region. We also provide health counseling for other health concerns and problems.

## Activity evaluation and recognition by external organizations

### Recognized as White 500 (large enterprise category) in the Certified Health and Productivity Management Organization Recognition Program 2025

We were recognized for the third year running as one of the “White 500” organizations under the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category), jointly operated by the Ministry of Economy, Trade and Industry (METI), and Nippon Kenko Kaigi. The Certified Health and Productivity Management Organization Recognition Program acknowledges corporations for their exceptional health and productivity management practices, aligned with community health agendas and health promotion activities advocated by the Nippon Kenko Kaigi.



### Received the Gold Prize in the Cancer Ally Awards 2024

We received the Gold Prize in the 2024 Cancer Ally Awards, sponsored by a non-governmental organization dedicated to addressing cancer and issues of those who are receiving cancer treatment while continuing their career. This project aims to create a society and workplace environment that empowers cancer patients to maximize their potential while undergoing treatment.



### Certified as a Sports Yell Company of 2025

We have been certified as a Sports Yell Company of 2025 by the Japan Sports Agency. This program aims to encourage the involvement of prime-age workers in sports and generate a societal interest in physical activities. It will grant certification to companies that actively promote sports to improve their employees' health. We were recognized for our efforts in providing exercise videos, athletic facilities, and walking events held at each of our sites.



# Process Safety

Quality Assurance | CSR Procurement | Human Resources | Human Rights |

Health & Productivity Management and Occupational Health & Safety | **Process Safety** | Social Contribution Activities

## Policy

Based on the Group Mission of “contributing to life and living for people around the world,” the Asahi Kasei Group has established the ESH & QA and Health & Productivity Management Policy. This policy recognizes health, process safety, occupational health and safety, quality assurance, and environmental protection as top management priorities in all business activities, with consideration given to every stage of the product lifecycle, from R&D to disposal.

As a specific item regarding environmental safety, the policy clearly states that “we strive for stable and safe operation while preventing workplace accidents and securing the safety of personnel and members of the community.” In addition to full legal compliance, we proactively set our own targets and pursue continuous improvement. By actively disclosing information and maintaining open communication, we aim to foster public understanding and trust—principles that form the basic policies of our process safety initiatives.

## Safety management for high pressure gas

At the Mizushima Works and Kawasaki Works, where large amounts of energy are consumed and various hazardous materials and high-pressure gases are handled, we place the highest priority on ensuring process safety. Both sites have obtained certification as Authorized Inspectors under Japan’s High Pressure Gas Safety Act. In addition to strict compliance with all relevant laws and regulations, we actively promote autonomous safety management in line with the certification system, striving to maintain safe and stable operations through advanced safety management practices.

In particular, the Mizushima Works was certified in fiscal 2021 as a Specially Certified Operator under the new certification program of the High Pressure Gas Safety Act, which recognizes sites that demonstrate exceptionally advanced safety initiatives.

Furthermore, it has been recognized by the Ministry of Economy, Trade and Industry as a CBM\*-applied facility—a status reserved for operators with the highest level of safety performance among other Specially Certified Operators.

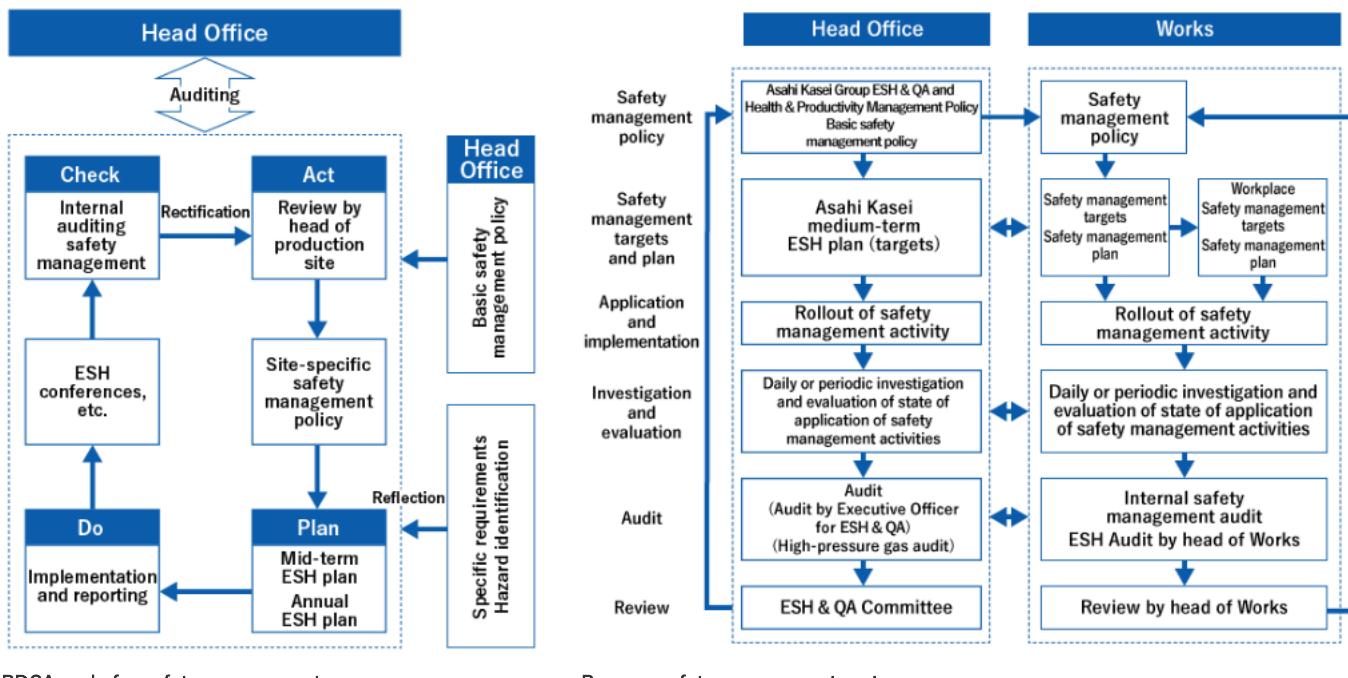
\* Condition Based Maintenance (CBM) : A maintenance approach in which maintenance plans are determined based on the actual condition of equipment.

|  |   |
|--|---|
| High Pressure Gas Safety Controller                                    | Asahi Kasei Corp. President                               |
| High Pressure Gas Process Safety Division General Manager              | Asahi Kasei Corp. Director and Primary Executive Officer  |
| High Pressure Gas Process Safety Management Department General Manager | Asahi Kasei Corp. Senior General Manager of Corporate ESH |

## Basic Policy for High Pressure Gas Safety

- Safety is an important fundamental of management, and all of our business activities depend on safety.
- Each one of our employees is responsible for safety, and safety is ensured by all employees together.
- We apply a PDCA (plan-do-check-act) cycle to continuously improve the level of safety.
- Measures to assess risks, and to eliminate and mitigate them, are persistent and ongoing.

Under the basic policy for safety management established by the High Pressure Gas Process Safety Division General Manager, the High Pressure Gas Process Safety Management Department General Manager promotes the operation of the PDCA cycle and the process safety management system as shown in the diagram below. The High Pressure Gas Safety Controller bears overall responsibility for these activities.



## Process Safety and Disaster Prevention Performance and Accident Prevention Initiatives.

### Process Safety and Disaster Prevention Performance in FY2024

In fiscal 2024, there were a total of three process safety-related incidents, consisting of one serious process safety accident and two process safety accidents. Although none involved severe events such as explosions or fires, an accident occurred at an overseas plant in which CO<sub>2</sub> was accidentally released from a fire extinguishing system. In Japan, two leakage-related process safety accidents also occurred. For each of these incidents, an accident investigation committee or equivalent body was established to identify the root causes and implement preventive measures. The findings and lessons learned are being shared laterally throughout the company. With the goal of “never allowing a serious process safety accident to occur” in fiscal 2025, we will continue to engage in dialogue with on-site personnel at each location and plant to identify and address potential risks and issues, thereby further strengthening our process safety and disaster prevention capabilities.

[Number of process safety accidents in fiscal 2024]

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[Number of process safety accidents in fiscal 2024]

- Number of serious process safety accidents: 1 (accident intensity of 18 points or more, or accident resulting in death)
- Number of process safety accidents: 2 (accident intensity of 3 points or more but less than 18 points)
- Number of minor process safety accidents: 21 (accident intensity of less than 3 points)

Note: Classification by accident intensity is based on the standards of the Japan Petrochemical Industry Association (CCPS).

### Preventing recurrence of accidents 1: Strengthening fire prevention and extinguishing measures for inside plant

In fiscal 2020 and fiscal 2022, plant fires occurred in Nobeoka City, Miyazaki Prefecture. In response, we established the Internal Standards for Fire Extinguishing Equipment in Indoor High Fire Risk Areas to ensure that similar incidents never happen again, and we are now implementing these standards across the entire Asahi Kasei Group. The standards identify high-risk areas for factory fires based on the following three perspectives:

**A:**

Areas containing flammable materials that are easily ignited and generate high combustion heat

**B:**

Areas where firefighting activities (by public fire departments) are difficult to perform

**C:**

Areas where a fire could have a significant impact on production facilities, neighboring plants, or local residents if it spreads

We prioritize each of these areas and are working to strengthen systems for early fire detection, enhance fire prevention and extinguishing equipment capable of suppressing fires before they spread, and reinforce the organizational response structure needed to carry out effective initial firefighting.

In addition, cleanrooms—where smoke is purified and difficult to detect using standard smoke detectors—are now required to have ultra-high-sensitivity smoke detectors installed. By the end of fiscal 2024, 60% of the planned detector upgrades had been completed.

## Preventing recurrence of accidents 2: Activities to hand down process safety technology

In chemical plants process safety management, it is important to avoid deviations from normal operating conditions and to ensure safe and stable operation. The Asahi Kasei Group carries out process safety risk assessments during plant construction and puts in place controls to prevent fires and explosions after the start of operation. We periodically inspect safety valves and interlock functions, properly maintain aging parts, and repeatedly review facilities and processes based on case studies of accidents both inside and outside the company.

In particular, in response to the so-called three major accidents that occurred outside the company in 2011, we began activities to hand down process safety technology in 2013. These activities involved identifying hazards in chemical plants, confirming preventive measures that may manifest as risks, handing down the details, and conducting training on them.

The activities consist of the following four steps:

- Step 1: Identification of hazard sources and assessment of hazard risks
- Step 2: Creation of technology transfer materials and succession of executive changes using summary materials
- Step 3: Training operators to use troubleshooting manuals, factor analysis, etc.
- Step 4: Training of operators with ability to apply knowledge to work through troubleshooting drills

Since fiscal 2022, this initiative has been expanded beyond chemical plants to include construction materials and textile plants where chemicals are not the final products. We identify plants that handle hazardous substances in their production processes and may experience abnormal reactions, then conduct risk assessments based on worst-case scenarios to clarify key management techniques that prevent accidents. To ensure these safety management techniques are accurately passed down to the next generation of supervisors and operators, we are revising and updating our technical documentation accordingly. Members of Corporate ESH and other specialists periodically review the content as third parties to ensure that no key perspectives are overlooked.

## Preventing recurrence of accidents 3: Preventing accidental CO<sub>2</sub> discharge from fire extinguishing systems

An accidental discharge of CO<sub>2</sub> from a fire extinguishing system occurred at one of our overseas plants, reminding us once again of the potential danger such incidents pose to human health in case of malfunction. In response, we are currently inspecting all CO<sub>2</sub> fire extinguishing systems installed at our plants both in Japan and overseas. Since the configuration of each CO<sub>2</sub> system differs depending on the fire protection requirements of the facility, we are working with the respective plants to determine and implement measures that ensure effective fire suppression while eliminating risks to human safety.

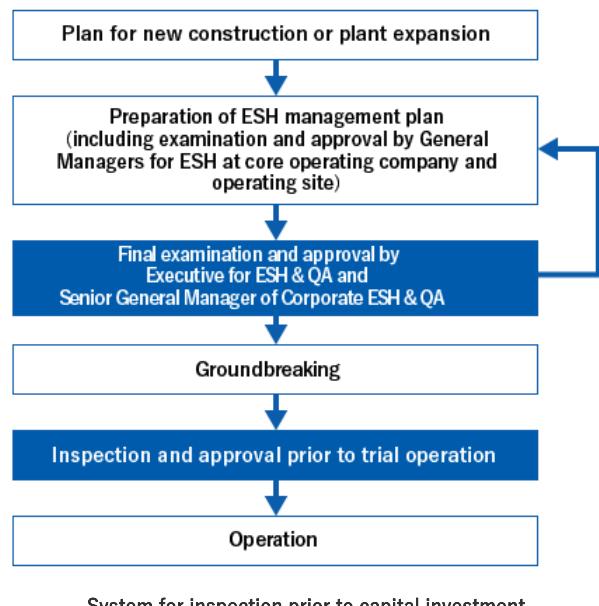
## Initiatives to Prevent Process Safety Accidents

### Pre-screening when investing in equipment

We perform process safety assessments before plant construction to ensure safety, not only when establishing new plants or expanding plants but also when modifying or dismantling plants. Based on our pre-inspection standards for capital investment, we conduct pre-installation safety inspections and pre-trial safety inspections before starting actual operation to confirm safety of new or modified equipment of a certain size or larger. The inspection system is also applied outside of Japan. Safety assessment is performed as part of the pre-inspection. Ranks are assigned based on the degree of hazard, with methods such as HAZOP\* utilized in the risk assessment of high risk facilities.

\* HAZOP : "Hazard and Operability Study"

A method to identify causes of incidents and countermeasures based on assumptions due to deviations from the design. This highly exhaustive method is widely utilized throughout the process industries.



System for inspection prior to capital investment

### Measures for safe and stable production at plants

Given our diverse range of operations that include the Material, Homes, and Health Care business sectors, the Asahi Kasei Group has plants with a wide variety of different characteristics. A tailored approach is needed to ensure safety at all of these plants. We employ a planned maintenance system to tailor the safety effort to each plant's specific requirements, including the use of the PDCA cycle. We have formulated separate maintenance standards for each plant of equipment to ensure the appropriateness of the method and period of maintenance as a feature of the planned maintenance system.

In addition, measures that span across the Asahi Kasei Group include a Maintenance Personnel Committee and group-wide plant engineering council with 4 specialist panels: Formulation of optimum systematic maintenance programs, establishment of standards and criteria, formulation of training systems for maintenance engineers, and sharing engineering information. We will ensure safe and stable production at our plants through these maintenance activities.

## Training for process safety

---

At our petrochemical sites in Mizushima and Kawasaki, the Asahi Operation Academy (AOA) serves as the training center to cultivate the skills necessary to conduct production activities at petrochemical plants. AOA teaches the principles and structures of equipment, heightening the ability to identify the cause of equipment failure and to respond appropriately. Miniature plants and simulators are used at AOA to provide hands-on experience with controls and instrumentation. Operators thereby gain the technical skills and practical understanding of chemical engineering necessary for safe and reliable plant operation, with the ability to respond appropriately in the event of any abnormality.

In conjunction, we hold safety experiential training that allows employees to gain a firsthand understanding of the dangers of occupational accidents and the importance of safe operating standards. We carry out safety training exercises in which employees are given simulated experience of workplace dangers including being caught in/between machinery, contacting hazardous liquids, suffering a burn, tripping, falling on same level, or falling from height. In addition, we provide education on human behavioral tendencies and past accident cases to heighten safety awareness and foster personnel who consistently follow standards and rules while proactively avoiding danger.

We also incorporate VR experiences into our basic engineering education and safety training curriculum, and we are working to enhance training to improve risk sensitivity in equipment handling and operation.

|                                     |   |
|-------------------------------------|---|
| <b>Regularly conducted training</b> | Basic technology courses (machinery, instruments, electricity, and chemical engineering)<br>First-hand safety course (getting caught/entangled, getting covered in liquid, burns, tripping, falling on same level, falling from height, etc.)<br>Job level-based courses (problem-solving training, etc.) |
| <b>Training target</b>              | Manufacturing operators and facility management personnel   |

## Emergency response

### Disaster Prevention Drills

The Asahi Kasei Group has established and operates an emergency response system in accordance with internal regulations in preparation for the emergency such as a security accident or a large-scale earthquake. In our production areas, we have established a system to ensure smooth disaster prevention activities in order to ensure the safety of people and minimize the impact on surrounding areas in the event of an emergency. To this end, the plants have prepared an annual schedule and conduct regular disaster drills, and other activities.

These drills are designed to enable quick establishment of an emergency response system in the event of a fire or other abnormal situation, ensuring prompt initial response including firefighting. To further enhance initial firefighting capabilities, employees participate in internal and external competitions on rotation for testing various firefighting techniques. We have also introduced information and communication technologies to ensure swift coordination between on-site emergency response teams and the disaster response headquarters. In addition, we are improving the effectiveness of drills by expanding the assumed locations of incidents beyond factory premises to include research facilities and remote storage areas, ensuring that prompt and effective disaster mitigation actions can be taken regardless of where an emergency occurs.



Fire hydrant operation drill for new employees

## Transportation and Distribution Safety

The Asahi Kasei Group is committed to preventing logistics accidents involving hazardous goods such as dangerous materials, toxic substances, and high-pressure gases. To further enhance logistics quality, we work closely with logistics companies entrusted with product storage, loading and unloading, and transportation operations. Together, we carry out a wide range of safety activities, including Logistics Safety Quality Conference, safety meetings, safety inspections, and product handling training sessions.

In fiscal 2024, in addition to the Logistics Safety Quality Conference attended by the President of Asahi Kasei to help raise safety awareness, we held multiple product-specific safety meetings that brought together many participants from across our logistics network.

### Main activities in fiscal 2024

- Logistics Safety Quality Conference: 47 companies
- Safety meeting for hazardous goods: 33 companies, 48 participants
- Safety meeting for resin products: 17 companies, 44 participants
- Logistics safety inspections: 23 companies, 35 sites
- Product handling training: 11 items, cumulative 42 companies

In addition, we have introduced HAZMATers (Hazardous Materials Emergency Response Service), provided by the Maritime Disaster Prevention Center, to further strengthen our ability to respond to emergencies. The engagement of HAZMATers makes a highly specialized emergency response available 24 hours a day, 365 days a year, ensuring swift action by specialized personnel to prevent the spread of damage if an accident occurs.



### [Number of logistics accidents in fiscal 2024]

|  | Target | Results |
|--|--------|---------|
| <b>Serious logistics accidents<sup>1</sup></b> | 0      | 0       |
| <b>Logistics accidents<sup>2</sup></b>         | 0      | 0       |

(Excluding certain subsidiaries and affiliates such as Asahi Kasei Homes)

#### Definition of accidents

<sup>1</sup> Serious logistics accident: (1) One or more fatality or serious injury, (2) 100 million yen or more in damages, or (3) Significant social impact (resident evacuation notice, etc.)

<sup>2</sup> Logistics accident: (1) Personal injury (other than a serious logistics accident), (2) Public response (firefighting, leak prevention, etc.), (3) Explosion, spread of fire, poisoning, or risk of such accidents, or (4) 5 million yen or more in damages

# Social Contribution Activities

Quality Assurance

CSR Procurement

Human Resources

Human Rights

Health &amp; Productivity Management and Occupational Health &amp; Safety

Process Safety

**Social Contribution Activities**

## Activity Policy

The Asahi Kasei Group is involved in a wide range of community-focused activities under the following Social Contribution Activity Policy to fulfill our responsibilities as a corporate citizen.

1. Effective utilization of our human resources and technologies to advance social contribution activities based on the unique characteristics of the Asahi Kasei Group.

2. Striving for meaningful social contribution activities with a constant awareness of our objectives and effectiveness.

3. Supporting and nurturing participation in social contribution activities by employees, encouraging volunteerism and individual initiative.

## Activity Themes

Based on our activity policy, we strive for coexistence and mutual prosperity with the communities and stakeholders connected to our businesses by focusing on the following three themes.



### Developing the Next Generation

We foster interest in science and engineering among younger generations by hosting event tours where they can learn about careers in research and technical fields, among other initiatives.



### Coexistence with the Environment

Through afforestation and reforestation activities, we help prevent natural disasters such as floods and conserve biodiversity, while also contributing as a venue for interaction with local communities.



### Promotion of Culture, Art, and Sports

In addition to supporting cultural foundation activities, Asahi Kasei also actively engage in social contribution activities through sports, such as our Track Team and Judo Team—both of which have produced numerous Olympic athletes.

## Engagement with Local Communities

At the Asahi Kasei Group, we believe that it is our social responsibility to contribute to the development of local communities in which we operate by building a good relationship with them. We work to honor and respect the local culture of each community where our operations are based, and to maintain effective dialog and communication with community members.

Our group-wide policy is to contribute to the vitality of communities, while at the same time engaging in activities that help to solve local issues through the creation of local employment and procurement based on the Asahi Kasei Group's businesses. In addition, through community exchange events, plant tours, and community contribution activities, we strive to gain the understanding of local communities about our business and initiatives, and utilize the feedback we receive in our management.

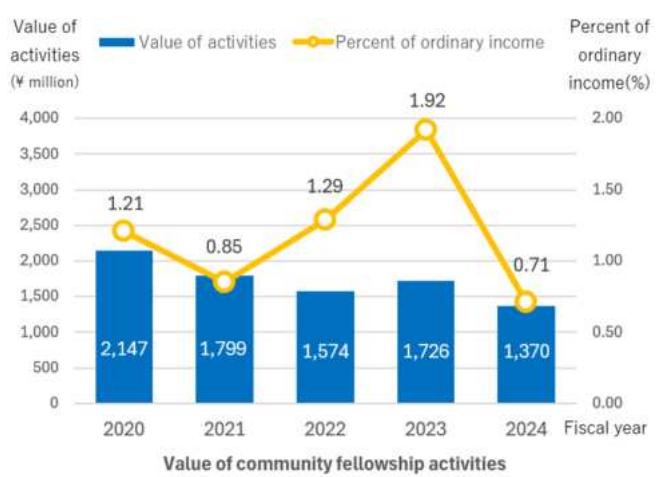
Each of the Asahi Kasei Group's regional sites lead communication with the communities around our plants, planning and operating periodic networking events, plant tours, and other activities.

## Activity Results

### Expenditures on Activities

The Asahi Kasei Group supports the active participation of employees in social contribution activities. In addition, we participate in the One-Percent Club of the Keidanren (Japan Business Federation), and report annually to the Survey of Expenditure for Corporate Philanthropic Activities.\* The total value of our donations in fiscal 2024 (including community investments) was ¥1,370 million.

\* The results of the activities of the entire Group were converted into monetary values based on the methodology of the "One-Percent Club" Value of Community Fellowship Activities Survey.



### Employee Participation

In fiscal 2024, a total of 5,600 employees took part in various social contribution activities carried out by the Asahi Kasei Group.

## Specific Activities

### Core Activity Themes

#### Developing the Next Generation

- Guest classes at schools in regions where we operate
- Sponsoring educational programs on science and the environment
- Holding of self-initiated events for fostering the next generation
- Scholarship program

#### Coexistence with the Environment

- Tree-planting activities
- Restoration of natural environments on former plant sites
- Donations to support afforestation activities
- Clean-up campaigns

#### Promotion of Culture, Art, and Sports

- Sponsorship of marathon events
- Social contribution through corporate sports teams (Track Team and Judo Team)
- Cultural foundation activities

### Engagement with Local Communities

#### Revitalization of regions where we operate

- Creation of local employment and procurement
- Community exchange meetings
- Plant tours and exhibition centers
- Opening of facilities such as gymnasiums, sports grounds, and parking lots to the public

### Other Activity Themes

#### Support for Disaster-Affected Areas and Community Disaster Preparedness

- Donations and provision of relief supplies to disaster-affected areas
- Installation of drinking water supply systems
- Provision of products for safe drinking water supply

#### Support for Life and Health

- Blood donation campaigns
- Donations to UNICEF
- Participation in charity events
- Food donations

## Nobeoka Exhibition Center



The Nobeoka Exhibition Center was established as a comprehensive venue to showcase the history and overall management of the Asahi Kasei Group, the current business activities in the Nobeoka and Hyuga areas, and our relationships with local communities. Visitors are welcome to freely explore and experience Asahi Kasei Group products firsthand.

## Examples of Initiatives



### Developing the Next Generation (Japan)

Since fiscal 2008, we have been the sole sponsor of the "Japan Student Science Awards" held by the Yomiuri Shimbun for the purpose of enhancing science education for junior and senior high school students. (photo provided by Yomiuri Shimbun)



### Developing the Next Generation (United States)

Erickson Framing supports vocational school's General Construction Technology program by facilitating hands-on learning activities for students.



### Developing the Next Generation (Japan)

We have been supporting the "Nobeoka Schools Support Team", which was launched in 2009 by volunteer members from our alumni association, gaining NPO status in 2012. We provide math and science support to junior high school students in Nobeoka City, Miyazaki Prefecture.

› [Nobeoka Schools Support Team](#)



### Coexistence with the Environment (Japan)

Asahi Kasei Homes created the Asahi Woods of Life at a former plant site within Asahi Kasei's Fuji plant grounds in Fuji City, Shizuoka Prefecture, with the goal of restoring the city's original coastal landscape. The site has been certified as a "Nationally Certified Sustainably Managed Natural Site" by Japan's Ministry of the Environment.



### Coexistence with the Environment (Germany)

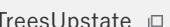
Asahi Kasei Europe is carrying out the "Rescue the Rhine" project to strengthen the climate resilience of the Rhine River port and transform it into a lush green oasis. The project involves installing plant-covered floating islands to help reduce water pollution.



### Coexistence with the Environment (United States)

Since 2012, We have donated to TreesUpstate to plant trees in schools, parks, and neighborhoods near its global headquarters. At maturity, our funding of tree plantings will remove 4.3 million miles of car emissions each year and store 195,500 gallons of stormwater each year to prevent flooding and clean the area's drinking water.

› [TreesUpstate](#)





### Promotion of Culture, Art, and Sports (Japan)

Our Track Team supports the Golden Games in Nobeoka, a long-distance track meet that is part of the Japan Track & Field Grand Prix Series, held in Nobeoka City, Miyazaki Prefecture, where the team is based.



### Promotion of Culture, Art, and Sports (Germany)

Our Judo Team holds judo workshops across Japan and in Düsseldorf, Germany, where one of our sites is located, helping to promote international sports exchange.



### Promotion of Culture, Art, and Sports (Japan)

Asahi Kasei ZOLL Medical have been a sponsor of the Kanazawa Marathon, held every October since 2016. Asahi Kasei ZOLL Medical provides automated external defibrillators (AEDs) along the running course and conducts AED life-saving training for the event's first aid volunteers.



### Revitalization of regions where we operate (Japan)

We host an “Under the Smokestack” event in Nobeoka, home to one of Asahi Kasei’s key production sites, to showcase the city’s appeal. Local residents are invited to join guided tours of the area’s iconic smokestack, a well-known local landmark.



### Support for Disaster-Affected Areas and Community Disaster Preparedness (Japan)

We have installed Life Spot independent drinking water supply systems at our production sites in Moriyama, Suzuka, and Nobeoka. These systems use our membrane filtration technology to purify deep well water, providing safe drinking water to local communities during disasters.



### Support for Life and Health (India)

For each photo of food wrapped in our Premium Wrap cling film shared on social media by a purchaser, three to four school meals are donated through charitable organizations.

# Governance

The Asahi Kasei Group constantly endeavors to strengthen corporate governance in an effort to increase sustainable growth and enhance medium- to long-term corporate value.



## › Corporate Governance

We continue to pursue the best approaches to corporate governance using a system for making decisions transparently, fairly, swiftly and boldly, based on changes in the business climate.



## › Compliance

We aim for a higher level of corporate ethics in all of our business activities. This includes not only compliance with laws and regulations, but also social norms.



## › Risk Management

We have established and are strengthening basic rules for risk management in our business operations and addressing contingencies.



## › Tax Policy

We have established a tax policy to ensure the Asahi Kasei Group's compliance with tax related laws and regulations as well as improved tax transparency.

# Corporate Governance

## Corporate Governance

Compliance

Risk Management

Tax Policy

➤ Translation of the Corporate Governance Report  (762.9KB)

As of June 25, 2025

## Basic Approach

The Asahi Kasei Group Vision is to provide new value to society and solve social issues by enabling "living in health and comfort" and "harmony with the natural environment" under the Group Mission of "contributing to life and living for people around the world." With this as a base, the Company aims to contribute to society, achieve sustainable growth, and enhance corporate value over the medium to long term by promoting innovation and creating synergy through integration of various businesses. The Company continues to pursue optimal corporate governance as a framework to make transparent, fair, timely, decisive, and appropriate decision-making in accordance with changes in the business environment.

## Basic Policies

### 1. Securing the Rights and Equal Treatment of Shareholders

While taking proper measures to secure shareholders' rights, the Company develops a proper environment for exercise of shareholders' rights including paying attention to foreign shareholders and minority shareholders and providing information necessary for the exercise of rights accurately and in a timely manner.

### 2. Proper Cooperation with Stakeholders other than Shareholders

The Group Vision of the Company is to provide new value to society and solve social issues by enabling "living in health and comfort" and "harmony with the natural environment" for people around the world, and the Company works to facilitate cooperation with its stakeholders.

### 3. Proper Information Disclosure and Securing of Transparency

The Company, in addition to disclosure required by laws and regulations, actively provides information to various stakeholders including financial information such as financial position and operating results, management strategy/issues, and non-financial information concerning risks and governance, etc.

## 4. Responsibilities of the Board of Directors

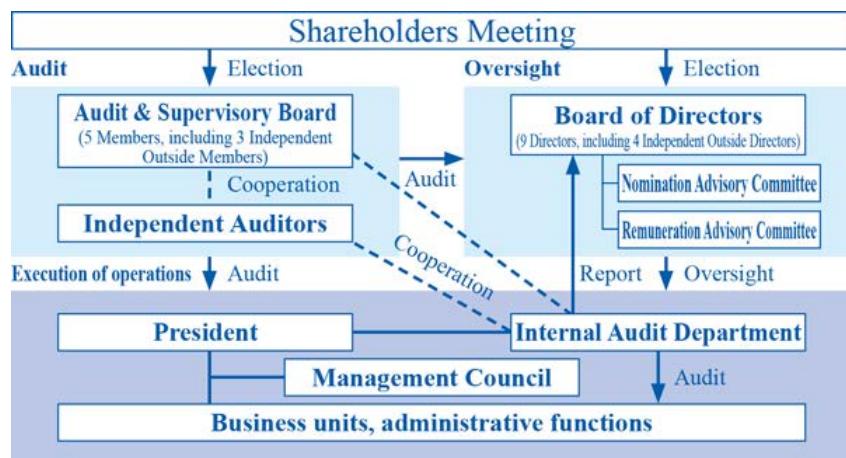
In order to achieve sustainable growth, enhance medium to long term corporate value, and increase earnings ability and capital efficiency, the Board of Directors of the Company presents the overall direction of its management strategy, develops an environment to support risk-taking by the management, and effectively oversees the business management of the Company from an independent and objective standpoint, based on the fiduciary responsibility and accountability to shareholders.

## 5. Dialog with Shareholders

The Company develops a system to have a constructive dialog with shareholders/investors and actively promotes such dialog.

# Corporate Governance Framework

## Corporate governance configuration



## Meetings of Board of Directors, Advisory Committees, and Audit & Supervisory Board (fiscal 2024)

|                                  | No. of meetings held | Average attendance                                       | Main subjects of agenda   |
|----------------------------------|----------------------|--|---|
| Board of Directors               | 15                   | 99%<br>(Directors and Audit & Supervisory Board Members) | <ul style="list-style-type: none"> <li>• New medium-term management plan and business portfolio transformation</li> <li>• Examinations and decisions of growth investments, M&amp;A, structural transformation, and carve-outs</li> <li>• Reports of initiatives for human capital</li> <li>• Reports of the group-wide risk management status</li> <li>• Reports of dialogue with investors</li> <li>• Reports of Nomination and Remuneration Advisory Committees</li> </ul> |
| Nomination Advisory Committee*   | 8                    | 100%<br>(all members)                                    | <ul style="list-style-type: none"> <li>• Roles expected of the Board of Directors and skills matrix</li> <li>• Nomination of officers for fiscal 2025</li> <li>• Succession plan for the President</li> </ul>   |
| Remuneration Advisory Committee* | 6                    | 100%<br>(all members)                                    | <ul style="list-style-type: none"> <li>• Review and revision of the officer remuneration system (level of remuneration amount, composition ratio, performance-linked indicators, etc.)</li> <li>• Decision on individual performance-linked monetary remuneration amounts</li> </ul>  |
| Audit & Supervisory Board        | 33                   | 99%<br>(Audit & Supervisory Board Members)               | <ul style="list-style-type: none"> <li>• Review of the discussion points and key considerations at the Board of Directors</li> <li>• Evaluation of improvements in the effectiveness of the Audit &amp; Supervisory Board</li> <li>• Opinion exchange sessions with Outside Directors</li> <li>• Information sharing and opinion exchange sessions with the internal audit division, the Corporate Auditors of subsidiaries, and the auditing firm</li> </ul>                 |

\* The Nomination Advisory Committee and Remuneration Advisory Committee are comprised of the 4 Outside Directors and Chairman & Director Hideki Kobori and President & Representative Director Koshiro Kudo as members, with the Nomination Advisory Committee chaired by Outside Director Tsuyoshi Okamoto and the Remuneration Advisory Committee chaired by Outside Director Yoshinori Yamashita.

- Compliance
- Risk Management

## Policy and Procedures to Nominate Candidates for Directors

In selecting candidates for Directors, the Company chooses persons with deep insight and excellent skills suitable for Directors. For inside Directors, the Company chooses those with expertise, experience and skills in the required field as candidates. Meanwhile, for Outside Directors, the Company chooses as candidates corporate executives, academic experts, and former civil servants with abundant experience, expecting objective oversight of management based on their deep insight.

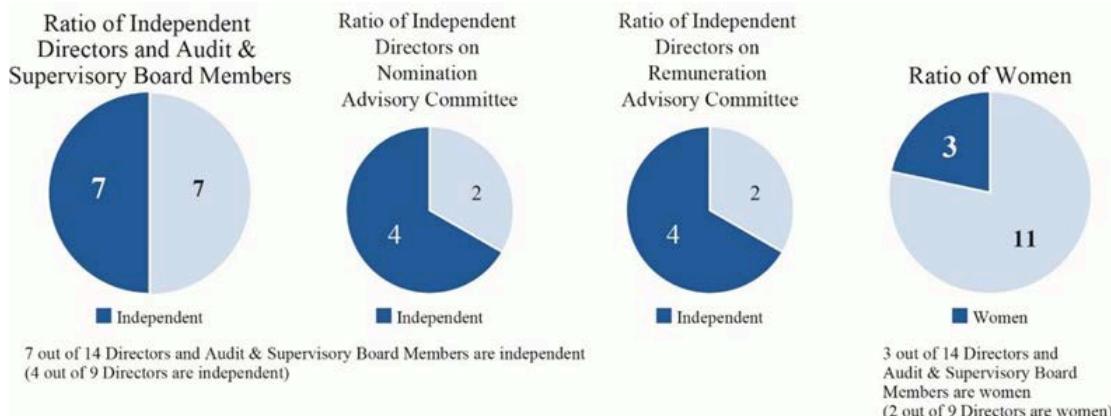
To further increase the objectivity and transparency of the nomination of candidates for Directors, the Company has established the Nomination Advisory Committee whose members mainly comprise outside Directors. This committee is involved in the examination of the composition and size of the Board of Directors and the nomination policy for officers and provides advice.

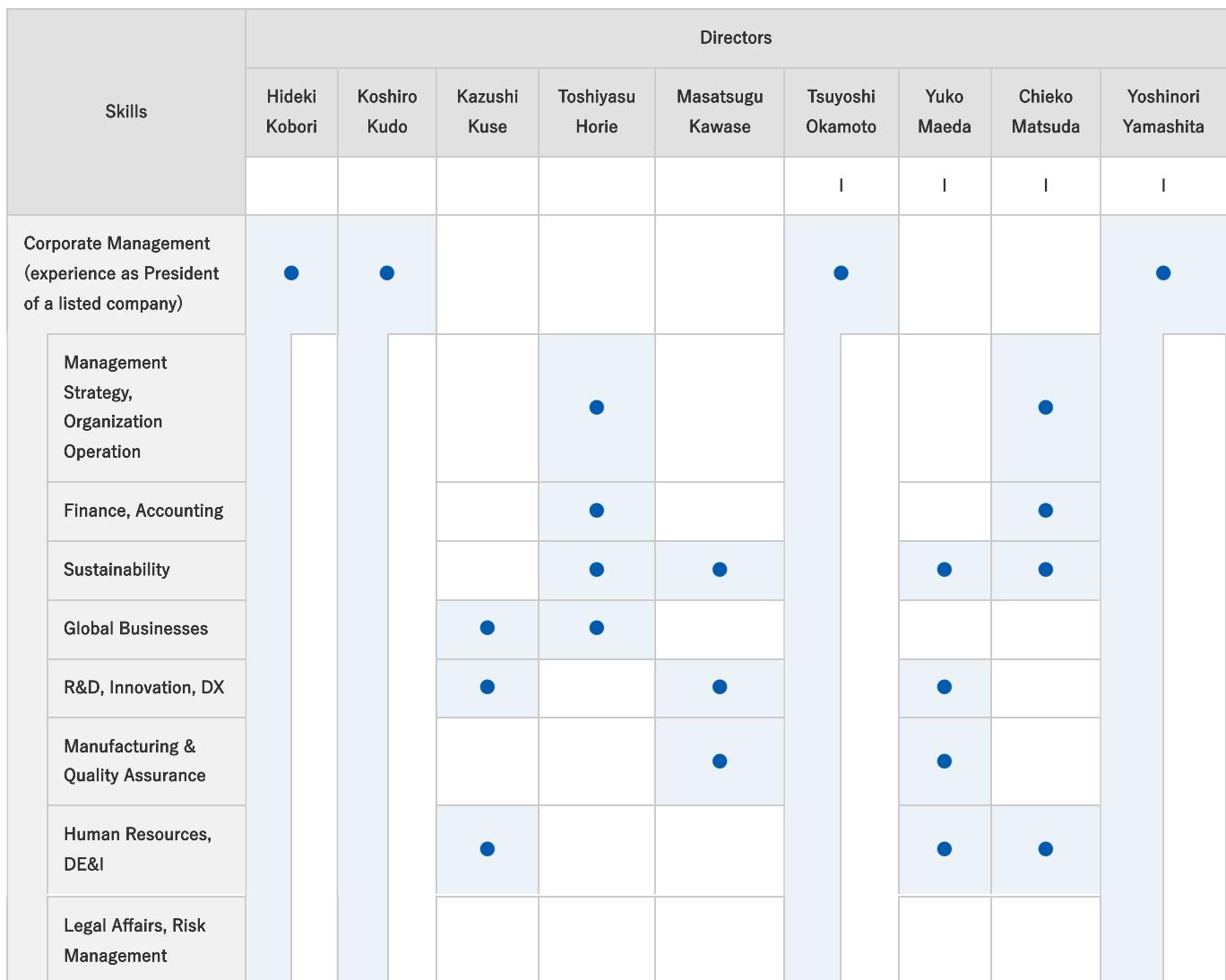
- Supplementary Explanation on the Reason for Selecting Outside Directors and Their Independence (NOTICE OF THE 134<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS)  (3.0MB)

## Diversity of Expertise and Experience of Directors/Audit & Supervisory Board Members (Skills Matrix)

In order to “contribute to life and living for people around the world,” the Company pursues two aspects of sustainability: “contributing to a sustainable society” and “sustainable increase in corporate value.” To this end, we have identified the knowledge, experience, and capabilities required to advance Group management and its supervision and auditing at a higher level in a discontinuous and uncertain business environment, and have considered the composition of the Board of Directors with consideration to the balance of its diversity and independence.

Specifically, in addition to “corporate management and strategy,” “finance and accounting,” “legal affairs, intellectual property, and risk management,” and “R&D, manufacturing, and technology,” which are indispensable for pursuing opportunities and reducing risks, we also emphasize “global” to align with the internationalization of markets and businesses, “digital” to advance digital transformation, “environment and society” to respond to changes in the social environment and the status of stakeholders with agility, and “human resource management” to utilize people as the foundation of business management.





| Skills   | Audit & Supervisory Board Members |                    |                    |                   |                     |
|--|-----------------------------------|--------------------|--------------------|-------------------|---------------------|
|  | Takuya<br>Magara                  | Hiroki<br>Ideguchi | Akemi<br>Mochizuki | Haruyuki<br>Urata | Yoshikazu<br>Ochiai |
|  |                                   |                    |                    |                   |                     |
| Corporate Management (experience as President of a listed company) |                                   |                    |                    |                   |                     |
| Management Strategy, Organization Operation                        |                                   | ●                  |                    | ●                 |                     |
| Finance, Accounting  |                                   | ●                  | ●                  | ●                 |                     |
| Sustainability   | ●                                 |                    |                    |                   |                     |
| Global Businesses  |                                   |                    |                    | ●                 | ●                   |
| R&D, Innovation, DX  | ●                                 |                    |                    |                   |                     |
| Manufacturing & Quality Assurance                                  | ●                                 |                    |                    |                   |                     |
| Human Resources, DE&I  |                                   | ●                  |                    |                   |                     |
| Legal Affairs, Risk Management                                     |                                   | ●                  | ●                  |                   | ●                   |

(Notes) 1 The above table indicates up to four major skills for each individual and does not represent all of their skills.

2 “Corporate Management (experience as President of a listed company)” is positioned as broad and diverse experience, including elements of other skills listed in the above table.

| Skills  | Reasons and details of skill selection  |
|---|---|
| <b>Corporate Management<br/>(experience as President of a listed company)</b> | In light of the management environment of the Group which is accelerating business portfolio transformation, the selection was made because outstanding leadership and diverse experience as the head of a listed company are necessary.  |
| <b>Management Strategy,<br/>Organization Operation</b>                        | Selected the experience and expertise in planning and executing management strategies, managing large-sized organizations, etc., since they are necessary for supervising management strategy, which is the main agenda for the Board of Directors of the Company.  |
| <b>Finance, Accounting</b>  | Selected the experience and expertise in planning and executing capital policy and capital allocation, and accounting insights, etc., since they are necessary for business portfolio transformation and management aiming for capital efficiency.  |
| <b>Sustainability</b>   | Selected the experience and expertise in supervising sustainability issues at the management level, including carbon neutrality, circular economy, and dealing with human rights, which are core subjects of management strategy.   |
| <b>Global Businesses</b>  | Selected the experience and expertise in leading or supervising international operations, including managing in the global business environment and promoting overseas business operations, since the Company has numerous overseas sites and is strengthening its expansion into global markets.                     |
| <b>R&amp;D, Innovation, DX</b>  | R&D, innovation, and DX are the source of the Group's sustainable growth. The experience and expertise in these fields were selected since they are necessary for creating value through them and preventing damage by using cybersecurity, etc.  |
| <b>Manufacturing &amp; Quality Assurance</b>                                  | Selected the experience and expertise in manufacturing technology, quality assurance, and safety technology since they are essential to the Group's business execution.   |
| <b>Human Resources, DE&amp;I</b>  | Selected the experience and expertise in this field to create innovations and businesses as well as to promote the active participation and growth of human resources by planning and executing human resources measures aligned with the management strategies and promoting diversity, equity and inclusion (DE&I). |
| <b>Legal Affairs, Risk Management</b>   | Selected the experience and expertise in the legal field, compliance and insights, etc. on risk management, since they are essential to the Group's sustainable growth and prevention of damage.  |

## Evaluation of the Effectiveness of the Board of Directors

The Board of Directors of the Company conducts regular evaluations of its own effectiveness every fiscal year. The results of the evaluation of the effectiveness of the Board of Directors (hereinafter, "the fiscal year's evaluation") in fiscal 2024 are summarized as follows. In order to maintain an evaluation cycle that also incorporates an objective perspective, the Company will continue to use the third-party organization on a regular basis for evaluating the effectiveness of the Board of Directors.

### 1. Process of the fiscal year's Evaluation

(1) December 2024

The Company's Board of Directors deliberated on the implementation process and survey content of the fiscal year's evaluation.

(2) From December 2024 to January 2025

Survey of all Directors and Audit & Supervisory Board Members was conducted. The survey covered not only the Board of Directors, but also the Nomination Advisory Committee and Remuneration Advisory Committee. The survey topics included the functions, operation and discussion status of meetings of the Board of Directors, the Nomination Advisory Committee, and Remuneration Advisory Committee, and individual evaluation (self-evaluation) of all Directors and Audit & Supervisory Board Members.

(3) March and April 2025

The Company's Board of Directors confirmed the results of the evaluation of the effectiveness of the Board of Directors based on the survey results above, and deliberated on responses to the issues identified.

### 2. Summary of results of the evaluation

(1) The Company's Board of Directors confirmed that the effectiveness of the Board of Directors is sufficiently ensured, particularly in the following aspects.

- Based on the Board of Directors' vision to promote business portfolio management and strengthening of the business platform, the roles and functions of the Company's Board of Directors were evaluated as being appropriately fulfilled, as it increased the opportunities to discuss business portfolio transformation and conducted substantial deliberations.
- The Board of Directors was evaluated for deepening the deliberations on the new medium-term management plan from multiple perspectives by business sector and by subject, and for enhancing discussion with an awareness of the perspective of capital markets.
- In operational aspects, the Board of Directors was evaluated for maintaining an environment that encourages open and lively discussion, and for achieving highly effective and efficient operation through continuous improvements of issues identified from the results of the evaluation of the effectiveness of the Board of Directors.

(2) On the other hand, the Company's Board of Directors shared that there are still issues regarding the following points.

- The Board of Directors recognizes the importance of utilizing the Board of Directors meetings and off-site settings to further deepen discussions from a medium- to long-term perspective on material management issues, including the way of three-sector management, financial strategy, shareholder returns, and capital efficiency.
- Regarding raising the quality of discussions by the Board of Directors, the Board of Directors confirmed the importance of having discussions with an awareness of the perspective of capital markets, and recognizes that there is room for further enhancement of the discussions.
- The Board of Directors recognizes the need to further enhance the operation of the Nomination Advisory Committee and Remuneration Advisory Committee, and to continue effective consideration of the Board of Directors composition and officer remuneration.

### 3. PDCA cycle of evaluation of the effectiveness of the Board of Directors and future measures

The Company's Board of Directors identifies the issues to be addressed to further enhance the effectiveness of the Board of Directors, and implements measures for improvement as follows.

|                         |  | Plan:<br>Direction of<br>measures for fiscal<br>2024  | Do:<br>Primary measures<br>during fiscal 2024  | Check:<br>Evaluation for the<br>fiscal year  | Act:<br>Future measures   |
|-------------------------|--|---|--|--|---|
| ■ Board of<br>Directors | Deliberation<br>subjects/deliberation<br>quality | <ul style="list-style-type: none"> <li>■ Further enhance discussions on material management issues that need to be discussed from a medium- to long-term perspective, such as business portfolio transformation and management resource allocation</li> <li>■ Aim to further deepen discussions by increasing opportunities to exchange opinions outside Board of Directors meetings</li> </ul> | <ul style="list-style-type: none"> <li>■ Deliberate on the annual agenda at the Board of Directors</li> <li>■ Supervise the progress of the previous medium-term management plan, and deliberate at the Board of Directors from multiple perspectives for formulating the new medium-term management plan</li> <li>■ Regarding large M&amp;A and business transformation projects, make a decision after sufficient multiple deliberations at the consideration stage</li> <li>■ In off-site settings as well, exchange opinions on the new medium-term management plan with the President and the Outside Officers, and provide information on structural reform on petrochemical chain-related businesses</li> </ul> | <ul style="list-style-type: none"> <li>■ Highly evaluated on enhanced deliberation on business portfolio transformation and the new medium-term management plan</li> <li>■ Subjects were identified that need further enhanced deliberations from a medium- to long-term perspective (e.g., the way of three-sector management, financial strategy, shareholder returns, capital efficiency, human capital management)</li> <li>■ Discussions were held based on dialogue with investors, but the need to further deepen discussions from the investor viewpoint was identified, both from supervision and execution perspectives</li> </ul> | <p>(1) Enhance discussions from a medium- to long-term perspective and raise the quality of discussions at the Board of Directors</p> <ul style="list-style-type: none"> <li>■ Enhance deliberations such as the Group's future vision after the completion of business portfolio transformation and sustainability issues, and deepen management discussions from a more medium- to long-term perspective</li> <li>■ Regarding the subject of dialogue with investors, further raise the quality of discussions from the perspective of the capital markets by exchanging opinions between Outside Directors and the management</li> </ul> |

|  |                  | Plan:<br>Direction of<br>measures for fiscal<br>2024  | Do:<br>Primary measures<br>during fiscal 2024   | Check:<br>Evaluation for the<br>fiscal year  | Act:<br>Future measures   |
|--|------------------|---|---|--|---|
|  | <b>Operation</b> | <ul style="list-style-type: none"> <li>■ Aim for higher-level discussions by the Management Council, which is responsible for deliberation prior to Board of Directors meetings, and further rationalize and raise the efficiency of agenda management at the Board of Directors</li> </ul> | <ul style="list-style-type: none"> <li>■ Strengthen the involvement of corporate functions in proposals by business units at the prior deliberation phase. Establish a standard form for materials, and devise ways to provide prior briefings to Outside Officers</li> </ul>                             | <ul style="list-style-type: none"> <li>■ Status of operation was evaluated positively due to continuous improvements from the past</li> <li>■ To enhance deliberation, there were opinions on viewpoints to consider for monitoring, allocating more time to deliberation on material management issues, and utilization of off-site settings to supplement Board of Directors meetings</li> </ul> | <p>(2) <b>Continue to improve operations to deepen discussions at the Board of Directors</b></p> <ul style="list-style-type: none"> <li>■ Gain more time to deliberate material management issues by rationally narrowing down the Board of Directors agenda. Improve the effectiveness of deliberations by enhancing information sharing through the effective utilization of off-site settings</li> </ul> |
| <ul style="list-style-type: none"> <li>■ <b>Nomination and Remuneration Advisory Committees</b></li> </ul> |                  | <ul style="list-style-type: none"> <li>■ Deepen discussions on the composition of the Board of Directors, and continuously pursue the optimal form of the Board of Directors in light of the management philosophy, management strategy, business environment, etc.</li> </ul>              | <ul style="list-style-type: none"> <li>■ Deepen deliberations on the composition of the Board of Directors and skills matrix, and clarify skill definition at the Nomination Advisory Committee</li> <li>■ Enhance information sharing from both advisory committees to the Board of Directors</li> </ul> | <ul style="list-style-type: none"> <li>■ Both advisory committees are evaluated as functioning properly</li> <li>■ On the other hand, subjects that require continuous effective consideration (composition of the Board of Directors, succession, officer remuneration, etc.) and issues of information sharing with the Board of Directors were identified</li> </ul>                            | <p>(3) <b>Enhancement of operation of Nomination and Remuneration Advisory Committees</b></p> <ul style="list-style-type: none"> <li>■ Enhance the operation of both advisory committees, and aim for enhanced deliberation on the subjects listed on the left. In addition, enhance the content of information sharing with the Board of Directors</li> </ul>  |

## Remuneration of Directors

**Note: Percentages shown for Directors who have executive responsibilities (FY2024)**

| Fixed base remuneration | Performance-linked monetary remuneration | Stock-based remuneration |
|-------------------------|--|--------------------------|
| 60.9%                   | 27.3%                                    | 11.8%                    |

- **Performance-linked monetary remuneration** → commitment to results
- **Stock-based remuneration** → perspective of shareholders

(Note) Outside Directors receive fixed base remuneration only

### The amount of remuneration, etc. of Directors and Audit & Supervisory Board Members in fiscal 2024

| Classification   | Amount<br>Paid (¥<br>million) | Breakdown by remuneration type (¥ million) |   |                             | Number of Directors and<br>Audit & Supervisory Board<br>Members Paid |
|--|-------------------------------|--|---|-----------------------------|--|
|  |                               | Basic<br>remuneration                      | Performance-<br>linked monetary<br>remuneration | Stock-based<br>remuneration |  |
| Directors  | 616                           | 455  | 113   | 48                          | 11   |
| (of which Outside<br>Directors)                            | 72                            | 72   | —   | —                           | 5  |
| Audit & Supervisory Board<br>Members                       | 158                           | 158  | —   | —                           | 5  |
| (of which Outside Audit<br>& Supervisory Board<br>Members) | 54                            | 54   | —   | —                           | 3  |
| <b>Total</b>   | <b>774</b>                    | <b>613</b>                                 | <b>113</b>                                      | <b>48</b>                   | <b>16</b>  |

(Note) In this table, "Stock-based remuneration" represents an amount expected to be charged for the next fiscal year, not an amount that was charged for the fiscal year under review. The Company charges the stock-based remuneration on a day when points are conferred based on the Share Grant Regulations. The point conferment date is set to a day in the next fiscal year of the fiscal year in which the target achievement base date for the points (the final day of the fiscal year) exists.

## Policy on Determining Remuneration Amounts and Calculation Methods

As one of the corporate governance mechanisms to ensure that the Group can achieve sustainable growth and enhance corporate value over the medium to long term, the Company has sought advice of the Remuneration Advisory Committee on the decision-making policy pertaining to the contents of remuneration, etc. for individual Directors (hereinafter, the "Decision-making Policy"). Respecting the contents of the reports thereof, the Board of Directors has made a resolution on the Decision-making Policy as follows.

The remuneration for Audit & Supervisory Board Members consists of fixed remuneration, since the performance-linked remuneration system is not applied in the remuneration for them. Individual remuneration amounts are determined through discussions with Audit & Supervisory Board Members.

### Policy for Determining Director Remuneration

#### 1. Basic policy

The Directors' remuneration of the Company is one of the important components of corporate governance. The Company designs this system to provide appropriate incentives to both executives and supervisors for achieving sustainable growth and improving medium- to long-term corporate value.

Remuneration for Non-executive Directors\* including Outside Directors, who supervise the management of the Company, is comprised solely of fixed basic remuneration at a level determined in consideration of third-party survey data, in order to secure a high degree of independence unaffected by earnings fluctuations.

The remuneration for Executive Directors combines performance-linked monetary remuneration with stock-based remuneration as nonmonetary remuneration, in addition to fixed basic remuneration, in order to provide incentives tied to earnings and management strategy as senior management, with levels of remuneration amounts and proportions of types of remuneration adjusted as appropriate for each role according to management strategy and tasks, in consideration of third-party survey data.

To ensure the optimal way of remunerating Directors and design of the remuneration system, the Board of Directors and the Remuneration Advisory Committee regularly deliberate and continually confirm their appropriateness and make improvements.

#### 2. Policy for determining the timing for payment and conditions of remuneration

Basic remuneration and performance-linked monetary remuneration are paid monthly. For stock-based remuneration, points described below are granted to eligible Directors on a certain date each fiscal year set forth in the Share Grant Regulations determined by the Board of Directors, and shares of the Company are provided to eligible Directors at the time they retire both as Director and as officer of the Group in light of the purpose of the stock-based remuneration to share the medium- to long-term perspectives of shareholders.

#### 3. Policy for determining each individual's basic remuneration (monetary remuneration)

Amounts of basic remuneration for Directors are determined through comprehensive consideration in accordance with rank and responsibility taking account of other companies' levels of remuneration and the Company's earnings.

4. Policy for determining content of performance-linked monetary remuneration and nonmonetary remuneration as well as method of calculating amounts and numbers thereof

Performance-linked monetary remuneration, which comprises a part of remuneration for Executive Directors, combines both achievement of financial targets including invested capital efficiency with achievement of non-financial targets including individual targets such as progress on sustainability, so as to provide incentives tied to earnings and management strategy as senior management.

Performance-linked monetary remuneration is calculated based on a comprehensive judgment on the basis of achievement of financial targets such as operating income, ROIC, etc., together with achievement of individually set targets including progress on sustainability. Standards for financial incentives are selected as appropriate for clear and objective evaluation based on earnings results together with the perspective of awareness for improving invested capital efficiency.

The formula required to calculate individual performance-linked monetary remuneration is outlined as follows.

[Formula required to calculate individual performance-linked monetary remuneration]

$$\boxed{\text{Index calculated by evaluation*}} \times \boxed{\text{Basic amount by rank}} = \boxed{\text{Individual performance-linked monetary remuneration}}$$

\*Coefficient comprehensively considering achievement of financial targets and non-financial targets

A portion of remuneration for Executive Directors is the provision of stock-based remuneration as non-monetary remuneration. To share with shareholders not only the benefits of share price increases but also the risk associated with share price decreases, a stock-based remuneration system was adopted, whereby a trust established by the Company acquires shares of the Company and grants them to eligible Directors. Based on the Share Grant Regulations adopted by the Board of Directors, eligible Directors are granted points linked to achievement of targets set by the medium-term management plan in accordance with their rank, etc. (maximum of 150,000 points per fiscal year) and the Company's shares are granted to eligible Directors corresponding to the accumulated number of points at the time of their retirement as Director and as officer of the Group (the number of shares to be granted is the number of points granted multiplied by 1.).

5. Policy for determining the proportion of basic remuneration, performance-linked monetary remuneration, and nonmonetary remuneration for individual Executive Directors

The proportion of basic remuneration, performance-linked monetary remuneration, and stock-based remuneration for each Executive Director is determined to provide an appropriate incentive in accordance with management strategy and management tasks, with consideration given to the level obtained from third-party survey data.

The proportion of basic remuneration, performance-linked monetary remuneration, and stock-based remuneration for each Executive Director is generally 4:3:3, with performance-linked monetary remuneration ranging between 0% to 200% of the base amount based on rank, according to evaluation. However, the Board of Directors and the Remuneration Advisory Committee regularly deliberate on its appropriateness, and improvement is made based on continual confirmation of appropriateness.

6. Policy for determining items to be entrusted regarding determination of content of remuneration of individual Directors and for determining content of remuneration of individual Directors  
 Among remuneration of each individual Director, determination of the amount of performance-linked monetary remuneration is entrusted to the Remuneration Advisory Committee based on a resolution of the Board of Directors, with the Remuneration Advisory Committee being authorized to confirm the reasonableness and appropriateness of the evaluation of the achievement of targets by each Executive Director as proposed by the President and Director, and to determine performance-linked monetary remuneration amounts for individual Directors by applying this evaluation to the formula determined by the Board of Directors.

To ensure that such authority is properly exercised, Outside Directors comprise a majority of the Remuneration Advisory Committee, and it regularly reports to the Board of Directors on the process of the above confirmation and determination.

Regarding determination of basic remuneration and stock-based remuneration for individual Directors, the Board of Directors requests deliberation by the Remuneration Advisory Committee and makes a determination based on ample consideration of the result of deliberation by the Remuneration Advisory Committee.

Fixed basic remuneration by rank is paid upon determination of the amount by the Board of the Directors. Stock-based remuneration is granted to eligible Directors when certain conditions are met, corresponding to points granted to each Director based on the Share Grant Regulations adopted by the Board of Directors.

7. Important matters for determining the content of individual remuneration, etc. for Directors

In the event that a Director who is eligible for payment of stock-based remuneration, which is nonmonetary remuneration, as part of the above-stated remuneration for Executive Directors, retires due to personal reasons (except in cases where it is determined that the resignation is due to unavoidable circumstances), and in the event that a Director is dismissed or resigns due to causing loss or damage to the Company's group companies as defined in the Share Grant Regulations, etc., all or some of the points granted up to that point shall be forfeited and no shares of the Company corresponding to the forfeited points shall be granted, or no further points shall be granted, based on a resolution of the Board of Directors.

\* Non-executive Directors include the Chairman & Director.

➤ Officer Remuneration, etc. (NOTICE OF THE 134<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS)  (3.0MB)

## Independence Standards and Qualification for Outside Directors/Audit & Supervisory Board Members

In determining that Outside Directors and Outside Audit & Supervisory Board Members are independent, the Company ensures that they do not correspond to any of the following and that they are capable of performing their duties from a fair and neutral standpoint.

1. A person who conducts business on behalf of the Group (Executive Directors, Executive Officers, Operating Officers, employees, etc.) or a person who has done so over the last 10 years
2. A company or a person who executes the businesses thereof whose major business partner is the Group (an entity with more than 2% of its annual consolidated net sales coming from the Group)
3. A major business partner of the Group (when payments by this partner to the Group account for more than 2% of the Company's annual consolidated net sales or when the Company borrows money from such partner amounting to more than 2% of the Company's consolidated total assets) or a person who executes the businesses thereof
4. A person who receives a large amount of money or other financial gain (¥10 million or more in one year) from the Group as an individual other than remuneration for being a Director/Audit & Supervisory Board Member of the Company
5. A company which receives a large amount of donations or aid (¥10 million or more in one year) from the Group or a person who executes the businesses thereof
6. A main shareholder of the Group (a person/company who directly or indirectly owns 10% or more of all voting rights of the Company) or a person who executes the businesses thereof
7. A person who executes the businesses of a company which elects Directors/Audit & Supervisory Board Members/employees of the Group as Directors/Audit & Supervisory Board Members
8. An Independent Auditor of the Group or any staff thereof
9. A person who has fallen into any of the categories 2 through 8 above over the last three years
10. A person who has a close relative (spouse, relative within the second degree of kinship, or those with whom they share living expenses) who falls under any of the categories 1 through 8 above, provided that "a person who executes businesses thereof" in 1, 2, 3, 5, 6, and 7 above shall be replaced with "an important person who executes the businesses thereof (Executive Directors and Executive Officer, etc.)"
11. A person who has served as Outside Director or Outside Audit & Supervisory Board Member of the Company for more than eight years in total.

## Status of Audits by Audit & Supervisory Board Members, Financial Audits and Internal Audits

- For internal audits of business execution, the company has established an Internal Audit Department, reporting directly to the President. The Internal Audit Department formulates an annual audit plan according to the Company's Basic Regulation for Internal Audits, and conducts an audit of the Group under the approval of the President.
- As for audits by Audit & Supervisory Board Members, each Audit & Supervisory Board Member audits the execution of duties of Directors by attending meetings of the Board of Directors and examining the status of execution of operations based on the audit policy stipulated by Audit & Supervisory Board. To support the function of the Audit & Supervisory Board, the Company has established an Audit & Supervisory Board Members Office.
- PricewaterhouseCoopers Japan LLC is contracted as the Independent Auditors to perform financial audits according to the Companies Act and Financial Instruments and Exchange Act.
- Mutual cooperation between the Internal Audit Department, Audit & Supervisory Board, and Independent Auditors is reinforced through periodic liaison meetings of the Internal Audit Department, Audit & Supervisory Board, and Corporate Auditors of core operating companies, etc. During these meetings, the effectiveness of the Group's internal control system for legal compliance and risk management is reviewed. In addition, the Audit & Supervisory Board confirms the audit plan with the Independent Auditors and receives reports of the results of audits on the Group at the end of the quarterly consolidated accounting period and at the end of the annual consolidated accounting period.

➤ Details of Independent Auditors Remuneration (NOTICE OF THE 134<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS) [\(3.0MB\)](#)

➤ Asahi Kasei Report

## Strategic Shareholdings

The Company is continuing to reduce its holdings of shares held for purposes other than pure investment (strategic shareholdings), taking into consideration factors such as the risk of share price fluctuations, costs associated with such holdings, and capital efficiency.

The purpose, effectiveness and economic rationale of individual strategic shareholdings are regularly evaluated from qualitative and quantitative aspects each year, and are reviewed by the Board of Directors. As a result of the verification, the Company reduces, through sales or other means, holdings of shares judged to be no longer compatible with the purpose of holding them or deemed to have costs and risks that outweigh the benefits of holding them, taking into consideration the conditions of the company concerned.



## Related information

### › **Information Disclosure Policy**

Accurate and timely disclosure of information to our shareholders and investors is performed in accordance with the Asahi Kasei Group Information Disclosure Policy.

# Compliance

Corporate Governance | **Compliance** | Risk Management | Tax Policy

## Policy

The Asahi Kasei Group takes compliance seriously, and fully adheres to laws and regulations that are applicable to each business and function, as well as internal company rules.

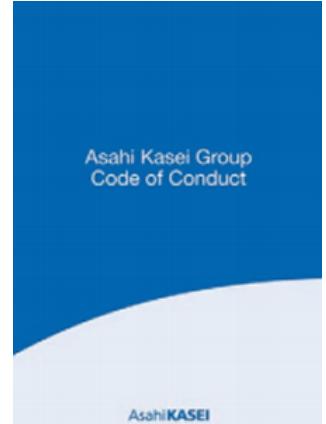
Each employee is also expected to uphold high ethical standards and respect social norms throughout the course of business activities, acting with sincerity in accordance with our Group Values based on our Group Mission.

## Asahi Kasei Group Code of Conduct

The Asahi Kasei Group Code of Conduct serves as a set of standards that include matters of compliance and applies to each and every member of the Asahi Kasei Group. The code serves as a foundation for the actions of all members of the Asahi Kasei Group to follow during the course of their day-to-day work activities in line with our Group Values based on our Group Mission. We will continue to review this Code of Conduct based on the expectations of society and changes in circumstances in order to maintain its effectiveness.

The Asahi Kasei Group Code of Conduct can be downloaded from the link below:

- Asahi Kasei Group Code of Conduct  (550.5KB)



Asahi Kasei Group Code of Conduct

## Awareness of Code of Conduct

After the establishment of the Code of Conduct in fiscal 2017, we created booklets containing this Code and distributed them to the officers as well as all domestic employees of our Group. We also spread awareness about the Code of Conduct by reading through the Code at each workplace and establishing an e-learning course for reviewing the Code.

Moreover, to improve awareness of the Code of Conduct even further, we are advancing specific measures, such as discussing the Code at workplaces using examples that may occur during everyday work, as well as continuing with activities designed to deepen an understanding of how employees should conduct themselves (Cs Talk) in accordance with the Code of Conduct. In addition, we are utilizing e-learning and implementing employee education as necessary. Furthermore, we implement a compliance awareness survey of our employees every other year. This helps us ascertain overall compliance awareness conditions, which we report to each workplace, and enables us to adapt activities for the workplace. Through the Risk Management & Compliance Committee chaired by the President, management intends to implement thorough warnings and preventative measures by sharing cases that occurred in the Asahi Kasei Group and developing standards for countermeasures. In the most recent survey from fiscal 2023, 28,936 out of the 31,007 employees in Japan (including contracted, temporary, and part-time employees) responded (a response rate of 93.3%), with about 80% saying that they understood the Code of Conduct, confirming that the Code has firmly taken hold. Overseas, in addition to distributing booklets of the Code of Conduct in various languages, we are steadily working to expand awareness through e-learning, training, and other means, and we are promoting actions that are based on a strong sense of ethics.

## Management Framework

In order to strengthen the compliance system of the entire Group, we have established a Risk Management & Compliance Committee chaired by the president, which monitors the state of compliance throughout the Asahi Kasei Group. Results of the committee's deliberations, etc., are reported to the Board of Directors.

- Risk Management Framework

## Handling Serious Compliance Violations

If a significant compliance violation occurs within our Group, a system is in place whereby the Executive Officer for Risk Management and Compliance reports the incident to the Risk Management & Compliance Committee.

## Whistleblower System (Compliance Hotline)

The Asahi Kasei Group began employing a Whistleblower System (compliance hotline) in 2005 to ensure that any possible compliance violations which employees may encounter or observe are dealt with swiftly and appropriately. In fiscal 2022, the system was expanded to enable suppliers and their employees to report or consult. Additionally, we have set up an inquiry form on our website for non-business partners, such as general customers and other local residents, as we are building a reporting system for all of our stakeholders. Reported matters will be investigated by an office consisting of those designated by the Executive Officer for Risk Management and Compliance as well as an organized investigation and response team if required. The Executive Officer for Risk Management and Compliance reports the status of operations to the Risk Management & Compliance Committee. For serious compliance violations and incidents involving officers, the Executive Officer reports to the Audit & Supervisory Board.

### Strict observance of confidentiality

The Asahi Kasei Group has measures in place to prevent the persons submitting reports to be treated unfairly as a result of their report.

In addition, we strive to protect the confidentiality of the report as well as the personal information of persons submitting reports.

### Applies to

Officers and employees of our Group, business partners and their employees. (Other than officers, those who have been retired for less than one year are eligible as well.)

### Matters addressed

There are no restrictions on what can be reported. The hotline receives reports on a broad range of matters, including human rights violations such as discrimination and harassment, and corruption, such as bribery.

### Response method

Reports can be both made either anonymously or using one's real name, either over internal reporting system or in writing (addressed to a designated law office).

## Reports and responses

During fiscal 2024 there were 81 reports and consultations made through the hotline system. None of them regarded significant matters which would affect the performance of operations. Of these, five were reports or consultations related to human rights issues such as discrimination and harassment.

## Anti-corruption

The Asahi Kasei Group endorses the UN Global Compact and has proclaimed that it will "work against corruption in all its forms, including extortion and bribery." Corruption including bribery is clearly prohibited within the Asahi Kasei Group Code of Conduct as well.

The Asahi Kasei Group is keenly aware that bribery is a major risk factor that severely damages trust in a corporation. Bribery Prevention is one of our Group Principles, which clearly outlines our basic approach and management systems for preventing bribery. Each company in the Asahi Kasei Group formulates and applies its own regulations based on this.

➤ [Asahi Kasei Group Basic Policies for Prevention of Bribery](#)  (92.5KB)

### 1. Procedures

Transactions subject to procedures under these regulations directly or indirectly involve counterparties in (1) the public sector (regardless of country) and (2) the private sector in certain countries with commercial bribery regulations. Specifically, receiving or providing a meal or gift or providing donations is only permitted after obtaining the advanced screening and approval of the prescribed person in charge of each organization. Due diligence is conducted to check the suitability of business partners from the standpoint of bribery prevention in terms of transactions that fulfill certain formats of concern in terms of bribery prevention, such as contracts with agents and distributors. In addition, business partners are informed of our basic policy on bribery prevention and they are required to sign a pledge or include contractual provisions on the declaration of compliance with anti-bribery related laws.

### 2. Education

We provide educational opportunities to all group company employees, including those outside of Japan, in the form of e-learning and in-house training on overall prevention of corruption (bribery, money laundering, fraud, etc.)

### 3. Monitoring

We carry out internal audits periodically as well as evaluate and review the management framework for bribery prevention in order to maintain a continuous and effective framework for bribery prevention.

### 4. Consulting and Reporting

We have put into place a framework by which employees can consult with a legal department in Japan or at overseas offices in case uncertainties or doubts arise regarding bribery during the course of their daily work.

In case an employee discovers a violation of or act that could violate bribery laws, they are required to report the matter immediately to the prescribed person in charge.

Our whistleblowing system also enables suppliers and their employees to report or consult regarding bribery and other aspects of corruption.

### 5. Legal Violations related to Corruption

In fiscal 2024, there were no cases where an employee was dismissed or subjected to legal proceedings due to corruption.

## Responding to Suppliers

We have also included questions related to anti-corruption for suppliers in our CSR Procurement Questionnaire to ensure that the entire Group is involved in the prevention of bribery.

## Political contributions

In terms of political contributions, we have established a system of checks and balances based on company rules to ensure compliance with the Political Funds Control Act. Political contributions are made only after the required pre-approvals are obtained. Our political contributions in fiscal 2024 were ¥16,050,000 (Asahi Kasei Group total).

## Compliance with antimonopoly and competition laws

One of our Group Principles is Compliance with Competition Related Laws and Regulations. Each company in the Asahi Kasei Group formulates regulations for complying with competition laws accordingly, and we prohibit any actions that violate competition laws in each country. To prevent acts which would constitute or arouse suspicion of participation in a cartel, standards are set for attendance at industry gatherings, and inappropriate contact and information exchange with competitors are prohibited. Furthermore, across-the-board price revisions for products sold in Japan require submission to our Market Compliance Committee which includes the Executive Officer for Compliance among its members, confirmation of the reason for the price revision, and confirmation that there is no violation of antimonopoly law prior to implementation.

## Compliance with export-related laws

One of our Group Principles is Trade Risk Management. Based on this, each company in the Asahi Kasei Group formulates regulations related to export control, and strictly complies with relevant laws, such as the Foreign Exchange and Foreign Trade Act. In Japan, all products exported by group companies are subject to screening for applicability of export restrictions and examination of customers. We are building a system where, if a permit is required, application to the Ministry of Economy, Trade and Industry is made after obtaining internal company approval. To ensure awareness and understanding of the requirements of relevant laws, regulations, and internal company rules, periodic training sessions are held and the related departments undergo paper and onsite audits annually.

## Ethical Considerations in Pharmaceuticals Development

Asahi Kasei Pharma, which engages in the research and development of pharmaceuticals, ensures ethical considerations and full compliance with laws and guidelines on animal testing. See below for further details.

➤ Asahi Kasei Pharma 

# Risk Management

Corporate Governance | Compliance | **Risk Management** | Tax Policy

## Policy

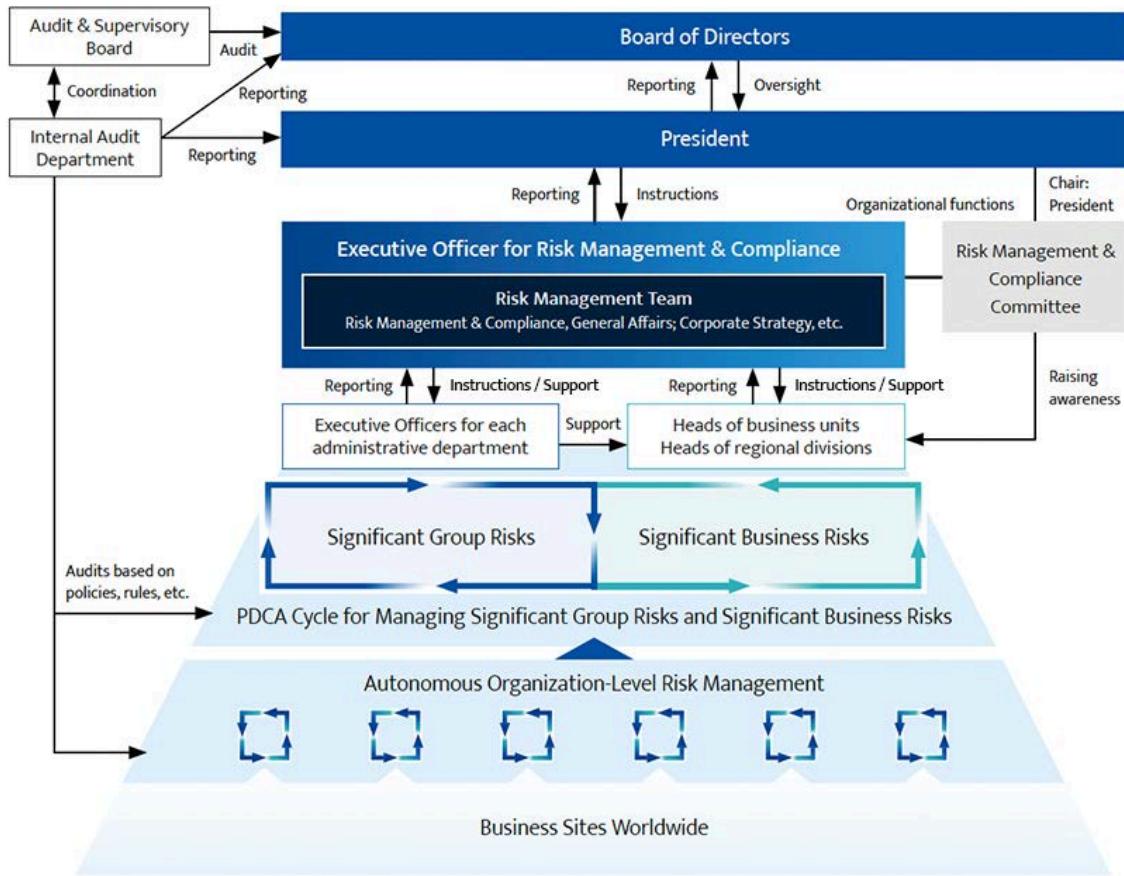
The Asahi Kasei Group has established and is working to reinforce basic guidelines for risk management and emergency response in the Asahi Kasei Group's business operations in accordance with the Asahi Kasei Group Basic Regulation for Risk Management & Compliance.

## Strengthening risk management

The Asahi Kasei Group has a variety of businesses across the three business sectors of Material, Homes, and Healthcare, and we are expanding business activities globally in a wide variety of fields. In this tumultuous business environment, we aim to reduce threats and capitalize on opportunities presented by changes and uncertainty that may impact Asahi Kasei Group management and business, by continuing to expand risk management activities as a united Group, through a combination of adapting to the characteristics of each sector and business and responding in an interorganizational manner across the Asahi Kasei Group.

## Risk Management Processes and Risk Management Framework

Under the supervision of the Board of Directors, the Executive Officer for Risk Management and Compliance assists the President, who is responsible for overall risk management. Under the direction of the President, said Executive Officer promotes risk management activities, and gives instruction and support to each department head (Executive Officers for administrative departments, heads of business departments, etc.) regarding individual risk response measures. Additionally, we have established a Risk Management Team under the Executive Officer for Risk Management and Compliance. The team monitors the activities of each internal department, supports specific risk countermeasures, and promotes stronger interorganizational collaboration between administrative departments and business departments. The Risk Management & Compliance Committee, chaired by the President, ensures that all department leaders are well informed of management-level decisions and instructions regarding risk management.



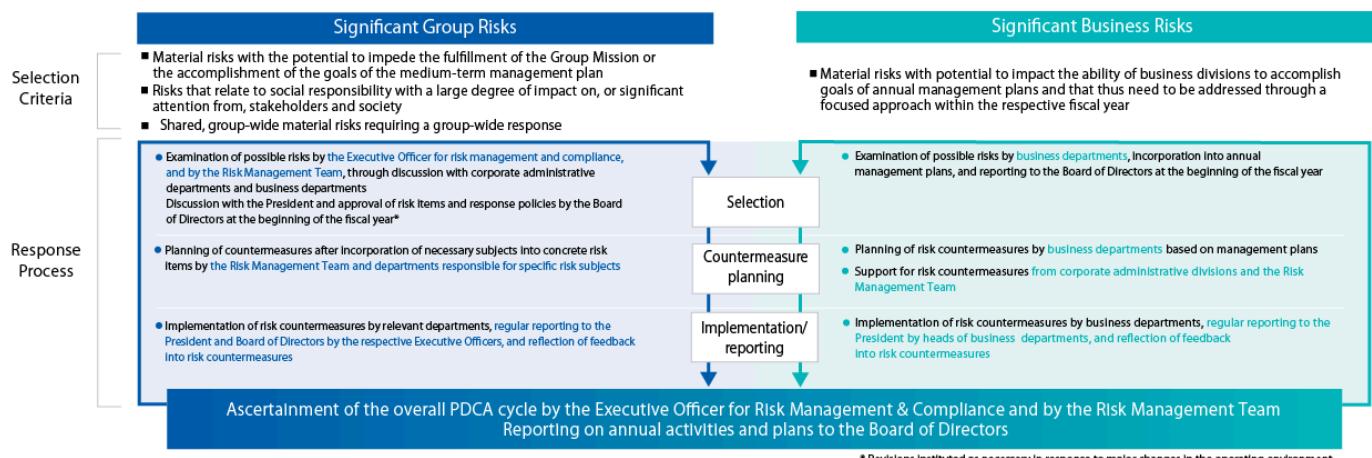
## Risk management through Group-wide activities and individual business department activities

We clearly designate the risk response leader in the administrative departments and business departments, establish autonomous risk management by each organization as a foundation, and then implement risk management with regular inclusion of a Group-wide perspective.

Significant Group Risks are risks that may severely impact management across the entire Group. These risks are established by a resolution by the Board of Directors, and the administrative department takes the lead in managing these risks in an interorganizational manner. Significant Business Risks are risks that may severely impact a business or may hinder the achievement of annual management plans based on the business's unique characteristics. Each business department selects these risks, implements countermeasures, and reports all response conditions to the Board of Directors. The Asahi Kasei Group engages in risk management as a combination of these two activities.

Furthermore, starting in fiscal 2024, we will reinforce organizational risk management activities that are closer to the workplace, as we engage in initiatives to strengthen workplace-focused awareness.

## Risk management PDCA cycle (Significant Group Risks and Significant Business Risks)



## Significant Group Risks and course of action regarding the principal initiatives in fiscal 2025

| Significant Group Risks   |  | Course of action regarding the principal initiatives  |
|---|--|---|
| <b>Risks of accidents at Japanese and overseas production sites, and risks involving laws and regulations on the environment, safety and health</b> |  | <ul style="list-style-type: none"> <li>Reinforcement and enhancement of Life Saving Actions (defining and thoroughly enforcing prohibited actions to eliminate serious occupational accidents)</li> <li>Improvement of fire prevention and extinguishing technology at each production site</li> <li>Identification of sources of hazard at each production site, transmission and education of process safety technologies, and thorough PDCA cycle for responding to abnormalities</li> <li>Disseminating information on laws, regulations and legal revisions, and thorough education</li> </ul>   |
| <b>Quality fraud risk in Japan and overseas<br/>(including risks related to laws, regulations, and certifications, etc.)</b>                        |  | <ul style="list-style-type: none"> <li>Fostering quality awareness and culture through regular dialogue between management and the workplace</li> <li>Quality education and strengthen transmission of information on quality risks, by Corporate Quality Assurance</li> <li>Strengthening of governance through quality inspections and enhancement of training of quality assurance human resources</li> <li>Dissemination of information on laws and regulations and legal revisions, thorough provision of training, assignment of specialist personnel, and strengthening of the internal consultation system</li> <li>Strengthening of compliance with laws and regulations through establishment of systems</li> </ul> |
| <b>Risks related to economic security and global supply chains</b>  | <b>Risks related to US tariff policy</b> | <ul style="list-style-type: none"> <li>Regarding the increase in cost of procuring raw materials for our subsidiaries located in the US, we are looking to shift the cost of the increased tariff burden onto the sales price as we dialogue with clients, while also examining the utilization of tariff reduction measures such as a drawback program</li> <li>Regarding export to the US by the Asahi Kasei Group in Japan or other countries in which we are located, we are revising our global strategy as necessary with an eye on US demand trends, and researching and developing high value-added products that are less influenced by price competition</li> </ul>   |

| Significant Group Risks   |  | Course of action regarding the principal initiatives   |
|---|--|--|
|   | <b>Risks related to tighter economic sanctions and export control regulations (both upstream and downstream)</b> | <ul style="list-style-type: none"> <li>Timely understanding of legal and regulatory developments and advance consultations with relevant authorities and experts as necessary before implementing necessary response</li> <li>Careful transaction screenings using a deal partner screening system</li> </ul>  |
|   | <b>Risks related to corporate activities due to geopolitical issues</b>  | <ul style="list-style-type: none"> <li>Understanding the impact that economic security risks and geopolitical risks exert on business strategy, and examining and implementing countermeasures</li> <li>Establishment of contingency scenarios in case of materialization of geopolitical risks, understanding the impact on employee safety, procurement, sales, and other business activities, and implementing and examining countermeasures</li> <li>Specification of the initial response and BCP to be implemented by the emergency response headquarters in emergency situations</li> </ul>   |
|   | <b>Risks related to human rights (both upstream and downstream)</b>  | <ul style="list-style-type: none"> <li>Promotion of business activities in line with the Asahi Kasei Group Human Rights Policy</li> <li>Fostering of awareness and culture of respect for human rights through the implementation of human rights due diligence, education and awareness-raising activities</li> </ul>   |
|   | <b>Risks related to procurement of raw materials and other materials</b>   | <ul style="list-style-type: none"> <li>Visualization of raw material procurement risks and priorities for each business, and enhancement of corporate support system</li> <li>Diversification of procurement routes for raw materials for major products and businesses and maintenance of appropriate levels of inventories</li> <li>Thorough search for and maintenance of alternative suppliers for equipment and materials in case of uncertain supply</li> <li>Review of methods for managing delivery dates and replacement dates of equipment and materials</li> </ul>  |
| <b>Risks related to cybersecurity and the management of technical information</b> | <b>Risks related to cybersecurity and communications infrastructure</b>  | <ul style="list-style-type: none"> <li>Implementation of flexible and speedy countermeasures against ever more sophisticated cyber-attacks through employee education to raise security awareness and "technical measures" using security systems</li> <li>Training in and implementation of BCP measures to maintain communication and information access in the event of a major disaster</li> <li>Strengthening security monitoring of overseas group companies, and developing measures to handle risks</li> <li>Strengthening cyber incident response capabilities through participation in public-private joint exercises and information-gathering in coordination with external organizations</li> </ul> |

| Significant Group Risks   |  | Course of action regarding the principal initiatives  |
|---|--|---|
|   | <b>Risks of technical information leakage</b>                | <ul style="list-style-type: none"> <li>Establishment of rules for managing technical information and strengthening measures to prevent leakage</li> <li>Strengthening of the centralized group-wide monitoring system to prevent leakage</li> <li>Strengthening awareness-raising activities for employees</li> <li>Establishing stricter, more sophisticated monitoring using confidential information systems and expanding the scope of the information covered</li> </ul> |
| <b>Risks related to natural disasters, pandemics, terrorism and conflicts</b> | <b>Head office and office districts (Japan and overseas)</b> | <ul style="list-style-type: none"> <li>Formulating response policies and manuals based on past cases such as large-scale natural disasters and pandemics, and implementation of drills for risk occurrence</li> <li>Establishment of action manuals for overseas contingencies such as terrorism and conflicts</li> </ul>   |
|   | <b>Manufacturing sites (Japan and overseas)</b>              |   |

The following other risks are monitored by the Board of Directors as risks that may have a significant impact on the Group's management.

| Other significant risks                | Course of action regarding the principal initiatives   |
|--|--|
| <b>Risks related to M&amp;A</b>        | <ul style="list-style-type: none"> <li>Careful implementation of due diligence on companies under consideration for acquisition</li> <li>Careful verification of post-merger integration plans</li> </ul>                  |
| <b>Risks related to climate change</b> | <ul style="list-style-type: none"> <li>Timely understanding climate change and related governmental policy trends, and examining and promoting countermeasures in consideration of both risks and opportunities</li> </ul> |

➤ [Risk Analysis](#)

## Risk management system based on external standards

To ensure transparency in its risk management system and reporting, the Group references external standards that include frameworks and standards such as the GRI, the Ministry of the Environment "Environmental Reporting Guidelines (2018)," SASB Standards, ISO 26000, and others.

➤ [Guidelines consulted](#)

## Handling ESG risks

In light of environmental issues such as climate change as well as changes in industrial structure, decreases in the working population, and so on, it is possible that new ESG-related risks will become apparent from social changes related to sustainability. We address these ESG risks as a vital management issue. In particular, given that our businesses rely heavily on energy, addressing climate change is essential, and we consider it to present both risks and opportunities in terms of management. Based on this mindset, we conducted an analysis of the risks and opportunities present in the various scenarios that could result from climate change based on their level of severity in keeping with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and devised countermeasures. We are working to make responsible parties in Corporate Strategy and each business sector aware of these results and take appropriate action.

- Disclosure based on TCFD Framework

## Information Security

Recognizing the importance of countermeasures to protect against information security risks, we established the Asahi Kasei Group Information Security Policy and aim to ensure and further improve information security. In particular, due to the sharp rise and growing sophistication of cyber-attacks, we are strengthening detection and response tools, building any timely escalation and response systems in the case of an incident, and implementing security awareness-raising policies for employees globally through e-learning and email training.

### Asahi Kasei Group Information Security Policy

As ensuring information security is an important management responsibility, the Asahi Kasei Group declares that it faithfully applies its established information security policy.

#### 1. Compliance

We comply with laws and internal regulations concerning information security.

#### 2. System Establishment

We have an established system to safeguard information security throughout the organization.

#### 3. Implementation of Countermeasures

We implement appropriate information security countermeasures corresponding to our information assets to prevent information security incidents. In the event that an incident occurs, we respond swiftly and appropriately, strive to minimize any damage, and endeavor to prevent any recurrence.

#### 4. Education of Employees

We provide information security training to all employees to ensure full awareness of the importance of information security and the proper use of information assets.

#### 5. Continuous Improvement

We assess our efforts for information security, and apply improvements as necessary to safeguard information security continuously.

Established December 1, 2016

## Protection of Personal Information

The Asahi Kasei Group is committed to the proper handling of personal information as we are aware of the serious responsibility to properly manage personal information we obtain and use, and we have formulated regulations for handling personal information at each company in accordance with the Asahi Kasei Group Principles for Personal Information Management. An information security handbook which describes our rules for handling information is distributed to all employees, and education is performed via e-learning.

- Privacy Policy

## Protection of intellectual property

In order to prevent the unintentional leakage of important technical information to outside the Asahi Kasei Group, we have enacted management regulations and issued "Guidelines for the Prevention of Technology Leakage from Technology Sites" and "Guidelines for the Prevention of Technology Leakage through Licensing." We are also committed to centralizing management of important technical information at each business unit, reporting to Management Council, expanding improvement activities, and implementing educational and awareness-raising activities for employees such as e-learning, etc.

For more information about our intellectual property, please refer to the Asahi Kasei Group Intellectual Property Report.

- Asahi Kasei Group Intellectual Property Report

## Crisis response system

Due to accidents, incidents, or problems, if Asahi Kasei Group operations are significantly damaged or the business activities of our Group would cause serious adverse effects on the general public, we have a system to establish a group emergency response headquarters which works with the relevant departments to ensure that the proper response is taken.

In fiscal 2017, we established the Asahi Kasei Group Emergency Response Regulation which stipulates basic policy when an emergency occurs, standards to institute an Emergency Response Headquarters, and the functions thereof.

Regarding response to natural disasters, we have formulated risk assessments, a damage mitigation plan, and an emergency response plan for each production site, as we pursue countermeasures that include continual training. In addition, at the head office location in fiscal 2024, we compiled an Asahi Kasei Group Safety Measures Headquarters Manual as preparation for a large-scale earthquake, and confirmed our first-response readiness at the safety measures headquarters with training and implementation of a hypothetical large-scale disaster. Moving forward, we will implement natural disaster training using different hypothetical conditions, prepare BCPs, and ensure that our countermeasures are even more thorough.

# Tax Policy

Corporate Governance | Compliance | Risk Management | **Tax Policy**

## Asahi Kasei Group Tax Policy

The Asahi Kasei Group endeavors to thoroughly comply with the laws and regulations of each country, and to prepare and appropriately apply internal company rules, based on the Asahi Kasei Group Code of Conduct.

In terms of tax, the Asahi Kasei Group also complies with the tax laws of each country in which it operates and makes appropriate tax payments in accordance with the laws by performing tax treatment based on internal company rules.

In addition, in order to maximize free cash flow, the Asahi Kasei Group makes its best effort to minimize tax risks, implement appropriate tax planning strategies, and make use of any available tax incentives. As a result, the Asahi Kasei Group aims at the maximization of corporate value.

### 1. Tax Compliance

The Asahi Kasei Group complies with the tax laws and regulations of each country in which it operates, as well as taxes guidelines published by the OECD. In addition, the Asahi Kasei Group ensures that each group company files tax returns and pays taxes within the due dates stipulated in each country.

### 2. Tax Governance

In the Asahi Kasei Group Code of Conduct that is obligatory for all officers and employees, the Asahi Kasei Group establishes that each group company understands the tax laws and performs proper and lawful tax treatment based on such laws, regulations, and internal company rules. Moreover, based on the Asahi Kasei Group Accounting Regulations, each group company is required to develop practical management of tax governance and appropriately report on their tax situation.

### 3. Managing Tax Risk

The Asahi Kasei Group performs tax treatment based on the tax laws, regulations, and internal company rules. However, the Asahi Kasei Group realizes that, in some cases, a difference of opinion with a tax authority may arise. If this is the case, the Asahi Kasei Group endeavors to mitigate tax risks by seeking the advice of qualified external tax advisors such as tax accountants' corporation and consulting with the tax authorities in advance as appropriate.

### 4. Tax Planning

The Asahi Kasei Group realizes that it is important to undertake effective tax planning for commercial purposes. We implement tax planning conducive to cash flow in accordance with the legislative intent underlying the tax laws and regulations, and does not engage in tax avoidance that lacks economic rationality, such as transferring profits to tax havens. In case that any income is subject to CFC rules in accordance with the tax laws and regulations of each country as a result of carrying out plans for commercial purposes, we file a tax return and pays tax appropriately.

## 5. Transfer Pricing

The Asahi Kasei Group realizes that prices in executing international related party transactions are easily arbitrarily determined and it likely results in a tax risk in each country. In accordance with the transfer pricing taxation of each country, we establishes prices for international transactions that are in accordance with the arm's length principle and prepares transfer pricing documentation.

## 6. Tax Incentives

In each country in which the Asahi Kasei Group operates, various kinds of tax incentives have been introduced based on government policy. We continually study the applicable laws and proactively make use of any available tax incentives to the extent that they fall within the scope of commercial purposes.

## 7. Relationship with Tax Authorities

The Asahi Kasei Group endeavors to build and sustain mutually respectful relationships with the tax authorities by responding to inquiries in good faith. We endeavor to address items suggested in tax audits appropriately.

## Income Taxes

| Fiscal 2024                    | Japan          | Overseas <sup>2</sup> | Total         |
|--------------------------------|----------------|-----------------------|---------------|
| Income taxes paid <sup>1</sup> | - ¥3.4 billion | ¥48.9 billion         | ¥45.5 billion |

<sup>1</sup> Based on the consolidated statements of cash flows of Asahi Kasei Corp. for the fiscal year ended March 2025

<sup>2</sup> Including corporate taxes paid by Japanese subsidiaries under certain overseas subsidiaries



## ESG Data

### Environment

### Society

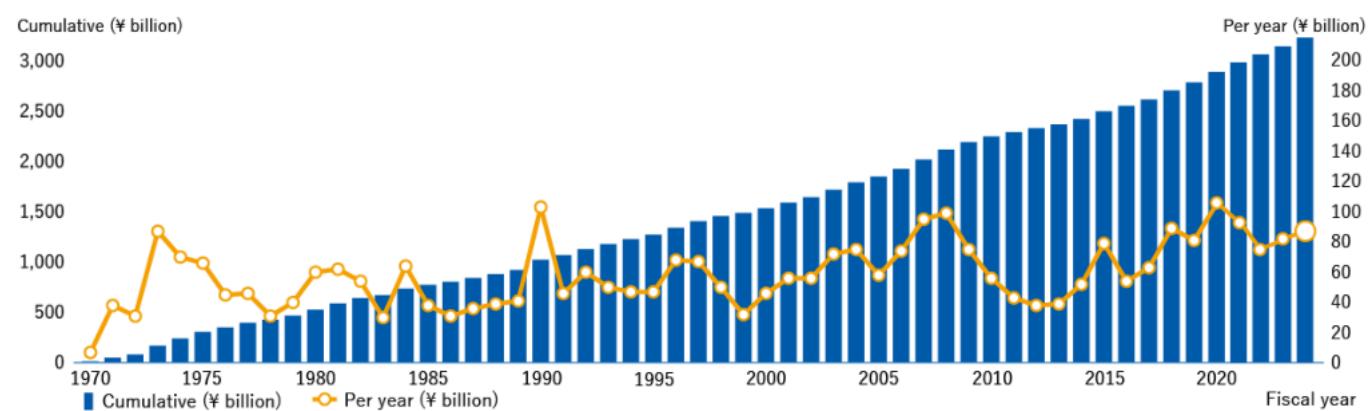
### Governance

The Asahi Kasei Group publishes cost and performance data concerning its environmental activities.

## Investment for Environmental Protection and Safety

The Asahi Kasei Group has invested the necessary management resources in ESH & QA activities. Investments in environmental protection and safety-related facilities up to fiscal 2024 are shown below.

### Investment for Environmental Protection and Safety

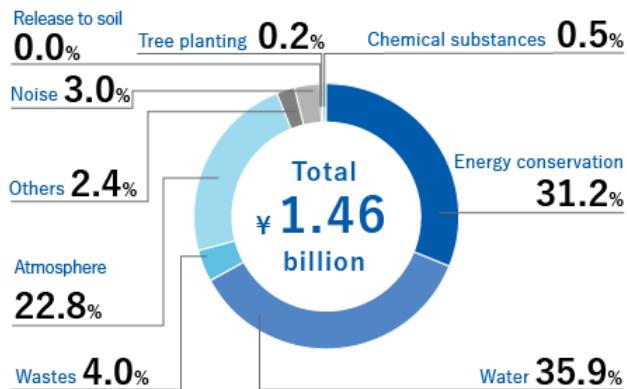


### Investment for Environmental Protection and Safety

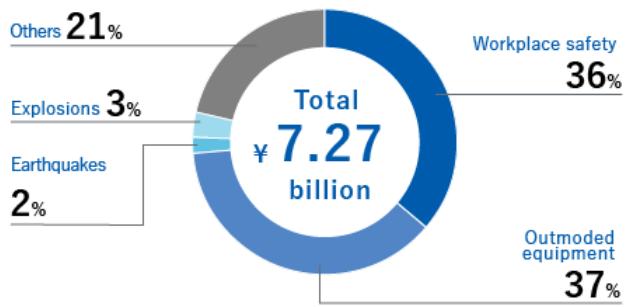
(¥ billion)

|                          | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--------------------------|--------|--------|--------|--------|--------|
| Environmental protection | 38.8   | 28.0   | 26.5   | 25.5   | 14.6   |
| Safety                   | 66.3   | 64.3   | 48.5   | 56.2   | 72.7   |
| Total                    | 105.2  | 92.3   | 75.0   | 81.7   | 87.3   |

## Investments in environmental protection-related facilities (fiscal 2024)



## Investments in safety-related facilities (fiscal 2024)



## Environmental Accounting

We classify the cost of our measures for environmental protection in accordance with cost classification standards promulgated by the Ministry of the Environment.

### Environmental accounting

| Cost classification |                                 | FY2020     |         | FY2021     |         | FY2022     |         | FY2023     |         | FY2024     |         |
|---------------------|---------------------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
|                     |                                 | Investment | Expense |
| 1                   | Combined operation area         | 3,628      | 7,666   | 2,755      | 9,914   | 2,098      | 10,080  | 1,928      | 10,610  | 1,708      | 9,264   |
|                     | Pollution prevention            | 2,241      | 5,186   | 1,399      | 6,923   | 1,017      | 6,785   | 1,307      | 7,177   | 1,125      | 5,809   |
|                     | Global environmental protection | 1,246      | 689     | 1,069      | 955     | 945        | 963     | 442        | 1,027   | 472        | 1,080   |
|                     | Resource circulation            | 142        | 1,792   | 287        | 2,036   | 136        | 2,332   | 180        | 2,407   | 111        | 2,375   |
| 2                   | Upstream and downstream         | 0          | 102     | 0          | 104     | 0          | 167     | 0          | 102     | 0          | 7       |
| 3                   | Management activities           | 25         | 654     | 19         | 1,294   | 136        | 1,953   | 38         | 1,409   | 41         | 689     |
| 4                   | R&D                             | 228        | 2,185   | 198        | 1,793   | 374        | 2,628   | 674        | 2,837   | 103        | 4,812   |
| 5                   | Community outreach              | 0          | 18      | 0          | 17      | 0          | 25      | 0          | 21      | 0          | 48      |
| 6                   | Environmental damage            | 3          | 196     | 4          | 199     | 0          | 542     | 0          | 217     | 0          | 245     |
|                     | Total                           | 3,885      | 10,822  | 2,976      | 13,321  | 2,608      | 15,395  | 2,641      | 15,197  | 1,852      | 15,064  |

## Environmental Management

### Number and percentage of sites with environmental management system certification (fiscal 2024)

| Certification | Number of certified sites |          | Percentage of certified sites (%) |
|---------------|---------------------------|----------|-----------------------------------|
|               | Japan                     | Overseas |                                   |
| ISO14001      | 22                        | 37       | 79                                |

## Climate change

### Trends in greenhouse gas emissions by scope

| Scope / Category      |   |   | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-----------------------|---|---|--------|--------|--------|--------|--------|
| Scope 1               |   |   | 3.01   | 3.10   | 2.83   | 2.38   | 2.49   |
| Scope 2               |   |   | 0.90   | 0.94   | 0.83   | 0.79   | 0.70   |
| Total (Scope 1 and 2) |   |   | 3.91   | 4.03   | 3.67   | 3.17   | 3.19   |
| Scope 3               | 1 | Purchased goods and services  | 4.62   | 4.72   | 4.78   | 4.10   | 4.51   |
|                       | 2 | Capital goods   | 0.39   | 0.45   | 0.44   | 0.47   | 0.56   |
|                       | 3 | Fuel and energy-related activities (not included in Scope 1 or Scope 2) | 0.78   | 0.77   | 0.86   | 0.69   | 0.90   |
|                       | 4 | Upstream transportation and distribution                                | 0.25   | 0.24   | 0.24   | 0.20   | 0.21   |
|                       | 5 | Waste generated in operations   | 0.00   | 0.07   | 0.07   | 0.07   | 0.07   |
|                       | 6 | Business travel   | 0.00   | 0.00   | 0.02   | 0.02   | 0.03   |
|                       | 7 | Employee commuting  | 0.03   | 0.03   | 0.03   | 0.03   | 0.03   |
|                       | 8 | Upstream leased assets  | -      | -      | -      | -      | -      |
|                       | 9 | Downstream transportation and distribution                              | -      | -      | -      | -      | -      |

| Scope / Category |   | FY2020       | FY2021       | FY2022       | FY2023       | FY2024       |
|------------------|---|--------------|--------------|--------------|--------------|--------------|
| 10               | <b>Processing of sold products</b>            | -            | -            | -            | -            | -            |
|                  | <b>Use of sold products</b>                   | 1.34         | 1.92         | 1.60         | 1.39         | 1.37         |
|                  | <b>End-of-life treatment of sold products</b> | 5.87         | 5.95         | 5.98         | 4.92         | 5.53         |
|                  | <b>Downstream leased assets</b>               | -            | -            | -            | -            | -            |
|                  | <b>Franchise</b>                              | -            | -            | -            | -            | -            |
|                  | <b>Investment</b>                             | -            | -            | -            | -            | -            |
|                  | <b>Total (Scope 3)</b>                        | <b>13.28</b> | <b>14.15</b> | <b>14.00</b> | <b>11.89</b> | <b>13.19</b> |

Notes:

• Calculation method for Scope 3:

Our Scope 3 GHG emissions are calculated using the Corporate Value Chain (Scope 3) Accounting and Reporting Standard and its technical guidance issued by the Greenhouse Gas Protocol. For the greenhouse gas emission factors, we used data available in the Carbon Footprint Communication Program database prepared by the Japan Environmental Management Association for Industry and the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID): Inventory Data for LCA prepared by the National Institute for Environmental Studies, Japan until fiscal 2019.

Since fiscal 2020, we have referred to the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID) (2015): Inventory Data for LCA prepared by the National Institute for Environmental Studies, Japan, IDEA v2.3 by the National Institute of Advanced Industrial Science and Technology, and the Emissions Unit Value Database Ver3.5 for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain issued by the Ministry of the Environment, etc.

• Calculation method for purchased products and services:

Items with emissions equal to or greater than 4,000 tons of equivalent were included. The emissions were calculated by multiplying the amounts, either in physical or monetary units, of products and services purchased from outside the Asahi Kasei Group by Asahi Kasei Corp. and its major overseas consolidated subsidiaries, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Microdevices, and Asahi Kasei Medical by the respective emission factor for each type of raw material or service.

• Calculation method for waste generated from business operations:

From fiscal 2021, the activity volume was changed from final disposal volume to effluent volume.

• Calculation method for use of sold products:

Until fiscal 2020, the calculation was based on the calculation standards set by Asahi Kasei Homes and using the emissions intensity from Housing Tech. R&D Labs' report. The period covered by the calculation was calculated based on the number of Hebel houses (detached houses and apartment buildings) delivered in each fiscal year (before fiscal 2020, based on the number of houses delivered; in fiscal 2020, based on the total floor area of Hebel houses delivered). The calculation period was set to 60 years of useful life, and the CO<sub>2</sub> emissions reduction effect based on the actual installation of energy-saving equipment, which differs in each case, was deducted from the calculation.

From fiscal 2021, the following calculations were made using the Building Research Institute's "Energy Consumption Performance Calculation Program (Residential Version)" for house for which a certificate of confirmation was issued during the fiscal year.

Σ (annual energy use by energy type per household × emission factor by energy type) × useful life (60 years)

Emission factor by energy type (FY2024)

**Emission factor** : Electricity 0.423 (t-CO<sub>2</sub>/thousand kWh) and 8.64 (GJ/thousand kWh), city gas 0.051 (t-CO<sub>2</sub>/GJ), kerosene 0.069 (t-CO<sub>2</sub>/GJ)

• Calculation method for end-of-life treatment of sold products:

For Asahi Kasei Corp. and its major overseas consolidated subsidiaries, Asahi Kasei Construction Materials, Asahi Kasei Microdevices, and Asahi Kasei Medical, emissions are calculated by multiplying the weight of products purchased each fiscal year by the CO<sub>2</sub> emission factor at the time of disposal for each product.

For Asahi Kasei Homes, emissions are calculated by multiplying the number of Hebel Haus units delivered each fiscal year by the CO<sub>2</sub> emission factor per building.

## Trends in greenhouse gas emissions in Japan

| Item                                    | Index set at Kyoto Protocol (1990) | Baseline year (2005) | million tons CO <sub>2</sub> equivalent |             |             |             |             |
|---|------------------------------------|----------------------|---|-------------|-------------|-------------|-------------|
|   |                                    |                      | FY2020                                  | FY2021      | FY2022      | FY2023      | FY2024      |
| Carbon dioxide (CO <sub>2</sub> )       | 5.06                               | 4.96                 | 2.51                                    | 2.75        | 2.51        | 2.12        | 2.15        |
| Methane (CH <sub>4</sub> )              | 0.00                               | 0.01                 | 0.00                                    | 0.00        | 0.00        | 0.00        | 0.00        |
| Nitrous oxide (N <sub>2</sub> O)        | 6.82                               | 0.76                 | 0.29                                    | 0.09        | 0.08        | 0.06        | 0.05        |
| Hydrofluorocarbons (HFCs)               | 0.16                               | 0.02                 | 0.03                                    | 0.03        | 0.03        | 0.03        | 0.03        |
| Perfluorocarbons (PFCs)                 | 0.01                               | 0.14                 | 0.06                                    | 0.01        | 0.01        | 0.00        | 0.00        |
| Sulfur hexafluoride (SF <sub>6</sub> )  | 0.00                               | 0.04                 | 0.01                                    | 0.00        | 0.00        | 0.00        | 0.01        |
| Nitrogen trifluoride (NF <sub>3</sub> ) | -                                  | -                    | 0.00                                    | 0.00        | 0.00        | 0.00        | 0.00        |
| <b>Total</b>                            | <b>12.06</b>                       | <b>5.92</b>          | <b>2.91</b>                             | <b>2.87</b> | <b>2.62</b> | <b>2.22</b> | <b>2.24</b> |

### Notes:

- Calculation standards for greenhouse gas emissions: For greenhouse gases covered by the Act on Rationalization of Energy Use and Shift to Non-fossil Energy and the Act on Promotion of Global Warming Countermeasures, calculations are in accordance with the methods stipulated by these laws. For gases not covered by either law, calculation methods are based on considerations such as chemical reactions.
- CO<sub>2</sub> emissions from generation of electricity and steam sold to other companies are excluded from data for the baseline year but included in annual data.
- We have used 'basic' CO<sub>2</sub> emission factors for electricity purchased in Japan until FY2019, but we have opted to use 'adjusted' CO<sub>2</sub> emission factors from fiscal 2020 onwards. The impact of this change on CO<sub>2</sub> emissions is minor.

## Overseas greenhouse gas emissions

|                                 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------------------------|--------|--------|--------|--------|--------|
| <b>Greenhouse gas emissions</b> | 1.00   | 1.16   | 1.05   | 0.95   | 0.95   |

Note: Calculation standards for greenhouse gas emissions:

Overseas greenhouse gas emissions are calculated, in principle, based on the provisions given by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures, and CO<sub>2</sub> emissions from the burning of by-product gases are mainly calculated by material balance. Until fiscal 2020, CO<sub>2</sub> emissions associated with purchased electricity were calculated using the latest country-specific emission factors shown in the International Energy Agency's (IEA) Emissions Factors. However, from fiscal 2021, in order to aggregate GHG emissions with values closer to actual situations, we have calculated emissions with the available emission factors in the following order of priority: 1) emission factors of procurement sources, 2) values set by national governments, and 3) IEA country-specific emission factors.

## FY2024 global greenhouse gas emissions by segment

| million tons CO <sub>2</sub> equivalent |          |       |             |       |       |
|---|----------|-------|-------------|-------|-------|
| Item                                    | Material | Homes | Health Care | Other | Total |
| Greenhouse gas emissions                | 2.97     | 0.10  | 0.11        | 0.00  | 3.19  |

CO<sub>2</sub> emissions from product shipment (FY2024)

| Item  | Material | Homes  | Health Care | Other | Total  |
|---|----------|--------|-------------|-------|--------|
| Shipment volume<br>(million ton-km)                               | 662.25   | 310.33 | 4.12        | 0.00  | 976.70 |
| CO <sub>2</sub> emissions (tons of CO <sub>2</sub><br>equivalent) | 38,561   | 34,471 | 745         | 0     | 73,777 |

## Proportion of low-pollution vehicles \*

|                           |                        | (Number of vehicles) |        |        |        |        |
|---------------------------|------------------------|----------------------|--------|--------|--------|--------|
|                           |                        | FY2020               | FY2021 | FY2022 | FY2023 | FY2024 |
| Used on public roads      | Low-pollution vehicles | 1,415                | 1,506  | 1,561  | 1,869  | 1,758  |
|                           | Other                  | 40                   | 44     | 62     | 55     | 48     |
|                           | Subtotal               | 1,455                | 1,550  | 1,623  | 1,924  | 1,806  |
| Used within plant grounds | Low-pollution vehicles | 726                  | 764    | 527    | 611    | 454    |
|                           | Other                  | 66                   | 73     | 149    | 137    | 118    |
|                           | Subtotal               | 792                  | 837    | 676    | 748    | 572    |

|  |                           | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|---------------------------|--------|--------|--------|--------|--------|
| Total                                    | Low-pollution vehicles    | 2,141  | 2,270  | 2,088  | 2,480  | 2,212  |
|  | Other                     | 106    | 117    | 211    | 192    | 166    |
|  | Subtotal                  | 2,247  | 2,387  | 2,299  | 2,672  | 2,378  |
| Proportion of low-pollution vehicles (%) | Used on public roads      | 97     | 97     | 96     | 97     | 97     |
|  | Used within plant grounds | 92     | 91     | 78     | 82     | 79     |
|  | Total                     | 95     | 95     | 91     | 93     | 93     |

\* Low-pollution vehicles : Hybrid-electric vehicles, low-emission vehicles, fuel-efficient vehicles, and all-electric vehicles

## Pollution Prevention and Resource Circulation / Water Resource Preservation

### Asahi Kasei Group disposal of industrial waste

(Volume: thousands of tons, Percentage: %)

| Fiscal year | Category                                    | Waste generated | Material recycling | Chemical recycling | Heat recovery | Volume reduction | Final disposal | Coverage |
|-------------|---|-----------------|--------------------|--------------------|---------------|------------------|----------------|----------|
| 2024        | Japan (of which waste plastic) <sup>2</sup> | 525.8 (19.4)    | 381.1 (7.5)        | 16.2 (1.3)         | 112.8 (10.4)  | 3.7 (0.1)        | 12.0 (0.2)     | -        |
|             | Overseas                                    | 33.3            | 7.6                | 0.4                | 2.5           | 19.6             | 3.2            | -        |
|             | Total                                       | 559.1           | 388.7              | 16.6               | 115.3         | 23.3             | 15.2           | -        |
|             | Percentage (%)                              | 100.0           | 69.5               | 3.0                | 20.6          | 4.2              | 2.7            | 58       |

| Fiscal year       | Category                                    | Waste generated | Material recycling | Chemical recycling | Heat recovery | Volume reduction | Final disposal | Coverage |
|-------------------|---|-----------------|--------------------|--------------------|---------------|------------------|----------------|----------|
| 2023              | Japan (of which waste plastic) <sup>2</sup> | 476.7 (20.4)    | 358.1 (8.7)        | 5.1 (0.8)          | 99.4 (10.6)   | 2.7 (0.1)        | 11.3 (0.2)     | -        |
|                   | Overseas                                    | 37.3            | 7.6                | 0.7                | 2.6           | 4.0              | 22.5           | -        |
|                   | Total                                       | 514.0           | 365.7              | 5.8                | 102.0         | 6.7              | 33.9           | -        |
|                   | Percentage (%)                              | 100.0           | 71.2               | 1.1                | 19.8          | 1.3              | 6.6            | 60       |
| 2022 <sup>1</sup> | Japan (of which waste plastic) <sup>2</sup> | 555.7 (21.3)    | 430.0 (9.2)        | 4.9 (0.9)          | 104.9 (10.8)  | 3.2 (0.1)        | 12.6 (0.3)     | -        |
|                   | Overseas                                    | 45.2            | 16.0               | 0.8                | 3.5           | 2.9              | 22.0           | -        |
|                   | Total                                       | 600.9           | 446.0              | 5.7                | 108.4         | 6.1              | 34.7           | -        |
|                   | Percentage (%)                              | 100.0           | 74.2               | 1.0                | 18.0          | 1.0              | 5.8            | 61       |
| 2021              | Japan <sup>3</sup>                          | 530.4           | 385.3              | 8.7                | 124.5         | 2.6              | 9.5            | -        |
|                   | Overseas                                    | 47.1            | 15.6               | 0.4                | 2.0           | 4.8              | 24.4           | -        |
|                   | Total                                       | 577.5           | 400.8              | 9.0                | 126.4         | 7.3              | 33.9           | -        |
|                   | Percentage (%)                              | 100.0           | 69.4               | 1.6                | 21.9          | 1.3              | 5.9            | 62       |
| 2020              | Japan <sup>3</sup>                          | 541.9           | 398.3              | 8.5                | 122.2         | 2.4              | 10.5           | -        |
|                   | Overseas                                    | 29.1            | 8.4                | 0.5                | 1.3           | 3.8              | 15.0           | -        |
|                   | Total                                       | 571.0           | 406.6              | 9.1                | 123.6         | 6.3              | 25.4           | -        |
|                   | Percentage (%)                              | 100.0           | 71.2               | 1.6                | 21.6          | 1.1              | 4.5            | -        |

<sup>1</sup> The definitions of "material recycling" and "heat recovery" were changed in FY2022<sup>2</sup> Disposal of waste plastics based on the Plastic Resource Circulation Act (excluding valuable resources)<sup>3</sup> Changed to include industrial waste from the domestic homes business in FY2022; figures for previous years have been revised accordingly

## Emissions of specially controlled industrial waste\*

| Fiscal year                                  |  | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--|------|------|------|------|------|
| <b>Specially controlled industrial waste</b> |  | 34.7 | 23.1 | 18.6 | 14.6 | 19.9 |

\* Specially controlled industrial waste is industrial waste that is explosive, toxic, infectious, or has other characteristics that may be hazardous to human health or the living environment

## Recycled volume of Hebel™ from Asahi Kasei Construction Materials

|                                    | FY2020     | FY2021     | FY2022     | FY2023     | FY2024     |
|------------------------------------|------------|------------|------------|------------|------------|
| <b>Hebel™ panels</b>               | 350        | 217        | 325        | 306        | 325        |
| <b>Cement materials</b>            | 259        | 194        | 202        | 112        | 192        |
| <b>Lightweight artificial soil</b> | 0          | 0          | 0          | 0          | 0          |
| <b>Total</b>                       | <b>609</b> | <b>411</b> | <b>527</b> | <b>418</b> | <b>516</b> |

## Maintenance and management status of waste treatment facilities \*

| Facility                                   | FY2022   | FY2023   | FY2024   | FY2025   |
|--|--|--|--|--|
| Kawasaki Works Incineration Plant (W-1000) | 2022 Results  (409.2KB) | 2023 Results  (239.2KB) | 2024 Results  (408.5KB) | 2025 Results  (264.7KB) |
| Kawasaki Works Incineration Plant (N-1000) | 2022 Results  (395.0KB) | 2023 Results  (232.9KB) | 2024 Results  (393.4KB) | 2025 Results  (251.1KB) |

\* Based on the Act on Waste Management and Public Cleansing, we have posted maintenance and management records for waste treatment facilities owned by our company that are required to publish maintenance and management information.

## Release and transfer of PRTR-specified substances

|                    | (tons) |        |        |        |          |        |
|--------------------|--------|--------|--------|--------|----------|--------|
|                    | FY2000 | FY2020 | FY2021 | FY2022 | FY2023 * | FY2024 |
| Release to air     | 4,720  | 250    | 230    | 400    | 530      | 410    |
| Release to water   | 170    | 50     | 60     | 40     | 70       | 40     |
| Release to soil    | 0      | 0      | 0      | 0      | 0        | 0      |
| Total release      | 4,890  | 300    | 290    | 440    | 600      | 450    |
| Reduction rate (%) | —      | 94     | 94     | 91     | 88       | 91     |
| Transfer           | 2,100  | 2,700  | 2,500  | 2,600  | 3,000    | 3,300  |

\* PRTR-specified substances changed in fiscal 2023 due to regulatory revision.

## VOC\* air emissions

|                    | FY2000<br>(baseline<br>year) | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--------------------|------------------------------|--------|--------|--------|--------|--------|
| Emissions (tons)   | 10,400                       | 920    | 1,000  | 1,200  | 1,000  | 870    |
| Reduction rate (%) | —                            | 91     | 90     | 89     | 90     | 92     |

\* VOC : Volatile organic compound. Although the term generally applies to any organic compound which is in gaseous state at the time of release, regulations for the control of their release exclude methane and some fluorocarbons which do not form oxidants.

## FY2024 release and transfer of PRTR-specified substances

| Company             | Sites     | Substance   | Release to air | Release to water | Release to soil | Releases of VOCs Total | (tons)   |
|---------------------|-----------|---|----------------|------------------|-----------------|------------------------|----------|
|                     |           |   |                |                  |                 |                        | Transfer |
| Asahi Kasei Corp.   | Nobeoka   | 1,1-Dichloroethylene (vinylidene chloride)        | 25             | 0                | 0               | 25                     | 263      |
|                     |           | Dichloromethane (methylene chloride)              | 9              | 0                | 0               | 9                      | 0        |
|                     |           | Chloroethylene (vinyl chloride)                   | 6              | 0                | 0               | 7                      | 0        |
|                     |           | Water-soluble copper salts (except complex salts) | 0              | 17               | 0               | 17                     | 0        |
|                     |           | 1,2-Dichloroethylene                              | 6              | 0                | 0               | 6                      | 61       |
|                     |           | Tetrafluoroethylene                               | 36             | 0                | 0               | 36                     | 0        |
|                     | Moriyama  | Dichloromethane (methylene chloride)              | 12             | 0                | 0               | 12                     | 0        |
|                     |           | N,N-dimethylacetamide                             | 6              | 0                | 0               | 6                      | 196      |
|                     | Mizushima | n-Hexane  | 106            | 0                | 0               | 106                    | 23       |
|                     |           | Vinyl acetate                                     | 8              | 0                | 0               | 8                      | 4        |
|                     | Kawasaki  | n-Hexane  | 42             | 0                | 0               | 42                     | 6        |
|                     |           | Cyclohexane <sup>1</sup>                          | 72             | 0                | 0               | 72                     | 70       |
| Asahi Kasei Medical | Nobeoka   | N,N-dimethylacetamide                             | 2              | 5                | 0               | 7                      | 136      |
| Japan Elastomer     | Oita      | Cyclohexane                                       | 29             | 0                | 0               | 29                     | 4        |

## Notes:

- Substances whose total emissions into the air, water, and soil at a given site are at least five tons/year are listed along with their emission amounts, etc.

<sup>1</sup> Combined total for two workplaces emitting 5 tons or more per year of the substances subject to reporting

## Asahi Kasei Group (Japan) fluorocarbon leakage volume

| Core Operating Companies / Affiliated Companies | FY2021         | FY2022         | FY2023       | FY2024         |
|---|----------------|----------------|--------------|----------------|
| Asahi Kasei Corp.                               | 1,265.3        | 949.9          | 499.4        | 972.3          |
| Asahi Kasei Medical Co., Ltd.                   | 244.4          | 116.7          | 31.0         | 0              |
| Asahi Kasei Pharma Corp.                        | 58             | 99.3           | 33.9         | 0              |
| Asahi Kasei Homes Corp.                         | 3.3            | 40.6           | 1.6          | 0.5            |
| Asahi Kasei Construction Materials Corp.        | 1.2            | 14.2           | 0            | 32.7           |
| Asahi Kasei Microdevices Corp.                  | 0              | 0              | 0            | 12.3           |
| Other affiliated companies                      | 152.4          | 106.1          | 50.1         | 584.9          |
| <b>Total</b>                                    | <b>1,724.5</b> | <b>1,326.9</b> | <b>616.0</b> | <b>1,602.7</b> |

## Release of air and water pollutants

| Item                       | Unit                   | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------------|------------------------|--------|--------|--------|--------|--------|
| SOx <sup>1</sup>           | Tons                   | 5,200  | 6,800  | 3,700  | 2,000  | 2,000  |
| NOx <sup>2</sup>           | Tons                   | 3,600  | 3,500  | 2,600  | 1,700  | 1,900  |
| Soot and dust <sup>3</sup> | Tons                   | 110    | 140    | 90     | 70     | 70     |
| Water discharges           | Million m <sup>3</sup> | 204    | 202    | 200    | 194    | 195    |
| COD <sup>4</sup>           | Tons                   | 850    | 850    | 760    | 730    | 720    |
| N                          | Tons                   | 4,900  | 5,900  | 4,500  | 5,700  | 5,500  |
| P                          | Tons                   | 20     | 20     | 20     | 20     | 20     |
| Coverage                   | %                      | -      | 76     | 75     | 77     | 74     |

Notes:

<sup>1</sup> Sulfur oxides (SOx) are formed when crude oil, fuel oil, or coal containing sulfur are used as fuel. Sulfur dioxide (SO<sub>2</sub>) is most common, but some sulfur trioxide (SO<sub>3</sub>) also forms. The term SOx is inclusive of both of these.

<sup>2</sup> Nitrogen oxides (NOx) are formed during combustion at thermal power plants, factory boilers, internal combustion engines, and incinerators. The term NOx is inclusive of both nitric oxide (NO) and nitrogen dioxide (NO<sub>2</sub>).

<sup>3</sup> Soot and dust are fine particles formed in the combustion of fuel and other materials.

<sup>4</sup> Chemical oxygen demand is an indicator of water pollution by organic substances. COD is expressed in terms of the amount of oxygen that can be consumed by an oxidizer to chemically oxidize the organic substances contained in the water.

## Air emissions by site

|           |  | FY2022 |       |               | FY2023 |       |               | FY2024 |       |               |
|-----------|--|--------|-------|---------------|--------|-------|---------------|--------|-------|---------------|
| Site      |  | SOx    | NOx   | Soot and dust | SOx    | NOx   | Soot and dust | SOx    | NOx   | Soot and dust |
| Nobeoka   |  | 3,400  | 1,400 | 30            | 1,800  | 670   | 20            | 1,800  | 660   | 10            |
| Mizushima |  | 210    | 1,000 | 50            | 210    | 760   | 40            | 230    | 970   | 40            |
| Moriyama  |  | 0      | 90    | 3             | 0      | 96    | 2             | 0      | 100   | 3             |
| Fuji      |  | 0      | 3     | 0             | 0      | 3     | 0             | 0      | 3     | 0             |
| Ohito     |  | 4      | 5     | 0             | 3      | 6     | 0             | 3      | 6     | 0             |
| Kawasaki  |  | 2      | 100   | 5             | 3      | 110   | 8             | 3      | 100   | 8             |
| Suzuka    |  | 0      | 20    | 0             | 0      | 22    | 0             | 0      | 20    | 0             |
| Other     |  | 90     | 30    | 3             | 4      | 77    | 1             | 0      | 70    | 1             |
| Total     |  | 3,700  | 2,600 | 90            | 2,000  | 1,700 | 70            | 2,000  | 1,900 | 70            |

## Water withdrawals and discharges

| Item     |             | FY2020 |     | FY2021 |     | FY2022 |     | FY2023 |     | FY2024 |     |
|----------|-------------|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|
| Japan    | Withdrawals |        | 235 |        | 245 |        | 236 |        | 234 |        | 245 |
|          | Discharges  |        | 204 |        | 202 |        | 200 |        | 194 |        | 195 |
| Overseas | Withdrawals |        | 9   |        | 9   |        | 9   |        | 8   |        | 9   |
|          | Discharges  |        | 4   |        | 4   |        | 4   |        | 4   |        | 4   |
| Total    | Withdrawals |        | 244 |        | 254 |        | 245 |        | 242 |        | 254 |
|          | Discharges  |        | 208 |        | 206 |        | 204 |        | 198 |        | 199 |

## Water withdrawals and sources in Japan

|                   |  | (Million m <sup>3</sup> ) |        |        |        |        |
|-------------------|--|---------------------------|--------|--------|--------|--------|
|                   |  | FY2020                    | FY2021 | FY2022 | FY2023 | FY2024 |
| Water withdrawals |  | 235                       | 245    | 236    | 234    | 245    |
| Municipal water   |  | 2                         | 2      | 2      | 2      | 2      |
| Ground water      |  | 20                        | 20     | 18     | 25     | 26     |
| Industrial water  |  | 213                       | 223    | 216    | 207    | 217    |

## Water discharges by site

| Site      | FY2022 |       |    |  | FY2023 |       |    |  | FY2024 |       |    |  |
|-----------|--------|-------|----|--|--------|-------|----|--|--------|-------|----|--|
|           | COD    | N     | P  | Water discharges (10 <sup>6</sup> m <sup>3</sup> ) | COD    | N     | P  | Water discharges (10 <sup>6</sup> m <sup>3</sup> ) | COD    | N     | P  | Water discharges (10 <sup>6</sup> m <sup>3</sup> ) |
| Nobeoka   | 600    | 4,200 | 4  | 125  | 580    | 5,400 | 3  | 125  | 570    | 5,300 | 4  | 131  |
| Mizushima | 50     | 160   | 3  | 32   | 40     | 150   | 3  | 29   | 40     | 120   | 3  | 27   |
| Moriyama  | 6      | 8     | 1  | 9  | 5      | 7     | 1  | 9  | 5      | 6     | 2  | 8  |
| Fuji      | 20     | 90    | 8  | 14   | 10     | 80    | 10 | 12   | 10     | 70    | 9  | 12   |
| Ohito     | 0      | 1     | 0  | 0  | 0      | 1     | 0  | 0  | 0      | 1     | 0  | 0  |
| Kawasaki  | 60     | 30    | 1  | 13   | 60     | 30    | 1  | 13   | 60     | 30    | 1  | 10   |
| Suzuka    | 6      | 2     | 0  | 2  | 5      | 2     | 0  | 2  | 6      | 2     | 0  | 2  |
| Other     | 20     | 3     | 0  | 5  | 20     | 2     | 0  | 4  | 20     | 2     | 0  | 4  |
| Total     | 760    | 4,500 | 20 | 200  | 730    | 5,700 | 20 | 194  | 720    | 5,500 | 20 | 195  |



Environment

Society

Governance

## Number of Group Employees

|                           |                    | Scope                                   | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------------------|--------------------|---|--------|--------|--------|--------|--------|
| Number of Group Employees | Total              | Asahi Kasei Group consolidated (global) | 44,497 | 46,751 | 48,897 | 49,295 | 50,352 |
|                           | Male               |   | —      | 33,265 | 34,630 | 34,741 | 35,254 |
|                           | Female             |   | —      | 13,443 | 14,254 | 14,537 | 15,086 |
|                           | Gender unspecified |   | —      | 43     | 13     | 17     | 12     |
| Female employee rate (%)  |                    |   | —      | 28.8   | 29.1   | 29.5   | 30.0   |

Note: Gender according to individuals' self-identification.

## Number of Employees by Employment Status

|                        |        | Scope  | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|
| Permanent              | Total  | Note 1 | 17,417 | 17,413 | 17,267 | 17,460 | 17,716 |
|                        | Male   |        | 14,593 | 14,555 | 14,352 | 14,492 | 14,668 |
|                        | Female |        | 2,824  | 2,858  | 2,915  | 2,968  | 3,048  |
| Non-permanent          | Total  | Note 1 | 3,360  | 2,875  | 3,133  | 2,889  | 2,427  |
|                        | Male   |        | 2,382  | 1,966  | 2,232  | 2,031  | 1,607  |
|                        | Female |        | 978    | 909    | 901    | 858    | 820    |
| Non-permanent rate (%) |        |        | 16.2   | 14.2   | 15.4   | 14.2   | 12.0   |

Note: Due to a review of the aggregation method, the figures for the "non-permanent rate" from FY2020 to FY2023 have been revised.

## Employment of Persons with Disabilities

| Scope   | FY2020  | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|--------|--------|--------|--------|
| Number of employees with disabilities<br>Employment rate (%)<br>Statutory employment rate (%) | All Group companies applicable as Special Subsidiaries [Scope Note 2] | 623    | 643    | 657    | 715    |
|   |   | 2.38   | 2.42   | 2.4    | 2.58   |
|   |   | 2.3    | 2.3    | 2.3    | 2.5    |

## Employment/Turnover

| Scope                       | FY2020             | FY2021 | FY2022 | FY2023 | FY2024 |
|-----------------------------|--------------------|--------|--------|--------|--------|
| Number of new hires         | New graduate total | Note 1 | 586    | 460    | 425    |
|                             | Male               |        | 466    | 369    | 340    |
|                             | Female             |        | 120    | 91     | 85     |
|                             | Mid-career total   |        | 298    | 345    | 378    |
|                             | Male               |        | 276    | 297    | 303    |
|                             | Female             |        | 22     | 48     | 75     |
| Mid-career hire rate (%)    |                    |        | 33.7   | 42.9   | 47.1   |
| Number of employee turnover |                    |        | 283    | 328    | 364    |
| Employee turnover rate (%)  |                    |        | 1.58   | 1.83   | 2.04   |
|                             |                    |        |        |        | 2.95   |
|                             |                    |        |        |        | 3.12   |

## Working Hours / Salary

| Scope                     | FY2020            | FY2021    | FY2022    | FY2023    | FY2024    |
|---------------------------|-------------------|-----------|-----------|-----------|-----------|
| Total hours worked        | Note 1            | 1,974     | 1,992     | 1,966     | 1,954     |
|                           |                   | 261       | 287       | 270       | 269       |
|                           |                   | 14.3      | 14.8      | 16.3      | 16.1      |
|                           |                   | 75.3      | 77.6      | 85.4      | 84.4      |
| Average annual salary (¥) | Asahi Kasei Corp. | 7,691,021 | 7,810,513 | 7,605,539 | 7,528,168 |
|                           |                   |           |           |           | 8,000,906 |

Note: Average figures per employee shown.

## Education/Training

|  | Scope  | FY2020    | FY2021    | FY2022    | FY2023    | FY2024    |
|--|--------|-----------|-----------|-----------|-----------|-----------|
| Total training hours                                     | Note 1 | 374,068   | 388,701   | 446,280   | 494,197   | 487,031   |
| Average time per employee                                |        | 21.5      | 22.3      | 25.7      | 28.1      | 27.0      |
| Total cost of training conducted in Japan (thousand yen) |        | 2,129,282 | 2,806,147 | 3,471,596 | 4,248,249 | 4,670,421 |
| Annual training costs in Japan (thousand yen)            |        | 126       | 166       | 198       | 242       | 259       |

## Diversity / Work-life Balance

|  | Scope  | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|--------|--------|--------|
| Number of female managers*   | Note 1 | 229    | 252    | 278    | 313    | 335    |
| Total number of managers*  |        | 5,526  | 5,613  | 5,495  | 5,541  | 5,663  |
| Ratio of female managers (%)*  |        | 4.1    | 4.5    | 5.1    | 5.6    | 5.9    |
| Proportion of women working as managers and Group Masters (%)*           |        | 3.2    | 3.6    | 4.0    | 4.3    | 4.9    |
| Number of employees taking child care leave                              | Male   | 433    | 496    | 538    | 589    | 593    |
|  | Female | 265    | 287    | 306    | 285    | 291    |
| Number of employees using shortened working hours system for child care  | Male   | 4      | 2      | 1      | 5      | 11     |
|  | Female | 366    | 322    | 307    | 304    | 327    |
| Number of employees using "Kids Support" shortened working hours system  | Male   | 0      | 0      | 0      | 0      | 1      |
|  | Female | 123    | 135    | 154    | 163    | 157    |
| Number of employees taking family care leave                             | Male   | 6      | 2      | 3      | 2      | 5      |
|  | Female | 4      | 2      | 5      | 6      | 5      |
| Number of employees using shortened working hours system for family care | Male   | 4      | 2      | 1      | 0      | 0      |
|  | Female | 2      | 0      | 2      | 5      | 5      |

\* As of April 1 of the following fiscal year

## Gender Pay Gap

|                           |  |                                  | Scope  | FY2022    | FY2023    | FY2024    |
|---------------------------|--|----------------------------------|--------|-----------|-----------|-----------|
| Average annual salary (¥) | Female   | All workers                      | Note 1 | 5,860,247 | 5,976,307 | 6,385,487 |
|                           |  | Permanent employees              |        | 6,520,585 | 6,604,634 | 6,939,275 |
|                           |  | Part-time / Fixed-term employees |        | 3,459,754 | 3,553,597 | 3,708,737 |
|                           | Male   | All workers                      |        | 8,604,480 | 8,503,638 | 8,931,131 |
|                           |  | Permanent employees              |        | 8,767,621 | 8,662,984 | 9,099,823 |
|                           |  | Part-time / Fixed-term employees |        | 5,157,015 | 5,315,244 | 5,581,443 |
|                           | Difference in salary between men and women (%) | All workers                      |        | 68        | 70        | 72        |
|                           |  | Permanent employees              |        | 74        | 76        | 76        |
|                           |  | Part-time / Fixed-term employees |        | 67        | 67        | 66        |

## Occupational Health and Safety

|                                    |        | Scope | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------------------------------|--------|-------|--------|--------|--------|--------|--------|
| Group lost time frequency rate (%) | Note 3 | 0.21  | 0.38   | 0.20   | 0.34   | 0.31   |        |
|                                    |        | 0.006 | 0.133  | 0.016  | 0.003  | 0.004  |        |
|                                    |        | 11    | 20     | 11     | 19     | 16     |        |
|                                    |        | 1     | 2      | 1      | 1      | 3      |        |
|                                    |        | 12    | 22     | 12     | 20     | 19     |        |
|                                    |        | 0     | 1      | 0      | 0      | 0      |        |
|                                    |        | 0     | 0      | 0      | 0      | 0      |        |
|                                    |        | 0     | 1      | 0      | 0      | 0      |        |
|                                    |        | 0     | 0      | 0      | 0      | 0      |        |

|  | Scope  | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--|--------|--------|--------|--------|--------|
| Average age  | Note 4   | 43.7   | 43.7   | 43.7   | 43.9   | 44.0   |
| Rate of finding problems during health checkups (%)  |  | 62.7   | 62.5   | 62.1   | 61.2   | 60.8   |
| BMI  |  | 26.7   | 26.7   | 26.7   | 26.3   | 26.9   |
| Smoking rate (%)   |  | 24.7   | 23.5   | 22.5   | 21.8   | 20.2   |
| Number of days absent due to injury or illness (days per person; calculated based on reports of absence from work) |  | 3.1    | 3.4    | 3.9    | 3.9    | 4.1    |
| Specific health guidance rate (%)  |  | 35.2   | 46.7   | 58.3   | 64.6   |        |
| Stress check rate (%)  |  | 96.3   | 93.8   | 92.0   | 94.3   | 95.9   |
| High stress rate (%)   |  | 8.0    | 8.6    | 8.9    | 8.4    | 8.0    |
| Presenteeism (%)   |  | —      | —      | —      | —      | 84.1   |
| * Employee survey SPQ (Single-Item Presenteeism Question)  |  | —      | 3.54   | 3.54   | 3.55   | 3.57   |
| <b>Work engagement</b>   | * Average score for Vitality (work engagement and psychological capital; rated on a score from 1 to 5) in KSA (Vitality and Growth Assessment) | 54.7   | 55.3   | 55.6   | 56.2   | 57.3   |
| <b>Rate of favorable responses for work engagement (%)</b>   |  | 41.0   | 55.0   | 70.0   | 73.8   | 72.3   |
| <b>Workplace dialogue implementation rate (%)*</b>   |  | —      | —      | —      | —      | 3.61   |
| <b>Health literacy</b>   | * Average score of the five items on the CCHL (Communicative and Critical Health Literacy) scale   | —      | —      | 98.0   | 95.4   | 96.2   |
| <b>Self-care education participation rate (%)</b>  |  | —      | —      | 90.4   | 91.9   | 95.6   |
| <b>Rate of employees who reviewed their behavior and lifestyles after attending health-related training (%)</b>    |  | —      | —      | —      | —      | —      |

Note: Due to a review of the aggregation method, the figures for the "workplace dialogue implementation rate" from FY2021 to FY2023 have been revised.

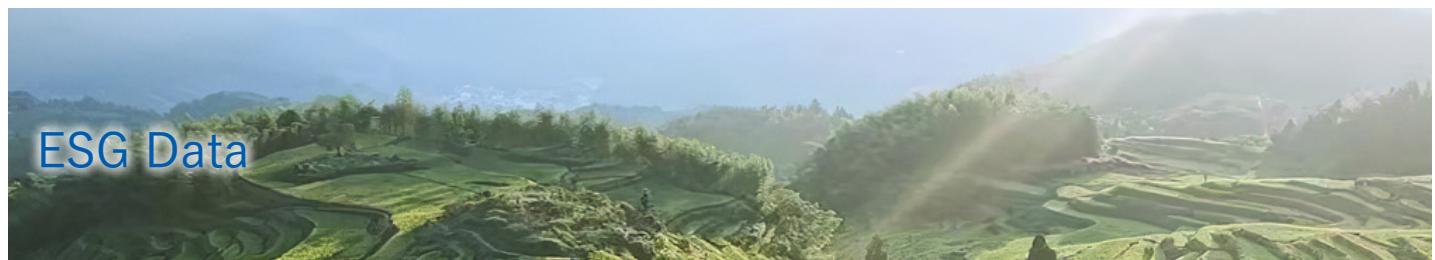
## Social Contributions

|   | Scope                                   | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|--------|--------|--------|--------|--------|
| Social contribution activity expenses (¥ million) | Asahi Kasei Group consolidated (global) | 2,147  | 1,799  | 1,574  | 1,650  | 1,370  |
| Proportion of ordinary income (%)                 |   | 1.21   | 0.85   | 1.29   | 1.83   | 0.71   |

Note: Due to an error in the calculation method, the FY2020 figure for the “proportion of ordinary income” has been revised.

### Scope Notes

- Asahi Kasei, Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Pharma, and Asahi Kasei Medical (Asahi Kasei Life Science from April 2025 onwards)
- The rate of employment and the number of persons employed are the average figures for each fiscal year for applicable companies of the Asahi Kasei Group. Calculations are based on total employment of 27,921 persons at the 22 applicable companies as of March 31, 2025. (number of persons calculated in accordance with the Act on Employment Promotion, etc. of Persons with Disabilities)
- Asahi Kasei Group companies in Japan as defined in the Asahi Kasei Group ESH & QA Regulations (a list of departments implementing Asahi Kasei's ESH & QA Program can be downloaded from the following page)  
<https://www.asahi-kasei.com/sustainability/rc/#anc-09>
- Employees of major Japanese subsidiaries in addition to companies listed in Note 1



# ESG Data

Environment

Society

Governance

## Corporate Governance

|                     |  |        | Scope             | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |  |
|---------------------|--|--------|-------------------|--------|--------|--------|--------|--------|--------|--|
| Number of Directors | Inside Directors   | Male   | Asahi Kasei Corp. | 6      | 6      | 6      | 6      | 6      | 5      |  |
|                     |  | Female |                   | 0      | 0      | 0      | 0      | 0      | 0      |  |
|                     |  | Total  |                   | 6      | 6      | 6      | 6      | 6      | 5      |  |
|                     | Independent Outside Directors                              | Male   |                   | 2      | 2      | 2      | 2      | 2      | 2      |  |
|                     |  | Female |                   | 1      | 1      | 1      | 2      | 2      | 2      |  |
|                     |  | Total  |                   | 3      | 3      | 3      | 4      | 4      | 4      |  |
|                     | Total  |        |                   | 9      | 9      | 9      | 10     | 10     | 9      |  |
|                     | Proportion of Female Members of the Board of Directors (%) |        |                   | 11.1   | 11.1   | 11.1   | 20.0   | 20.0   | 22.2   |  |

(As of July of each year)

Note: The number of Board of Directors meetings and committee meetings and their attendance rates are reported on the following page.

➤ Corporate Governance

## External evaluation

### Inclusion in socially responsible investment indexes

#### ESG Indexes included in (as of July 2025)

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Selection Indexes
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Equity ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)



FTSE4Good



FTSE Blossom Japan



**FTSE Blossom Japan Sector Relative Index**



**2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX**

**2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)**

**2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX**



Asahi Kasei received AA in the 2025 MSCI ESG Ratings.

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA

## Rated A- for Climate Change and B for Water Security in the CDP survey.

Asahi Kasei was rated A- in the category of Climate Change and rated B in the category of Water Security in the 2025 survey conducted by CDP.



## Highest Rank from Development Bank of Japan, Inc. (DBJ) under DBJ Environmentally Rated Loan Program

In September 2024, Asahi Kasei received a Development Bank of Japan loan under the DBJ Environmentally Rated Loan Program, having obtained the system's highest rating as a "company with particularly advanced environmental programs."



## DX Stock 2025

In 2025, Asahi Kasei was selected as a Digital Transformation (DX) Stock, in an initiative conducted jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



## “White 500” for 2025 (Large Enterprise Category)

In March 2025 the Asahi Kasei Group was recognized as a “White 500” enterprise under the 2025 Certified Health & Productivity Management Organization Recognition Program, conducted jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



- Health & Productivity Management > Activity evaluation and recognition by external organizations

## 71st Okochi Memorial Prize

Employees of the Asahi Kasei Group received the 71st Okochi Memorial Prize in March 2025 for the "High-Comactibility, High-Flowability Microcrystalline Cellulose for Tablets" and "Smart Cell Technology for Mass Production of Cholesterol Esterase".

## EcoVadis Sustainability Assessment Gold Rating for Microza®

The Microza & Water Processing Division of Asahi Kasei's Material Sector, which provides Microza® hollow fiber membranes for filtration and separation, received a Gold Rating, which corresponds to the top 5% of all evaluations, in the sustainability assessment conducted by EcoVadis (headquartered in France) in June 2025. The survey evaluates companies' sustainability efforts in the four areas of the environment, labor & human rights, ethics, and sustainable procurement. The division received an especially high assessment in the environmental category for its manufacturing at the Microza® Fuji Plant and related supply chain and value chain activities.



## RE100 Leadership Award for Asahi Kasei Homes

At the RE100 Leadership Awards 2024 hosted by RE100, an international initiative operated by the Climate Group, Asahi Kasei Homes was recognized for its ambitious initiatives and outstanding achievements in transitioning to renewable energy, becoming the first Japanese company\* to receive the award in the "RE100 enterprising leader" category.

\* According to Asahi Kasei research, Asahi Kasei Homes is the first company headquartered in Japan to receive the award in this category among all recipients from 2020 through 2024.

## Minister of Economy, Trade and Industry Award for Asahi Kasei Homes at the Resource Circulation Technology and System Awards

At the FY2024 Resource Circulation Technology and System Awards by the Japan Environmental Management Association for Industry (JEMAI), Asahi Kasei Homes received the Minister of Economy, Trade and Industry Award for its "Long Life" housing business which was highly recognized as an outstanding initiative contributing to the further advancement of resource circulation in Japan.



## Excellence Award for Asahi Kasei Homes at the Japan Resilience Awards

At the 2025 Japan Resilience Awards by the Association for Resilience Japan, Asahi Kasei Homes received the Excellence Award, marking the 7th consecutive year that the company has received the award. The company was recognized for its comprehensive initiative "Hebel Haus Total Resilience 2.0," which integrates enhanced thermal insulation performance, proposals for power generation and storage systems, and an enhanced disaster information system.



## Platinum Kurumin certification

In 2016, Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Medical Co., Ltd.\* received Platinum Kurumin certification from the Ministry of Health, Labor and Welfare. Platinum Kurumin certification is awarded in recognition of proactive support for the development of the next generation which is particularly outstanding.



\* The certification for Asahi Kasei Medical was succeeded by Asahi Kasei Life Science in April 2025.

## Nice Vitality & Best Support Award at the ACE Awards

At the ACE Awards 2024 by the Accessibility Consortium of Enterprises (ACE), an employee of the Asahi Kasei Group received the Nice Vitality & Best Support Award in the individual category in recognition of their vitality and strong motivation to grow while facing challenges related to disability, as well as their outstanding support for those around them.

## Prime Minister's Certificate of Appreciation at the Award for Excellent Companies, etc. Utilizing the Intellectual Property Rights System

In April 2025, Asahi Kasei received the Prime Minister's Certificate of Appreciation at the Award for Excellent Companies, etc. Utilizing the Intellectual Property Rights System organized by the Japan Patent Office of the Ministry of Economy, Trade and Industry. The awards are presented annually by the Japan Patent Office, under Ministry of Economy, Trade and Industry, to companies and organizations that have made effective use of the intellectual property system and contributed to its smooth operation and development. Asahi Kasei was recognized as a Special Merit Enterprise for the Promotion and Development of the Industrial Property Rights System, in acknowledgment of its exceptional achievements in advancing and promoting the system.

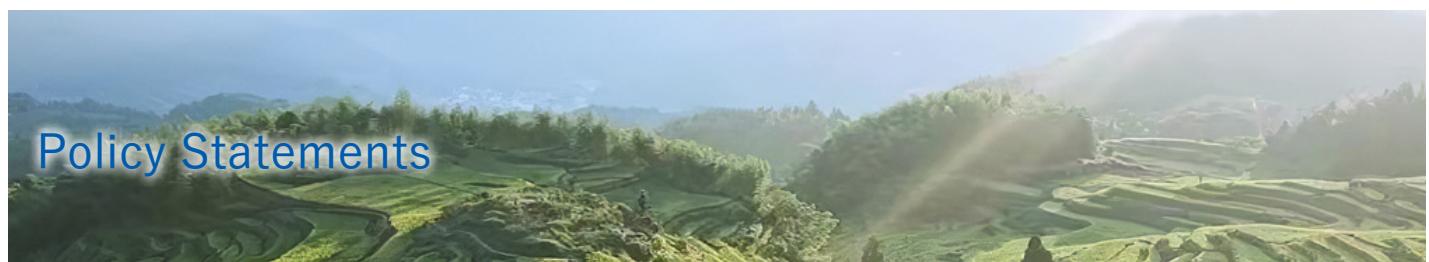
## Imperial Invention Prize at the National Commendation for Invention

At the 2025 National Commendation for Invention by the Japan Institute for Promoting Invention and Innovation, Asahi Kasei received the Imperial Invention Prize, the highest honor, as well as the Award for Distinguished Contribution for Driving the Invention into Implementation. The National Commendation for Invention is an annual program that honors individuals who have made outstanding achievements in the completion, implementation, and promotion of inventions in Japan. Asahi Kasei was recognized for its invention of an electrode life extension technology using nickel (Patent No. 6120804), which was selected as the most outstanding invention and awarded both the Imperial Invention Prize and the Award for Distinguished Contribution for Driving the Invention into Implementation.

## Related information

### ➤ Awards and recognitions

View the past awards we have received related to research and development.



## Policy Statements

|                                  | Policy   |
|----------------------------------|--|
| <b>CSR-orientated Management</b> | <ul style="list-style-type: none"> <li>➤ <a href="#">Group Philosophy</a></li> <li>➤ <a href="#">Corporate Governance</a></li> <li>➤ <a href="#">Asahi Kasei Group Sustainability Policy</a></li> <li>➤ <a href="#">Medium-term Management Plan</a></li> </ul>   |
| <b>ESH &amp; QA</b>              | <ul style="list-style-type: none"> <li>➤ <a href="#">ESH &amp; QA Policy</a></li> </ul>  |
| <b>Environmental</b>             | <ul style="list-style-type: none"> <li>➤ <a href="#">Asahi Kasei Group Code of Conduct</a></li> <li>➤ <a href="#">The Asahi Kasei Group's Global Environmental Policy</a></li> <li>➤ <a href="#">Quantitative indicators and targets of global environmental measures</a></li> <li>➤ <a href="#">Biodiversity Policy</a></li> </ul>  |
| <b>Social</b>                    | <ul style="list-style-type: none"> <li>➤ <a href="#">Asahi Kasei Group Code of Conduct</a></li> <li>➤ <a href="#">Human Rights Policy</a></li> <li>➤ <a href="#">Asahi Kasei Group Quality Policy</a></li> <li>➤ <a href="#">The Asahi Kasei Group Purchasing and Procurement Principles and Policy</a></li> <li>➤ <a href="#">Supplier Code of Conduct <small>186.5KB</small></a></li> <li>➤ <a href="#">Human Resources Principles</a></li> <li>➤ <a href="#">Expansion of opportunities for women: Asahi Kasei Group Action Plan</a></li> <li>➤ <a href="#">Statement on Management for Health</a></li> <li>➤ <a href="#">Group Health and Productivity Management Vision</a></li> <li>➤ <a href="#">Basic Policy for Safe Operation</a></li> <li>➤ <a href="#">Basic Policy for High Pressure Gas Safety</a></li> <li>➤ <a href="#">Community Fellowship Policy</a></li> </ul> |

|            | Policy  |
|------------|---|
|            | <p>Multi-Stakeholder Policies</p> <ul style="list-style-type: none"> <li>➤ Asahi Kasei Corp.  (125.9KB)</li> <li>➤ Asahi Kasei Microdevices  (141.6KB)</li> <li>➤ Asahi Kasei Homes  (131.6KB)</li> <li>➤ Asahi Kasei Construction Materials  (142.1KB)</li> <li>➤ Asahi Kasei Pharma  (124.3KB)</li> <li>➤ Asahi Kasei Medical  (163.3KB)</li> </ul> |
| Governance | <ul style="list-style-type: none"> <li>➤ Principles of Corporate Governance</li> <li>➤ Asahi Kasei Group Code of Conduct</li> <li>➤ Asahi Kasei Group Basic Policies for Prevention of Bribery  (92.5KB)</li> <li>➤ Ethical Considerations in Pharmaceutical and Medical Device Development</li> <li>➤ Asahi Kasei Group Information Security Policy</li> <li>➤ Privacy Policy</li> <li>➤ Tax Policy</li> <li>➤ Basic Guidelines on Animal Care and Use (Asahi Kasei Pharma) </li> </ul>  |



# GRI Standards Content Index

## GRI Standards Content Index

|                         |  |
|-------------------------|--|
| <b>Statement of use</b> | The Asahi Kasei Group has reported the information cited in this GRI content index for the period April 1, 2024 to March 31, 2025 with reference to the GRI Standards. |
| <b>GRI 1 used</b>       | GRI 1: Foundation 2021   |

## Universal Standards

| DISCLOSURE NUMBER                                   | DISCLOSURE  | LOCATION  |
|---|---|---|
| <b>GRI 2: General Disclosures 2021</b>              |   |   |
| <b>The organization and its reporting practices</b> |   |   |
| 2-1   | Organizational details  | ➤ Corporate Profile                                   |
| 2-2   | Entities included in the organization's sustainability report | ➤ Editorial Policy                                    |
| 2-3   | Reporting period, frequency and contact point                 | ➤ Editorial Policy                                    |
| 2-4   | Restatements of information                                   | ➤ Editorial Policy                                    |
| 2-5   | External assurance  | ➤ Independent Review and Independent Assurance Report |
| <b>Activities and workers</b>                       |   |   |
| 2-6   | Activities, value chain and other business relationships      | ➤ Group Companies<br>➤ CSR Procurement                |
| 2-7   | Employees   | ➤ ESG Data > Society                                  |
| 2-8   | Workers who are not employees                                 | ➤ ESG Data > Society > Number of Employees by Status  |

| DISCLOSURE NUMBER                      | DISCLOSURE  | LOCATION  |
|--|---|---|
| <b>GRI 2: General Disclosures 2021</b> |   |   |
| <b>Governance</b>                      |   |   |
| 2-9                                    | Governance structure and composition  | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> <li>➤ Corporate Officers</li> <li>➤ Asahi Kasei Report (Corporate Governance)</li> </ul> |
| 2-10                                   | Nomination and selection of the highest governance body                     | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> </ul>  |
| 2-11                                   | Chair of the highest governance body  | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> </ul>  |
| 2-12                                   | Role of the highest governance body in overseeing the management of impacts | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> <li>➤ Sustainability Management &gt; Policies and Framework</li> </ul>                   |
| 2-13                                   | Delegation of responsibility for managing impacts                           | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> <li>➤ Sustainability Management &gt; Policies and Framework</li> </ul>                   |
| 2-14                                   | Role of the highest governance body in sustainability reporting             | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> <li>➤ Sustainability Management &gt; Policies and Framework</li> </ul>                   |
| 2-15                                   | Conflicts of interest   | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> </ul>  |
| 2-16                                   | Communication of critical concerns  | <ul style="list-style-type: none"> <li>➤ Risk Management</li> <li>➤ Compliance</li> </ul>   |
| 2-17                                   | Collective knowledge of the highest governance body                         | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Policies and Framework</li> </ul>   |
| 2-18                                   | Evaluation of the performance of the highest governance body                | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> </ul>  |
| 2-19                                   | Remuneration policies   | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> </ul>  |
| 2-20                                   | Process to determine remuneration   | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> </ul>  |
| 2-21                                   | Annual total compensation ratio   | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> <li>➤ Asahi Kasei Report (Remuneration of Directors)</li> </ul>                          |

| DISCLOSURE NUMBER                            | DISCLOSURE   | LOCATION  |
|--|--|---|
| <b>GRI 2: General Disclosures 2021</b>       |  |   |
| <b>Strategy, policies and practices</b>      |  |   |
| 2-22   | Statement on sustainable development strategy      | <ul style="list-style-type: none"> <li>➤ Management Message</li> </ul>  |
| 2-23   | Policy commitments                                 | <ul style="list-style-type: none"> <li>➤ Policy Statements</li> <li>➤ Sustainability Management &gt; Initiatives and Member Organizations We Participate In</li> <li>➤ Sustainability Management &gt; Relationships with Stakeholders</li> <li>➤ Human Rights</li> <li>➤ Human Resources &gt; Employment and Labor Practices</li> </ul> |
| 2-24   | Embedding policy commitments                       | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Policies and Framework</li> </ul>   |
| 2-25   | Processes to remediate negative impacts            | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Policies and Framework</li> <li>➤ Compliance</li> <li>➤ Human Rights</li> </ul>   |
| 2-26   | Mechanisms for seeking advice and raising concerns | <ul style="list-style-type: none"> <li>➤ Compliance</li> <li>➤ Human Rights</li> </ul>  |
| 2-27   | Compliance with laws and regulations               | <ul style="list-style-type: none"> <li>➤ Compliance</li> <li>➤ Environmental Management</li> </ul>  |
| 2-28   | Membership associations                            | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Initiatives and Member Organizations We Participate In</li> </ul>   |
| <b>Stakeholder engagement</b>                |  |   |
| 2-29   | Approach to stakeholder engagement                 | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Relationships with Stakeholders</li> </ul>  |
| 2-30   | Collective bargaining agreements                   | <ul style="list-style-type: none"> <li>➤ Human Resources &gt; Employment and Labor Practices</li> </ul>   |
| <b>GRI 3: Material Topics 2021</b>           |  |   |
| <b>Guidance to determine material topics</b> |  |   |
| 3-1  | Process to determine material topics               | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Materiality and SDGs</li> </ul>   |
| 3-2  | List of material topics                            | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Materiality and SDGs</li> </ul>   |
| 3-3  | Management of material topics                      | <ul style="list-style-type: none"> <li>➤ Sustainability Management &gt; Materiality and SDGs</li> </ul>   |

## Topic Standards

| DISCLOSURE NUMBER                              | DISCLOSURE   | LOCATION   |
|--|--|--|
| <b>Economic</b>                                |  |  |
| <b>GRI 201: Economic Performance 2016</b>      |  |  |
| 201-1  | Direct economic value generated and distributed                                | ➤ ESG Data > Society > Social Contribution                         |
| 201-2  | Financial implications and other risks and opportunities due to climate change | ➤ Environmental Management<br>➤ Disclosure based on TCFD Framework |
| 201-3  | Defined benefit plan obligations and other retirement plans                    | ➤ Securities Report (Retirement Benefits Related)                  |
| 201-4  | Financial assistance received from government                                  |  |
| <b>GRI 202: Market Presence 2016</b>           |  |  |
| 202-1  | Ratios of standard entry level wage by gender compared to local minimum wage   |  |
| 202-2  | Proportion of senior management hired from the local community                 |  |
| <b>GRI 203: Indirect Economic Impacts 2016</b> |  |  |
| 203-1  | Infrastructure investments and services supported                              | ➤ Social Contribution Activities                                   |
| 203-2  | Significant indirect economic impacts  |  |
| <b>GRI 204: Procurement Practices 2016</b>     |  |  |
| 204-1  | Proportion of spending on local suppliers                                      |  |

| DISCLOSURE NUMBER                              | DISCLOSURE  | LOCATION   |
|--|---|--|
| <b>GRI 205: Anti-corruption 2016</b>           |   |  |
| 205-1  | Operations assessed for risks related to corruption                             |  |
| 205-2  | Communication and training about anti-corruption policies and procedures        | ➤ Compliance   |
| 205-3  | Confirmed incidents of corruption and actions taken                             | ➤ Compliance   |
| <b>GRI 206: Anti-competitive Behavior 2016</b> |   |  |
| 206-1  | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | ➤ Compliance   |
| <b>GRI 207: Tax 2019</b>                       |   |  |
| 207-1  | Approach to tax   | ➤ Tax Policy   |
| 207-2  | Tax governance, control, and risk management                                    | ➤ Tax Policy   |
| 207-3  | Stakeholder engagement and management of concerns related to tax                | ➤ Tax Policy   |
| 207-4  | Country-by-country reporting  | ➤ Tax Policy   |
| <b>Environmental</b>                           |   |  |
| <b>GRI 301: Materials 2016</b>                 |   |  |
| 301-1  | Materials used by weight or volume  | ➤ Environmental Management                                   |
| 301-2  | Recycled input materials used   | ➤ Pollution Prevention<br>➤ Resource Circulation Initiatives |
| 301-3  | Reclaimed products and their packaging materials                                | ➤ Pollution Prevention<br>➤ Resource Circulation Initiatives |

| DISCLOSURE NUMBER                        | DISCLOSURE   | LOCATION   |
|--|--|--|
| <b>GRI 302: Energy 2016</b>              |  |  |
| 302-1                                    | Energy consumption within the organization                 | ➤ Environmental Management   |
| 302-2                                    | Energy consumption outside of the organization             |  |
| 302-3                                    | Energy intensity   |  |
| 302-4                                    | Reduction of energy consumption                            |  |
| 302-5                                    | Reductions in energy requirements of products and services | ➤ Climate Change   |
| <b>GRI 303: Water and Effluents 2018</b> |  |  |
| 303-1                                    | Interactions with water as a shared resource               | ➤ Environmental Management<br>➤ Water Resource Preservation<br>➤ ESG Data > Environment > Pollution Prevention and Resource Circulation / Water Resource Preservation                                    |
| 303-2                                    | Management of water discharge-related impacts              | ➤ Water Resource Preservation  |
| 303-3                                    | Water withdrawal   | ➤ Environmental Management<br>➤ Water Resource Preservation<br>➤ ESG Data > Environment > Pollution Prevention and Resource Circulation / Water Resource Preservation > Water withdrawals and discharges |
| 303-4                                    | Water discharge  | ➤ Environmental Management<br>➤ Water Resource Preservation<br>➤ ESG Data > Environment > Pollution Prevention and Resource Circulation / Water Resource Preservation > Water withdrawals and discharges |
| 303-5                                    | Water consumption  | ➤ Water Resource Preservation<br>➤ ESG Data > Environment > Pollution Prevention and Resource Circulation / Water Resource Preservation  |

| DISCLOSURE NUMBER                 | DISCLOSURE  | LOCATION   |
|-----------------------------------|---|--|
| <b>GRI 304: Biodiversity 2016</b> |   |  |
| 304-1                             | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | <ul style="list-style-type: none"> <li>➤ Natural Capital-related Analysis and Disclosure</li> </ul>  |
| 304-2                             | Significant impacts of activities, products and services on biodiversity  | <ul style="list-style-type: none"> <li>➤ Natural Capital-related Analysis and Disclosure</li> </ul>  |
| 304-3                             | Habitats protected or restored  | <ul style="list-style-type: none"> <li>➤ Biodiversity Conservation Initiatives</li> <li>➤ Natural Capital-related Analysis and Disclosure</li> </ul>   |
| 304-4                             | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                |  |
| <b>GRI 305: Emissions 2016</b>    |   |  |
| 305-1                             | Direct (Scope 1) GHG emissions  | <ul style="list-style-type: none"> <li>➤ Climate Change</li> <li>➤ ESG Data &gt; Environment &gt; Climate Change</li> </ul>  |
| 305-2                             | Energy indirect (Scope 2) GHG emissions   | <ul style="list-style-type: none"> <li>➤ Climate Change</li> <li>➤ ESG Data &gt; Environment &gt; Climate Change</li> </ul>  |
| 305-3                             | Other indirect (Scope 3) GHG emissions  | <ul style="list-style-type: none"> <li>➤ Climate Change</li> <li>➤ ESG Data &gt; Environment &gt; Climate Change</li> </ul>  |
| 305-4                             | GHG emissions intensity   | <ul style="list-style-type: none"> <li>➤ Climate Change &gt; Disclosure based on TCFD Framework</li> </ul>   |
| 305-5                             | Reduction of GHG emissions  | <ul style="list-style-type: none"> <li>➤ Climate Change</li> <li>➤ ESG Data &gt; Environment &gt; Climate Change</li> </ul>  |
| 305-6                             | Emissions of ozone-depleting substances (ODS)   | Not applicable   |
| 305-7                             | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions   | <ul style="list-style-type: none"> <li>➤ Pollution Prevention</li> <li>➤ ESG Data &gt; Environment &gt; Pollution Prevention and Resource Circulation / Water Resource Preservation</li> </ul> |

| DISCLOSURE NUMBER                                      | DISCLOSURE   | LOCATION   |
|--|--|--|
| <b>GRI 306: Waste 2020</b>                             |  |  |
| 306-1  | Waste generation and significant waste-related impacts   | <ul style="list-style-type: none"> <li>➤ Pollution Prevention</li> </ul>   |
| 306-2  | Management of significant waste-related impacts  | <ul style="list-style-type: none"> <li>➤ Pollution Prevention</li> </ul>   |
| 306-3  | Waste generated  | <ul style="list-style-type: none"> <li>➤ Pollution Prevention</li> <li>➤ ESG Data &gt; Environment &gt; Pollution Prevention and Resource Circulation / Water Resource Preservation</li> </ul> |
| 306-4  | Waste diverted from disposal   | <ul style="list-style-type: none"> <li>➤ Pollution Prevention</li> <li>➤ ESG Data &gt; Environment &gt; Pollution Prevention and Resource Circulation / Water Resource Preservation</li> </ul> |
| 306-5  | Waste directed to disposal   | <ul style="list-style-type: none"> <li>➤ Pollution Prevention</li> <li>➤ ESG Data &gt; Environment &gt; Pollution Prevention and Resource Circulation / Water Resource Preservation</li> </ul> |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> |  |  |
| 308-1  | New suppliers that were screened using environmental criteria                                      | <ul style="list-style-type: none"> <li>➤ CSR Procurement</li> </ul>  |
| 308-2  | Negative environmental impacts in the supply chain and actions taken                               | <ul style="list-style-type: none"> <li>➤ CSR Procurement</li> </ul>  |
| <b>Social</b>  |  |  |
| <b>GRI 401: Employment 2016</b>                        |  |  |
| 401-1  | New employee hires and employee turnover   | <ul style="list-style-type: none"> <li>➤ Human Resources &gt; Employment and Labor Practices</li> </ul>  |
| 401-2  | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <ul style="list-style-type: none"> <li>➤ Human Resources &gt; Human Resources Development and Active Engagement</li> <li>➤ Human Resources &gt; DE&amp;I</li> </ul>                            |
| 401-3  | Parental leave   | <ul style="list-style-type: none"> <li>➤ Human Resources &gt; DE&amp;I</li> </ul>  |

| DISCLOSURE NUMBER                                   | DISCLOSURE  | LOCATION   |
|---|---|--|
| <b>GRI 402: Labor/Management Relations 2016</b>     |   |  |
| 402-1   | Minimum notice periods regarding operational changes  |  |
| <b>GRI 403: Occupational Health and Safety 2018</b> |   |  |
| 403-1   | Occupational health and safety management system  | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety  |
| 403-2   | Hazard identification, risk assessment, and incident investigation  | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety  |
| 403-3   | Occupational health services  | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety  |
| 403-4   | Worker participation, consultation, and communication on occupational health and safety                       | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety  |
| 403-5   | Worker training on occupational health and safety   | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety  |
| 403-6   | Promotion of worker health  | ➤ Health & Productivity Management and Occupational Health & Safety> Health & Productivity Management  |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety  |
| 403-8   | Workers covered by an occupational health and safety management system  | ➤ Asahi Kasei Group's ESH & QA   |
| 403-9   | Work-related injuries   | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety<br>➤ ESG Data > Society > Occupational Health and Safety |
| 403-10  | Work-related ill health   | ➤ Health & Productivity Management and Occupational Health & Safety> Occupational Health and Safety<br>➤ ESG Data > Society > Occupational Health and Safety |

| DISCLOSURE NUMBER   | DISCLOSURE   | LOCATION  |
|---|--|---|
| <b>GRI 404: Training and Education 2016</b>                           |  |   |
| 404-1   | Average hours of training per year per employee  | <ul style="list-style-type: none"> <li>➤ Human Resources &gt; Human Resources Development and Active Engagement</li> <li>➤ ESG Data &gt; Society &gt; Education/Training</li> </ul>       |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                                      | <ul style="list-style-type: none"> <li>➤ Human Resources &gt; Employment and Labor Practices</li> <li>➤ Human Resources &gt; Human Resources Development and Active Engagement</li> </ul> |
| 404-3   | Percentage of employees receiving regular performance and career development reviews                           |   |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>                  |  |   |
| 405-1   | Diversity of governance bodies and employees   | <ul style="list-style-type: none"> <li>➤ Corporate Governance</li> <li>➤ Human Resources &gt; DE&amp;I</li> </ul>   |
| 405-2   | Ratio of basic salary and remuneration of women to men   | <ul style="list-style-type: none"> <li>➤ ESG Data &gt; Society &gt; Gender Pay Gap</li> </ul>   |
| <b>GRI 406: Non-discrimination 2016</b>                               |  |   |
| 406-1   | Incidents of discrimination and corrective actions taken   | <ul style="list-style-type: none"> <li>➤ Human Rights</li> </ul>  |
| <b>GRI 407: Freedom of Association and Collective Bargaining 2016</b> |  |   |
| 407-1   | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | <ul style="list-style-type: none"> <li>➤ CSR Procurement</li> </ul>   |
| <b>GRI 408: Child Labor 2016</b>                                      |  |   |
| 408-1   | Operations and suppliers at significant risk for incidents of child labor                                      | <ul style="list-style-type: none"> <li>➤ Human Rights</li> <li>➤ CSR Procurement</li> </ul>   |
| <b>GRI 409: Forced or Compulsory Labor 2016</b>                       |  |   |
| 409-1   | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | <ul style="list-style-type: none"> <li>➤ Human Rights</li> <li>➤ CSR Procurement</li> </ul>   |

| DISCLOSURE NUMBER                                 | DISCLOSURE  | LOCATION                            |
|---|---|-------------------------------------|
| <b>GRI 410: Security Practices 2016</b>           |   |                                     |
| 410-1   | Security personnel trained in human rights policies or procedures                             |                                     |
| <b>GRI 411: Rights of Indigenous Peoples 2016</b> |   |                                     |
| 411-1   | Incidents of violations involving rights of indigenous peoples                                |                                     |
| <b>GRI 413: Local Communities 2016</b>            |   |                                     |
| 413-1   | Operations with local community engagement, impact assessments, and development programs      |                                     |
| 413-2   | Operations with significant actual and potential negative impacts on local communities        |                                     |
| <b>GRI 414: Supplier Social Assessment 2016</b>   |   |                                     |
| 414-1   | New suppliers that were screened using social criteria  | <a href="#">➤ CSR Procurement</a>   |
| 414-2   | Negative social impacts in the supply chain and actions taken                                 | <a href="#">➤ CSR Procurement</a>   |
| <b>GRI 415: Public Policy 2016</b>                |   |                                     |
| 415-1   | Political contributions   | <a href="#">➤ Compliance</a>        |
| <b>GRI 416: Customer Health and Safety 2016</b>   |   |                                     |
| 416-1   | Assessment of the health and safety impacts of product and service categories                 | <a href="#">➤ Quality Assurance</a> |
| 416-2   | Incidents of non-compliance concerning the health and safety impacts of products and services | Not applicable                      |

| DISCLOSURE NUMBER                           | DISCLOSURE   | LOCATION            |
|---|--|---------------------|
| <b>GRI 417: Marketing and Labeling 2016</b> |  |                     |
| 417-1                                       | Requirements for product and service information and labeling                                | ➤ Quality Assurance |
| 417-2                                       | Incidents of non-compliance concerning product and service information and labeling          | Not applicable      |
| 417-3                                       | Incidents of non-compliance concerning marketing communications                              | Not applicable      |
| <b>GRI 418: Customer Privacy 2016</b>       |  |                     |
| 418-1                                       | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Not applicable      |

## Related information

### ➤ Asahi Kasei Report

The Asahi Kasei Group's annual business activities are described, as well as business strategies and other information.

### ➤ Intellectual Property Report

The Asahi Kasei Group's R&D and intellectual property are profiled.

### ➤ Corporate Brochure

A brochure profiling the business operations of the Asahi Kasei Group.  (4.8MB)

# SASB Content Index

This is an index of disclosed information in accordance with the ESG information disclosure framework “SASB Standards” issued by the U.S. Sustainability Accounting Standards Board (SASB).

(The table below refers to the criteria for the Chemicals industry in the Resource Transformation sector, and shows the location of the relevant information.)

| Topic                    | Accounting Metric   | Unit of Measure  | Code         | Disclosure and Website Link   |
|--------------------------|---|--|--------------|---|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations   | Metric tons (t)<br>CO <sub>2</sub> -e,<br>Percentage (%) | RT-CH-110a.1 | <ul style="list-style-type: none"> <li>➤ Climate Change &gt; Reducing GHG Emissions &gt; Scope 1 and 2 GHG emissions (Japan and Overseas)</li> <li>➤ ESG Data (Environment)</li> </ul>  |
|                          | Discussion of long and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets                                 | n/a  | RT-CH-110a.2 | <ul style="list-style-type: none"> <li>➤ Climate Change &gt; Asahi Kasei Group's Carbon Neutrality Policy</li> </ul>  |
| Air Quality              | Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) | Metric tons (t)  | RT-CH-120a.1 | <ul style="list-style-type: none"> <li>➤ (1), (2) Pollution Prevention &gt; Air pollution, Environmental Management, ESG Data (Environment)</li> <li>➤ (3) Pollution Prevention &gt; Reducing emissions of chemical substances, Environmental Management, ESG Data (Environment)</li> <li>➤ (4) ESG Data (Environment)</li> </ul> |
| Energy Management        | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy  | Gigajoules (GJ), Percentage (%)                          | RT-CH-130a.1 | <ul style="list-style-type: none"> <li>➤ (1) Environmental Management (2) -</li> <li>➤ (3) Climate Change &gt; Efforts to Reduce CO<sub>2</sub> Emissions &gt; Renewable energy (4) -</li> </ul>  |

| Topic                                   | Accounting Metric  | Unit of Measure   | Code         | Disclosure and Website Link   |
|---|--|---|--------------|---|
| Water Management                        | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress | Thousand cubic meters (m <sup>3</sup> ), Percentage (%) | RT-CH-140a.1 | ➤ (1) Water Resource Preservation > Reducing water use, ESG Data (Environment) (2) -  |
|   | Number of incidents of non-compliance associated with water quality permits, standards, and regulations                              | Number  | RT-CH-140a.2 | ➤ Water Resource Preservation > Prevention of water pollution   |
|   | Description of water management risks and discussion of strategies and practices to mitigate those risks                             | n/a   | RT-CH-140a.3 | -   |
| Hazardous Waste Management              | Amount of hazardous waste generated, percentage recycled   | Metric tons (t), Percentage (%)                         | RT-CH-150a.1 | ➤ Pollution Prevention > Reduction of Industrial Waste and Promotion of Recycling   |
| Community Relations                     | Discussion of engagement processes to manage risks and opportunities associated with community interests                             | n/a   | RT-CH-210a.1 | -   |
| Workforce Health & Safety               | (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees                  | Rate  | RT-CH-320a.1 | ➤ Health & Productivity Management and Occupational Health & Safety > Occupational Health and Safety > Occupational accident statistics           |
|   | Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks | n/a   | RT-CH-320a.2 | ➤ Health & Productivity Management and Occupational Health & Safety > Health & Productivity Management > Health & Productivity Management Targets |
| Product Design for Use phase Efficiency | Revenue from products designed for use-phase resource efficiency   | Reporting currency                                      | RT-CH-410a.1 | -   |

| Topic   | Accounting Metric  | Unit of Measure                           | Code         | Disclosure and Website Link   |
|---|--|---|--------------|---|
| Safety & Environmental Stewardship of Chemicals       | (1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment | Percentage (%) by revenue, Percentage (%) | RT-CH-410b.1 | <ul style="list-style-type: none"> <li>➤ (1) Quality Assurance</li> <li>(2) -</li> </ul>  |
|   | Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact  | n/a                                       | RT-CH-410b.2 | <ul style="list-style-type: none"> <li>➤ Quality Assurance &gt; Product safety initiatives, Chemical substance management</li> <li>➤ Pollution Prevention &gt; Reducing emissions of chemical substances</li> </ul> |
| Genetically Modified Organisms                        | Percentage of products by revenue that contain genetically modified organisms (GMOs)   | Percentage (%) by revenue                 | RT-CH-410c.1 | -   |
| Management of the Legal & Regulatory Environment      | Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry   | n/a                                       | RT-CH-530a.1 | <ul style="list-style-type: none"> <li>➤ Environmental Management &gt; Policy</li> <li>➤ Climate Change &gt; Asahi Kasei Group's Carbon Neutrality Policy</li> </ul>  |
| Operational Safety, Emergency Preparedness & Response | Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)   | Number, Rate                              | RT-CH-540a.1 | <ul style="list-style-type: none"> <li>➤ Process Safety &gt; Process safety management</li> </ul>   |
|   | Number of transport incidents  | Number                                    | RT-CH-540a.2 | <ul style="list-style-type: none"> <li>➤ Process Safety &gt; Transportation and Distribution Safety</li> </ul>  |



# Independent Review and Independent Assurance Report

## Independent Review (Japan Chemical Industry Association) FY2024

### Independent review

[translation from Japanese]

Asahi Kasei Group Sustainability Report 2025  
Independent Review

November 7, 2025

Koshiro Kudo  
President & Representative Director,  
Presidential Executive Officer  
Asahi Kasei Corporation

Hiroshi Ishii  
Chief Director  
Responsible Care Verification Center  
Japan Chemical Industry Association

### Objectives of Verification

Responsible Care Report Verification was performed by the Responsible Care Verification Center with respect to the *Asahi Kasei Group Sustainability Report 2025* (the "Report") prepared by Asahi Kasei Corporation, with the objective of expressing an opinion as a chemical industry specialist on the matters as stated below.

- 1) Reasonableness of methods of calculation and aggregation of performance metrics (numerical values); accuracy of numerical values
- 2) Accuracy of reported information other than numerical values
- 3) Details of the Asahi Kasei Group's ESH & QA and sustainability activities
- 4) Characteristics of the Report

### Verification Procedure

- At the head office, we investigated the reasonableness and accuracy of methods to aggregate numerical values reported by each site (Offices, plants, etc.) and the accuracy of reported information other than numerical values. The investigation at the head office was conducted through online and in-person meetings, by interviewing responsible parties and compilers of the Report, and by receiving materials and explanations.
- Verification at the Suzuka Works was carried out on-site to examine the reasonableness of methods used to calculate the numerical values reported to the head office, the accuracy of the numerical values, and the accuracy of reported information other than numerical values. The survey was conducted by interviewing responsible parties, receiving materials and explanations, and observation of the site.
- Numerical values and reported information were verified by sampling.

### Opinion

- 1) Reasonableness of methods of calculation and aggregation of performance metrics (numerical values); accuracy of numerical values
- Calculation and aggregation of numerical values at the head office and Suzuka Works are performed using a reasonable method, and an Environmental Performance Data Collection System is used in all group companies within the scope of data collection for accurate and efficient aggregation of data.
- Numerical values within the scope of our examination have been calculated and aggregated accurately.

- 2) Accuracy of reported information other than numerical values
  - Information contained in the Report was confirmed to be accurate. Some minor issues related to appropriateness of expression and ease of understanding were identified in the draft stages, but these have been revised in the present Report.
- 3) Details of Asahi Kasei Group's ESH & QA and sustainability activities
  - We highly commend the company for its concrete efforts to create value through contribution to sustainability by reducing greenhouse gas emissions and expanding Environmental Contribution Products under the banners of "Care for People, Care for Earth" (resolving issues for People and the Earth through our high value-added businesses) and "Connect, Communication, Challenge" (leveraging our strengths of diversity and capability to change for the creation of value) to contribute to the realization of a sustainable society.
  - Under the new Medium-term Management Plan starting in fiscal 2025, the company is promoting initiatives to improve profitability and transform its business models from a diversified chemical manufacturer centered on the Material sector. In this context, we commend the company for setting and actively working toward the achievement of its greenhouse gas (GHG) emissions reduction targets—adding to its existing goals a 40% or greater reduction in GHG emissions by 2035 (compared to fiscal 2013 levels) and, for contribution to society's overall GHG emissions reductions, a target to more than 2.5 times the reduction contribution by 2035 (compared to fiscal 2020 levels).
  - Guided by its belief that "everything starts with people — people are our most valuable assets," we confirmed that the company is working not only to develop employees' skills and enhance their ability to perform their duties, but also support the line managers, develop top management candidates in the next generation, foster individuals who will be successful globally, and personnel with advanced expertise.
  - The Suzuka Works operates as an urban-type plant producing resin-processed products such as Saran Wrap, and is actively engaged in ESH activities. We commend the site for its proactive ESH activities, including a presentation on the subject of risk assessment practices at the company-wide small group activity symposium and receiving the "Award for On-site Excellence," as well as for its active engagement with the local community, such as opening the factory's cherry blossom-lined walkway to the public.
  - We confirmed that, as part of its efforts to address major risks at production sites in Japan and overseas, the company is promoting the reinforcement and enhancement of Life Saving Actions (LSA) to eliminate serious occupational accidents, improving fire prevention and extinguishing technologies, and carrying out activities to hand down process safety technology—such as identification of sources of hazard, transmission and education of process safety technologies, and responding to abnormalities. Furthermore, the company shares information through LSA Alerts and conducts reviews to prevent similar accidents.
- 4) Characteristics of the Report
  - With a view toward achieving carbon neutrality by 2050, the report highlights the company's initiatives under the two aspects of "Care for Earth" and "Care for People." The specific initiatives, such as Environmental Contribution Products and resource circulation, are clearly and concisely summarized.
  - The web version is designed with links to related pages, making it easy for readers to access relevant information.