

**TOYOINKGROUP**

Toyo Ink Group

**Sustainability  
Data Book  
2023**



## Toyo Ink Group's Philosophy

<b>Corporate Philosophy</b>	<b>People-oriented management</b>
<b>Corporate Policy</b>	<b>We, the Toyo Ink Group, endeavor to be a company that contributes to the enrichment of life and culture throughout the world.</b> <ul style="list-style-type: none"><li>● Contribute to the affluence and culture of people worldwide.</li><li>● Create lifestyle value for the new age.</li><li>● Provide advanced technology and quality products and services.</li></ul>
<b>Guiding Principles</b>	<ul style="list-style-type: none"><li>● Provide knowledge that enhances customer trust and satisfaction. CS (Customer Satisfaction)</li><li>● Respect the realization of all employees' ambitions. ES (Employee Satisfaction)</li><li>● Act as a responsible corporate citizen in harmony with society and the environment. SS (Society Satisfaction)</li><li>● Respect shareholders' rights, improve shareholder value and enhance market valuation. ShS (Shareholder Satisfaction)</li></ul>

(Established April 1993, Revised April 2014)

## CSR Charter

Since its establishment, the Toyo Ink Group has sought to create new lifestyles together with customers, employees, and everyone who supports society through our products and services as a manufacturing company. We have always given top priority to gaining trust and confidence. We now feel the need to rediscover our identity as a corporate group built around chemical manufacturing that exerts a very significant impact on society. Based on this understanding, we strive to establish and sustain good relationships with all stakeholders more than ever before. We believe that producing, enhancing, and providing our tangible and intangible value by analyzing and evaluating our business activities once again and practicing well-balanced management from the perspectives of people, society, the economy and the environment is an important task in fulfilling our social responsibilities. The Toyo Ink Group will continue to engage in free and fair business activities and will strive for management that will pave the way for sustainable growth into the future.

(Established April 2005, Revised January 2018)

## CSR Action Guidelines

### Providing value through products and services

We will endeavor to provide the utmost confidence and satisfaction to customers and other consumers by creating new value in the market, improving the quality of life, and providing products and services that contribute to the development of culture and help improve the global environment.

### Sincerity in business activities

We will endeavor to conduct business activities sincerely, fairly, and appropriately at every stage, from the procurement of raw materials to the sales of products. We will make healthy profits through our business activities and return these profits to our shareholders and other stakeholders.

### Active communication and disclosure of information

We will promote wide-ranging communication with society and disclose management information actively and honestly.

### Social action program

In order to encourage lifestyles with social value, as a good corporate citizen striving for harmonious coexistence with the community, we will contribute to society through our primary business activities and also implement a program of social action.

### Global environmental protection

We will make efforts at every stage of our business activities to reduce the burden on the environment. We will address global environmental problems as our major challenge and actively work for global environmental protection.

### Creating a comfortable and self-realizing working environment

We will respect each employee's character and identity and create a safe and rewarding working environment so that each employee can exercise his or her abilities and initiative. We will create labor environments, whether in Japan or overseas, that are free from discrimination, and we will never permit child labor, forced labor, or any other activity that violates human rights.

### Ensuring compliance

We will ensure compliance with laws and regulations in Japan and overseas as well as with international treaties and regional social norms, and we will make rational, conscientious, and ethical decisions and act accordingly.

### Ideal corporate governance

We will establish a group management system that can manage risks appropriately and respond actively and flexibly to changes in the business environment. We will strive to establish a management system that enables us to achieve our ideal—to be viewed by society as a good and desirable company.

(Established April 2005)

# About the Sustainability Data Book 2023

## Editorial policy

The Sustainability Data Book 2023 is a tool for reporting the Toyo Ink Group's attitudes towards sustainability and its sustainability initiatives. To comprehensively disclose information to all stakeholders, we have changed and enhanced the contents of the report. Starting with the 2022 edition, we have changed reporting format to the environmental, social and governance (ESG) to enhance the content of the report.

We have referenced a variety of guidelines and indicators and listened to the opinions of internal and external stakeholders through dialogue with them to compile this report. Our climate change information disclosure is based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and described in detail in the Integrated Report 2022 and 2023. We would appreciate it if you read it and share with us your frank opinions.

## Period covered

FY2022 (January 1, 2022 to December 31, 2022)

Some sections cover the period before FY2021 or FY2023.

## Areas covered

- This report covers the Toyo Ink Group's Japanese and overseas affiliates.
- Environmental performance data includes data from affiliates in Japan and overseas affiliates that are ISO 14001 certified. Some data additionally includes data from overseas affiliates that have not been ISO 14001 certified. The scope of data is specified on the page 72 and the individual page.  
(The production volume of the overseas affiliates with ISO 14001 certification accounts for approximately 74.5% of the total production volume of all overseas affiliates.)

## Guidelines used as reference

- ISO 26000, international standard on social responsibility
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- SDGs (Sustainable Development Goals)
- Ministry of the Environment: Environmental Reporting Guidelines 2018

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English language version: November 2023 (Next edition to be published in November 2024)

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## Media for our sustainability-related information disclosure

### Business and Financial Information

Integrated Report (PDF / issued once a year)

- Annual Securities Report
- Corporate Governance Report

<Website>  
Investors

### Sustainability Information

- Sustainability Data Book  
(PDF / issued once a year)

<Website>  
CSR

### Toyo Ink Group website

 <https://schd.toyoinkgroup.com/en/>

Please go to the "Contact Us" page on the website to provide us with your opinions and comments about this report.

#### Caution concerning forward-looking statements

The opinions and forward-looking statements contained in this report are our views as of the time of the creation of this report. We do not guarantee or promise the accuracy or completeness of this information. Accordingly, future results may differ from those expressed in our forward-looking statements.

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## Top Message



**We will accelerate our sustainability activities with a view to creating a fulfilling future.**

A handwritten signature in black ink, appearing to read 'Satoru Takashima', written over a light blue background.

**Satoru Takashima**

Group CEO  
President and Representative Director

The Toyo Ink Group defines its TSV2050/2030 Sustainability Vision as a medium- and long-term goal of its sustainability activities. The SIC-II medium-term management plan has set a non-financial goal, which reads “Enhance the value of management resources for sustainable growth” as one of its three pillars. To achieve this goal, we are carrying out sustainability management.

“Enhance the value of management resources for sustainable growth”—is an essential structural reform for us to become a more sustainable corporate group. It is based on four themes: Reform of work styles and personnel systems, Advancement of DX, Transformation of the governance system, and Promotion of environmental management. In FY2022, we renamed and reorganized the CSR Generalization Committee into the Sustainability Committee, driving group-wide sustainability activities and establishing a system to support individual sustainability activities in close cooperation with the departments of each Group company. Under this new system, we focused on two sustainability issues that we had identified as insufficient in the past: human rights and CSR procurement.

Specific actions we have taken include the formulation of the Policy on Human Rights in view of global trends in human rights issues, a fundamental revision to the Procurement Principles and the Standard for Selecting Suppliers, and the development and publication of the Sustainable Supply Chain Guidelines. A CSR procurement survey to major suppliers in Japan reveals that nearly 80% of the suppliers agree and assent to the Toyo Ink Group’s policy and guidelines.

As for Promotion of environmental management, we are making positive investments in boosting the capacity to produce materials for lithium-ion batteries and in the development of biomass raw materials and other products of environmental value in a bid to help reduce CO<sub>2</sub> emissions from society for achieving carbon neutrality.

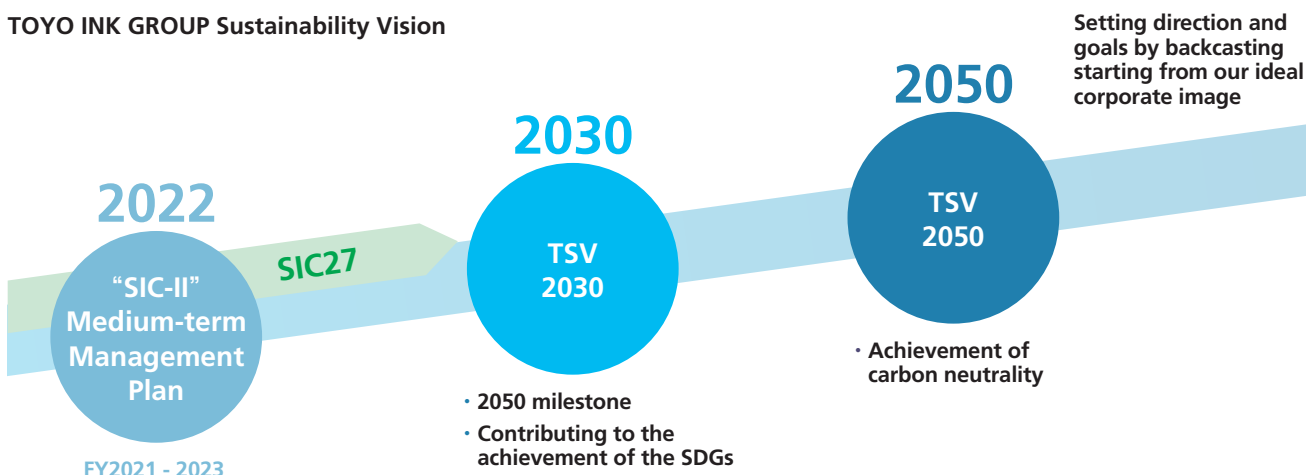
The Toyo Ink Group has a corporate philosophy of *People-oriented management* and understands that strengthening human capital is one of the top priority issues to tackle. We will also strive to enhance diversity and inclusion (D&I), to create a workplace environment that is fulfilling to workers, and to develop personnel capable of digital transformation (DX.) In January 2023, the D&I Promotion Office was established in the Human Resources Department. Under a new structure, we will speed up our activities. We will respect diverse values and strive to make ourselves an organization where employees with all attributes can display their potential.

In January 2024, we will be making a fresh start after changing our company name to artience Co., Ltd. The name change expresses to all stakeholders, both inside and outside the company, the Group’s strong determination to contribute to a new era, to achieve further growth, and to transform into a company that delivers pioneering value to people around the world with cutting-edge technologies amid dizzying changes in the social environment. Please look forward to the Group’s major transformation, aimed at achieving the sustainable growth of both the Group companies and society.

# Medium- to Long-term Sustainability Vision “TSV2050/2030” Looking Ahead to 2050

There are a range of social issues we must address, including global environmental issues (primarily climate change,) the sustainable procurement of raw materials and respect for diversity. The Toyo Ink Group believes that it needs to conduct business activities that consider environmental, social and governance (ESG) practices, and undertake initiatives from a longer-term perspective for sustainable growth. Based on this belief, we formulated the TSV2050/2030 Sustainability Vision in January 2022.

## TOYO INK GROUP Sustainability Vision



TSV2050/2030 consists of TSV2050, which indicates a direction to reach our ideal vision with 2050 as the target year, and TSV2030, which sets various interim targets by backcasting toward 2030 as a milestone. We have set goals along three directions: “Providing products and services that realize a sustainable society,” “Reducing the environmental impact of manufacturing,” and “Building a foundation for trust.” We will take initiatives, using TSV2050/2030 as guidance for sustainability activities and aiming to achieve carbon neutral-

ity by 2050, a goal that is included in the SIC-II medium-term management plan.

The Toyo Ink Group has been aiding the development of society by supplying products and services needed by society at that time to enrich people’s lives and culture. That is in line with our corporate philosophy, endeavoring to be a company that contributes to the enrichment of life and culture throughout the world, and our purpose.

## 1. Providing products and services that realize a sustainable society

The Toyo Ink Group has set standards in each stage of the product life cycle and launched products that meet certain conditions as environmentally friendly products. The Group provides many products that enhance different types of Lifestyle Value, such as comfort in life, health and welfare and safety and reliability. We provide new value and services that have Environmental Value and Lifestyle Value which exceed customers’ expectations.

TSV2030	TSV2050
<ul style="list-style-type: none"> <li>◆ The percentage of sales from sustainability-enhancing products will be <b>80%</b></li> <li>◆ Increasing the number of products able to contribute to the reduction of CO<sub>2</sub> emissions throughout their lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>◆ Making all products sustainability-enhancing products</li> <li>◆ Helping customers achieve decarbonization</li> </ul>

## Sustainability-Enhancing Products

When we formulated TSV2050/2030, we reviewed the definition of environmentally friendly products and have defined Sustainability-Enhancing Products. We defined Environmental Value as the value provided by environmentally friendly products and Lifestyle Value as the value provided by products that contribute to comfort in people's lives, their health and welfare, and safety and reliability.

### Environmental Value and Lifestyle Value defined for sustainability-enhancing products, their direction, and examples

Value provided	Direction	Keywords / Examples of initiatives
Environmental Value	Container / package area	<b>Reduce</b> / Reduction and replacement of fossil-derived raw materials
		<b>Replace</b> / Simplification of product mix, replacement with paper
		<b>Recycle</b> / Rollout of materials and systems that support the recycling of plastics
	Mobility / energy area	<b>Shift to EV transportation</b> / Proposal and advance development of materials and technologies that contribute to the acceleration of the shift to EVs
<b>Clean energy / new energy</b> / Developing environmentally friendly new power generation systems and proposing materials for these systems		
	Carbon recycling	Developing Carbon Capture, Usage and Storage (CCUS) technologies, utilizing CO <sub>2</sub> -derived raw materials
Lifestyle Value	Medical and healthcare area (prevention and diagnosis, medical treatment, safety and security) Communications, electronics and digital area (high-speed, high-capacity communications, advanced sensing, Big Data)	

## 2. Reducing the environmental impact of manufacturing

Tackling environmental problems including climate change is an essential task for manufacturers. The guiding principles of the Toyo Ink Group's philosophy include harmony with the environment. We will reduce energy consumption, shift to low-carbon energy, and shift to low-carbon power in manufacturing and build and maintain an environmental management system to reduce environmental impact.

TSV2030	TSV2050
<ul style="list-style-type: none"> <li>◆ CO<sub>2</sub> emissions 35% reduction in Japan (from the FY2020 level) 35% reduction overseas (compared to the FY2030 BAU)</li> <li>◆ Amount of waste treated off-site 50% reduction in Japan (from the FY2020 level)</li> <li>◆ Harmful chemical substance emissions 30% reduction in Japan (from the FY2020 level)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Achieving net zero CO<sub>2</sub> emissions from production activities and minimizing their environmental impact</li> <li>◆ Minimizing waste generation</li> <li>◆ Realizing sustainable water use</li> </ul>

## 3. Building a foundation for trust

In addition to preventing corruption and averting business risks, enhancing corporate governance will result in increases in earnings and the enhancement of corporate value in the medium- to long-term and support sustainable growth. We believe that the supply chain is within the scope of our social responsibility. We need to consider human rights, labor, the environment and other factors in our supply chain. The Toyo Ink Group will build a healthy and transparent management system and solve issues and contribute to society through co-creation in the supply chain and dialogue with stakeholders to enhance the trust of society and corporate value.

TSV2030	TSV2050
<ul style="list-style-type: none"> <li>◆ Sourcing raw materials in ways that are friendly to the environment and good for society</li> <li>◆ Respecting the diversity of employees and co-existing in harmony with the natural environment and local communities</li> <li>◆ Continually restructuring our governance system</li> </ul>	<ul style="list-style-type: none"> <li>◆ Continuing to reform and transform our supply chain, human resources, regional activities, and governance from the perspective of environmental and social contribution</li> </ul>

# Sustainability Management

## Basic approach

In the SIC-II medium-term management plan launched in 2021, we laid out the vision of being “a company that contributes to a new era through the enrichment of life and culture” with three key policies: (1) Improve the profitability of businesses, (2) Create more priority areas of development, and (3) Enhance the value of management resources for sustainable growth (change of the corporate structure.)

In recent years, awareness of sustainability has been increasing worldwide, including responses to climate change, carbon neutrality, and initiatives for achieving the SDGs. In January 2022, we formulated our TSV2050/2030 sustainability vision, which outlines our ideal vision for driving our corporate activities from a medium to long-term perspective based on three key points: (1) Contributing to sustainability through all of the products and services we provide (Providing products and services that realize a sustainable society,) (2) Minimizing the environmental impact of manufacturing, including carbon neutrality, and (3) contributing reliably to the improvement of social sustainability.

For more than 120 years since its founding, the Group has continued to provide value demanded by customers and society by leveraging its unique core technologies. The Group’s goal of sustainable management is to continue to provide the products and services needed by customers and society, and fulfill its supply responsibilities based on business continuity, as a company that will continue to be chosen by society. We will continue to promote sustainable management by implementing management strategies under the SIC-II medium-term management plan and steadily

executing measures to address material issues, and the goals of TSV2050/2030 that lie beyond.

## Promotion system

The Sustainability Committee is chaired by the Group’s Chief Sustainability Officer, with the Group CEO as chief supervisor. The committee formulates plans, implements, evaluates, and follows up on all Group-wide sustainability-related activities. It also reports regularly to senior management at meetings of the Group Management Committee and the Board of Directors, and receives instructions on how to respond as necessary.

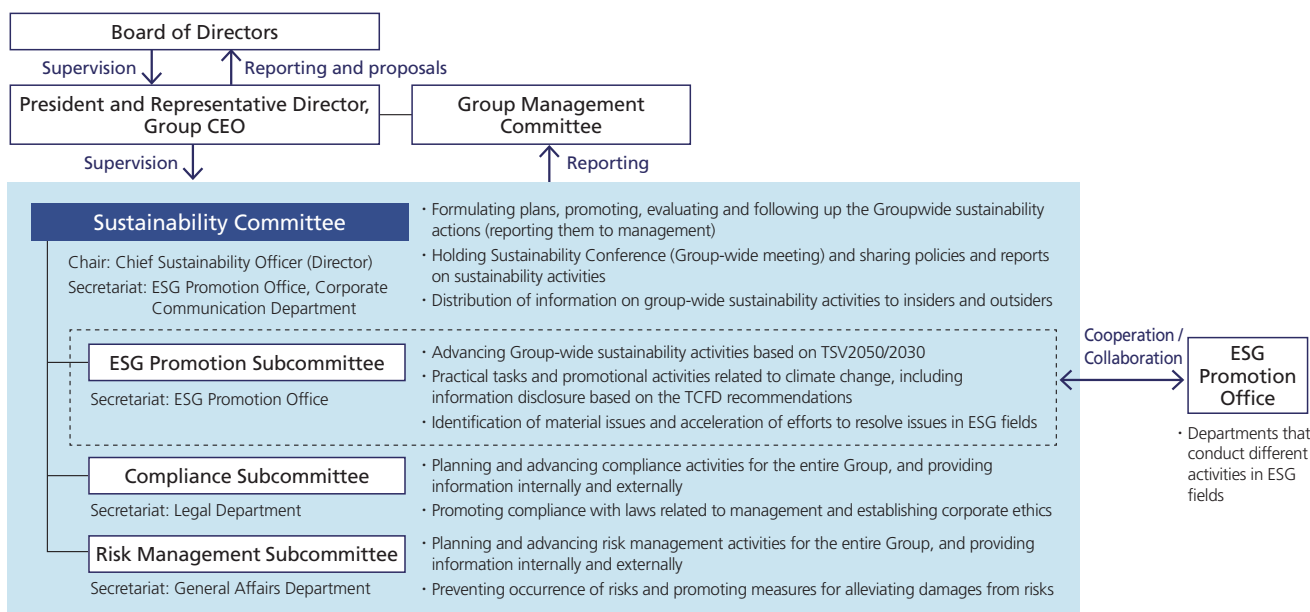
For FY2022, the group-wide meeting of the Sustainability Conference was held in September as in usual years to share the progress of sustainability activities and activity policies. After the meeting, we held training for officers and department managers, which was also open to other personnel wishing to take it, helping them to deepen their understanding of diversity.

In July 2023, the ESG Promotion Office was established as a body that specializes in implementation of ESG activities.

### Main sustainability committee themes in FY2022

- Response to climate change (consideration of energy saving measures and introduction of renewable energy, etc.)
- Information disclosure and communication (information disclosure based on the TCFD recommendations, expanding disclosure of non-financial information, etc.)
- Respect for human rights (diversity promotion project, establishment of human rights policy and discussion of activities)
- Promotion of CSR procurement (revision of procurement Principles and Standard for Selecting Suppliers, and establishment of guidelines)

## Sustainability promotion system (after July 2023)





## Working to resolve social and environmental issues through organizational collaboration

In recent years, against the backdrop of growing awareness of the global environment, resources and widespread recognition of the SDGs, demands are now being placed on companies to take measures to help solve social and environmental issues such as achieving carbon neutrality and creating a circular economy. In response to these demands, in FY2022, the Group established the TSV2050/2030 sustainability vision. In FY2023, we will establish the ESG Promotion Office to strengthen our organization, with the aim of further accelerating the next medium-term management plan. It is difficult to achieve environmental targets such as reducing CO<sub>2</sub> emissions through activities in the production division alone, so it is crucial to improve efficiency in our sales strategies and reform technical methods and processes. Through interdivisional collaboration and sharing of information and awareness, we will implement comprehensive measures to enhance the feasibility of our sustainability strategy. We will also make efficient use of management resources in these activities to create new value.



**Tetsuaki Sato**

Director in charge of Sustainability (CSO)

## Material Issues

We have formulated five material issues that summarize the issues that the Group should address, and carry out initiatives that link CSR activities and the medium-term management plan.

[link](#) For the material issues formulated, see pages 9 and 10.

### Process of formulating the material issues

#### STEP 1 Identifying issues

Workshops were held with officers—primarily members of the CSR Promotion Subcommittee (now the ESG Promotion Subcommittee)—to identify potential material issues to be addressed, including international guidelines, material issues for chemical manufacturers, aspects in which the Group is expected to have a significant impact on the economy, society, and the environment.

#### STEP 2 Prioritizing material issues

Based on the candidate material issues identified, the CSR Promotion Committee (now as CSR Promotion Subcommittee) mapped the issues, with coordinate axes of materiality for stakeholders and materiality for the Toyo Ink Group. Thus, the Committee narrowed the candidate issues down to high-priority ones.

[WEB](#) For the results of mapping of the material issues identified, see page 38 of Integrated Report 2023.

#### STEP 3 Narrowing the issues from stakeholders' perspective

The members of the CSR Promotion Subcommittee (now the ESG Promotion Subcommittee) responsible for identifying material issues then further narrowed down the key issues through continuous internal and external communication, such as dialogues with external experts and internal workshops.

#### STEP 4 Formulating the material issues

We organized the material issues that were narrowed down, ideal states, boundaries (extent of their impact,) and other points, thereby clarifying the five material issues, position of each, and relationships between them. After approval by the CSR Management Committee (now the Sustainability Committee) and the Group Management Committee, we formulated a set of material issues in FY2017 and began activities based on them in FY2018.

## Formulation and penetration of the TSV2050/2030 Sustainability Vision






In January 2022, we formulated the Sustainability Vision, TSV2050/2030, to respond flexibly to drive our corporate activities from a medium to long-term perspective. Going forward, we will review medium to long-term targets and material issues while working to instill awareness and achieve the goals of TSV2050/2030.

# Material Issues and Progress of Our Activities

The Toyo Ink Group defined its material issues through dialogue with stakeholders. In FY2018, we linked our sustainability activities to our medium-term management plan, and have since carried out activities with a focus on material issues. In FY2022, we engaged in activities in line with KPIs and targets during SIC-II (FY2021 to FY2023,) matching the period of activities for the SIC-II medium-term management plan.

In particular, the numerical environmental targets for Material Issue 2 (reducing of CO<sub>2</sub> emissions, information disclosure based

## Material issues, ideal state and actions

Material issues	Ideal state	Relevant SDGs goals	Actions
<p><b>Material Issue 1</b></p> <p>Provide value that exceeds customer expectations and contribute to society</p>	<p>We provide value that contributes to innovations and the solution of issues in society, through creative products and services that exceed customers' expectations. Through these activities, we win the trust of a wide range of stakeholders and contribute to developing a sustainable society.</p>		<ol style="list-style-type: none"> <li>1. Create the enrichment of life and culture based on the three strategic orientations of Life, Communication and Sustainability</li> <li>2. Build customer trust through safe products and services</li> <li>3. Assure highest quality</li> <li>4. Achieve a high level of customer satisfaction</li> </ol>
<p><b>Material Issue 2</b></p> <p>Co-exist in harmony with the environment through innovative technologies</p>	<p>With innovative environmental technologies, we have become a leading company in society in the aspects of both products and services. In addition, we contribute greatly to harmonizing society with the environment and improving the sustainability of society through initiatives we take in overall business, from the upstream to the downstream.</p>		<ol style="list-style-type: none"> <li>5. Development and dissemination of innovative technologies, products, and services that reduce environmental impact</li> <li>6. Efforts to solve and respond to the problem of climate change</li> <li>7. Appropriate management of chemical substances</li> <li>8. Steady promotion of environmental management</li> </ol>
<p><b>Material Issue 3</b></p> <p>Co-exist and co-prosper with the supply chain and fulfill the trust of stakeholders</p>	<p>We have built a firm relationship of trust with the supply chain toward co-existence and co-prosperity, by respecting the supply chain on an equal footing and stimulating each other. Based on this relationship, we continue to take on further challenges through mutual cooperation with the supply chain.</p>		<ol style="list-style-type: none"> <li>9. Co-existence and co-prosperity in the supply chain through collaboration</li> <li>10. Respect for the human rights of all stakeholders</li> </ol>
<p><b>Material Issue 4</b></p> <p>Value employees and pursue their happiness and job satisfaction</p>	<p>We have established a corporate climate where the personality of each employee and their diversity are respected and employees pursue job satisfaction and self-actualization. In addition, our open, family-like workplace environment serves as the base for creating innovations at home and abroad.</p>		<ol style="list-style-type: none"> <li>11. Thorough occupational safety and health, and promote health and productivity management, which are closely linked to employee satisfaction</li> <li>12. Foster diversity to invigorate the organization</li> <li>13. Cultivate human resources that have global perspectives and abilities</li> </ol>
<p><b>Material Issue 5</b></p> <p>Build a solid base that underpins trust</p>	<p>We have established a solid base that underpins the trust of stakeholders through compliance, communications, and other practices. In addition, this base serves as a secure foundation for the Group to survive until its 200th anniversary while maintaining its traditions.</p>		<ol style="list-style-type: none"> <li>14. Ensure compliance</li> <li>15. Eliminate corruption</li> <li>16. Promote effective risk management and disaster preparedness</li> <li>17. Implement timely, appropriate and proactive information disclosure, and strengthen stakeholder communication</li> <li>18. Contribute to local community development through our business activities</li> <li>19. Contribute to the resolution of problems affecting local communities</li> </ol>

on TCFD recommendation) and social targets for Material Issue 4 (promoting health and productivity management, increasing female manager ratio to 8%) are equivalent to “Promotion environmental management” and “Reform workstyles and personnel systems” under Basic Policy 3 of SIC-II “Enhance the value of management resources for sustainable growth (change of the corporate structure,”) and we are bolstering our efforts accordingly. Activities in FY2022 proceeded as planned for the most part.

Evaluation: A as Progress beyond plan, B as Progress as planned, and C as Further efforts required

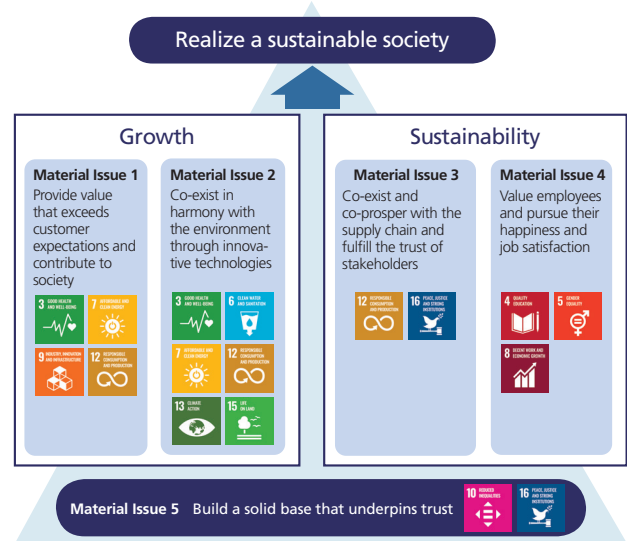
KPIs and targets during SIC-II (FY2021 - 2023)	Achievements in FY2022	Evaluation for FY2022
<ul style="list-style-type: none"> <li>Creation of products, services and technologies that contribute to provision value to society</li> <li>Initiatives to improve quality: Operation of the Quality Global Standard at all production bases around the world</li> </ul>	<ul style="list-style-type: none"> <li>Creation of new products and services for value creation (adoption of LiB materials by the world's largest in-vehicle battery manufacturer, development of pressure sensitive adhesives that contribute to the reduction of time, energy, and space in manufacturing processes, adoption of Fichivita™ sensing system—the industry's first sensor market that automatically detects posture—for use in air mattresses designed to prevent bedsores)</li> <li>Held online event “Value Showcase” on the Group's website (Feb. 14 to 15, 2022) to introduce material technologies and solutions that are indispensable for creating high value-added products (approx. 5,000 online visitors)</li> </ul>	B
<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions (Japan): 67,500t (down 12% from the FY2020 level)</li> <li>Improvement of specific energy consumption (overseas): 165.0L/t (down 3% from the FY2020 level)</li> <li>Reduction of chemical emissions (Japan): 62.2t (down 10% from the FY2020 level)</li> <li>Reduction of amount of waste treated off-site (Japan): 10,500t (down 19% from the FY2020 level)</li> <li>Increasing of sales ratio of environmentally friendly products: 70.0% (up 4.0 percentage points from the FY2020 level)</li> <li>Conservation of forest and aquatic ecosystems: Tree-planting, ecological surveys, strengthening of water intake / drainage management at production bases with high water risks, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions (Japan): 73,404 t (down 4.5% from the FY2020 level)</li> <li>Improvement of specific energy consumption (overseas): 164.1 L/t (down 3.6% from the FY2020 level)</li> <li>Reduction of chemical emissions (Japan): 78.8t (up 26.4% from the FY2020 level)</li> <li>Amount of waste treated off-site (Japan): 13,466 t (up 4.4% from the FY2020 level)</li> <li>Sales ratio of environmentally friendly products: 62.4% (down 5.5 percent points from the FY2020 level)</li> <li>Information disclosure based on the TCFD recommendations (expanding the range of information disclosed)</li> </ul>	B
<ul style="list-style-type: none"> <li>Implementation of major supplier assessments based on Criteria for Selecting Suppliers: Continuation of 100% implementation rate</li> <li>Conducting a sustainability surveys for major suppliers: Implementation rate 100%</li> <li>Promoting efficiency and sustainability improvements through collaboration in logistics</li> <li>Continuation human rights education during overseas assignment training: Attendance rate 100%</li> </ul>	<ul style="list-style-type: none"> <li>Revision of Procurement Principles and Criteria for Selecting Suppliers</li> <li>Formulation of Sustainable Supply Chain Guidelines</li> <li>CSR procurement survey (requested consent to guidelines and responses to a self-assessment questionnaire on CSR procurement)</li> <li>Guideline consent rate: 79.5%, CSR procurement rate: 72.8% (274 suppliers surveyed, transaction value: 67,367 million JPY)</li> <li>Formulation of Human Rights Policy</li> <li>Number of employees who took human rights education during overseas assignment training: 13 employees (percentage of employees receiving training: 92.9%)</li> </ul>	B
<ul style="list-style-type: none"> <li>Continuing to be selected as <i>White 500</i> company by promoting health and productivity management</li> <li>Continuing acquirement <i>Eruboshi</i> certification by promoting women's employment and active participation: Continuing 30% female recruitment ratio in Japan, and female manager ratio in Japan to be 8%</li> <li>Continuing acquirement <i>Kurumin</i> certification promoting childcare and nursing care support: Continuing 80% childcare leave acquisition (10 days or more) rate for male employees in Japan</li> <li>Zero serious accidents</li> </ul>	<ul style="list-style-type: none"> <li>Continued to be selected as a <i>White 500</i> company, acquired <i>Eruboshi</i> certification and <i>Kurumin</i> certification</li> <li>Promotion of D&amp;I activities through the Diversity Promotion Project (transmission of information, event planning, and reporting of activities at company-wide meetings)</li> <li>Percentage of female new graduates hired in Japan: 32.5%</li> <li>Percentage of female managers: 4.5% (as of January 2023)</li> <li>Percentage of male employees in Japan taking childcare leave for 10 days or more: 100%</li> <li>Zero serious accidents (frequency rate of lost-workday injuries in Japan: 0.286, severity rate: 0.002, accident rate: 2.70)</li> </ul>	B
<ul style="list-style-type: none"> <li>Zero serious compliance violations</li> <li>Comprehensive implementation and content enhancement of compliance meetings in each site</li> <li>Formulation of the compliance seminars tailored to local circumstances of each site of the Group, and continuing implementation of education (Anti-monopoly Act, Subcontract Act, bribery prevention, privacy protection regulations, etc.)</li> <li>Promoting activities for communication with local communities</li> <li>Promoting educational / cultural activities in local communities</li> <li>Promoting social contribution activities: Volunteer activities or their support, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Zero serious compliance violations</li> <li>Held compliance meetings in each site (3,663 participants during the first half of the year; 3,896 participants during the Improvement Month)</li> <li>Held various compliance seminars (Anti-monopoly Act: 11 seminars with a total of 406 participants, Subcontract Act: 16 seminars with a total of 365 participants)</li> <li>Held compliance meetings in each site using Code of Business Ethics and its explanatory materials which are translated into local languages</li> <li>Responded appropriately to natural disasters (earthquakes, typhoons, heavy rain, etc.)</li> <li>Responded to the COVID-19 pandemic (including the revision of guidelines)</li> <li>Conducted risk assessments (100% of locations in Japan, 91.7% of locations overseas)</li> <li>Encouraged the formulation of disaster response manuals at bases in Japan (90.5% of bases have created manuals)</li> <li>BCP questionnaire for initial earthquake response at domestic sites (response rate: 100%)</li> <li>Establishment of information system BCP system (countermeasures against cyber attacks, etc.)</li> <li>Volunteer leave system (3 employees took volunteer leave)</li> </ul>	B

# SDGs Initiatives

## Toyo Ink Group's five material issues and relevant SDGs

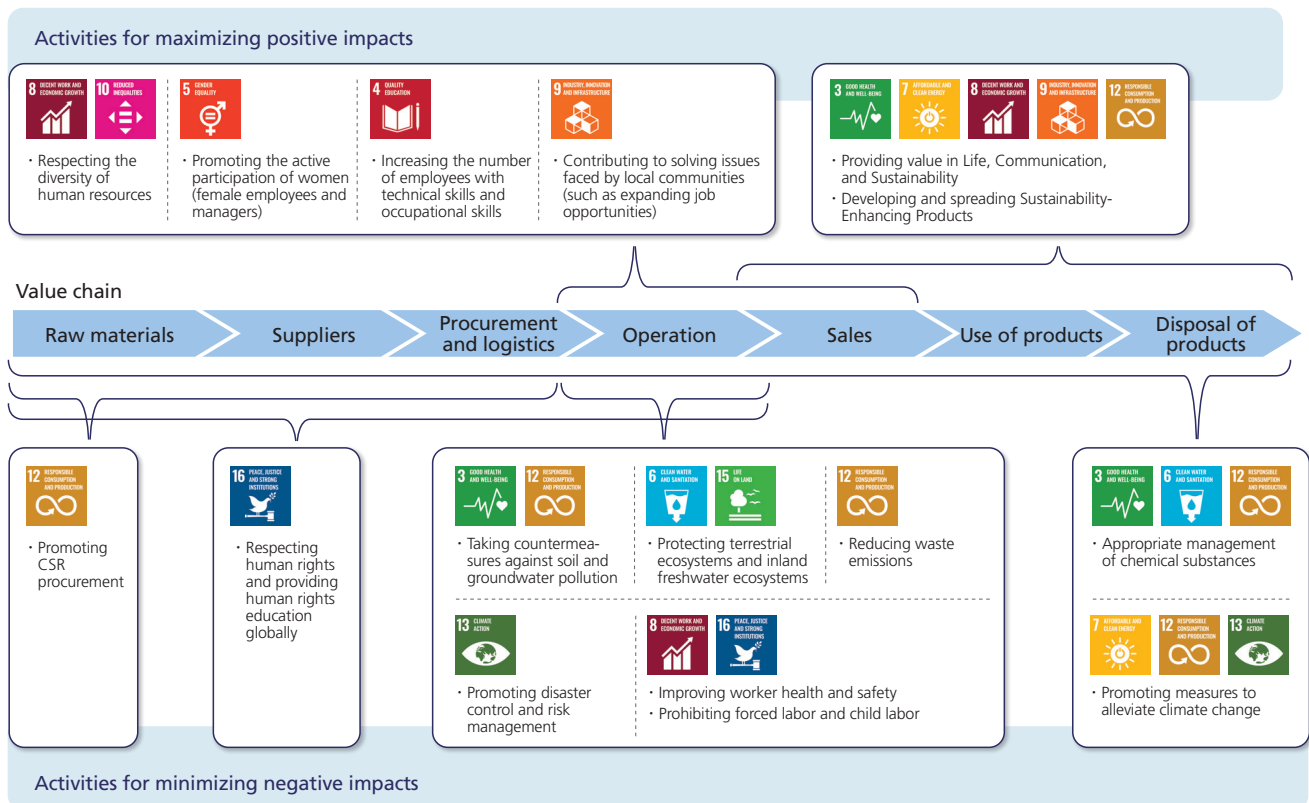
The Sustainable Development Goals (SDGs) are international goals for the period from 2016 to 2030. They are described in the Agenda 2030 for Sustainable Development that was adopted at the UN Sustainable Development Summit in September 2015. They are the shared goals of everyone on earth, including not only governments but also businesses and civil society. SDGs are a set of 17 goals and 169 targets for achieving a sustainable world. They are aimed at realizing a world in which "No one will be left behind."

Based on SDGs and targets, the Toyo Ink Group has associated 12 of the SDGs that are closely related to its business activities with material issues and clarified how the Group will contribute to achieving the goals and targets.



## Toyo Ink Group's relationships with SDGs in its value chain

Based on "SDG Compass —The guide for business action on the SDGs," the Toyo Ink Group has clarified its relationships with SDGs in its value chain.



## Goals and targets of SDGs that are relevant to our materials issues

The Toyo Ink Group is committed to contributing to society through its business operations under its philosophical system. We are advancing our actions to address social issues while gaining a deeper understanding of the SDGs.

	Relevant SDGs goals	Toyo Ink Group's initiatives on targets of relevant SDGs
Material Issue 1		<p>3.4 We will promote the good health and welfare of consumers through the prevention and treatment of diseases with transdermal patches, along with the new medical and healthcare business.</p> <p>7.2 We will contribute to the expansion of renewable energy by developing and selling components that help improve the performance of solar cells.</p> <p>7.3 We will contribute to reducing consumption of oil resources and improving energy efficiency by developing and selling components for lithium ion batteries and other secondary batteries.</p> <p>9.4 We will improve sustainability by expanding environmentally friendly technologies and suggesting solutions.</p> <p>9.5 We will take on challenges to create innovative products, services, and new businesses that will contribute to improving the quality of life (QOL) of consumers.</p> <p>12.3 We will reduce food loss in the supply chain by providing a range of packaging materials.</p> <p>12.4 We will implement chemical substance control throughout the life cycle of products to ensure comprehensive quality control, thereby minimizing the impact on consumers' health and the environment.</p>
Material Issue 2		<p>3.9 We will manage harmful chemical substances and take action against soil and groundwater pollution to reduce the negative impact on consumers' health.</p> <p>6.3 We will contribute to improving water quality by reducing chemical emissions, recycling water, and ensuring appropriate water treatment.</p> <p>6.4 We will advance efficient use of water by reducing water consumption and improving the efficiency of water use.</p> <p>6.6 We will reduce the environmental impact of factory wastewater to protect water-related ecosystems.</p> <p>7.2 We will increase the ratio of renewable energy to all the energy we use by introducing facilities such as solar power generation facilities.</p> <p>7.3 We will strive to improve the energy efficiency of production by replacing equipment with energy-efficient versions, introducing cogeneration systems, and taking other measures.</p> <p>12.2 We will focus on the development of products made from biomass materials in our efforts to make efficient use of natural resources.</p> <p>12.4 We will quantify and reduce the environmental impact of our products in their life cycle by using Life Cycle Assessment (LCA.)</p> <p>12.5 We will reduce waste emissions by promoting the 3Rs (reduce, reuse, and recycle.)</p> <p>13.1 We will strive to mitigate climate change by reducing CO<sub>2</sub> emissions with initiatives including the continuation of energy conservation activities, energy conservation investments, and production innovation.</p> <p>15.1 We will continue to undertake ecosystem surveys of company-owned forests and rivers to check the impact of our business activities on the terrestrial ecosystem and the inland freshwater ecosystem and focus on activities for preserving them.</p> <p>15.2 We will encourage sustainable forest management using FSC-certified paper, forest absorption credits in carbon-offsetting, and other measures.</p>
Material Issue 3		<p>12.7 We will promote sustainable procurement (CSR procurement) based on the Procurement Principles and the Standard for Selecting Suppliers.</p> <p>16.2 We will prohibit forced labor and child labor via our supply chain and ensure that we provide training on human rights including respect for human rights.</p>
Material Issue 4		<p>4.4 We will increase the number of employees with technological and vocational skills by establishing plants in emerging countries to create employment, providing support for production, and cultivating human resources proactively at each base.</p> <p>5.1 We will promote women's participation and advancement by providing training, including modules aimed at increasing the rate of hiring of female graduates and modules for promoting career awareness among female employees.</p> <p>5.5 We will increase the number of female officers and managers to promote women's participation in decision-making.</p> <p>5.b We will install toilets for women in the workplace, introduce hand cranes, and take other measures to reduce the burden on female employees at our production sites.</p> <p>8.5 We will employ more people with disabilities and build an environment that enables their active participation.</p> <p>8.6 We will expand employment training opportunities in Japan and other countries through the Toyo Ink Academy.</p> <p>8.7 We will ensure that we prohibit forced labor and child labor at all sites, including overseas sites.</p> <p>8.8 We will promote a safe, secure work environment by encouraging activities for worker safety, operations security, and the prevention of workplace injuries in a Group-wide manner.</p>
Material Issue 5		<p>10.3 We will promote measures to ensure compliance and act appropriately by observing laws and regulations.</p> <p>16.5 We will not be involved in corruption or bribery in any country.</p>

## Relationship with Stakeholders

The Toyo Ink Group's business activities are carried out in connection with a wide range of stakeholders. By clarifying our responsibilities to stakeholders and implementing a range of related communication activities, we are able to develop awareness of social issues and implement various measures aimed at helping to solve these problems.

Toyo Ink Group's stakeholders		Toyo Ink Group's responsibilities	Main forms of dialogue
Customers	The Toyo Ink Group provides a wide range of products and services in four Business Segments: Colorants and Functional Materials, Polymers and Coatings, Packaging Materials, and Printing and Information.	<ul style="list-style-type: none"> <li>• Providing products and services that create value in terms of providing security and peace of mind</li> <li>• Enhancing customer satisfaction</li> <li>• Providing accurate, appropriate information about our products</li> <li>• Implementing appropriate management of customer data</li> </ul>	<ul style="list-style-type: none"> <li>• Interaction of sales personnel with customers</li> <li>• Response to customers by customer relations office</li> <li>• Online information disclosure</li> <li>• Dissemination of information via social media and mailing list</li> <li>• Holding of trade shows and online events</li> </ul>
Shareholders and investors	One of Group's Guiding Principles is to "Respect shareholders' rights, improve shareholder value and enhance market valuation." Toyo Ink has approximately 58.28 million outstanding shares (total number of shares outstanding following share consolidation) as of the end of December 2022, and 21,023 shareholders.	<ul style="list-style-type: none"> <li>• Maintaining and enhancing our corporate value</li> <li>• Returning profits to shareholders in an appropriate manner</li> <li>• Implementing timely, appropriate disclosure of corporate information</li> <li>• Responding to the trend towards ESG investment</li> </ul>	<ul style="list-style-type: none"> <li>• General Shareholders' Meeting (held once a year, in March)</li> <li>• Earnings briefings (held twice a year, in February and August)</li> <li>• One-to-one meetings (held approx. 100 times)</li> <li>• Online information disclosure</li> <li>• Information disclosures using IR tools (e.g. Integrated Report and Newsletters to Shareholders)</li> <li>• Response to SRI surveys</li> </ul>
Employees	The Group comprises about 70 companies. As the end of December 2022, the number of employees in the Group is 7,930, of which 3,064 are in Japan, and 4,866 are overseas (consolidated.)	<ul style="list-style-type: none"> <li>• Respecting human rights and diversity</li> <li>• Recruiting and cultivating human resources</li> <li>• Creating workplaces in which diverse human resources can thrive</li> <li>• Consideration for occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings within the organization</li> <li>• Workplace communication</li> <li>• Labor-management council</li> <li>• In-house newsletters, intranet</li> <li>• Whistle-blowing system</li> <li>• Holding seminars and providing information on health and nursing care</li> </ul>
Suppliers	The Group has approximately 300 major suppliers in Japan.	<ul style="list-style-type: none"> <li>• Engaging in fair, equitable transactions</li> <li>• Providing support for, and collaborating on, sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Everyday procurement activities</li> <li>• Factory inspections</li> <li>• Implementation and cooperation of questionnaire surveys and other surveys</li> </ul>
Governments and industry groups	The Group is related to national governments and local governments in its business activities. The Group also belongs to several industry groups in each business.	<ul style="list-style-type: none"> <li>• Complying with regulatory requirements, administrative guidance, etc.</li> <li>• Fulfilling our duty to pay taxes</li> <li>• Collaborating on government policies aimed at addressing social problems</li> </ul>	<ul style="list-style-type: none"> <li>• Notifications and reports related to laws and regulations</li> <li>• Participating in and collaborating on seminars and other events organized by government agencies</li> <li>• Participating in a variety of industry committees</li> <li>• Communication via industry organizations</li> </ul>
Local communities	The Group undertakes business activities in approximately 20 different countries around the world.	<ul style="list-style-type: none"> <li>• Contributing to the development of local communities</li> <li>• Respecting local culture and customs</li> <li>• Preventing accidents and safeguarding the environment</li> <li>• Collaborating and partnering on efforts to solve environmental problems, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Participating in activities hosted by local communities</li> <li>• Risk communication activities</li> <li>• Factory visits and presentations for local residents</li> <li>• Cooperating in special classes providing hands-on experience in the real world</li> <li>• Having dialogues</li> <li>• Social contribution activities</li> </ul>
Global environment	The Group uses raw materials, energy, water, etc. in its production activities, and has an environmental impact in the form of CO <sub>2</sub> emissions, chemical emissions, wastewater, waste materials, etc.	<ul style="list-style-type: none"> <li>• Reducing greenhouse gas emissions</li> <li>• Promoting energy-saving and recycling</li> <li>• Reducing the volume of waste emissions, and reducing chemical emissions</li> <li>• Safeguarding the aquatic environment and helping to conserve biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Joint studies with research institutions including universities</li> <li>• Provision of environmental education</li> <li>• Publishing of various reports and other documents</li> <li>• Responding to questionnaires related to the environment</li> </ul>

### TOPICS

#### Established Toyo Ink Group Collaborative Research Center in Tokyo Institute of Technology

On January 13, 2022, the Toyo Ink Group and the Tokyo Institute of Technology established the Toyo Ink Group Collaborative Research Center, which conducts cutting-edge research in the fields of the environment, IT and biotechnology. The research center was established with the support of the Tokyo Institute of Technology's Open Innovation Platform. Through joint research with the Tokyo Institute of Technology into cutting-edge science and technology, we will create innovative technologies in three areas: sustainability, communication and life.

## External Recognition

### 2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

#### MSCI Japan Equity Women's Empowerment Index (WIN)

This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their promotion of gender diversity. This is one of the ESG indexes to be used by the Government Pension Investment Fund (GPIF).



#### FTSE Blossom Japan Index

#### FTSE Blossom Japan Index

This is an investment index designed by the global index and data provider FTSE Russell. It is designed to measure the performance of Japanese companies demonstrating excellent Environmental, Social and Governance (ESG) practices. This is one of the ESG indexes to be used by the GPIF.



#### FTSE Blossom Japan Sector Relative Index

#### FTSE Blossom Japan Sector Relative Index

This is an investment index designed by FTSE Russell. It is designed to measure the performance of Japanese companies demonstrating excellent ESG practices in each sector, while minimizing sector-bias. This is one of the ESG indexes to be used by the GPIF.



#### S&P/JPX Carbon Efficient Index

This is an investment index designed by S&P Dow Jones Indices LLC and Japan Exchange Group, Inc. Its constituents are selected from among the TOPIX constituents, weighted by the status of their disclosure of environmental information and carbon efficiency. Toyo Ink SC Holdings Co., Ltd. has been evaluated according to the methodology of the S&P Carbon Global Standard as a 1st Decile constituent and its carbon information disclosure status is "Not Disclosed."

2023



Sompo Sustainability Index

#### SOMPO Sustainability Index

This is an investment index designed by SOMPO Asset Management Co., Ltd. This index comprises approx. 300 companies with outstanding ESG initiatives. It is used in SOMPO Sustainable Management, an investment product from SOMPO Asset Management Co., Ltd. that is adopted by multiple pension funds and institutional investors oriented toward the long-term holding of stocks.



#### EcoVadis Sustainability Rating Bronze status achieved

EcoVadis is a company which certifies sustainable supply chains. They evaluate companies' policies, actions and results into the four pillars: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. The Bronze rating is awarded to companies ranked in the top 26% to 50% of approx. 100,000 evaluated companies.



2023  
健康経営優良法人  
Health and productivity  
ホワイト500

#### 2023 Health and Productivity Management Outstanding Organizations (White 500) certification

This is a recognition program run by the Ministry of Economy, Trade and Industry, under which the ministry certifies corporations taking excellent health and productivity management measures based on the initiatives for promoting good health advanced by the Nippon Kenko Kaigi. Toyo Ink SC Holdings Co., Ltd. was recognized as one of the top 500 corporations (White 500) in the large enterprise category after a health and productivity management survey. The company has been recognized by this program for the seven consecutive years since 2017, when it was recognized for the first time.



#### Pride Index 2022 Gold certification

The Pride Index is an index formulated by Work with Pride in 2016, to recognize initiatives in support of sexual minorities in the workplace. We have been certified as Gold in recognition of our efforts to promote diversity and increase understanding among employees such as by establishing the Guidelines for Deepening Understanding of and Supporting LGBT, introducing a common-law marriage and same-sex partnership system, recruiting allies, and holding seminars inviting members of the LGBTQ community.



#### Prize of the Chairman of ECCJ awarded in the 2022 Energy Conservation Grand Prize

The Energy Conservation Grand Prize—hosted by the Energy Conservation Center, Japan (ECCJ)—honors the outstanding energy conservation activities of business operators and workplaces that set the examples to be followed by others and the products and business models that demonstrate excellent energy conservation. Toyochem Co., Ltd.'s Kawagoe Factory received the ECCJ Chairman's Award in the Best Practice Category in recognition of its efforts to deepen the level of energy-saving activities in energy-saving model buildings and apply energy-saving methods across the board.



#### Awarded AAA Website Rank in the All Japanese Listed Companies' Website Ranking 2022

The All Japanese Listed Companies' Website Ranking is compiled from surveys of the websites of all listed companies conducted by Nikko IR, based on objective evaluation criteria established from the three viewpoints of ease of understanding, ease of use, and abundance of information. A total of 3,926 listed companies were surveyed, and Toyo Ink was awarded the AAA Website rank in the All Markets category (207 AAA, 134 AA, 155 A.)

\* The inclusion of Toyo Ink SC Holdings Co., Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Toyo Ink SC Holdings Co., Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

\* FTSE Russell confirms that Toyo Ink SC Holding Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

# Environmental Management

## Basic approach

The Toyo Ink Group recognized environmental conservation as an important issue from an early stage, establishing its “Environmental Improvement Center” in 1973, and has since then worked on reducing the environmental burdens of its activities.

In 1996, based on the idea that in terms of future corporate environmental conservation initiative, it was important to clearly show our company’s environmental philosophy at the same time as fulfilling our duties as a business, we formulated our “Environment and Safety Basic Principles” and “Environment and Safety Action Policies,” which are our basic management principles related to the environment.

In the Toyo Ink Group’s environmental management system, these basic principles and action policies are regarded as our environmental policies under ISO 14001, and we will thoroughly inform all employees, set objectives and targets for each, and make efforts for their realization.

## Environmental management system

The Sustainability Committee and its affiliated the ESG Promotion Subcommittee promote to address the climate change issues, and to disclose information based on the TCFD recommendations. In additions, the Production Planning Office and the ESG Promotion Office of Toyo Ink SC Holdings Co., Ltd. are dedicated organizations that oversee and manage the entire the Group, and work together with related departments to advance initiatives.

### Environmental and Safety Basic Principles

Since its establishment, the Toyo Ink Group has strived to enrich people’s daily lives through the development of color. When implementing its business activities, the Toyo Ink Group has always committed itself to ensuring safe and sound operations with its reliable products and services, protecting health and safety, preserving the global environment, conserving energy and natural resources, and maintaining harmony with local communities, as well as strictly complying with national and international regulations. In the future, based on the international principle of sustainable development, the Toyo Ink Group will endeavor to continually improve its operations with respect for the Toyo Ink Group CSR Charter and the perspective of every stakeholder, and to make further efforts to fulfill its social responsibilities.

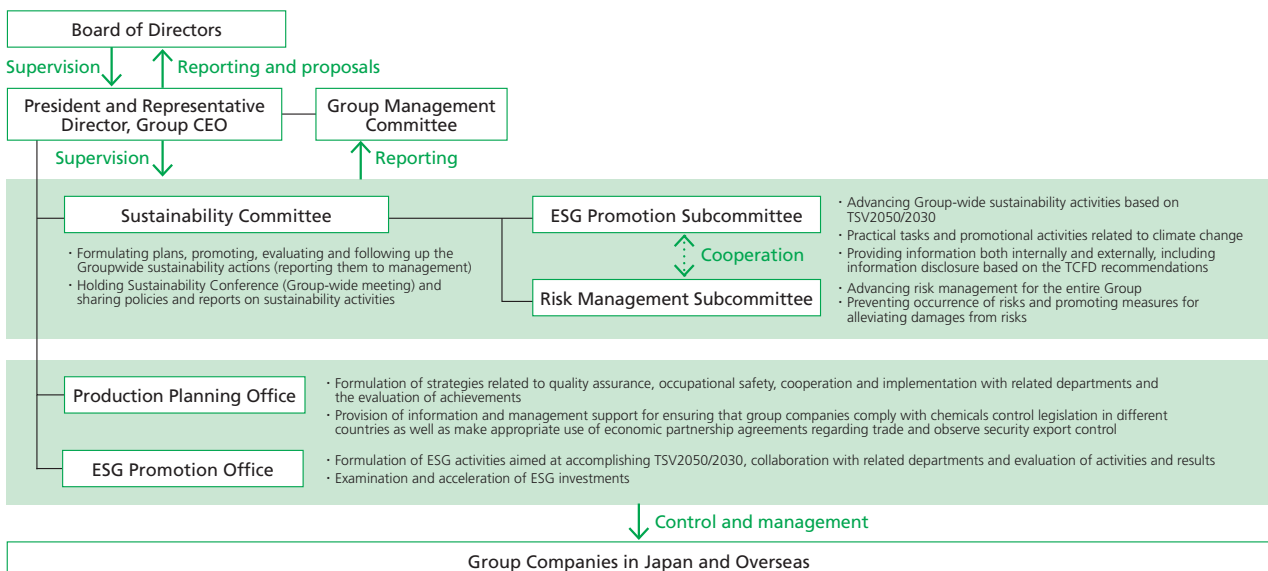
(Established June 1996, Revised April 2011)

### Environmental and Safety Action Policies

1. As a member of society, each employee of the Toyo Ink Group will contribute to society with a clear awareness of environmental issues.
2. The Toyo Ink Group will develop and provide products while considering their effect on people’s health and the environment.
3. The Toyo Ink Group will make strong efforts to ensure the safety and security of its operations and to reduce its environmental impact by conserving resources and energy in production activities.
4. The Toyo Ink Group will actively provide information about its products, the environment, and safety, and strive to fully communicate with all customers, local communities, and citizens seeking to improve their environment, safety, and health.
5. The Toyo Ink Group will strictly adhere to laws and regulations and cooperate with administrative policies while promoting harmonious, international efforts to address global environmental issues.

(Established June 1996, Revised April 2011)

## Organizations and system related to environmental management (July 2023)





## Targets

### Formulation of medium- to long-term targets looking ahead to 2050

In January 2022, We has also established the Sustainability Vision “TSV2050/2030,” with long-term practical targets for its sustainability activities. We have established this vision with a view to 2050, in order to respond to recent global trends regarding climate change, carbon neutrality and initiatives for the achievement of the SDGs, as well as the cur-

rent social situation which requires that companies fulfill increasing demands for sustainability.

TSV2050/2030 consists of TSV2050, which indicates a direction to reach our ideal vision with 2050 as the target year, and TSV2030, which sets various interim targets by backcasting toward 2030 as a milestone. The Toyo Ink Group will strengthen its sustainability efforts, using the environmental targets in SIC-II and the TSV2050/2030 medium- to long term targets after that as guidance for sustainability activities. The Group aims to achieve carbon neutrality by 2050.

### Sustainability Vision “TSV2050/2030”

	TSV2030 (Target for 2030) 2050 milestone Contributing to the achievement of the SDGs	TSV2050 (Target to 2050) Achievement of carbon neutrality
1. Providing products and services that realize a sustainable society	<ul style="list-style-type: none"> <li>The percentage of sales from Sustainability-Enhancing Products will be 80%</li> <li>Increasing the number of products able to contribute to the reduction of CO<sub>2</sub> emissions throughout their lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>Making all products Sustainability-Enhancing Products</li> <li>Helping customers achieve decarbonization</li> </ul>
2. Reducing the environmental impact of manufacturing	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions: 35% reduction in Japan (from the FY2020 level,) 35% reduction overseas (compared to the FY2030 BAU)</li> <li>Amount of waste treated off-site: 50% reduction in Japan (from the FY2020 level)</li> <li>Harmful chemical substance emissions 30% reduction in Japan (from the FY2020 level)</li> </ul>	<ul style="list-style-type: none"> <li>Achieving net zero CO<sub>2</sub> emissions from production activities and minimizing their environmental impact</li> <li>Minimizing waste generation</li> <li>Realizing sustainable water use</li> </ul>
3. Building a foundation for trust	<ul style="list-style-type: none"> <li>Sourcing raw materials in ways that are friendly to the environment and good for society</li> <li>Respecting the diversity of employees and co-existing in harmony with the natural environment and local communities</li> <li>Continually restructuring our governance system</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to reform and transform our supply chain, human resources, regional activities, and governance from the perspective of environmental and social contribution</li> </ul>

### Environmental Goals of SIC-II (FY2021 - 2023)

Three directions of environmental goals	KPIs and targets	
1. Reducing the environmental impact of manufacturing	CO <sub>2</sub> emissions (Japan)	Down 12% from the FY2020 level
	Chemical emissions (Japan)	Down 10% from the FY2020 level
	Amount of waste treated off-site (Japan)	Down 19% from the FY2020 level
	Specific energy consumption (overseas, major production bases)	Down 3% from the FY2020 level
2. Providing products and services that realize a sustainable society	Increasing the sales ratio of environmentally friendly products	70% (up 4 percentage points from the FY2020 level)
3. Promoting coexistence with nature and community	Promotion of biodiversity	Conservation of forest and aquatic ecosystems through tree-planting, ecological surveys, strengthening of water management at production bases

## Compliance with laws and regulations

No environmental accidents requiring an emergency response occurred in FY2022 at any business location of the Toyo Ink Group in Japan or overseas. The Group received no administrative directives in Japan in connection with environmental laws and regulations. Outside Japan, we take appropriate response actions to redress deficiencies if we receive any instructions on them.

[link](#) Environmental Management on pages 72 to 74 in ESG Data Collection

# Environmentally Friendly Products / Utilization of Life Cycle Assessment

## Basic approach

Based on the idea that reducing the environmental impact from products is important to environmental conservation, we formulated the Environmental and Safety Action Policies. We have thus long been striving to offer environmentally friendly products and services. In addition, we are increasingly utilizing the life cycle assessment (LCA) in manufacturing with a view to reducing our environmental impact not only in the phase of product manufacturing, but in raw material procurement and production, utilization, disposal and recycling of products.

We formulated the TSV2050/2030 Sustainability Vision in January 2022. In TSV2050/2030, we define the value of conventional environmentally friendly products, which aims to realize the society that coexists with the environment as "Environmental Value." In addition, we devised standards for "Lifestyle Value" that aim to realize comfortable, healthy and safe society. And we have named the products with these values "Sustainability-Enhancing Products." We will expand the number of products and services that provide both Environmental Value and Lifestyle Value.

[link](#) For the Sustainability Vision, see pages 5 and 6.

## Targets and achievements

### Environmental Goals of SIC-II (FY2021 - 2023)

The percentage of sales ratio of environmentally friendly products will be 70%

### TSV2050/2030

#### Providing products and services that realize a sustainable society

**Target for 2030** The percentage of sales from Sustainability-Enhancing Products will be 80%  
Increasing the number of products able to contribute to the reduction of CO<sub>2</sub> emissions throughout their lifecycle

**Target for 2050** Making all products Sustainability-Enhancing Products  
Helping customers achieve decarbonization

### Changes in sales of environmentally friendly products and in environmentally friendly products' share of total product sales

	FY2018	FY2019	FY2020	FY2021	FY2022
Sales of environmentally friendly products (billion JPY)	94.8	95.1	94.9	97.0	105.0
Environmentally friendly products' share of total product sales (%)	60.4	62.6	66.0	64.4	62.4

Scope of calculation: Five companies in Japan, including core operating companies (ToyoColor Co., Ltd., Toyochem Co., Ltd. and Toyo Ink Co., Ltd.) and affiliated companies (Toyo Visual Solutions Co., Ltd.(same below, See my comment) and Toyo-Morton, Ltd.)

\* For FY2018 to FY2020, six companies including Toyo ADL Corp. were in the scope of calculation. In FY2021, business merger took place to integrate Toyo ADL Corp. into Toyochem Co., Ltd.

For FY2022, sales of environmentally friendly products reached 105.0 billion yen, up 8% year on year. The percentage of sales from environmentally friendly products was

62.4%, down 2.0 percentage points year on year. The ratio of sales of environmentally friendly products dropped slightly following an increase in sales of all products. The percentage of sales from laminating adhesives and UV curable inks increased.

## Utilization of Life Cycle Assessment

At the Toyo Ink Group, we continue with the life cycle assessment (LCA) of our products to visualize their environmental impact on the entire lifecycle, including the procurement of raw materials, production, use, disposal, and recycling. We disclose the results of the assessment and apply them to develop products with a low environmental impact.

In recent years, we have been developing rules for the disclosure of greenhouse gas (GHG) emissions and enhancing systems for it as part of decarbonization activities in response to mounting requests from Europe and from different business sectors for GHG emission disclosures. In connection with new product development, we disclose environmental information to reduce the environmental impact in the production process of products and in the entire supply chain, including customers' use of products and their disposal.

## TOPICS

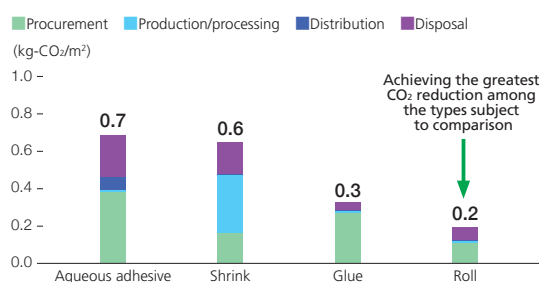
### Environmentally friendly adhesives are helpful to recycling of plastic bottles

Hot-melt adhesives for label rolls that are widely used for plastic bottled beverages ensure that the rolls can be easily removed and sorted because of the alkali release property of the adhesive in the state in which the label roll is on the plastic bottle. They help increase recycling efficiency. In addition, biomass raw materials are used as part of ingredients of the adhesives. The thickness of label base material is reduced. And adhesives are partially applied for minimizing materials. These actions result in lower environment impacts (CO<sub>2</sub> emissions) than other label systems. Given that they cut environmental impacts, we propose the application of label rolls to containers other than plastic bottles, such as daily necessities and seasonings. We will continue offering products whose positive environmental effect is easily recognizable with the use of the LCA for visualizing figures.



Mr. Suzuki (left) and Ms. Kamimura (right) of Toyochem Co., Ltd.

### CO<sub>2</sub> emissions per unit area by label type



\* The figures are calculated independently by Toyochem and not verified by any third party.

# Response to Climate Change

## Basic approach

Considering the issue of climate change to be important, our Group launched the "CO<sub>2</sub> Reduction Project" in FY2010. It has been striving to reduce CO<sub>2</sub> emissions from its production bases in Japan and other countries since early on.

To visualize the environmental impact of the entire lifecycle of a product from the procurement of raw materials and its manufacture and use to its disposal and recycling, we continue to conduct product LCA (life cycle assessment) and disclose the results. We contribute to the reduction of CO<sub>2</sub> emissions from products for customers by providing low-environmental-impact products. We will continue striving to reduce CO<sub>2</sub> emissions from products to reduce the environmental impact from the entire supply chain.

The Group has established the TSV2050/2030 Sustainability Vision in January 2022 as the medium- to long-term targets to be achieved by 2050. We have established this vision based on our belief that initiatives from a longer-term perspective than the present one will be needed in order to respond to the current social situation which requires that companies fulfill increasing demands for sustainability, including recent global trends regarding climate change, carbon neutrality and initiatives for the achievement of the SDGs. We will accelerate our implementation of initiatives to achieve carbon neutrality by 2050.

## Targets and achievements

### Environmental Goals of SIC-II (FY2021 - 2023)

#### Reduction of CO<sub>2</sub> emissions (Japan):

67,500t (down 12% from the FY2020 level)

#### Improvement of specific energy consumption (overseas):

165.0L/t (down 3% from the FY2020 level)

### TSV2050/2030

#### Reducing the environmental impact of manufacturing

**Target for 2030** Reduction of CO<sub>2</sub> emissions (Japan) 50,000t (down 35% from the FY2020 level) (overseas) 95,000t (down 35% compared to the FY2030 BAU)

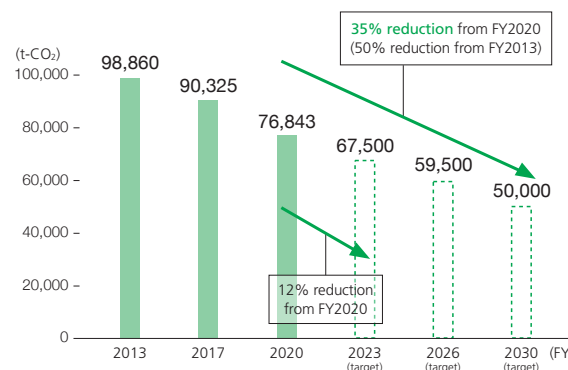
**Target for 2050** Achieving net zero CO<sub>2</sub> emissions from production activities and minimizing their environmental impact

#### Achievement of carbon neutrality by 2050

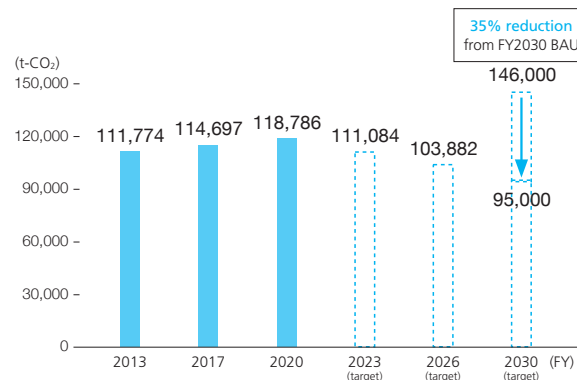
### CO<sub>2</sub> emissions reduction targets in TSV2050/2030

In TSV2030, we set the targets of reducing CO<sub>2</sub> emissions in Japan by 35% from the FY2020 level, to 50,000 t-CO<sub>2</sub>; and overseas CO<sub>2</sub> emissions by 35% from the FY2030 BAU level, to 95,000 t-CO<sub>2</sub>. Our measures to achieve these targets can be classified into three aspects: reducing energy consumption, shifting to low-carbon energy, and shifting to low-carbon electric power.

### Changes in CO<sub>2</sub> emissions and targets (Japan)



### Changes in CO<sub>2</sub> emissions and targets (overseas)



### Directions of initiatives for reducing CO<sub>2</sub> emissions and major initiatives

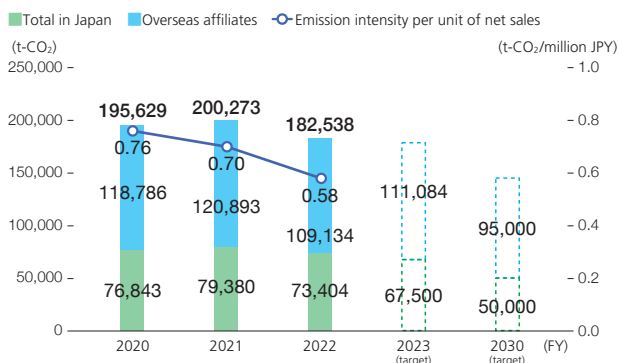
Direction	Major reduction measures
Reduction of energy consumption	<ul style="list-style-type: none"> <li>Energy conservation (eliminating energy loss in processes)</li> <li>Production process reform from an energy-saving perspective</li> </ul>
Shift to low-carbon energy	<ul style="list-style-type: none"> <li>Electrification of production equipment (reducing direct emissions)</li> <li>Preparation and research for the use of LNG alternative fuels</li> </ul>
Shift to low-carbon electric power	<ul style="list-style-type: none"> <li>Introducing low-carbon power</li> <li>Introducing renewable energy equipment</li> </ul>

**Achievements in FY2022**

**▶ CO<sub>2</sub> emissions**

For FY2022, the whole of the Toyo Ink Group emitted 182,538 tons of CO<sub>2</sub>, down 8.9% year on year. The emissions were down year on year in Japan and overseas. That resulted from a decrease in production volume, change in items produced and efforts to cut CO<sub>2</sub> emissions.

**Changes in CO<sub>2</sub> emissions and emission intensity per unit of net sales**



Scope of calculation: All bases in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

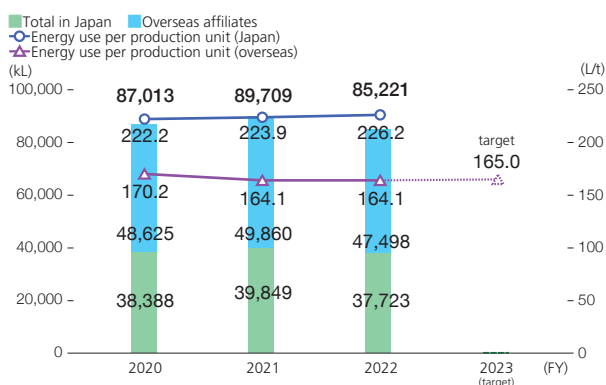
\* For the electricity emission factor in Japan, we use the emission factor for each electric power company that is announced every year.

\* Overseas electricity emissions factors have been calculated using the emissions factors of individual countries from the Inventory Database for Environmental Analysis (IDEA.)

**▶ Energy consumption**

For FY2022, energy consumption in the whole Toyo Ink Group reached 85,221 kL, down 5.0% year on year. The figures were lower both in Japan and overseas than in the previous fiscal year. This decrease in energy consumption reflects a fall in production volume. Meanwhile, energy use per production unit (energy consumed for producing one ton of product) was flat, due to a decline in operation rate.

**Changes in energy consumption and specific energy consumption**



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

[link](#) Response to Climate Change on pages 75 to 77 in ESG Data Collection

**Initiatives**

**Introduction of cogeneration system**

In the Toyo Ink Group, the Fuji Factory of Toyocolor Co., Ltd., the Kawagoe Factory of Toyochem Co., Ltd., and the Moriyama Factory of Toyo Visual Solutions Co., Ltd. introduced cogeneration systems with electricity generation capacity of 5,750kW, 5,700kW, and 400kW, respectively. These systems enabled the factories to achieve efficient use of electric power and heat.

**Renewable energy initiatives**

**▶ Installation of solar power generation systems**

A solar power generation system with a capacity of 425kW was introduced at the Moriyama Factory in December 2014, and a 1,358kW system was introduced at the Okayama Factory in January in 2015, for the purposes of reducing CO<sub>2</sub> emissions, increasing the energy self-efficiency rate, reinforcing the infrastructure, and other purposes.

With these systems, we launched electric power selling business under the feed-in tariff (FIT). We also installed small, 50kW class power generation systems in four locations — Saitama Factory, Kawagoe Factory, Fuji Factory, and Kawaguchi Center — in January 2015. The power generated from these systems is used at each location, which reduces the amount of power purchased at each and lessens peak power consumption in summer.

We have introduced solar power generation facilities to multiple overseas bases. In January 2021, Toyo Ink India Pvt. Ltd. introduced solar power generation facilities supplying around 20% of the power consumed at the Gujarat Plant in order to transform it into a green factory with lower CO<sub>2</sub> emissions.

During FY2022, solar power generation facilities were introduced to Sam Young Ink & Paint Mfg. Co., Ltd. in the Republic of Korea, to Zhuhai Toyocolor Co., Ltd. in China, and to the Delhi Plant of Toyo Ink India Pvt. Ltd. in India.

**Status of introduction of renewable energy (FY2022)**

	Japan	Overseas
Power selling	3,530 thousand kWh	—
	1,751t-CO <sub>2</sub>	—
Self-consumption	377 thousand kWh	2,690 thousand kWh
	144t-CO <sub>2</sub>	1,873t-CO <sub>2</sub>

► Shift to renewable energy

The Toyo Ink Group is changing the power used in areas used as offices and the power used at production bases to renewable energy. In December 2021, Toyo Ink Co., Ltd. changed the power used at its Kansai Branch Office (Daibiru Honkan Bldg.) to renewable energy. In April 2022, the Toyo Ink Group changed the power used at its head office (Kyobashi Edogrand Bldg.) to renewable energy.

Overseas, Toyo Printing Inks Inc. (Turkey) changed 50% of its power consumption in FY2021 to renewable energy. This change in power consumption can be converted into 32% of the CO<sub>2</sub> emissions of Toyo Printing Inks Inc. in FY2021.

TOPICS

**Completion of a Nearly ZEB Technical & Administration Building**

In March 2022, Toyochem Co., Ltd.'s Kawagoe Factory completed construction of a "Nearly ZEB" certified Technical & Administration Building. This certification is granted to buildings where effective energy consumption has been reduced by 75% or more. In addition to energy-saving measures such as reducing air-conditioning load by adopting horizontal eaves that limit direct solar radiation, the effective energy consumption of the building was reduced by 76% by creating energy through on-site PPA model solar panels utilizing subsidies from Japan's Ministry of the Environment (MOE.) The building was awarded Nearly ZEB certification and the highest rating (five stars) under the Building-Housing Energy-efficiency Labeling System (BELS.)



The new Technical & Administration Building at Kawagoe Factory

**Support for the TCFD**

We expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) in November 2020. We will enhance and accelerate our environmental initiatives, including ones on climate change, and disclose information in accordance with TCFD recommendations.

 Information disclosures in compliance with the TCFD recommendations are available on our website.

**Participation in the Japan Climate Initiative**

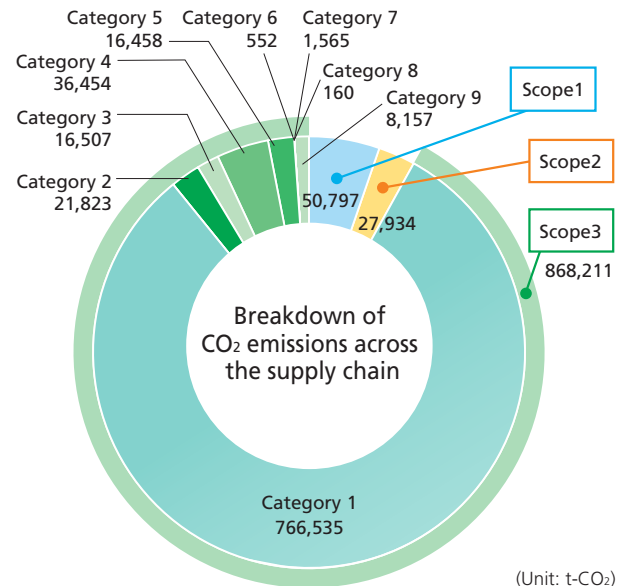
In March 2023, the Toyo Ink Group joined the Japan Climate Initiative (JCI) in support of its activities for alleviating climate change. The JCI is a network that was established for activating information delivery and exchanging opinions among companies, local governments, non-governmental organizations (NGOs) and other entities actively tackling climate change. It currently has around 780 corporate, local government and other members in Japan.

**CO<sub>2</sub> emissions across the supply chain**

We calculated CO<sub>2</sub> emissions associated with our business activities from the upstream to the downstream of our supply chain, in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain.

Regarding emissions in the upstream and downstream of our supply chain (Scope 3), 12 out of 15 categories shown in the Basic Guidelines were calculated. However, calculations of processing, use, and disposal of products sold (Categories 10, 11, and 12) were not made over the entire scope of calculations because the products are diverse and therefore it is difficult to identify the scenarios for such processing, use, and disposal of products sold. In FY2022, we enlarged the scope of calculation to include affiliates that used to be outside the scope. We also revised the calculation items. In Category 1, services purchased were added. In other categories, items subject to calculation were increased. In the future, we will work to heighten the accuracy of calculation and seek collaboration with suppliers in CO<sub>2</sub> reduction, mainly through dialogues with them.

**Breakdown of CO<sub>2</sub> emissions across the supply chain**



\* For details about the method and scope of calculation, see page 77 in the ESG Data Collection.

 [Response to Climate Change on pages 75 to 77 in ESG Data Collection](#)

# Water Resource Management

## Basic approach

Based on our recognition that water resources constitute an important natural resource, we at the Toyo Ink Group are striving to reduce water consumption and the amount of wastewater, alleviate the impact of wastewater on the environment and living organisms, and identify and reduce water-related risks that will affect our business continuity.

We formulated TSV2050/2030 in January 2022 and set a long-term environmental target related to water use. To achieve the target, we will reduce water consumption by fully leveraging circulation cooling, reusing and recycling used water, and developing production processes that do not require water.

## Targets and achievements

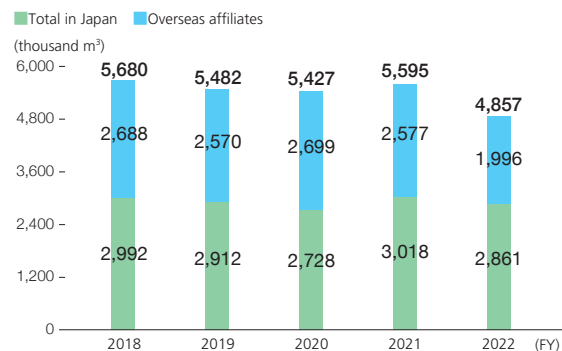
### TSV2050/2030

**Reducing the environmental impact of manufacturing**  
**Target for 2050** Realizing sustainable water use

## Achievements in FY2022

At the Toyo Ink Group, we have been striving to reduce water consumption through measures such as circulation cooling and reusing groundwater as process water (for reaction and washing) after using it as cooling water. In FY2022, total water consumption at the Toyo Ink Group's production sites in Japan was 2,861 thousand m<sup>3</sup> (decreased by 5% year on year) and 94% of the water was groundwater. Water consumption of our overseas affiliates was 1,996 thousand m<sup>3</sup>. The figure was smaller than in the previous fiscal year.

## Changes in water consumption



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

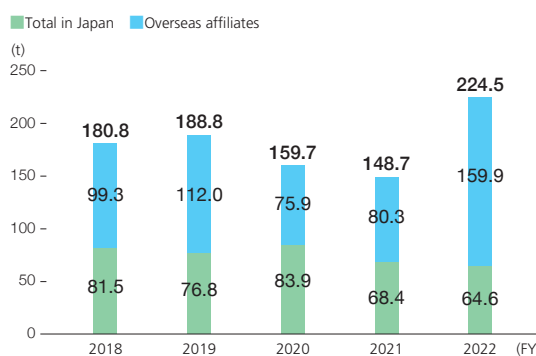
[link](#) Water Resources Management on page 78 in ESG Data Collection

## Initiatives

### Prevention of water pollution

Regarding the chemical oxygen demand (COD) of wastewater, which causes water pollution, we take initiatives at business establishments with high load, including temporal monitoring of COD and COD reduction projects. In FY2022, COD emissions decreased by 3.8t (5.6%) year on year in Japan but increased by 79.6t (99.1%) year on year at overseas locations.

### Changes in COD emissions



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

## Assessment of water risk and countermeasures

Water risk ranks alongside economic risk as one of the most important risks that business enterprises face. It can directly impact enterprise activities in a variety of different ways, including flooding, drought, water pollution, and restrictions on the water available for use.

The Toyo Ink Group assesses quantitative risk, qualitative risk, regulatory risk, and reputation risk at the basin level using Aqueduct Water Risk Atlas 3.0, an assessment tool of the World Resources Institute.

No business sites in Japan have been assessed as having a high overall water risk or an extremely high overall water risk. However, nine business sites have been assessed as having a high quantitative risk. In Asia (Southeast Asia, India, China, Taiwan, and South Korea), more than half of the business sites have been assessed as having a high or extremely high overall water risk, qualitative risk and quantitative risk. The assessment shows that water stress risk is extremely high in Thailand and India, river flooding risk is extremely high in Vietnam, Indonesia and Myanmar, and coastal flooding risk is extremely high in South China. Qualitative risk is extremely high in Southeast Asia and India (the assessment of the potential for coastal eutrophication is shown in the biodiversity

section (page 34 of Sustainability Data Book 2022.)) The forecast for 2030 in the Aqueduct BAU (business as usual) scenario shows that water stress risk will worsen at 12 business sites and water demand risk will worsen at 23 business sites. Water stress risk is expected to increase twofold and water demand risk is expected to rise more than 1.7-fold in Malaysia, the Philippines and Indonesia.

At business sites that have a high flood risk, the Toyo Ink Group takes the flood control measures (relocating electric

equipment, using sandbags, clarifying procedures for cutting off power, etc.) which are taken at Toyo Ink (Thailand) Co., Ltd., which has experienced massive flooding, and conducts flood drills regularly. To mitigate qualitative water risk, the Group install water treatment facilities and reduces the environmental impact of wastewater.

The Group will continue to take steps to use water effectively and reduce water consumption to mitigate water stress risk and water demand risk, which are expected to worsen.

### Water risk assessment for each business site

(Number of business sites assessed as having a high risk or an extremely high risk)

Area	Number of locations	Overall water risk	Quantitative risk	Quantitative risk								Qualitative risk	Regulatory and reputational risk
				Water stress	Water depletion	Seasonal variation	Groundwater level decline	River flood risk	Coastal flood risk	Drought risk	Untreated wastewater		
Japan	14	0	9	0	0	0	0	0	0	0	0	0	0
Americas	4	1	2	2	0	1	0	0	0	0	0	0	0
Europe	4	1	3	2	1	0	0	0	0	0	0	0	0
Asia	22	11	12	6	2	3	2	8	6	2	13	17	5
Total	44	13	26	10	3	4	2	8	6	2	13	17	5

### Water risk forecasts for each business site in 2030

(Number of business sites where water risk will worsen in the BAU scenario)

Area	Number of locations	Water stress	Seasonal variation	Water supply	Water demand
Japan	14	0	0	0	0
Americas	4	1	0	1	3
Europe	4	1	0	1	4
Asia	22	10	2	1	16
Total	44	12	2	3	23

### Water withdrawal and amount of wastewater in regions with water stress (FY2022)

	Water withdrawal (thousand m <sup>3</sup> )	Ratio to total water withdrawal (%)	Amount of wastewater (thousand m <sup>3</sup> )	Ratio to total amount of wastewater (%)
Regions with high water stress	27	0.6	23	0.5
Regions with very high water stress	132	2.7	58	1.4
Total	159	3.3	81	1.9

# Waste Management

## Basic approach

The Toyo Ink Group is a manufacturing company. We cannot avoid generating waste in our production activities. We focus on waste oil, waste plastic, and waste water, which account for about 80% of waste treated off-site in Japan. Specifically, we take steps to minimize the amount of waste treated offsite through initiatives such as the development of production processes which are unlikely to generate waste, considering methods for treating waste, promoting the reuse and recycling of resources, and globally sharing knowledge about how to reduce waste.

## Targets and achievements

### Environmental Goals of SIC-II (FY2021 - 2023)

Reduction of amount of waste treated off-site (Japan): 19% reduction (from the FY2020 level)

### TSV2050/2030

#### Reducing the environmental impact of manufacturing

**Target for 2030** Amount of waste treated off-site (Japan): 50% reduction (from the FY2020 level)  
**Target for 2050** Minimizing waste generation

## Achievements in FY2022

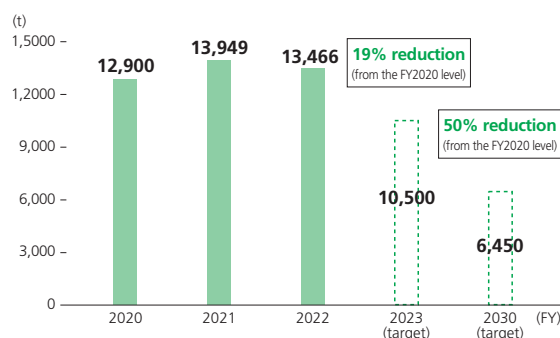
In FY2022, the volume of waste emissions in Japan reached 17,456 tons, down 3.3% from FY2021. This groupwide decline in waste emissions resulted from production volume slowdown. The volume of waste emissions outside Japan dropped 9.9%. Amount of waste treated off-site (Japan): 13,466 t (3.5% reduction from the FY2021 level.)

We will continue encouraging plants and factories to carry out on-site recycling, controlling plastic and oil waste emissions and studying methods for treating wastewater in an effort to cut the volume of waste emissions in order to meet the SIC-II target of reducing the amount of waste treated off-site in Japan by 19% from the FY2020 level.

For the Toyo Ink Group's operations in Japan as a whole, the final disposal ratio to the total volume of waste emissions was 0.03%, and zero emissions was achieved at all business locations.

[link](#) Waste Management on page 79 in ESG Data Collection

## Changes in amount of waste treated off-site



Scope of calculation: Major factories and plants in Japan and affiliates in Japan; For details about the organizations in the scope, see page 72.

\* The data for FY2022 includes figures of the Kansai Branch Office (Neyagawa), the Kansai Branch Office (Toyama), the Chubu Branch Office (Kasugai), Toyo Ink Hokkaido Co., Ltd., Toyo Ink Chushikoku Co., Ltd. (Okayama), Toyo Ink Chushikoku Co., Ltd. (Takamatsu) and Toyo Ink Kyushu Co., Ltd. (Fukuoka).

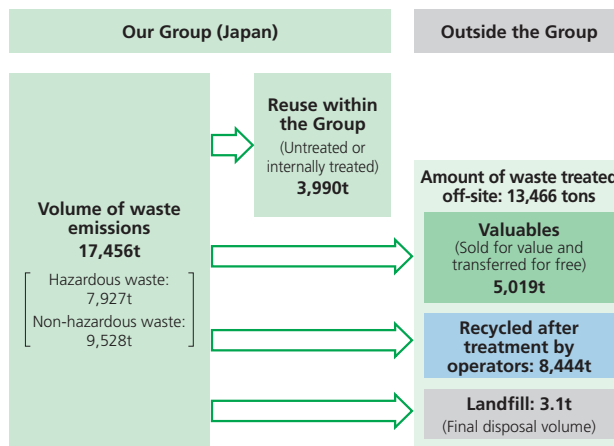
\* Amount of waste treated off-site: The amount of waste sold as valuables and the amount of waste that was generated at our business locations and discharged from the premises without being recycled or transferred outside our business locations to outsource its disposal to waste disposers.

## Overview of waste

The Toyo Ink Group counts the volume of industrial waste, which is treated by contracted operators in Japan, valuables, and waste prior to intermediate treatment for internal reuse and other purposes as the volume of waste emissions in accordance with the Manual for Formulation of Industrial Waste Treatment Plans by Business with High-Level Emissions published by the Ministry of the Environment.

We define the final disposal volume as the volume of waste prior to volume reduction, such as the incineration of waste for final disposal. We define zero emissions as the state in which the ratio of the final disposal volume to waste emissions, or the final disposal ratio, is 1% or less.

## Overview of waste in Japan



Scope of calculation: Major factories and plants in Japan, affiliates in Japan, the Kansai Branch Office (Neyagawa), the Kansai Branch Office (Toyama), the Chubu Branch Office (Kasugai), Toyo Ink Hokkaido Co., Ltd., Toyo Ink Chushikoku Co., Ltd. (Okayama), Toyo Ink Chushikoku Co., Ltd. (Takamatsu) and Toyo Ink Kyushu Co., Ltd. (Fukuoka); For details about the organizations in the scope, see page 72.



## Initiatives

### Education on the proper management of waste

The Toyo Ink Group gives training on proper management of waste as part of the compliance training. In addition, we share information about waste treatment via our in-house system and clarified the criteria for selecting new industrial waste disposers to which we outsource the treatment in our efforts to reinforce our management system to avoid being involved in improper treatment.

In May 2023, we organized online briefings about waste management for all our facilities in Japan. The briefing session consisted of two parts, which were held three times each. The basic edition featured overall explanations on waste and the basics of the Act on Waste Management and Public Cleansing. The practical edition was designed to inform practical workers at individual sites of waste management procedures and internal rules. They were joined by a cumulative total of 380 personnel. Some of them commented that they help them learn the basics of the Act on Waste Management and Public Cleansing and that they were informative to the point of even covering practical matters.

### Initiatives to create a circular society

The Toyo Ink Group takes initiatives related to packaging materials in collaboration with other organizations to create a sustainable society and solve environmental issues.

#### ▶ Participating in the Saitama Prefectural Platform for Fostering Sustainable Use of Plastic Resources\*

The Saitama Factory of Toyo Ink Co., Ltd. joined the Saitama Prefectural Platform for Fostering Sustainable Use of Plastic Resources in May 2023 in support of its activities for cutting plastic waste emissions and for encouraging circular use of plastic resources. This platform will organize lectures, workshops and exchange meetings on the circular use of plastic resources. A working group established by volunteer members will explore construction of a model for sustainable use of plastic waste.

\* Established by the Saitama Prefectural Government, the platform consists of business operators, municipal governments, consumer groups and other parties addressing circular use and the reduction of plastic resources for the purpose of controlling plastic waste emissions and fostering the circular use of plastic resources.

#### ▶ Solving the marine plastic litter issue

**Participation in the Japan Clean Ocean Material Alliance**  
The Japan Clean Ocean Material Alliance was established in January 2019 under the leadership of the Ministry of Economy, Trade and Industry. The alliance is a public-private partnership for accelerating innovations to solve the marine plastic litter issue. Toyo Ink SC Holdings Co., Ltd., representing the Toyo Ink Group, participates in the alliance, identifying the latest technological trends, sharing information, and cooperating with other companies.

#### ▶ Participation in CEFLEX, which provides an international framework for solutions to the plastic waste issues

The Toyo Ink Group participates in CEFLEX (Circular Economy for Flexible Packaging), established in 2017 as a consortium that works to create a circular economy in the field of flexible packaging in Europe. In its roadmap to creating a circular economy in the field of flexible packaging in Europe, CEFLEX aims to build an infrastructure by 2025 to collect, sort, and recycle used flexible packaging.



#### ▶ Recycling used plastics into new resources Capital participation in R Plus Japan, Ltd.

To contribute to solving plastic issues to create a sustainable society, we have taken a stake in R Plus Japan, Ltd., a joint venture that started business in June 2020 and has been engaging in recycling used plastics.

# Pollution Prevention

## Basic approach

The Toyo Ink Group's business activities depend on the earth's resources. The Group considers addressing environmental issues, such as air pollution and soil contamination, to be important issues. To create a sustainable, circular society, we will take steps to reduce environmental impacts in manufacturing and strive to reduce emissions of pollutants.

## Promotion system

The ESG Promotion Office of Toyo Ink SC Holdings Co., Ltd. takes the lead in reducing the environmental impact on the atmosphere and addressing soil and groundwater contamination, primarily at production bases but also at business sites in Japan and overseas, including those of affiliates.

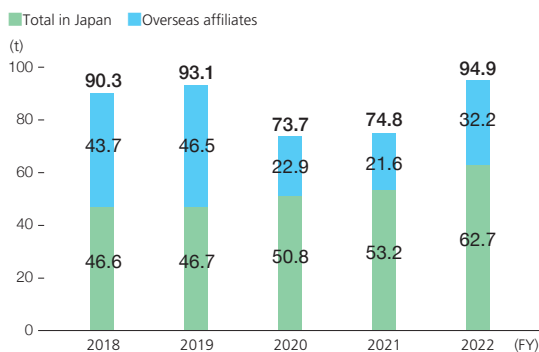
## Achievements

### Achievements in FY2022

In Japan, the Toyo Ink Group has been working on fuel conversion, introduction of cogeneration systems, appropriate management of fuel combustion conditions, and other measures to reduce air pollutants generated from boilers and other combustion equipment, such as nitrogen oxide (NOx,) sulfur oxide (SOx,) and particulates. As a result, NOx, SOx, and particulate emissions have been declining year by year.

NOx, SOx and particulate emissions from overseas affiliates increased from the previous fiscal year.

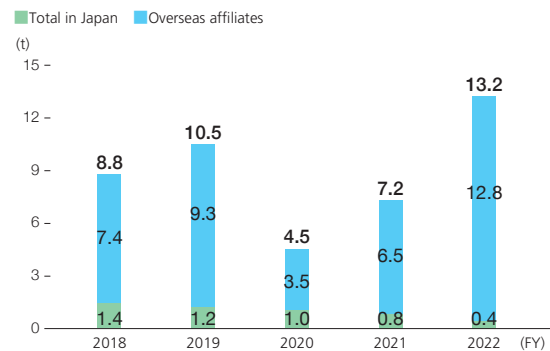
### Changes in NOx emissions



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

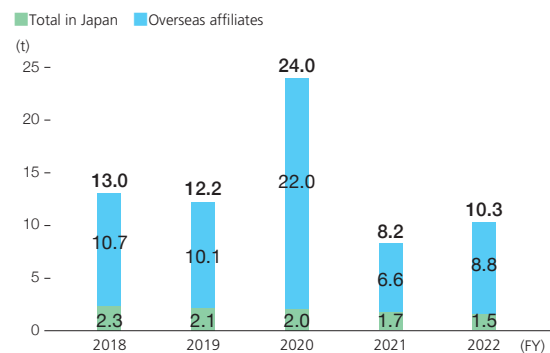
### Changes in SOx emissions



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

### Changes in particulate emissions



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

[link](#) Pollution Prevention on page 80 in ESG Data Collection

## Initiatives

### Countermeasures against soil and groundwater contamination

The former site of Hokkaido Branch (located in Nishi-ku, Sapporo) of Toyo FPP Co., Ltd. was designated as an “Area which Requires Action” by Sapporo City Government on March 31, 2016, as the result of a survey that was implemented pursuant to the requirements of the Soil Contamination Countermeasures Act. In September 2020, we excavated contaminated soil and consolidate it in the area. In February 2021, approximately 300m<sup>2</sup> of the area were released its designation as an area requiring action. We are monitoring based on the law and continuing to pump and treat groundwater of the area in our efforts to prevent the dispersion of the groundwater.

The Advanced Materials Research Laboratory of Toyo Ink SC Holdings Co. Ltd. (in Tsukuba-shi, Ibaraki Prefecture) was designated as standing in an Area for which Changes in Form or Nature Require Notification on September 12, 2022 as a result of the investigation pursuant to the Soil Contamination Countermeasures Act. In response, it excavated and removed contaminated soil. On December 22, 2022, the designation was lifted.



Excavation and removal of contaminated soil  
(Advanced Materials Research Laboratory,  
Toyo Ink SC Holdings Co. Ltd.)

Toyo Ink (Thailand) Co., Ltd. falls under industries specified in a ministerial ordinance regarding soil and groundwater pollution within factory grounds, which was issued by Thailand's Ministry of Industry in October 2016. This required the company to implement regular monitoring of soil and groundwater on its premises. The company consistently analyzes the groundwater and soil and reports the result.

In China, the Law on Prevention and Control of Soil Pollution, which is a national law that sets forth regulations concerning prevention of soil pollution, came into effect in January 2019. In the Toyo Ink Group, two Group companies —Tianjin Toyo Ink Co., Ltd. and Shanghai Toyo Ink Mfg. Co., Ltd. —were designated as “enterprises subject to intensive supervision and management related to soil contamination.” In response, the companies are advancing initiatives including identification and control of soil contamination risks.

### Compliance with the Law for Controlling Fluorocarbon Emissions

Pursuant to the Act for Rationalized Use and Proper Management of Fluorocarbons, the Toyo Ink Group has selected managers and identified applicable equipment for each company. We conduct simplified inspections of the equipment and have them examined by vendors periodically in accordance with the law.

In addition, fluorocarbons that leaked from the Toyo Ink Group sites in Japan amounted to 122 kg in FY2022, and there was no business establishment of the Toyo Ink Group where the calculated leakage of fluorocarbons exceeded 1,000 t-CO<sub>2</sub>, the amount that must be reported.

### Management of hazardous substances

The Toyo Ink Group holds polychlorinated biphenyl (PCB) waste from transformers, capacitors, fluorescent ballasts, and other devices for a long time at 12 business establishments in Japan, and notifies the government every year in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. We have carried out appropriate treatment of PCB waste, and completed the treatment at 11 business locations. For the high concentration PCB waste (fluorescent ballasts) stored at the remaining 1 business location, we have drawn up a plan and take a series of steps accordingly. Its treatment is scheduled to finish by the end of March 2024.

Regarding PCB waste in storage, we locked the depository, performed regular inspections and otherwise implemented stringent management. There has been no loss, wrong disposal, leakage, or similar incident.

## Chemical Management

### Basic approach

The Toyo Ink Group's Environmental and Safety Action Policies say, "The Toyo Ink Group will develop and provide products while taking into consideration their effect on people's health and the environment." To comply with the policies, we control chemical substances appropriately in each stage of the process, including product design, the purchase (import) of raw materials, production, storage, transport, and disposal and make efforts to replace or reduce highly hazardous substances.

### Promotion system

The Production Planning Office and the ESG Promotion Office of Toyo Ink SC Holding Co., Ltd. supervises and manages the environment, chemical management, and trade management for the entire Group. It also undertakes initiatives in compliance with laws and regulations and practices in each individual country.

### Targets and Achievements

#### Environmental Goals of SIC-II (FY2021 - 2023)

**Reduction of chemical emissions (Japan):**  
10% reduction (from the FY2020 level)

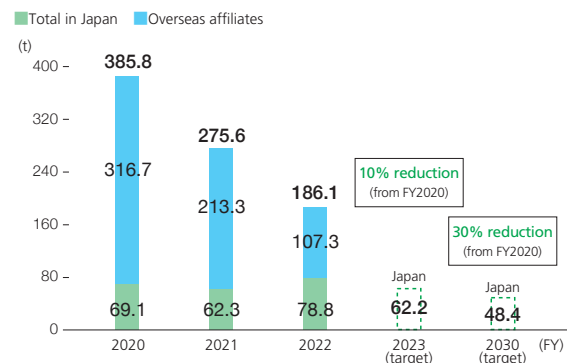
#### TSV2050/2030

**Reducing the environmental impact of manufacturing**  
**Target for 2030** Harmful chemical substance emissions (Japan):  
30% reduction (from the FY2020 level)

#### Achievements in FY2022

We calculated the emissions in FY2022 of chemical substances designated as Class I and listed under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) and of substances designated by the Japan Chemical Industry Association. The amount of emissions was 78.8t from the affiliates in Japan (up 26.5% year on year,) and 107.3t from overseas affiliates (down 49.7% year on year.)

### Changes in chemical emissions



Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

[link](#) Chemical Management on pages 80 and 81 in ESG Data Collection

### Initiatives

#### Response to chemical management regulations

The Toyo Ink Group developed the Chemical Management Rules, under which it advocates the appropriate management of chemicals contained in raw materials and products in accordance with their management standards. We continue to reduce risks from chemicals in accordance with the New Material Screening Regulations, which are screening criteria for newly adopted materials, and the Chemical Risk Management Regulations.

The Chemical Risk Management Regulations define chemicals with a significant impact on humans and the environment, the manufacturing and use of which are prohibited or restricted by international treaties, laws and regulations in Japan and overseas as "Toyo Ink Group (TIG) Prohibited Chemicals." Accordingly, we monitor and control the inclusion of any such chemicals in products. In addition, we assess the risks of chemicals from the perspective of workers' exposure to them, hazards and other factors to determine chemicals whose use should be reduced or replaced is encouraged as "TIG Restricted Chemicals." We have harmonized the standards for the control of chemicals used in products from design to completion throughout the Toyo Ink Group.

#### Risk assessment of chemicals

The Toyo Ink Group implements risk assessment of chemicals at all company locations in Japan where chemicals are handled, including manufacturing facilities and R&D divisions, in accordance with the Occupational Safety and Health Act.

We implement and manage risk assessment under a system that facilitates risk assessment. The system was orga-

nized by assigning chemical managers in addition to the existing health and safety managers.

From 2021, certain substances are being added to the substances for which labeling and notification are required under the Industrial Safety and Health Act. As a result, we are required to conduct risk assessment for additional chemical substances. We will be conducting risk assessment for those substances one by one and will take safety and health measures as needed.

#### **Personnel development through in-house training courses**

The Toyo Ink Group provides in-house seminars (which are given by internal and external lecturers) and distributes educational videos as part of in-house education for legal compliance and the provision of information to customers. The seminars and videos are about outlines and revisions of laws and regulations and safety and health measures that are related to participants' work. In FY2022, a total of 1,000 employees took these courses.

## Biodiversity

### Basic approach

The Toyo Ink Group recognized the importance of biodiversity from an early stage and has expressed its commitment to natural conservation initiatives, including efforts to preserve biodiversity, within the Toyo Ink Group Code of Business Ethics. We conducted several voluntary activities in line with these guidelines, including local afforestation and river cleaning.

Prior to the 10th Conference of the Parties to the Convention on Biological Diversity (COP 10) held in Nagoya, Aichi Prefecture, following the establishment of the Keidanren (Japanese Business Federation) Declaration of Biodiversity in March 2009, the Toyo Ink Group organized and integrated the concepts and activities related to biodiversity so far and instituted the "Toyo Ink Group Basic Policy on Biodiversity."

The TNFD framework beta version, a risk and opportunity management and disclosure framework related to biodiversity, was released in March 2022. The framework shows the LEAP approach, a nature-related risk and opportunity assessment process. Meanwhile, the Ministry of the Environment has formulated a 30by30 Roadmap to achieve the 30by30 target, an international commitment to conserve at least 30% of land and sea areas by 2030, in Japan.

The Toyo Ink Group will evaluate its activities, referring to those guidelines on biodiversity, and make improvements.

#### The Toyo Ink Group Basic Policy on Biodiversity

The Toyo Ink Group is committed to actively encouraging activities aimed at preserving biodiversity and guarding it against the potential impact of the Group's business activities.

1. The Toyo Ink Group will always take biodiversity into consideration when procuring raw materials, and will make every effort to use biological resources sustainably.
2. The Toyo Ink Group will actively promote product development, aiming to eliminate chemicals that could potentially affect biodiversity, in particular environmental hormones (endocrine disrupting chemicals,) and expand the range of environmental hormone-free products.
3. The Toyo Ink Group will actively promote local initiatives aimed at maintaining and preserving water quality.
4. The Toyo Ink Group will actively promote efforts to reduce volatile organic chemicals (VOCs) and engage in activities aimed at minimizing the impact of its own activities and those of its customers on biodiversity.
5. The Toyo Ink Group will implement and support locally based biodiversity preservation activities in the areas around its plants in Japan and overseas, working in cooperation with local authorities and related organizations.
6. The Toyo Ink Group will promote educational activities aimed at raising awareness of biodiversity.

(Adopted in May 2009)

### Relationships between the Toyo Ink Group's business activities and biodiversity

The LEAP approach shown in the TNFD framework beta version begins with identifying points of contact with nature. The Toyo Ink Group has identified points of contact with (input from and output into) nature in the business process from procurement of raw materials to disposal and recycling and the effects of the contact on biodiversity, including habitat deterioration, decreasing forests and mountains near human habitats, invasion of non-native species, exposure to chemical substances, and global warming and climate change, thereby identifying clear risks to biodiversity.

With the use of the biodiversity management and evaluation tool, called Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE), we evaluated the Toyo Ink Group's dependency and impacts on nature in the industrial subgroups of general chemistry and special chemicals. The evaluation has revealed that, while its dependency on natural assets is low overall, its use of water, its use of land eco-systems, its GHG emissions, non-GHG air pollutants, water contaminants, soil pollutants and solid waste have significant impacts on nature.

In view of that, we understand that the risks shown in bold in the diagram entitled *Relations between business activities and biodiversity (risk)* are high.

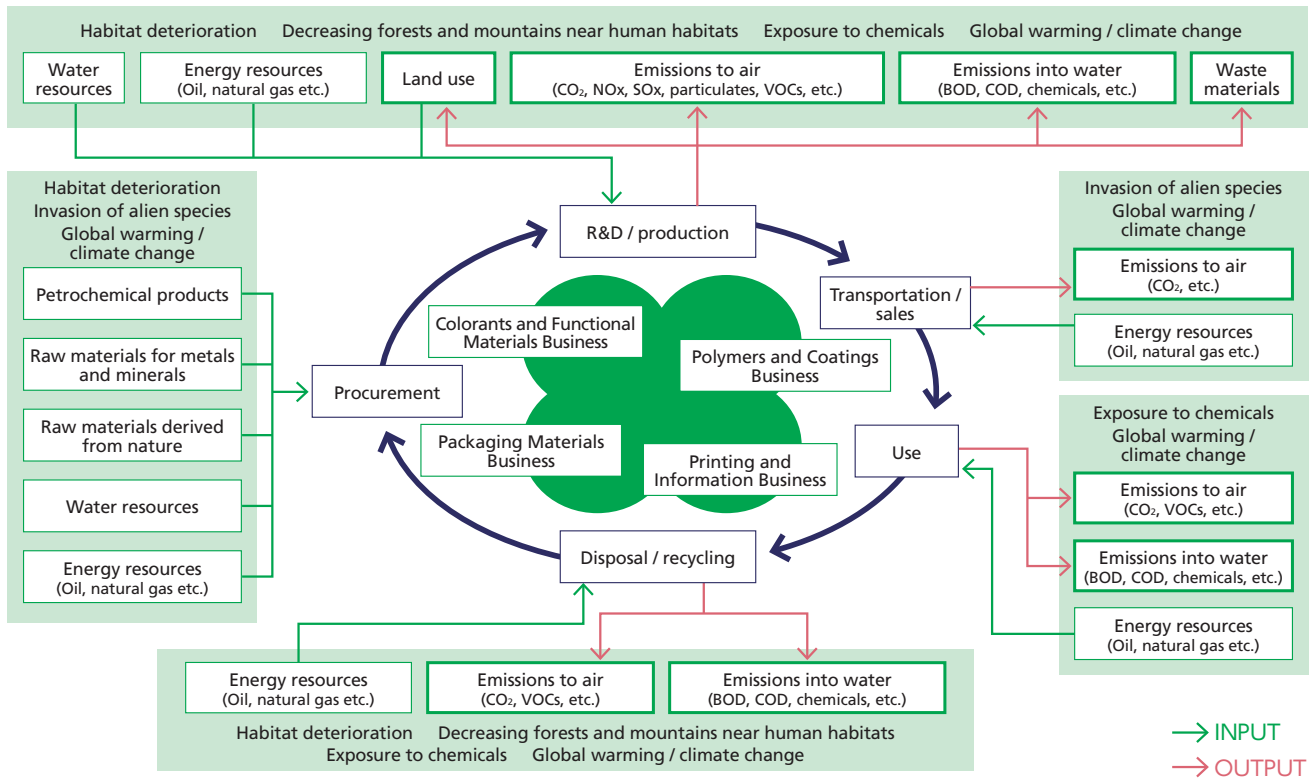
#### Results of evaluation with ENCORE (Factors impacting nature and levels of impacts)

Factors	Sector: Materials Industrial Subgroup: General Chemistry	Sector: Materials Industrial Subgroup: Special Chemicals
Use of water	Very high	High
Use of land eco-systems	High	High
GHG emissions	N/A	High
Non-GHG air pollutants	Medium	High
Water contaminants	High	High
Soil pollutants	High	High
Solid waste	N/A	High

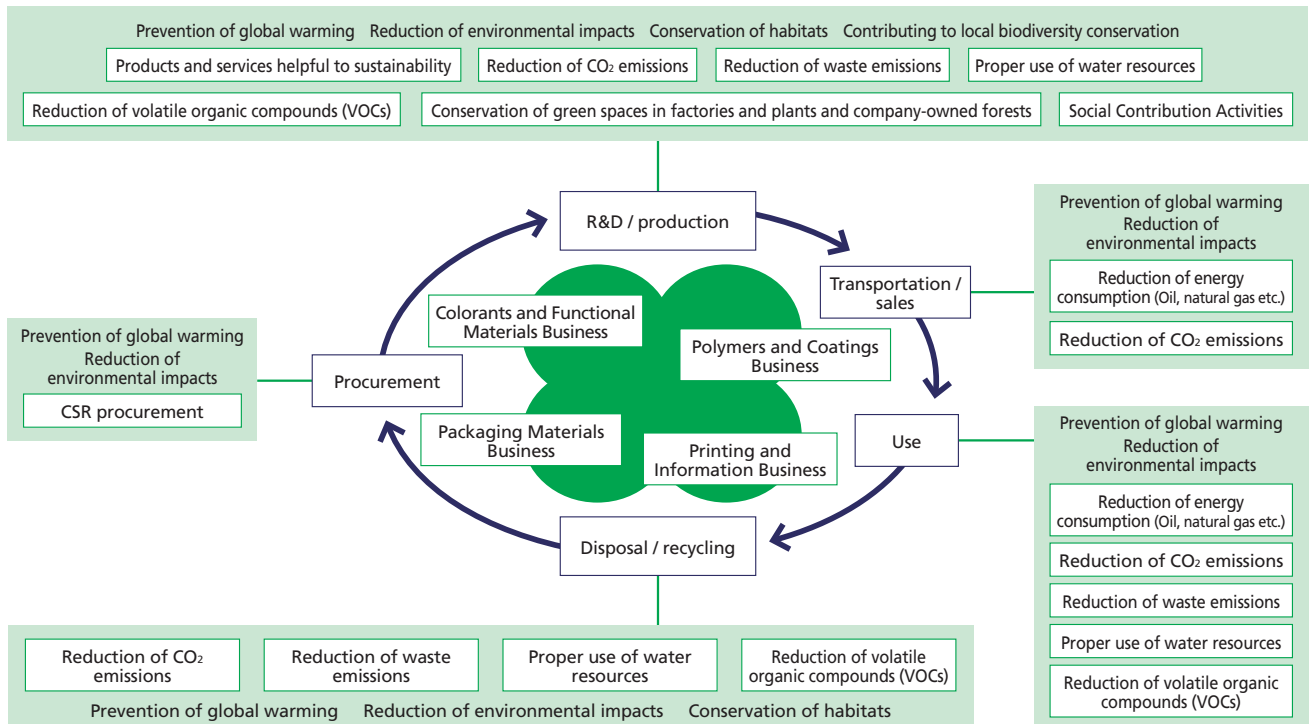
Similarly, the Toyo Ink Group examined whether or not its business activities were beneficial to the prevention of global warming, reduction of environmental impacts, conservation of habitats and preservation of local biodiversity to make clear the biodiversity opportunities.

On the basis of the concept behind the core indicators in the Guidelines for Planning and Monitoring Corporate Biodiversity Performance by the International Union for Conservation of Nature (IUCN) and findings on relations between business activities and biodiversity (risks and opportunities), the Toyo Ink Group has defined its past activities for cutting envi-

**Relations between business activities and biodiversity (risk)**



**Relations between business activities and biodiversity (opportunities)**



environmental impacts and others as biodiversity indicators. The table entitled Toyo Ink Group's biodiversity indicators and their

changes on page 31 demonstrate their details and progress.

### Toyo Ink Group's biodiversity indicators and their changes

Biodiversity indicator	FY2020	FY2021	FY2022	FY2023 (target)	Reference pages
Water consumption (thousand m <sup>3</sup> )	5,427	5,595	4,857	—	21, 78
CO <sub>2</sub> emissions (Japan) (t-CO <sub>2</sub> )	76,843	79,380	73,404	67,500	18, 19, 75
Specific energy consumption (overseas) (L/t)	170.2	164.1	163.6	165.0	18, 19, 75
VOC emissions (Japan) (t)	48,568	44,320	53,301	—	80
NOx emissions (t)	73.7	74.8	94.9	—	25, 80
SOx emissions (t)	4.5	7.2	13.2	—	25, 80
Particulate emissions (t)	24.0	8.2	10.3	—	25, 80
COD emissions (t)	159.7	148.7	224.5	—	21
Area with measures against soil pollution (m <sup>2</sup> )	300	0	100	—	25
Amount of waste treated off-site (Japan) (t)	12,900	13,949	13,466	10,449	23, 79
Sales of sustainability-enhancing products (billion JPY) *1 Sales ratio (%)	94.9 (66.0)	97.0 (64.4)	105.0 (62.4)	Sales ratio 70.0%	17

\*1 Sales of environmentally friendly products

### Assessment of biodiversity risk at the business sites of the Toyo Ink Group

On January 16, 2023, at the World Economic Forum in Davos, the World Wide Fund for Nature (WWF) published an online tool called the Biodiversity Risk Filter (BRF). The BRF is a set of data on at least 50 items related to biodiversity. The data are provided by the Integrated Biodiversity Assessment Tool (IBAT), the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), ENCORE, RepRisk and others.

The Toyo Ink Group evaluated the risk of impacts from its business activities at its factories and plants in Japan on biodiversity with the use of the BRF (with the industry sector of Chemicals & Other Materials Production).

The BRF allows us to understand the initial overall state in terms of two types of risks, namely physical risk and reputational risk. This evaluation focuses on indicators concerning factors on which the industry sector selected is considered to be dependent. Specifically, they were water scarcity, water condition, protected/conserved areas, key biodiversity areas and other important delineated areas.

It revealed that 33 factories and plants out of 45 evaluated had a high risk (with the risk score ranging from 3.4 to 4.2) or very high risk (with the risk score ranging from 4.2 to 5.0). That suggests that the Toyo Ink Group's operations have a high biodiversity risk.

Based on those findings, we will determine business sites we will prioritize in our biodiversity conservation activities and strengthen our activities.

### Biodiversity risk assessment for business sites in Japan and overseas (number of business sites that meet each condition)

Area	Number of locations	Physical risks	Water Scarcity	Water Condition	Reputational risks	Protected / Conserved Areas	Key Biodiversity Areas	Other Important Delineated Areas
Japan	14	0	0	5	1	14	3	0
Americas	5	0	1	2	0	0	0	0
Europe	4	0	2	4	0	2	0	0
Asia	22	5	6	10	0	3	0	1
Total	45	5	9	21	1	19	3	1

\* Number of business establishments rated as having high risk (with the risk score ranging from 3.4 to 4.2) or very high risk (with the risk score ranging from 4.2 to 5.0) according to the BRF



## Participation in biodiversity organizations

Keidanren (Japan Business Federation) published the Declaration of Biodiversity by Keidanren and Action Policy (Revised Edition) in October 2018. The Toyo Ink Group has endorsed the purposes of the declaration and action policy and has participated in the Initiative based on the Declaration of Biodiversity by Keidanren.

Marine plastic litter remains in the sea for a long period of time, and there is concern over its effects on global environmental pollution and biodiversity in seas and oceans. In January 2019, the Japan Clean Ocean Material Alliance (CLOMA,) which addresses the marine plastic litter problem, was established. A wide range of businesses that make up supply chains participate in the alliance. The Toyo Ink Group has also participated in CLOMA to address the problem.

When the above 30by30 Roadmap was formulated in April 2022, companies, municipalities, and other organizations voluntarily formed the 30by30 Alliance for Biodiversity to take pioneering steps to achieve the 30by30 target and disseminate information on the initiatives. The Toyo Ink Group has participated in the 30by30 Alliance for Biodiversity in June 2022. The Group will actively work to expand protected areas in national parks and other protected areas, enhance the quality of management of those areas, define and manage areas, other than protected areas, where biodiversity is conserved, for example, in forests and mountains near human habitats and corporate forests (OECMs,) and promote conservation.



The logotype of the 30by30 Alliance for Biodiversity

## Major biodiversity conservation activities

The Toyo Ink Group is committed to actively pursuing activities to protect biodiversity from the potential impact of the Group's business activities. We work to reduce environmental impact at the manufacturing and distribution stages, as well as to develop and provide the sustainability-enhancing products.

We also engage in activities for protecting the environment at our business locations in Japan and overseas. They include preserving the ecosystem, greening and tree-planting on our premises and in local areas, and forest cultivation activities.

### Ecosystem research and the preservation of valuable species in a company-owned forest (Kawagoe Factory, Toyochem Co., Ltd.)

There is a strip of woodland running from the northeast to the southwest near the Kawagoe Factory, of Toyochem Co., Ltd. The woodland is a part of the Santome-shinden area, which was developed in the Genroku era of the Edo period (late 17th century.) The area has housing land, arable land, and a mixed forest. On the southwestern part of the site of the Kawagoe Factory, there is woodland (company-owned forest). In the south lies woodland, which surrounds our athletic fields. These woodlands are connected to woodlands around them and may play an important role in terms of biodiversity conservation in the area.

To learn about wildlife in the company-owned forest and the woodland around the athletic fields, we conducted two surveys primarily of plants and birds in December 2016 and June 2017. In the surveys, we have found 169 species of 68 families of plants, 24 species of 16 families of birds, and 3 species of 3 families of animals. Those species include the Riverstream orchid, a threatened species to be protected listed in Saitama Prefecture Red Data Book 2011 (plants,) and the Japanese green woodpecker and the bunting, threatened species listed in Saitama Prefecture Red Data Book 2018 (animals.)

Based on the finding, the Kawagoe Factory strives to protect the Riverstream orchid and conserve the ecosystem in the company-owned forest.



Birds survey



Cymbidium goeringii (Riverstream orchid)

### Environmental beautification activities on Lake Biwa Day (Moriyama Factory, Toyo Visual Solutions Co., Ltd.)

In Shiga Prefecture, July 1st is designed as "Lake Biwa Day" under the Shiga Prefecture Basic Environmental Ordinance. It is a symbolic day when environmental protection activities, including cleanups of lakeside and riverside areas and roads across the prefecture, take place with a shared attachment to the lake. The Moriyama Factory of Toyo Visual Solutions Co., Ltd., which is located near Lake Biwa, has consistently taken part in environmental cleanup activities on Lake Biwa Day.

## Ensuring Quality and Safety

### Basic approach

The Toyo Ink Group dependably implements quality assurance at all stages, from planning and R&D to sales and after-service, to provide products of guaranteed quality. New products and businesses are evaluated and verified according to our regulations before commercialization.

In addition, we have also implemented ISO 9001 standards for quality to enhance and strengthen quality assurance throughout the company. We produce products in the medical field, including transdermal patches, in accordance with the GMP (Good Manufacturing Practice,) Ministerial Ordinance on Standard for Manufacturing Control and Quality Control for Drugs and Quasi-drugs.



Environmental Management on page 72 in ESG Data Collection  
 • Acquisition status of ISO certification

#### Basic Policy on Quality Assurance

1. Build a market-oriented quality assurance system by having the idea and action based on "Provide advanced technology and quality products and services," which is included in the Corporate Policy of the Toyo Ink Group, instilled in the overall operations. The term "quality" covers not only functions of goods but also safety and environmental initiatives related to products.
2. Implement company-wide activities for enhancing and strengthening quality assurance by using ISO 9001 international standards. Where an approach to quality assurance is set forth separately in a law, etc., quality assurance activities shall be enhanced and strengthened to follow that approach.

(Established February 1993, Revised April 2020)

### Promotion system

We work to establish quality assurance systems and improve the level of quality assurance at all production bases of the Toyo Ink Group, with the leading by the Quality Management Committee. At the semi-annual meetings of the committee, strategies for quality assurance activities are shared by all production bases in Japan and overseas.

For the purpose of ensuring that customers can use the Toyo Ink Group's products without concern, the Production Planning Office of Toyo Ink SC Holdings Co., Ltd. organizes quality risk checkup meetings to check individual facilities from a third party's viewpoint and to create a corporate culture that deters quality misconduct.

In addition, in order to further improve quality, we are building the Quality Global Standard for production system to ensure that we supply products with the same high quality anywhere in the world, and deploying it to our production bases.

## Management and provision of product information

At the Toyo Ink Group, employees distribute SDSs (Safety Data Sheets). SDSs are provided also on “Sommelier,” the Group’s portal site for customer. We are building a system where we provide products information to customers more quickly and support them. If any serious product accidents happen, we will report them quickly and strive to prevent accidents from escalating.

The Toyo Ink Group offers products from other companies in addition to our products, and we strive to manage and handle them in a way that ensures the safety of our customers.

### Number of serious product accidents

(Unit: cases)

	FY2020	FY2021	FY2022
Number of serious product accidents	0	0	0

## Providing product safety information and complying with laws and regulations globally

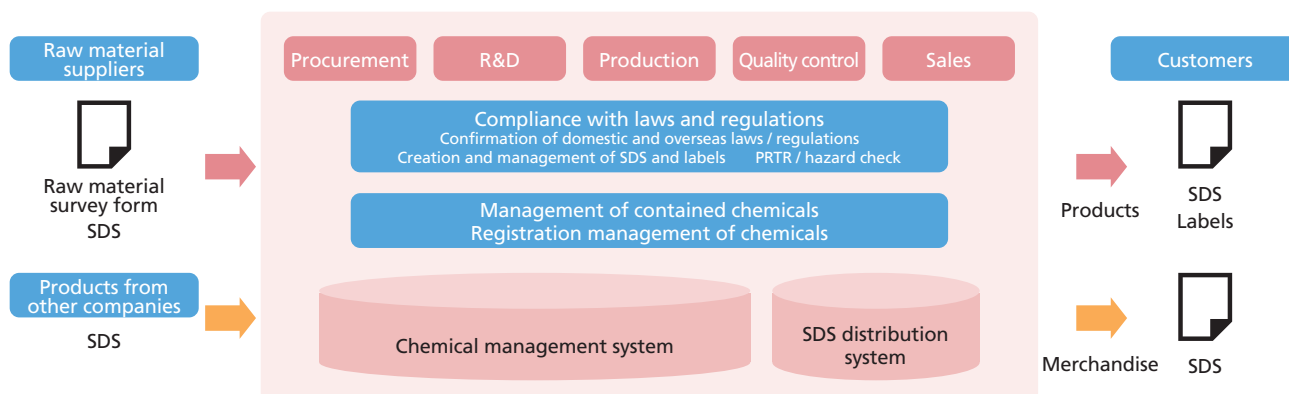
To provide information globally to customers in different countries, the Toyo Ink Group operates the Chemical Substance Control System that is a unique and has a SDS creation system that conforms to laws and regulations and languages used in countries to which the Group exports and can manage information on laws and regulations on chemical substances in different countries and regions. The Group companies in Japan and overseas operate this system and provide SDSs that comply with laws and regulations in different countries, thereby supporting customers’ risk assessment. To include information that is required to be included in labels under laws and regulations in different countries, the Group companies in Japan and overseas use the GHS guidelines as the standard of Group companies.

We will promote use at overseas bases of a search tool that enables the user to enter the names of chemical substances, etc. to determine the applicability of laws and regulations and will thereby strengthen compliance with laws and regulations related to chemical substances.

## Handling of product risk information

The Toyo Ink Group established procedures for handling product risk information in order to respond appropriately and quickly across the group to product risk. Toyo Ink SC Holdings Co., Ltd. Production Planning Office deal with product risk information matters and promote quality assurance activities in cooperation with the group’s core operating companies and affiliated companies.

### Process flow of management and provision of product information



## Pursuit of Customer Satisfaction (CS)

### Basic approach

The Toyo Ink Group believes that its customers are important stakeholders. We have set enhancing Customer Satisfaction (CS) as one of the Group's Guiding Principles. We put product quality first and aim to create products that will make customers be pleased. We actively listen to market opinions and respond sincerely to them to build trusting relationships.

### Communications with customers

The Toyo Ink Group established an inquiry system on its website for products, services, business activities and the like. The languages handled are Japanese, English and Chinese.

PRTR information (amount of chemical emissions / transferred) and SDSs are provided on our customer portal site, "Sommelier."

We also strive to enhance communication with customers through our products via "Value Showcase," the on-line events, and exhibits in Japan and overseas.

### Online event Value Showcase held

We held Value Showcase, an online event, from February 14 to 25, 2022. The purpose of this online event is to combine the Toyo Ink Group's material technologies and solutions indispensable for producing high value-added products with customers' technologies and ideas to solve social issues and gain a foothold for future co-creation.

In the event, we posted product information and videos on the website and introduced related products under two themes: 5G/next-generation high speed communication, and display / optoelectronics. We also held online meetings.

空想のテクノロジーは現実へと歩みを進められた。  
「5G / 次世代高速通信」  
「ディスプレイ / オプトロニクス」  
両者のエレクトロニクス関連製品

2022年2月14日10時～25日18時 開催

「Value Showcase」は、東洋インキグループが持つ、製品の量産加工効率化に欠かせない素材技術やソリューションをご提供いただき、お客様の技術やアイデアと組み合わせることで最高の貢献の足がかりをつくるためのオンラインイベントです。  
今回は、エレクトロニクス分野に焦点をあて、「5G / 次世代高速通信」「ディスプレイ / オプトロニクス」の2つを主なテーマに関連製品のご紹介をいたします。

5G/次世代高速通信	ディスプレイ / オプトロニクス
<p>5G / Beyond 5G など高速通信時の信号伝送や損失を極小まで低減する 5G / 高速通信向け低誘電率ポリマー</p>	<p>ディスプレイや光学デバイスに必要となる高反射率やブルーライトを低減しカットする 高耐性ブルーライトカット剤</p>
<p>車検後やその直後、自動車の電装部材や検知センサーなど幅広い用途へ適用可能な エレクトロニクス用高機能ウレタン樹脂</p>	<p>光学フィルム分野で特許取得する基材材料にも対応する プライマー機能を持つ高透明ハードコート剤</p>
<p>ウェアラブル機器、自動車用、ロボット、ドローンなどに高耐熱性や高耐湿性を備えた高機能基材 次世代導電ペーストの開発</p>	<p>カメラモジュール、スマートデバイスのバックパネル、光学センサーなどに光学特性の向上を図る 低反射/透光/近赤外線透過 ブラックインキ</p>
<p>耐久性と使いやすさを追求した高耐熱・高耐湿・高耐酸化 異種接着剤</p>	<p>光学センサーのノイズカットや遮熱フィルムなど幅広い用途に活用できる光学機能性材料 近赤外線吸収材料</p>
	<p>自動運転や監視カメラなどの車外センサー用光学機能性材料 近赤外線透過材料</p>

# Human Resource Management

## Basic approach

The Toyo Ink Group's corporate philosophy is *People-oriented management*. One of our Guiding Principles is "Respect the realization of all employees' ambitions." We aim to create workplaces where diverse human resources can fully demonstrate their capabilities and have job satisfaction regardless of gender, nationality, age, and disabilities to take advantage of the Group's strengths to contribute to society. Also, we respect the diverse values and career aspirations of our employees and strive for the development of human resources with a challenging spirit and the ability to produce work of a high quality.

In 2015, the Toyo Ink Group adopted the Human Resources Policy, which systematized the basic policies in human resources strategies. We implement various kinds of personnel measures all over the group on the basis of the Human Resources Policy (The Human Resources Policy is written in the Japanese and English languages side by side.)

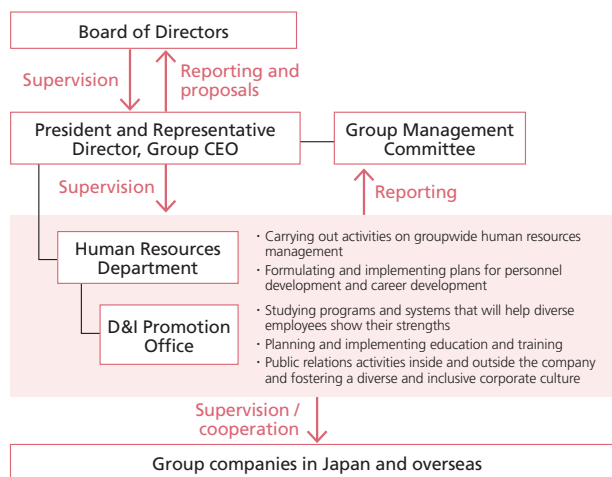
## Ideal form of human resources management

The Toyo Ink Group's corporate philosophy is *People-oriented management*. People are the management resources that the Group considers to be of paramount importance. The Human Resources Policy provides for three major components of personnel development. On the basis of these, diverse personnel in the Group address their respective missions to support the Group's value creation. We will ensure that every single staff member is able to display their potential to the fullest degree to achieve growth together with the Group with the aim of offering sustainable value.

## Promotion System

At the Toyo Ink Group, the Human Resources Department takes the lead in human resources management in accordance with the Human Resources Policy, which was developed by systematizing basic policies on personnel strategies. In compliance with labor-related laws, regulations and practices in different regions and countries, we implement different measures for personnel development in collaboration with separate bases in Japan and overseas.

### Human Resource Management Promotion System (FY2023)



### Building a system that allows long-term careers

We will provide opportunities for practical work for future careers and establish a training and development system, to promote empathy with our corporate philosophy and foster employees who embody our expectations and image.

### Fostering a culture that empowers diverse human resources

We will create a culture in which diverse human resources can play active roles, based on our belief that we can provide new value to the world by combining wisdom and technology through friendly competition among diverse human resources.

### Creating a work environment where employees can work with peace of mind

We will improve our working environment so that each and every employee can work with peace of mind, based on our belief that a safe work environment and employee health are of the utmost importance.

### Three pillars of our Human Resources Policy

## An excerpt of Human Resources Policy

### Personnel Affairs Programs Policy

We aim to ensure that the Group and employees will both achieve continual development through the sharing of the Group's vision and strategies among all employees and the incorporation of them into the awareness and behaviors of individual employees. Based on the notion of roles, we will define and implement jobs and carry out personnel development and career development. We will evaluate their performance and treat them fairly, seeking to create programs and a culture that boost their motivation while helping them continuously produce new achievements. We have established three basic principles for personnel affairs programs. The first principle is to share the vision and strategies. The second is to implement personnel development and career development. And the third principle is to realize fair evaluation and treatment.

### Personnel Development Policy

The basic idea behind establishing a system of personal development is to create an environment in which employees realize self-fulfillment. We therefore consider education through work in the workplace, training, and job rotation the three major components of the system, and develop an environment in which employees can improve themselves and we can take steps to help them improve.

#### ■ Education through work in the workplace (OJT= On the Job Training)

We develop all employees with education through practice in the workplace, advance the long-term development plan, and promote the development of a multi-skilled workforce.

#### ■ Training and self-development (OFF-JT= Off the Job Training)

We provide opportunities to acquire work skills and knowledge and the solutions to problems in order to supplement OJT in the workplace through training at the Toyo Ink Academy\* and other external training opportunities. In addition, we support the self-development of employees planning their own ability improvements.

#### ■ Job rotation

Through the extension of the scope of one's work with job rotation, we encourage employees to improve their knowledge and skills, enabling them to develop multiple skills. We consider job rotation the measurement of development, and take the lead in deliberate job rotation, considering employees' requests.

\* A unique training program of the Toyo Ink Group that is aimed at developing human resources and reforming its corporate culture

### Labor Management Policy

We act based on three policies so that the company and employees work together to construct a working environment that encourages the continued development of the company and enhances employees' motivation.

#### ■ Set effective work rules to further the development of the company

As a basic rule for working in the workplace, set effective work rules that correspond to commercial practices and changes in laws related to labor in each country. When changing the rules, we ensure that all employees fully understand the change by consulting and explaining it at labor-management councils.

#### ■ Build and maintain a good relationship between labor and management through regular labor management communication

Labor and management share business challenges, build up and maintain good labor management relationships with mutual trust and cooperate in the further development of the company and the improvement of employee satisfaction. We regularly hold safety councils and engage in awareness-raising activities for safety because we regard safety initiatives as a top priority for both labor and management.

#### ■ Build up labor management systems in terms of both compliance and risk prevention

We abide by the laws of labor relations of each country and build up labor management systems with the stance of prevention of labor risks. We encourage improvement if there are flaws in the management of working-hours, employment management, protection of personal information, and measures for mental health.

### Welfare Policy

We will build an environment in which individual employees can work with peace of mind and lead a fulfilling life. We will carry out welfare activities in accordance with three principles.

#### ■ Create an environment in which employees can work in good physical and mental health

Health and productivity management at the Group will lead not only to employees' happiness but also to the maintenance and improvement of labor productivity. Viewing it as a major management issue, we will carry out activities in accordance with the Health and Productivity Management Declaration set out below.

#### [Toyo Ink Group Health and Productivity Management Declaration]

1. We will work to improve the quality of internal communication and build an environment that enables employees to work in good health, as part of our *People-oriented management* practices.
2. As players in a company that contributes to the enrichment of life and culture, we will take the initiative in promoting good health and disease prevention with the awareness that our own good health is essential for us to exercise our full potential.
3. As a member of society, we will proactively participate in activities to improve our physical and mental health, including the involvement of our families, and will strive to expand these activities.

#### ■ Promoting work-life balance

To help employees maintain an effective work-life balance, we will offer flexible working conditions and build an environment in which they can work for the long term without worries, by achieving a good balance between their work and their private lives.

#### ■ Streamlining costs by taking advantage of the Group's economies of scale

We will understand market standards and the costs of medical insurance and other aspects, and will strive to optimize costs by taking advantage of the overall Group's economies of scale.

## Employment and labor practices

### Risk management related to labor issues

The Toyo Ink Group (in Japan) disseminates information to employees to comply with the laws of labor relations and holds management councils where the labor union and the company discuss to improve ways of working.

For the purpose of controlling and monitoring risks related to employees' labor, the Group encourages employees to use their annual paid leave and monitors working hours to prevent excessive overtime. There were no Labor Standards Act violations in Japan in FY2022.

### Dissemination of the labor standard policy

Our Human Resources Policy stipulates three principles on the labor management policy. They are to formulate work rules, to establish the labor/management relationship and to comply with laws and regulations and prevent labor risks. The Human Resources Policy (written in the Japanese and English languages side by side) is always available on the Global Human Resources Network Website, and aims to standardize management operations at group companies. In Japan, we have set up a website for information on personnel affairs, covering areas such as regulations and programs for personnel affairs and welfare.

In Japan and overseas, Group companies carry out appropriate labor management and conveying policies in an effort to make sure that all employees understand them.

### Fair evaluation and treatment

The Toyo Ink Group respects and evaluates actions that contribute to its performance and results. The pay structure is simple. Pay consists mainly of a base salary and bonuses. The pay is complemented by benefits, which are paid in accordance with business practices in different countries. We are building a remuneration system where the Group's performance will reflect each employee's pay to pass on any gains in profit to the employees. We are reviewing the system through consultation with employee representatives (labor union members).

### Appropriate working hours

We comply with laws and regulations related to working hours in different countries. We use work patterns according to conditions of employment and duties and manage working hours. If working hours increase temporarily, we conduct labor management within the legitimate, acceptable range that has been previously agreed upon between labor and management, considering employees' health and work-life balance as far as possible.

### Labor-management discussion

Employee representatives (labor union members) and company representatives hold management councils at least twice a year and discuss issues that should be solved between labor and management. In addition to those meetings, labor-management consultations are held to discuss individual issues as needed. If changes in personnel systems are discussed, labor and management have as many opportunities to make proposals to each other and exchange opinions as possible. The administrative offices of both parties may hold meetings before the representatives meet.

 [Human Resources Management on page 82 in ESG Data Collection](#)

## Human resources development

### Human resource rotation system

The Human Resource Rotation System consists of development transfers, transfers based on self-assessments, in-house recruitment system, and overseas workshop programs. Under our system of development transfers, we help individual employees to build their careers through systematic transfers. For transfers based on self-assessments, we conduct an annual self-assessment survey and strive to carry out transfers based on employees' intentions. The in-house recruitment system is a program that allows employees to apply for their desired jobs. Several employees are successfully transferred each year under this program.

The overseas workshop programs are aimed at developing globally competitive human resources. Those who participate in the programs experience working for overseas Group companies as interns and acquire cross-cultural communication skills and the capability to adapt to overseas business. We provided training to 28 people from FY2012 to FY2021, although we were unable to dispatch anyone in FY2021 due to the COVID-19 pandemic.

### Number of voluntary career development measures adopted

(Unit: person)

	FY2020	FY2021	FY2022
In-house recruitment system / Career challenge system	3	8	11

## Toyo Ink Academy

We established the Toyo Ink Academy in 2007 to foster human resources and improve the corporate culture. At the Academy, we implement various training programs and personal development activities under the basic policies of increasing the skill level of human resources and fostering future executives, with four pillars of job-class-specific training programs, job-type-specific training programs, training programs for developing globally competitive human resources, and personal development. We started to expand online training in FY2020, when COVID-19 broke out, in an effort to deliver education to a wider range of employees. The total number of training days was 99, and the total number of employees who participated in training was 3,099 in FY2022.

In FY2022, we introduced Aidemy for e-learning on digital transformation (DX). Starting with the IT literacy education for managers, 977 trainees completed the curriculum centering on artificial intelligence (AI) and machine learning.

### List of training programs

Job-class-specific training programs
<ul style="list-style-type: none"> <li>• Training for new officers</li> <li>• Program to cultivate next-generation leaders</li> <li>• Practical program for solving issues</li> <li>• Basic program for problem solving</li> <li>• Inclusion management training</li> <li>• Basic seminar for managerial employees</li> <li>• Career development training for senior employees</li> <li>• Career design training for employees in their fifth year</li> <li>• Follow-up training for employees in their first year</li> <li>• Introductory training for new employees</li> <li>• Training for on-the-job trainers</li> <li>• Dispatching female employees outside the Group</li> <li>• Career training for female employees</li> </ul>
Job-type-specific training programs
<ul style="list-style-type: none"> <li>• Program for improving business negotiation skills</li> <li>• Basic QC training</li> <li>• Training on test planning methods</li> <li>• Intellectual property program</li> <li>• MI hands-on training</li> </ul>
Training programs for developing overseas human resources and for overseas national staff
<ul style="list-style-type: none"> <li>• Overseas workshop programs</li> <li>• Seminars on the environment and safety</li> <li>• Overseas assignment training</li> </ul>
e-learning
<ul style="list-style-type: none"> <li>• Chemical substance and trade control course</li> <li>• DX education (Aidemy)</li> </ul>
Self-development
<ul style="list-style-type: none"> <li>• GLOBIS Unlimited</li> <li>• JMOOC</li> </ul>

	FY2020	FY2021	FY2022
Training costs per person (thousand JPY)	20	30	30
Number of participants in DX training and re-skilling (persons)	620	409	1,143

## In-house commendation system

We present the Group President Award to recognize business activities that produced excellent results every year. In FY2022, the Group President Award was presented to a group and the Group Special Award was given to three groups to recognize great contributions to business, including product development and marketization, and potential business expansion, etc.

## Business Idea Competition

We held the second Business Idea Competition in 2022. There were a total of 63 entries (55 entries in Japan and 8 entries overseas). The first prize was awarded to a pieces of work. The prize for excellence was awarded to two pieces of work. The prize for encouragement was awarded to two pieces of work.

The Business Idea Competition is intended to develop the ability to convert new ideas into tangible forms and foster a corporate culture where employees continue to take on challenges and make proposals.

(Unit: cases)

	FY2020	FY2021	FY2022
Number of cases eligible for in-house commendation	4	4	2
Number of applications for Business Idea Competition*	—	122	63

\* The competition was started in FY2021.

[link](#) Human Resources Management on page 83 in ESG Data Collection



## Promoting Diversity and Inclusion

### Basic approach

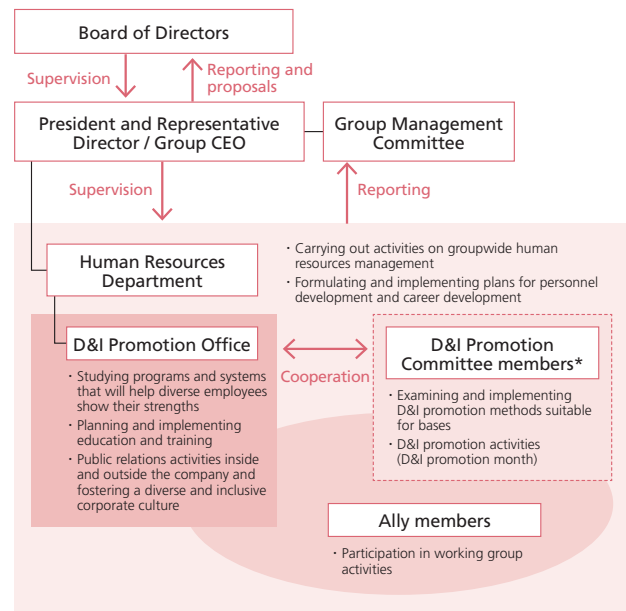
Under the Guiding Principle of “Respecting the realization of all employees’ ambitions,” the Toyo Ink Group considers diversity and inclusion to be one of its priorities. We strive to respect diverse values, thoughts, and ideas regardless of the employee’s gender, nationality, age, and disabilities and aim to create workplaces where employees can have job satisfaction.

Under the Guidelines for Deepening Understanding of and Supporting LGBT which were drawn up in 2020, we are actively seeking to enhance understanding about LGBTQ+ as well as sexual orientation and gender identity (SOGI).

### Promotion system

Formerly, the Human Resources Department of Toyo Ink SC Holdings Co. Ltd. played a leading role. In September 2021, a diversity promotion project was launched. It was operated by members from multiple departments. In January 2023, the D&I Promotion Office was set up under the Human Resources Department as an organization that was to take over the project. Activities are now conducted under a new structure.

### D&I promotion system (FY2023)



\* D&I Promotion Committee members are expected to start their activities in the second half of 2023.

### An excerpt of Human Resources Policy

#### Diversity and Human Rights Policy

Regardless of race, skin color, place of birth, nationality, sex, social position, age, religion, creed, thought, political affiliation, education, disability, marital status, union membership, sexual orientation, or gender identity, we promise the following in order to offer new life value to people around the world so that they can enjoy rich, fulfilling lives together.

#### ■ To respect human rights

In support of the Universal Declaration of Human Rights, we take action to positively promote enlightenment about human rights and to remove all harassment. In addition, in deference to personal privacy, we manage personnel information carefully and strictly.

#### ■ To observe the labor laws of each country

Prejudiced reasons that are not directly related to work will not be used as grounds to hire employees and neither will we discharge any employee for prejudiced reasons. In addition, we will never allow forced labor or child labor.

#### ■ To respect the diversity of human talent

We create organizations in which each employee feels it is worthwhile to work, where a variety of talented people respect one another and can work without being discriminated against and where workers will go beyond past successes and existing methods. In addition, we will operate in deference to each country's local culture and sense of values.

## Diversity education and awareness activities

For FY2022, activities in the diversity promotion project included an exchange of opinions at the roundtable with the CEO and training specific to individual levels and subjects. At the annual group-wide meeting (Sustainability Conference), project activities were reported and information was shared in the Group.

### Organization of a roundtable with the CEO

On June 28, 2022, a roundtable with the CEO was held, with the participation of Satoru Takashima, Group CEO, Junji Sekino, General Manager of Human Resources Department, and seven diversity promotion project members. The event included a report on past activities and an exchange of opinions on two subjects. One was governance and the promotion system, and the other was the ratio of female managers. At the end of the talk, the Group CEO made a comment about the overall event.

### Unconscious bias training

On October 7 and 11, 2022, the Toyo Ink Group conducted unconscious bias training for department managers. This training was aimed at eliminating unconscious prejudice and assumptions and at building a culture in which people respect each other's differences.

A trainee said that the training made him realize that his belief that he had little unconscious bias was incorrect. Another commented that he had more unconscious assumptions than he thought.

(Unit: persons)

	FY2022
Number of participants in unconscious bias training	66
Number of participants in LGBTQ and ALLY training	80
Number of ally supporters	94

 Promoting Diversity and Inclusion on page 83 in ESG Data Collection

## Promotion of women's participation and advancement

In the SIC-II medium-term management plan, we have set the target to increase the ratio of female managers in Japan from 4% in FY2020 to 8% in January 2024, and we are moving forward with initiatives.

In FY2022, our activities included organizing the roundtable with the CEO in June, an analysis on what is lacking in activities on the basis of the *Nadeshiko* Brands Feedback Sheet and an exchange of opinions on governance and the promotion system and on the ratio of female managers. In September, we held a session for officers and department managers with an invited outside speaker on sex differences in health from physical and medical perspectives.

We introduced a team system for different levels in the organization. We will upgrade the management capabilities of the overall Group by creating opportunities for early management at small units.

### Formulation of action plan promoting women's participation and advancement

- (1) Increasing the female recruitment ratio to 30% or more
- (2) Ensuring the annual paid leave acquisition rate as 60% or more

### Social Goals of SIC-II (FY2021 - 2023)

Continuing acquirement *Eruboshi* certification by promoting women's employment and active participation  
(Continuing 30% female recruitment ratio in Japan, and female manager ratio in Japan to be 8%)

(Unit: %)

	FY2018	FY2019	FY2020	FY2021	FY2022
Rate of hiring female graduates (Japan) *1	35	30	32	32	33
Rate of female managers (Japan) *2	3.0	3.6	3.9	4.5	4.5

\*1 Rate of hiring female graduates joining the company each year in April.

\*2 As of the following January of each fiscal year

### Eruboshi Company certification

Toyo Ink SC Holdings Co., Ltd. is certified as an *Eruboshi* company under the Act on Promotion of Women's Participation and Advancement in the Workplace. The company was evaluated for its achievements recruitment, continuous employment, working hours, and diversity of career paths.



## Understanding and Responding to LGBTQ (SOGI)

In June 2022 we introduced a “partnership system,” to provide internal systems and benefits relating to congratulations and condolences, childcare and nursing care, transfers / relocations and overseas assignments—which were previously applied only to legal spouses—to partners, expanding the scope of this definition to include common-law marriages and same-sex partners.

In September, we held a seminar entitled *LGBTQ and Ally: Start by Learning Correctly*. It included watching a video providing basic knowledge about LGBTQ issues and circumstances surrounding the LGBTQ community in Japan together with a talk. The seminar attracted an overwhelmingly positive reaction from participants. One comment read, “I hope that many people will learn through an activity that provides an opportunity to learn and think like this seminar did, serving as an initial step.” Another comment said, “I found this seminar so good that I hope it will be known to many.” And yet another said, “It was a rare positive event in recent years that significantly helped remove stereotypes and prejudices.”

In addition, we launched a working group composed of Allies, or those who understand and support all kinds of differences. Those wishing to become Allies were invited to join. In the future, we will carry out activities to raise awareness by sending out information to enlarge the circle of Allies.

In recognition of these activities, in November 2022, we were certificated Gold status in the PRIDE Index, which is an index for initiatives in support of sexual minorities in the workplace.



## Promoting senior employees' active participation

Aiming for each employee to continue to play their role in a society of working throughout their lives, we changed the mandatory retirement age from 63 to 65 for full-time employees in Japan in September 2018. To support their career development, we provide career education, which helps them continue to have job satisfaction, create work environments, taking their needs into consideration, and help them promote their health.

## Promotion of active participation of people with disabilities

The Toyo Ink Group began employing workers with intellectual disabilities in 2019. The percentage of employees who had disabilities in Japan was 2.6% in FY2022. These workers are given a wide variety of duties, including dispatch of documents, digitization of documents, data entry, sterilization of meeting rooms and other common spaces and refilling disinfectant fluid and sheets on individual floors, preparation of business cards, undertaking processes for shipping and delivery of goods upon request from group companies and other departments, and creating illustrations and digital signage.

We also regularly offer internship programs to those studying at special support schools in an effort to enable the long-term employment of people with disabilities.

[link](#) Promoting Diversity and Inclusion on page 83 in ESG Data Collection

## Promoting active roles for employees of foreign nationality

In Japan, we have 30 employees of nationalities other than Japanese. Using their language skills and global perspectives, they work actively in an array of positions.

[link](#) Promotion of diversity and inclusion on page 83 in ESG Data Collection

## Consideration of local religions

The Toyo Ink Group is expanding its operations worldwide while giving consideration to local religions. In the Islamic world, we are working to obtain halal certificates to offer packaging materials and other products that comply with the Islamic dietary laws. For Muslim employees, we provide prayer spaces called Musholla in plants and help them observe Ramadan, a month of fasting.

PT. Toyo Ink Indonesia has constructed a mosque as part of its welfare measures in respect for the local culture. The mosque is also open to employees of neighboring companies and to local residents.

### TOPICS

#### Support for the *Business for Marriage Equality* campaign

In July 2023, the Toyo Ink Group announced its support for *Business for Marriage Equality*, a campaign seeking equality in marriage, specifically the legalization of same-sex marriage, in Japan.

Business for Marriage Equality (bformarriageequality.net) is a campaign to provide visibility to corporate support for equality in marriage, specifically the legalization of same-sex marriage. It is jointly run by Marriage For All Japan, Lawyers for LGBT & Allies Network, and Nijiuro Diversity.

\* As of July 26, 2023, 415 companies and organizations had announced their support for equality in marriage, or the legalization of same-sex marriage.

**bme**  
Business for Marriage Equality

## Promoting a Healthy Work-Life Balance

### Basic approach

The Toyo Ink Group's strong drive for growth requires the creation of an environment where every single employee can display their potential and continue to work actively. We aim to provide employees with workplaces where they are able to work actively and have job satisfaction. Respecting their diverse values and career goals, we will carry out workstyle reforms that lead to enhanced productivity, innovation and healthier work-life balances.

### Promotion system

The Human Resources Department of Toyo Ink SC Holdings Co., Ltd. takes a leading role in offering a better life-work balance through appropriate labor management throughout the entire Group, support for striking a balance between work and childcare and nursing care, and promotion of diverse work styles. Overseas, we undertake initiatives in complying with laws and regulations and practices in each individual country.

### Promotion of appropriate labor management

The Toyo Ink Group is improving the work environment so that employees can achieve results while also emphasizing on a work-life balance. We strive to manage working hours appropriately by reducing overtime hours using a work management system, which needs to be approved by a supervisor every day, monitoring entrance/exit records using gate passes to eliminate unpaid overtime work, and holding councils with the labor union under the Labor Standards Act.

There were no labor standards violations due to overwork in FY2022. To prevent harm to health caused by overwork, we encourage departments who have employees working excessive overtime to improve their operations and request such employees to consult with industrial physicians as needed. We will continue to take steps to make improvements.

[link](#) Promoting a Healthy Work-Life Balance on page 84 in ESG Data Collection

### Encouragement of remote working and working from home

The Toyo Ink Group introduced a remote working program in 2021, aiming to improve labor productivity, create innovation and enhance the work-life balance. We are promoting new ways of working, including working from home, flexible working hours, and commuting outside of rush hours depending on duties, alongside business reforms. We also offer financial support for improving the working environment at home using the "Cafeteria Plan."

### Childcare support

In March 2022, the Toyo Ink Group obtained Kurumin certification for the fourth time in recognition of its support for the development of the next generation. We introduced the Childcare Leave Interview Sheet, an initiative to support the development of the next generation. This sheet includes questions about handovers and considerations for people's physical condition. Intended for use as a tool for communicating with superiors, the goal of this sheet is to enable employees to begin leave and return to work smoothly.

In October 2022, we revised the conventional guidebook and the interview sheet in accordance with the amendment to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members. In addition, the entire Group is working intensively to encourage male employees to take childcare leave for at least 10 days in principle. We will strive to instill a culture of naturally taking childcare leave for a certain length of time after the spouse gives birth. We will make sure that this opportunity will inspire employees to review their day-to-day work and to create a workplace with mutual support, aiming to open the way for diverse work styles throughout the Group.



### Use of programs related to childcare support

	FY2020	FY2021	FY2022
Ratio of female employees returning to work after childcare leave (%)	100	100	100
Ratio of taking childcare leave (%)	female: 100 male: 25.8	female: 100 male: 25.8	female: 100 male: 92.7
Shorter working hours for childcare (number of users)	39	41	36

\* Employees who belong to Toyo Ink SC Holdings Co., Ltd.

[link](#) Promoting a Healthy Work-Life Balance on page 84 in ESG Data Collection

### Nursing care support

Amid changes in the social environment, such as an aging population with fewer children and a shift to nuclear families, more and more employees are facing the need to provide nursing care. The Toyo Ink Group is positively accelerating the creation of workplace environments where a balance between work and nursing care can both be achieved in Japan. We adopt a freely selectable program called the "Cafeteria Plan" to provide employees with financial support for purchasing and renting nursing care items and for enjoying commissioned nursing care support services. We also hold seminars on health and nursing care in an effort to create an environment where employees can work with peace of mind.



\* The action plan and actions related to support for childcare and nursing care are stated on the *Ryoritsu Shien no Hiroba* website (for publishing action plans by general business operators) run by the Ministry of Health, Labour and Welfare. Companies taking positive actions on women's participation and advancement are included in the *Josei no Katsuyaku Suishin Kigyō* database (a database of companies working for women's advancement) operated by the same ministry.

## Systems and initiatives for diversifying ways of working

The Toyo Ink Group (in Japan) offers financial support for nursing beds, childcare, purchase of desks, chairs, and PC peripherals for working at home, and purchase of health equipment for health promotion in the "Cafeteria Plan," one of the welfare systems. We also hold seminars on health and nursing care (including fitness seminars that employees can view and participate in on the Web) and provide information to help employees strike a balance between nursing care and work and stay healthy.

### Systems for support for work-life balance (in Japan)

- Childcare and nursing care leave
- Shorter working hours for childcare and nursing care
- Use of cumulative paid leave for childcare
- Child nursing care leave
- Nursing care leave
- Working at home
- Flexible working hours for childcare and nursing care (The hours from 10 a.m. to 3 p.m. are core time. Total working hours in a month are managed.)
- Half-day leave system (Employees may take a half day (first half or second half of the day) off. Twice half day off are treated as once annual paid leave.)
- Re-employment of former employees

## New supporting measure for in-house communication

Toyo Ink Group companies in Japan launched the Incentive Plus\*, aimed at encouraging communication between colleagues and forging a sense of unity during the situation where workstyles suited to the new normal created by the COVID-19 pandemic were being promoted. Using this tool, employees exchange messages of appreciation and encouragement every day together with points called "tips." This stimulates internal communication and develops a culture of sharing actions with one another.

\* Incentive Plus: A communication tool for exchanging warm-hearted messages between employees in a closed environment and enabling users to win prizes in exchange for points they have gained.

## Response to COVID-19

To control the COVID-19 pandemic, we are taking actions in accordance with government policies and the circumstances in individual countries. In Japan, we swiftly introduced COVID-19 vaccinations in workplaces jointly with the Toppan Group Health Insurance Society to reduce the risks of stakeholders being infected with the disease and to prevent the spread of infection.

### Major actions

- Enforcement of temperature checks, wearing of face masks, hand washing and disinfection
- Encouragement of teleworking, working from home and commuting outside of rush hours depending on duties
- Utilization of online conferencing and online distribution
- Postponement of events and restrictions on overseas travel
- COVID-19 workplace vaccinations (Japan)

To increase staff morale during the pandemic, we held the Thanks Lunch event, as in 2020, in which a special lunch was provided for free at the cafeterias of our production bases in Japan. Participants were asked to eat silently. However, it was an event where they enjoyed a good meal with co-workers. We continue to provide isotonic drinks for free to staff who work in very hot workplace environments.

## VOICE

### Voice of a male employee who took childcare leave

I took paternal postnatal childcare leave for about a month just after my wife gave birth. I wanted to take the leave at that time because I wanted to help my wife after the birth and to look after our newborn baby.

During the leave, I took over the shopping from my wife, who was unable to go out. I also did the laundry, the dishes, the cleaning and other household chores. While I had an optimistic view about taking care of the baby, my wife may have felt anxious about it. I realized it was important to communicate our needs and feelings to each other.

The workplace had no extra staff. Taking extended leave during a busy season may have had a significant impact. I am very grateful for my supervisor and colleagues for their support in enabling me to take childcare leave.



Employee at Toyochem Co., Ltd.

### Comments from Boss

On the production floor where workers are limited, it can be difficult to take extended childcare leave during a busy season. All of us in the workplace worked together to manage it. When I saw him after he had returned from the leave, I was happy to that the leave had left him feeling fulfilled. I have also found that cooperation and understanding beyond the organization is vital to creating a workplace where people are less hesitant to take childcare leave.

# Health and Productivity Management

## Basic approach

We believe that each employee is an important asset to the company and it is important to develop an environment which enables our employees to fully exercise their abilities, based on our corporate philosophy of *People-oriented management*. For this, we are building a workplace environment capable of ensuring the good health of our employees through initiatives for their health such as promoting good health, preventing diseases, protecting the mental health, etc.

### Basic Policy on Health and Productivity Management

Ensuring the good physical and mental health of our employees, who are important assets, is essential for the strong promotion of the Toyo Ink Group's sustainable growth. We must build a system and a workplace environment that enables each employee to fully exercise their abilities. For this, we will implement measures and improve health awareness at each level of management, in every workplace, and of every individual employee, to realize adequate health and productivity management of the overall Group. In addition, we will promote and expand the Medical Healthcare business, one of the Group's core businesses, to contribute to people's healthy lifestyles. (Established 2009, Revised October 2019)

### Health and Productivity Management Declaration

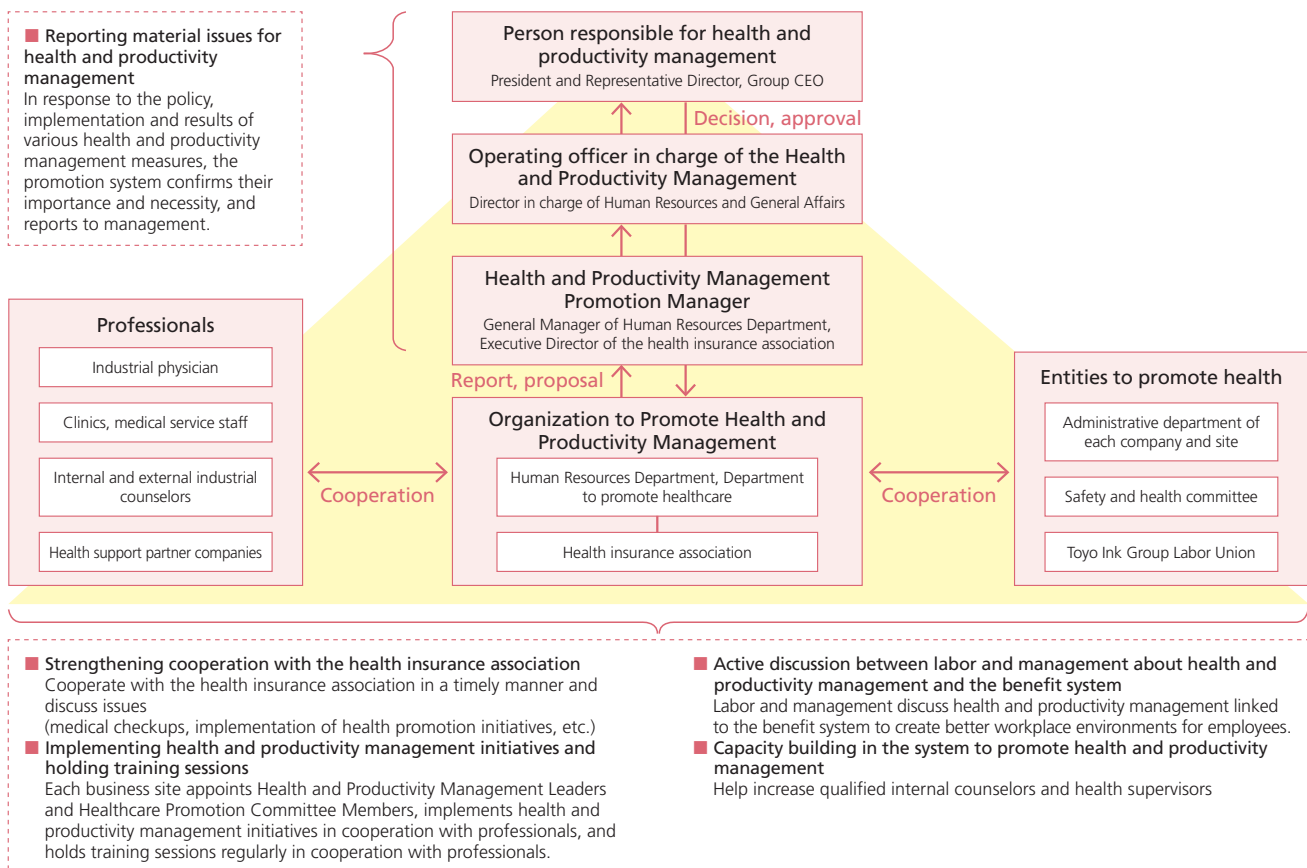
1. We will work to improve the quality of internal communication and build an environment that enables employees to work in good health, as a part of our health and productivity management practices.
2. We will take the initiative in the promotion of good health and disease prevention with the awareness that good health is essential for us to exercise our full potential.
3. As a member of local community, we will proactively participate in activities for improving our physical and mental health including the involvement of our families and strive to expand these activities.
4. As a contributor to the enrichment of life and culture, we will contribute to sound lifestyles in society through the Medical Healthcare business.

(Established 2009, Revised October 2019)

## Promotion system

The Toyo Ink Group systematically promotes health and productivity management through the following system.

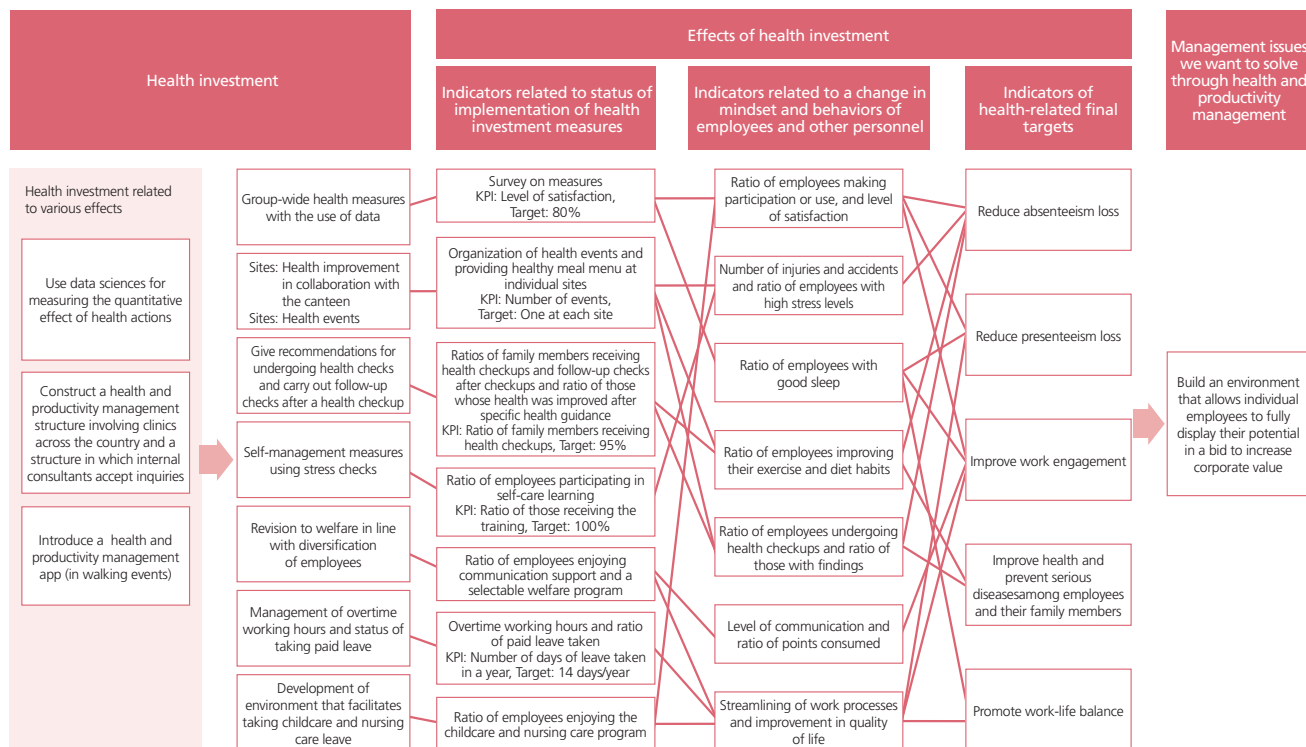
### Organization to Promote Health and Productivity Management



For occupational safety and health, see Occupational Safety and Health, Process Safety and Disaster Prevention on pages 48 to 50.

## Health and Productivity Management Strategy Map

The Toyo Ink Group will implement the following steps to run a PDCA cycle to address issues that we aspire to resolve through health and productivity management.



## Targets and achievements of health and productivity management

Index	Achievement in 2020	Achievement in 2021	Achievement in 2022	Targets		Statistical figure (in Japan)	
				2025	2030		
Lifestyle-related diseases	Obesity risk Ratio of employees with a BMI figure of 25 or more	29.0%	27.8%	28.2%	22.3%	21.3%	26.3%*1
	Risk of hypertension Ratio of employees with a systolic blood pressure of 140 mmHg or more or a diastolic blood pressure of 90 mmHg or higher	12.4%	11.1%	9.6%	10.1%	9.7%	17.9%*2
	Risk of diabetes Ratio of employees with a fasting blood sugar level of 110 mg/dL or higher or a HbA1c of 6.0% or more	10.9%	11.3%	11.2%	9.5%	9.1%	12.1%*2
	Risk of hyperlipidemia Ratio of employees with natural fat of 200 mg/dL or more, a HDL cholesterol level of 39 mg/dL or less or an LDL cholesterol level of 140 mg/dL or more	33.0%	30.8%	30.2%	35.0%	31.0%	33.3%*2
	Ratio of family members (dependents aged 35 or older) undergoing specific health checkups	77.3%	81.2%	81.9%	88.0%	95.0%	43.1%*3
Cancer	Ratio of employees undergoing gynecologic cancer checkups (regarding breast cancer and uterine cancer)	77.4%	79.5%	81.9%	80.0%	82.5%	Breast cancer: 47.4% Uterine cancer: 43.7%*4
Work-life balance	Average number of days of paid leave taken in a year	11.0 days	11.5 days	12.5 days	13.0 days	14.0 days	11.3 days*5

\* After the targets were set, two changes occurred: First, the average age of employees rose due to the extension of the retirement age, and second, lifestyles changed dramatically due to the COVID-19 pandemic. In light of that, we are planning to set new targets and implement new measures tailored to the current situation.

\*1 FY2018 National Health and Nutrition Survey by the Ministry of Health, Labour and Welfare

\*2 FY2020 Regular Medical Checkup Results Report by the Ministry of Health, Labour and Welfare

\*3 The Status of Implementation of Specific Health Checkups and Specific Health Guidance in FY2020 [Summary] by the Ministry of Health, Labour and Welfare

\*4 Overview of FY2019 Basic Survey of National Health Life by the Ministry of Health, Labour and Welfare

\*5 Overview of FY2021 General Survey on Working Conditions by the Ministry of Health, Labour and Welfare

## Investments in health and productivity management

(Unit: million JPY)

FY2019	FY2020	FY2021	FY2022
103	101	125	122*

\* Health checkups and vaccination (70 million JPY), operation of the internal clinic (49 million JPY), measures for sleep improvement (3 million JPY), walking events and others

## Initiatives taken for health and productivity management

### 1. Establishment of an environment for working with good health

- COVID-19 workplace vaccinations
- Financial support for sanitary goods and health assistance during the COVID-19 pandemic
- Sleep improvement program
- Walking events
- Influenza vaccination at our businesses
- Addition of optional items to health examinations (cancer screenings, gynecological exams, and abdominal ultrasonography)
- Encouraging dependents to receive health examinations
- Providing healthy foods at corporate cafeterias, ensuring foods caloric values are indicated, and providing meals based on the Smart Meal Certification system
- Health guidance and nutritional guidance provided by a clinic
- Financially supporting the activities of in-house sports teams
- Providing health training to new employees
- Thorough management of work hours

### 2. Support for the health improvement activities of individuals (subsidies)

- Subsidies for the use of fitness/swimming facilities
- Subsidies for vaccinations and medical checks
- Subsidies for treatments not covered by insurance
- Subsidies for the purchase of health measurement equipment and the use of hospital beds
- Subsidies for smoking cessation treatments
- Subsidies for purchasing healthy food

### 3. Support for the prevention of mental health problems

- In-house counselor system
- Regular questionnaire surveys to check employees' stress levels
- Mental harassment training (for managerial and general employees)
- Systems for supporting workplace communication

## Rate of participation in health promotion activities / Rate of receiving health examinations or vaccinations\*1

(Unit: %)

	2020	2021	2022
Rate of receiving health examinations	100	100	100
Health examinations for dependents*2	77.3	81.2	81.9
Rate of conducting stress checks	91.7	92.5	90.9
Influenza vaccinations	78	60	64

\*1 Figures for employees of Toyo Ink SC Holdings Co., Ltd.

\*2 As of the end of December each year

## Internal health survey results

We have been conducting questionnaire-based employee surveys since FY2022, for the purposes of understanding the current state of employee health, presenteeism\* and engagement, and clarifying the relationship between them. Based on the hypothesis that employees' sleep, engagement and productivity are linked, we carried out a sleep improvement program aimed at improving their engagement and productivity by helping them acquire proper sleeping habits and lifestyles for leading a healthy life. When its effect was measured in an academic-industrial collaboration on the basis of the survey, it was found that productivity improved 4.4% on average among employees with improved their sleep.

\* A state in which employees work with reduced capacity and productivity in carrying out their duties because of illness, injury or other condition

Indicators	FY2022 results
Ratio of productivity impairment due to presenteeism*1	11.7
Details of presenteeism*2	Top three factors: 1. Sleep problems (16.1%) 2. Backache (12.3%) 3. Stiff shoulders (11.3%)
Ratio of employees with high work engagement*3	63.7%
Ratio of employees who are highly satisfied with health measures*4	87.6%

\*1 Presenteeism refers to the state in which employees work with reduced capacity and productivity in carrying out their duties because of illness, injury or other condition. On the basis of the questions in the WHO-HPQ, the ratio of productivity impairment due to health problems was independently identified. The figure was calculated using synthetic indicators from the findings of the aforementioned process.

\*2 Ratios of employees answering specific factors to the respondents to the internal survey

\*3 Calculated from the ratios of positive responses to the three indicators specified below in the internal survey: (1) Would you recommend the company to your friends and acquaintances? (52.3%)(2) Do you have strong motivation towards work? (68.7%)(3) Are you happy with your job? (69.9%)

\*4 Level of satisfaction with the sleep design program in which participants monitor and improve their own sleep. The program in FY2022 had 120 participants.

### The Toyo Ink Group selected as a Certified Health and Productivity Management Organization

The Toyo Ink Group was recognized in the large enterprise category (*White 500*) of the 2023 Certified Health and Productivity Management Organization Recognition Program. The Group has been recognized by this program for seven consecutive years. Under this program, large corporations that work together with insurers to take excellent health and productivity management measures are certified as Health and Productivity Management Organizations (*White 500*).



[link](#) Health and Productivity Management on page 84 in ESG Data Collection



# Occupational Safety and Health, Process Safety and Disaster Prevention

## Basic approach

In its Environmental and Safety Action Policies, the Toyo Ink Group stipulates that it will “make strenuous efforts to ensure the safety and security of its operations.” The Code of Business Ethics stipulates that the best endeavors shall be made to prevent accidents and that safety measures shall be taken for architectural structures, equipment, etc.

**WEB** The Toyo Ink Group Environmental & Safety Action Policies are available on the website.

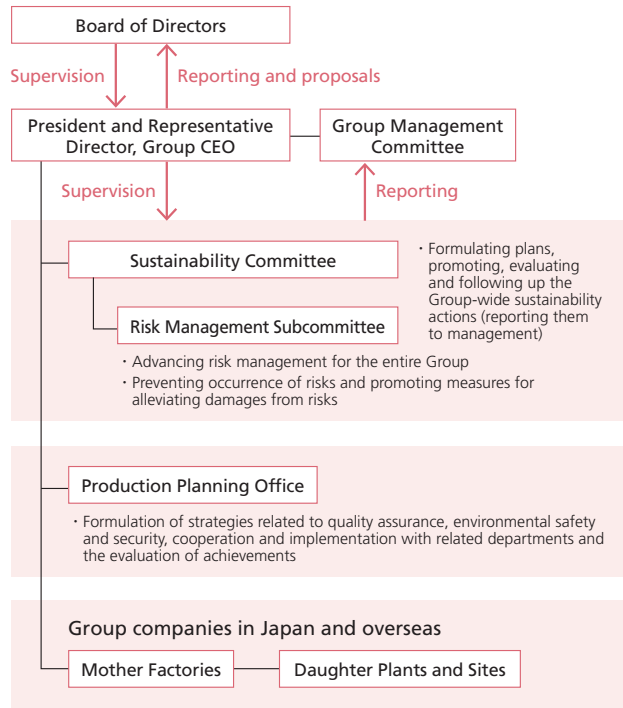
## Promotion system

The Toyo Ink Group has built an occupational safety and health management system, which complies with laws and regulations, and actively conducts safety activities to follow its Environmental and Safety Action Policies, the basis for safety, at a high level. The Production Planning Office conducts the audits regarding the prevention of occupational disaster/accidents in the entire Group (dialogues for safety promotion), the risk assessments, and the accident investigations / confirmations. The section has the function of promotion to prevent, or prevent the recurrence of, industrial accidents and accidents related to processes for safety and disaster prevention. It disseminates important information on occupational safety and health through safety network meetings in Japan and overseas and gives instructions about proper actions to take globally in the entire Group.

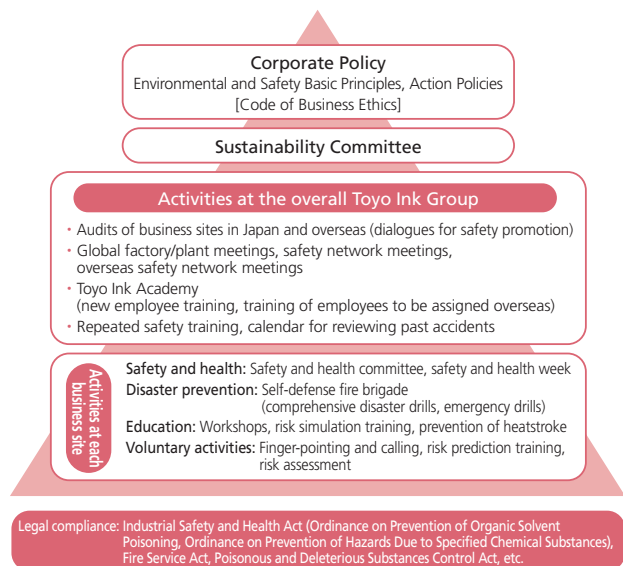
Furthermore, in order to prevent occupational accidents and process safety and disaster prevention accidents from occurring and reoccurring, we regularly hold “Repeated Safety Training.” Every month, we distribute the “Calendar for Reviewing Past Accidents” in Japan and overseas, summarizing occupational accidents and process safety and disaster prevention accidents that have occurred within the Group in the past. Through sharing and discussing about the safety measures taken following past accidents, thereby raising safety awareness and improving safety skills throughout the Group.

We regularly hold management councils, where the labor union and the company discuss issues, to improve work styles, including safety and health. In addition, the safety and health committee meetings are held at each business site every month. The committee consists of persons in charge, managers and members of the labor union. At the meetings, they report and discuss occupational safety and health issues including accidents/disasters.

## Organizational structure for occupational safety and health (FY2023)



## System for safety



## Audits (dialogues for safety promotion)

In safety dialogues in Japan, safety targets, progress in basic safety activities (risk prediction, measures against near-miss cases) at business sites, and continuation of measures against past accidents and horizontal applications were discussed. In overseas safety dialogues, some safety subjects, including the prevention of pinch-point accidents, the prevention of electrical fire, and countermeasures against static electricity, were confirmed using documentary diagnosis.

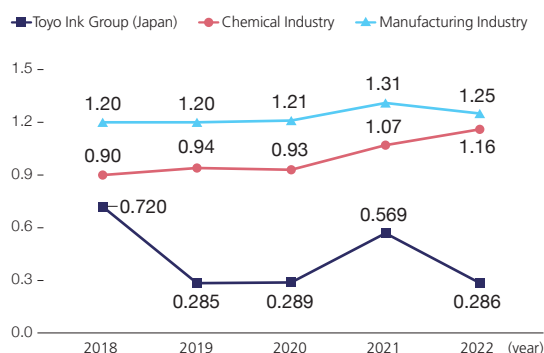
### Audits (dialogues for safety promotion) in FY2022

Japan	Mother Factories: 4 factories (Fuji Factory, Kawagoe Factory, Saitama Factory, Moriyama Factory) Daughter Plants: 5 plants (Seishin plant, Chiba Plant, Toyo-Morton, Toyo FPP, Matsui Chemical)
Overseas	27 sites (5 sites in China, 20 sites in English-speaking regions, and 2 sites in South Korea)

## Changes in the frequency rate and the severity rate for lost-workday injuries

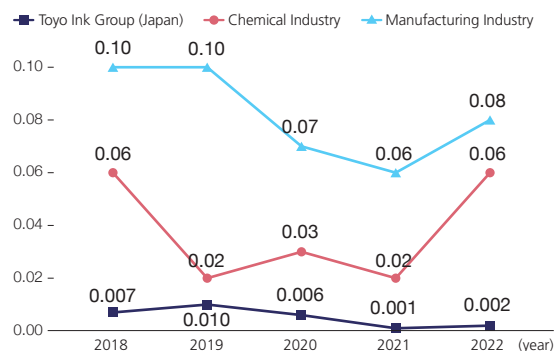
In the Toyo Ink Group (in Japan), the number of lost-workday injuries decreased by two from 2021, and the frequency rate of lost-workday injuries declined. The number of lost days increased by 7, and the lost-workday-injury severity rate rose. The frequency rate of lost-workday injuries stood at 0.286, and the lost-workday-injury severity rate came to 0.002. Those figures were lower than the entire manufacturing industry and chemicals industry. The Toyo Ink Group works to make clear causes of accidents and injuries, including lost-workday injuries, and measures to take in response to them to prevent recurrence.

### Changes in the lost-workday injury frequency rate\*1



\*1 Lost-workday injury frequency rate: Number of lost-workday injuries or fatalities per million work hours, which indicates the frequency of lost-workday injuries. The outside data are cited from the Ministry of Health, Labour and Welfare's Summary on Industrial Accidents (surveys of business establishments) issued in 2021.

### Changes in the Lost-workday injury severity rate\*2



\*2 Lost-workday injury severity rate: Number of lost-workday per thousand work hours, which indicates the severity of accidents. The outside data are cited from the Ministry of Health, Labour and Welfare's Summary on Industrial Accidents (surveys of business establishments) issued in 2021.

### Number of workplace injuries

(Unit: cases)

	2018	2019	2020	2021	2022
Toyo Ink Group (in companies* in Japan)	5	2	2	4	2

\* Companies: employees working at all the business establishments of the Group based in Japan (including contract employees, part-time employees and dispatched employees)

## Hazard identification, risk assessment, and incident investigation

### 1. Hazard identification and risk assessment

At the Toyo Ink Group, the Production Planning Office holds dialogues for safety promotion to identify basic safety activities, including activities to prevent workplace injuries and the implementation of measures, at each business site. If there are any inadequacies, the section requests business sites to make improvements.

Each site of the Toyo Ink Group conducts risk assessment, including risk prediction and reports of near-miss cases, before work. Employees conduct pointing and calling to reduce risk when working. If any potential risk is found at any site, it will be reported to managers, who in turn will give feedback on actions and improvements to the site.

### 2. Survey of workplace injuries

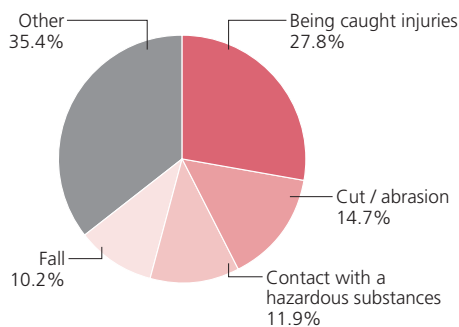
When workplace injuries occur, the sites will be investigated and meetings for actions will be held. The facts and the circumstances behind the injuries will be made clear, and the cause will be investigated. We will then hammer out and implement measures. Accidents are made known in the entire Group promptly through an accident information management system to facilitate creation of recurrence prevention measures.

### 3. Actions to reduce prioritized risks

We have analyzed the types of workplace injuries at the Toyo Ink Group and have found that being caught injuries were the most frequent, followed by cuts and abrasions, contact with hazardous substances, and falls. Being caught injuries, and contact with hazardous substances (particularly those causing eye injuries) can cause serious injuries, and the Toyo Ink Group has defined them as high-risk accidents and is focusing on dealing with them. To prevent those workplace injuries, we have created a working group consisting of members selected at each site. The working group is working to hammer out measures related to employees and facilities to prevent workplace injuries and formulate rules. Through the activities of the working group, we are working to cultivate members who will promote safety. In this way, we are improving the level of safety throughout the Toyo Ink Group.

#### Breakdown of workplace injuries by type

Data in Japan and overseas from 1997 to 2020 (including minor injuries)



#### Training for occupational safety and health

The Toyo Ink Group provides repeated safety training to have employees acquire knowledge to avoid serious accidents. The repeated safety training is e-learning given to individual employees. Each employee can take safety lessons when they like. They view safety videos created internally and answer questions or quizzes about safety.

We also provide opportunities to have a simulated experience, "VR Risk Simulation Training," to employees. This training features close-to-reality VR risk simulations in which trainees experience a simulated workplace injuries and accidents at production sites and other situations that are difficult to reproduce (hazardous events such as fires, falls, and pinch-point injuries.) These simulations are combined with related lectures. We provide opportunities to have a "VR Risk Simulation Training" also to employees overseas to raise their crisis awareness and crisis management level.



VR Risk Simulation Training

#### Number of participants in company-wide safety training (FY2022)

(Unit: persons)

Type of training	Theme	Number of participants
Repeated safety training	e-learning Preventing electrical fire	2,139
Repeated safety training	e-learning Preventing incision wounds	2,013
Safety training for new hires	on-line training Things to do for safety	49
Training for overseas assignees	on-line training Overseas safety	15
VR Risk Simulation	Simulation Pinch-point injuries, falls, the forklift	43

#### Network meetings in Japan and overseas

The Toyo Ink Group holds safety network meetings every year. In FY2022, these meetings were held in May and October at our sites in Japan, and introduced safety rules, new rules on chemical substances and examples of low-frequency work, while carrying out on-site checks. Overseas meetings included mutual safety checks involving safety managers in China and in the English-speaking region regarding the prevention of being caught injuries, and action against static electricity and electrical fire. We will continue to hold safety network meetings at locations in Japan and overseas to share safety information in the Group and improve the safety level.

#### Initiatives for safety and disaster prevention

Fire and accidents caused by production facilities could harm the health and safety of employees working at the sites and residents living nearby. The Toyo Ink Group takes steps to prevent accidents and disasters at each operation site in Japan and overseas and conducts emergency drills at each operation site to minimize damage if any accident or disaster occurs.

No serious fire or accidents that affect areas near operation sites or people's lives occurred in FY2022.

[link](#) Occupational Safety and Health, Process Safety and Disaster Prevention on page 85 in ESG Data Collection

## Respect for Human Rights

### Basic approach

In accordance with the corporate philosophy of *People-oriented management*, the Toyo Ink Group has established rules on respect for human rights and compliance with the labor laws of each country and engages in business activities with consideration for the local culture and values of each region, aiming to create a corporate culture that enables the development and active participation of diverse human resources.

Frameworks such as the OECD Guidelines for Multinational Enterprises, the California Transparency in Supply Chains Act, and the UK Modern Slavery Act 2015 require companies to fulfill their social responsibilities covering their supply chains. We therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities.

In addition, based on our belief that negative impacts of our business activities on human rights should be identified and reduced, we share our "Code of Business Ethics," which stipulates respect for basic human rights and others, with overseas Group companies as well, in our efforts to entrench the idea of respect for human rights in the overall Group. Further, in consideration of the international human rights movements recently, we have issued and informed the "Human Resources Policy," which is written in both Japanese and English. In this policy, our basic approach to personnel affairs is described systematically.

### Formulation of a human rights policy

The Group has a global business presence with approximately 70 Group companies operating in around 20 countries around the world. With the globalization of business, supply chains are expanding and becoming more complex, and companies are required to fulfill their social responsibilities, including their supply chains.

In our efforts to respect human rights throughout the supply chain as a company that operates globally, we revised our Procurement Principles and Standard for Selecting Suppliers, and established Sustainable Supply Chain Guidelines in October 2022. Additionally, in March 2023, we formulated our Group Human Rights Policy.

The Human Rights Policy has been prepared in Japanese, English and Chinese language versions. It is thus made available to overseas group companies and suppliers.

### Promotion system

In the Toyo Ink Group, the Human Resources Department is responsible for regulations and policies on human rights. The Compliance Committee takes a leading role in addressing human rights issues and providing human rights education by each subject.

#### Respecting human rights related system (FY2023)



### Toyo Ink Group Policy on Human Rights

The Toyo Ink Group's corporate philosophy is *People-oriented management* and it conducts business activities with a focus on respect for human rights. In accordance with our corporate policy of being a company that contributes to the enrichment of life and culture throughout the world, we will work to improve the brilliance and richness of life for people around the world. We will also strive to conserve the global environment and to solve social problems as we continue to be dedicated to the realization of a sustainable society.

We acknowledge that our business activities may directly or indirectly impact human rights and we have formulated the Toyo Ink Group Policy on Human Rights (hereinafter this "Policy") for respecting the human rights of all people affected.

#### 1. Positioning

The Toyo Ink Group has established this Policy in accordance with the international norms concerning the protection of human rights mentioned below to carry out activities for respecting human rights.

- The International Bill of Human Rights The UN Guiding Principles on Business and Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises
- The Children's Rights and Business Principles

#### 2. Scope of application

This Policy applies to all personnel working for the Toyo Ink Group, including officers, employees and fixed-term contract employees. The Toyo Ink Group will ask all of its suppliers constituting its supply chain to understand and observe this Policy.

#### 3. Observance of laws and international norms

The Toyo Ink Group will comply with laws and regulations in countries and regions where it conducts business activities. In cases where these laws and regulations are insufficient in light of the international norms for the protection of human rights, the Toyo Ink Group will seek methods of respecting the international norms to the maximum extent possible.

#### 4. Initiatives to ensure respect for human rights

The Toyo Ink Group will respect the human rights of all people affected by its business activities and implement corrective and remedial measures if the Group negatively impacts human rights in any way. In addition, the Toyo Group will make efforts through its day-to-day business activities to prevent itself from becoming involved in any infringement of human rights or activities that negatively impact human rights.

#### 5. Human rights due diligence

For the purpose of implementing activities to ensure respect for human rights, the Toyo Ink Group will construct a system of human rights due diligence and identify any negative impact its business activities may have on human rights to prevent or mitigate them.

#### 6. Information disclosure

The Toyo Ink Group will disclose its activities for respecting human rights and the results of these activities on its website and by other means.

#### 7. Dialogue and discussion

The Toyo Ink Group will identify stakeholders that have been or possibly may be negatively impacted by its business activities in relation to human rights and engage in dialogue and consult with them on a timely basis.

#### 8. Education and training

The Toyo Ink Group will provide appropriate education and training to ensure that this Policy will be incorporated into and effectively implemented in all of its business activities.

#### 9. Corrective and remedial measures

When the Toyo Ink Group's business activities are directly or indirectly involved in the infringement of human rights or negatively impact human rights, the Group will swiftly endeavor to correct them through dialogue and appropriate procedures.

(Determined at the meeting of the Board of Directors of Toyo Ink SC Holdings Co., Ltd. on March 10, 2023)

### Human Rights Challenges

The Toyo Ink Group will address the human rights challenges specified below in order to fulfill its responsibility to respect human rights.

- The Toyo Ink Group will not permit child labor, human trafficking, forced labor, other slave-like treatment, inhumane treatment or unfair labor practices.
- The Toyo Ink Group will respect human rights and the diversity of individuals and eliminate any kind of discrimination or harassment based on skin color, place of birth, nationality, ethnicity, gender, social status, age, religion, creed, ideology, political affiliation, education, disability status, marital status, participation in any labor union, sexual orientation or gender identity.
- The Toyo Ink Group will observe laws and regulations in countries and regions where it conducts business activities and respect freedom of association, collective bargaining rights and privacy protections.
- The Toyo Ink Group will create a workplace environment that considers safety and health, implement management to ensure appropriate wages and working hours, and provide an environment that enables workers to have job satisfaction and to be fulfilled.
- The Toyo Ink Group will consider resources protection and environmental conservation and implement responsible procurement to avoid any involvement in any infringement of human rights in association with mining or trading in any conflict region or any high-risk region.

\* Available in the Japanese, English and Chinese language versions

## Human rights due diligence

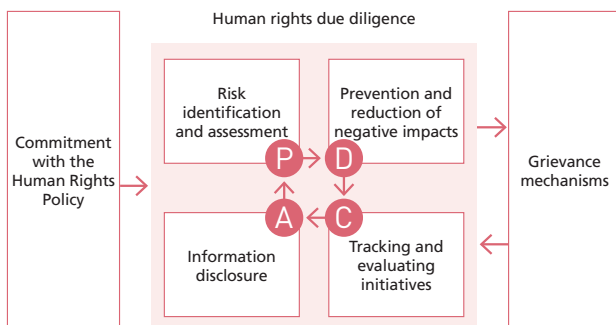
Businesses and their supply chains are required to fulfill their social responsibility. We therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities. Based on the idea that it is necessary to understand and reduce the negative impacts of business activities on human rights, we associate those human rights risks that can be assumed with specific departments on a subject-by-subject basis to carry out activities to control them.

The Human Resources Department and the Legal Department play a central role in conducting training, education and awareness-raising activities regarding respect for human rights and labor practices inside the Group, collaborating with relevant departments in an effort to ensure sound workplace environments.

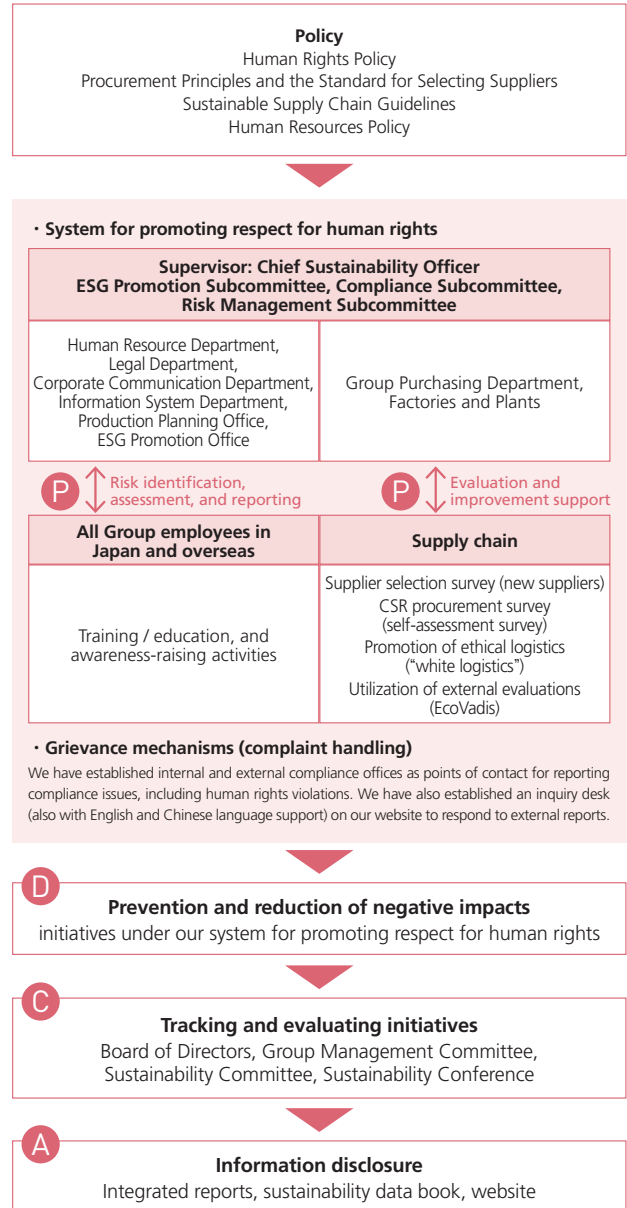
To our supply chains, we distribute the Sustainable Supply Chain Guidelines and carry out surveys on CSR procurement. The Guidelines provide for statutory compliance, respect for international norms, respect for human rights, fair labor conditions and environment, reduction of environmental impacts, corruption control and other matters. In so doing, we are monitoring suppliers' human rights and other sustainability activities.

When the Toyo Ink Group's business activities are directly or indirectly involved in the infringement of human rights or negatively impact human rights, the Group will swiftly endeavor to correct them through dialogue and appropriate procedures.

### Human rights due diligence processes



### Overview of human rights initiatives



**Latent human rights risks involved in business activities**

(□: Japan, ■: Overseas)

Latent human rights risks	<b>Activities in the Toyo Ink Group</b> <input type="checkbox"/> ■ Discrimination <input type="checkbox"/> ■ Harassment <input type="checkbox"/> ■ Working environment <input type="checkbox"/> ■ Leakage of personal information	<b>Supply chain</b> <input type="checkbox"/> ■ Discrimination <input type="checkbox"/> ■ Harassment <input type="checkbox"/> ■ Working environment <input type="checkbox"/> ■ Forced labor <input type="checkbox"/> ■ Child labor <input type="checkbox"/> ■ Conflict minerals <input type="checkbox"/> ■ Leakage of personal information <input type="checkbox"/> ■ Anti-corruption	<input type="checkbox"/> ■ Insufficient product safety assurance <input type="checkbox"/> ■ Human rights violations at the stage of product use <input type="checkbox"/> ■ Product use for military purposes	<b>Local communities</b> <input type="checkbox"/> ■ Environmental pollution
	<ul style="list-style-type: none"> <li>• Training, education and awareness-raising activities (such as training for new employees, training before overseas assignment, compliance meetings at individual sites, and internal surveys)</li> <li>• Construction of the D&amp;I promotion structure</li> <li>• Information security measures (construction of a business continuity planning (BCP) structure for systems)</li> <li>• Information security measures (such as IT literacy tests and information security investigations)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR procurement (study on the Standard for Selecting Suppliers and CSR procurement surveys)</li> <li>• Response to CSR investigations and surveys</li> <li>• Information security measures (construction of a BCP structure for systems)</li> <li>• Promotion of ethical logistics ("white logistics")</li> <li>• Utilization of external evaluations (EcoVadis)</li> <li>• Management and offering of quality information</li> </ul>	<ul style="list-style-type: none"> <li>• Risk communication activities</li> <li>• Participation in environmental conservation activities</li> <li>• Participation in locally organized activities and organization of dialogues</li> <li>• Information disclosures (through integrated reports, sustainability data books and the website)</li> </ul>	
	Internal compliance office and external compliance office (law firm)	Contact for inquiries	Contact for inquiries	

**Human rights education and awareness-raising activities**

The Toyo Ink Group has stated its basic stance on human rights in its Code of Business Ethics. Our internal training programs such as training for new employees and training before overseas assignment include human rights matters. Our compliance training that we hold every year, such as compliance meetings at individual sites and the Compliance Improvement Month, focuses on human rights issues that are considered important. We thus continue awareness-raising activities.

In line with the global expansion of our business, since FY2013 we have been introducing human rights education into our training for overseas assignments. We give lectures about the risk of violating human rights when working overseas including actual cases. At the same time, we provide education about personnel management, including respect for local cultures and customs and harmony with local communities, which are necessary when working with foreign nationals. In FY2022, 20 employees received human rights education in training before working overseas.

 Promoting Diversity and Inclusion: Trainings on page 83 in ESG Data Collection

**Establishing respect for human rights**

At the Toyo Ink Group, we believe it important to take initiatives to ensure that the human rights of our employees and a wide range of our stakeholders are respected. Our Code of Business Ethics expressly states the prohibition of any form of discrimination, sexual harassment, and power harassment, respect for privacy, and the prohibition of child labor and forced labor. To raise awareness of these guidelines, we actively undertake internal activities such as holding compliance meetings in each site. We also distribute a booklet showing a collection of specific model cases of compliance (revised on April 1, 2020) and use it for internal trainings related to human rights issues.

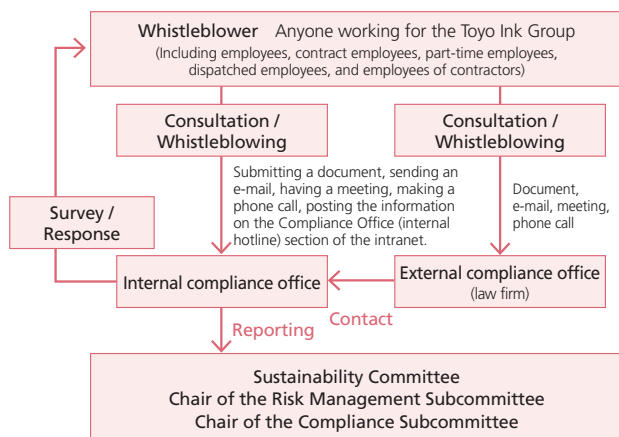


In October 2022, we revised the Procurement Principles and the Standard for Selecting Suppliers and newly formulated the Sustainable Supply Chain Guidelines. These principles, standard and guidelines include provisions for following local laws in supply chains, regarding prohibitions on child labor, forced labor and discrimination, the right to act collectively, compliance with the minimum wage and statutory working hours, ensuring industrial safety and health for employees and offering a proper working environment.

## Office providing consultations on human rights violations

We established internal and external compliance offices to provide consultations on compliance, including human rights violations. We also have a contact point for inquiries on our website (Japanese, English, and Simplified Chinese,) where we respond to whistleblowing from external parties. We conduct fact-finding surveys in response to whistleblowing and take prompt countermeasures if a problem is likely to occur. Every possible measure is taken to protect whistleblowers and keep their identities confidential.

In FY2022, there was no whistleblowing that led to serious risks of human rights violations.



## Preventing harassment

We revised the Rules for Preventing Harassment in June 2022 under the revised Whistleblower Protection Act, which came into effect on June 1, 2022. The Rules for Preventing Harassment show specific prohibited acts, based on which we will promote the correct understanding of respect for human rights and the creation of an environment that accepts the diversity of employees following the corporate philosophy of *People-oriented management*, and take initiatives to prevent human rights infringements.

We provide anti-harassment training to all managerial employees in the Toyo Ink Group (in Japan). It increased their understanding of harassment and prompted them to review their own behaviors. In our compliance activities for all employees, we provide anti-harassment education that utilizes a booklet showing a collection of model cases of compliance. The Toyo Ink Group endeavors to prevent harassment in all situations.

### Acts of harassment that are prohibited under the "Rules for Preventing Harassment"

- Sexual harassment
- Power harassment
- Maternity and paternity harassment
- Care harassment
- Harassment related to sexual orientation and gender identity

## Respect for workers' rights

The Toyo Ink Group respects fundamental labor rights, including employees' right to organize and the right to collective bargaining. We comply with laws overseas in consideration of the characteristics of each region.

The Toyo Ink Group companies in Japan provide regular opportunities for management teams and labor union representatives to discuss each other to respect workers' freedom of association and collective bargaining rights. We discuss management policies, working conditions and other subjects to develop sound and favorable labor-management relationships. Senior management and labor union members hold councils twice or more a year and exchange views about overall management.

## Child labor, forced labor

The Toyo Ink Group has set forth rules on respect for human rights, including the prohibition of child labor and forced labor, in its Code of Business Ethics and Human Resources Policy and makes the rules known to the Group companies overseas by providing training to employees assigned overseas and applying guidelines to Group companies overseas.

In addition, we revised the Procurement Principles and the Standard for Selecting Suppliers and newly formulated the Sustainable Supply Chain Guidelines in October 2022. Not only will we work to comply with these rules, to achieve compliance throughout the whole supply chain, we are asking our suppliers for understanding and observance.



## Supply Chain Management

### Basic approach

The Toyo Ink Group has been developing its business globally, with about 70 companies in over 20 countries around the world. This global expansion has made the Group's supply chains more complex. Companies has required to fulfill their social responsibilities covering their supply chains. The Toyo Ink Group therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities.

To follow the rules, we have established the Rules for the Purchasing of Raw Materials and promote CSR procurement, which conforms to the Procurement Principles and the Standard for Selecting Suppliers. For the purpose of enhancing supply chain management, we revised the Procurement Principles and the Standard for Selecting Suppliers and newly formulated the Sustainable Supply Chain Guidelines in October 2022. These principles, criteria and guidelines includes the prohibiting discrimination, freedom of association, the right to collective bargaining, minimum wage guarantee, compliance with working hours prescribed by laws and regulations, the occupational safety and health of employees, and providing an appropriate working environment. They have been formulated in Japanese, English and Chinese. They are made known to overseas group companies and suppliers as well.

**WEB** The Sustainable Supply Chain Guidelines are available on our website.

### Promotion system

The Group Purchasing Department of Toyo Ink SC Holdings Co. Ltd. plays a central role in taking actions for suppliers and engages in CSR procurement activities based on the Procurement Principles, the Standard for Selecting Suppliers, and the Sustainable Supply Chain Guidelines.

It delivers reports on risks related to CSR procurement regularly at the Risk Management Subcommittee for information sharing purposes. It endeavors to prevent risks from materializing and to reduce such risks.

#### Procurement Principles / Standard for Selecting Suppliers

The Toyo Ink Group aspires to contribute to society by offering outstanding products to customers, and to build relationships of trust with suppliers through fair procurement activities carried out on an equal footing so as to achieve shared prosperity. For fair and equitable purchasing transactions, we support CSR procurement, which conforms to the Procurement Principles and the Standard for Selecting Suppliers. Through its CSR procurement, we ensure legal compliance in its supply chain and contribute to the improvement of both working conditions and the global environment. In recent years—in the framework provided such as in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the OECD Guidelines for Multinational Enterprises, the California Transparency in Supply Chains Act and the UK Modern Slavery Act 2015—companies are being required to fulfill their social responsibilities, including with respect to their supply chains. To achieve this, the Toyo Ink Group implements the following policy measures in cooperation with its suppliers.

##### • Making our Procurement Principles known

We incorporate our Procurement Principles into contractual agreements formed with suppliers in Japan, and share them with our suppliers. Moving forward, we will also endeavor to share our Procurement Principles with overseas suppliers, and to conduct the necessary activities to have suppliers cooperate with the Group's procurement activities based on an understanding of those principles.

##### • Verifications and audits, etc.

Moving forward, we will seek to gain the understanding of suppliers both in Japan and overseas with regard to our Procurement Principles, endeavor to carry out verifications and audits to ensure that those principles are observed, and develop the necessary reporting systems and rectification support, etc., for when problems are discovered.

##### • Education for Toyo Ink Group employees

The Toyo Ink Group requests that all of its employees observe and adhere to the Group's CSR Charter and Code of Conduct. Moving forward, in addition to this, we will endeavor to educate all employees who are involved in the Group's procurement activities regarding methods to eradicate problems in the Group's supply chains, including forced labor and human trafficking.

### Procurement Principles

The Toyo Ink Group is contributing to society by offering outstanding products and services to customers, while working to build honest relationships through fair and equitable procurement activities with our suppliers who work with us to build supply chains. With a view to enhancing the sustainability of supply chains built by the Group and its suppliers in order to contribute to the sustainable development of society and the global environment, the Group will conduct procurement activities such as purchasing and outsourcing in accordance with the following principles.

#### 1. Observance of laws and international norms

We will comply with the laws and regulations of the countries and regions in which we conduct procurement activities, and respect and comply with international codes of conduct as well as societal norms in those countries and regions.

#### 2. Human rights and labor considerations

We will strive to build supply chains in which the human rights of all workers involved are respected and their labor rights and appropriate working conditions ensured, so as to eliminate inhumane treatment such as child labor and forced labor, discrimination, harassment, and potential involvement in human rights abuses including procurement of conflict minerals. Furthermore, we will demonstrate consideration for the right to life and the right to live of indigenous peoples and local residents in the areas in which we conduct business operations.

#### 3. Responsibility for the global environment and resources

In addition to complying with environmental laws and regulations, we will strive to voluntarily reduce our environmental impact and our use of resources in order to contribute to the preservation of the global environment and the development of a recycling-oriented society through our procurement activities. We will maintain a particular focus on reducing energy consumption and greenhouse gas emissions across our entire supply chain. As a manufacturer of chemicals, we will also ensure that chemical substance control is implemented both for raw materials and the manufacturing process.

#### 4. Fair business practices

In order to gain the trust of all stakeholders, we will conduct our procurement activities based on corporate ethics and responsible business practices and in accordance with all applicable laws. We will prohibit acts such as bribery, the sharing or receiving of illegal gains, the obstruction of fair and open competition, and the infringement of intellectual property rights, as well as strive for appropriate information disclosure so as to ensure confidentiality, accountability, and transparency.

#### 5. Selection of suppliers

Suppliers are our partners when it comes to achieving our vision for a sustainable supply chain through our procurement activities. We will select like-minded suppliers who seek to improve the sustainability of the global environment and society based on fair and equitable criteria, comprehensively and rationally taking into account their capabilities and reliability in terms of factors such as legal compliance, quality, price, supply capacity, technological capability, and ability to provide information.

(Established in 2005, Revised in October, 2022)

### Standard for Selecting Suppliers

#### 1. Legal compliance

The supplier must always comply with laws and societal norms. In particular, the supplier must conduct corporate activities in good faith for all supply chain stakeholders, with due consideration to human rights and labor practices.

#### 2. Quality

The supplier must maintain stable quality using a quality control system that adequately meets the Group's quality requirements.

#### 3. Price

The supplier must offer prices that are appropriate and economically rational. The price of raw materials must be at a level that allows the Group to compete on price in the market.

#### 4. Supply capacity

The supplier must satisfy our desired volume and delivery terms and ensure a stable supply.

#### 5. Technological capabilities

The supplier must possess the technological capabilities necessary to support the *monozukuri* (manufacturing excellence) goals of the Group.

#### 6. Ability to provide information

The supplier must be able to provide necessary or relevant information and proposals to the Group in a timely and appropriate manner.

#### 7. Confidentiality

The supplier must be able to maintain the confidentiality of information obtained in the course of transacting business with the Group using an appropriate information control and security system.

#### 8. Eco-friendly

The supplier must strive to reduce energy consumption and greenhouse gas emissions in the supply chain, demonstrating adequate consideration for global environmental protection and the preservation of resources.

#### 9. Management base

The supplier must practice sound and sustainable business management based on a resilient business foundation.

#### 10. CSR management

The supplier must practice corporate social responsibility in business activities in conformance with the Group's Procurement Principles and Guidelines, or in compliance with business practices at an equivalent level.

(Established in 2005, Revised in October, 2022)

\* Available in the Japanese, English and Simplified Chinese language versions

## Promotion of CSR procurement

The Toyo Ink Group understands that its supply chain is within the scope of its social responsibility and carries out activities with human rights, labor and environmental considerations. We have established the Rules for the Purchasing of Raw Materials and promote CSR procurement, which conforms to the Procurement Principles and the Standard for Selecting Suppliers. For the purpose of enhancing supply chain management, we revised the Procurement Principles and the Standard for Selecting Suppliers and newly formulated the Sustainable Supply Chain Guidelines in October 2022.

In line with these principles and guidelines, we implement measures for (1) distributing our Procurement Principles and Sustainable Supply Chain Guidelines, (2) investigations and audits against suppliers and remedial activities for them, and (3) deepening the level of understanding among employees. We also carry out activities to make the Procurement Principles known to overseas sites.

In the future, we will implement a CSR procurement self-assessment of our suppliers every three years. We will analyze the results to understand and redress negative impacts of our supply chains on the environment and society.

### CSR procurement self-assessment

In FY2022, we distributed Sustainable Supply Chain Guidelines to 274 Japanese suppliers under the supervision of the Group Purchasing Department, requested them to submit a letter of consent regarding the contents, and conducted a questionnaire-based survey to confirm the actual state of implementation of CSR at each supplier.

As a result, we received letters of confirmation of consent from 241 companies, and responses from 235 companies in the questionnaire-based survey. A total of 230 suppliers consented to the guidelines, equivalent to 79.5% based on transaction value.

The questionnaire was conducted using the GCNJ (Global Compact Network Japan) CSR Procurement Self-Assessment Questionnaire v1.1, and 174 suppliers scored 75/100 or higher, or 72.8% based on transaction value.

Using this value as a KPI that indicates the Group's CSR procurement rate, we will aim to promote sustainability in our global supply chain and improve respect for human rights by continuing to conduct regular surveys, and expanding our survey activities across the board to domestic suppliers not under the supervision of the Group's Purchasing Department and suppliers that engage in transactions with overseas bases.

	Number of companies (company)	Total transaction amount (million JPY)	Transaction amount ratio (%)
Suppliers surveyed	274	67,367	—
Suppliers who have submitted consent confirmation	241	60,721	90.1
Among them, companies that have expressed agreement with the guidelines	230	53,582	79.5
Answer the questionnaire	235	62,422	92.7
Among them, companies with a score of 75/100 or more	174	49,011	72.8

\* As of March 2023

### Dealing with new suppliers

We evaluate potential suppliers based on the Standard for Selecting Suppliers and do not deal with any suppliers that do not meet a certain standard. We start to deal with suppliers that meet a certain standard on the assumption that they accept the Procurement Principles of the Toyo Ink Group. We reassess suppliers every five years to reduce procurement risk.

### Measures against conflict minerals and cobalt procurement

The Toyo Ink Group is taking action to avoid the use of minerals (gold, tin, tantalum, and tungsten) that can lead to conflict. Minerals such as these are produced in the Democratic Republic of the Congo and neighboring countries, and serve as sources of funding for local armed groups. We have checked whether each raw material that we have procured directly or indirectly included any conflict minerals or not and have taken appropriate steps when we found any use of conflict minerals. We will continue to investigate and check newly adopted raw materials, and also strengthen our measures to prevent the use of minerals from regions of conflict. We will also continue investigations and confirmations to ensure responsible cobalt procurement.

### Sustainability rating by EcoVadis

EcoVadis is an international organization engaging in rating of supply chain sustainability. Toyo Ink SC Holdings Co., Ltd. was awarded a bronze rating in the 2022 sustainability assessment.

## Social Contribution Activities

### Basic approach

The Toyo Ink Group's basic principle for coexisting with society is "to fulfill our social responsibility by understanding the basic ways of thinking of citizens, making much of the points of view of consumers, and considering the impact and effect of the actions of each one of us on society." Based on this principle, we have created our "Code of Business Ethics" to show specifically how each of us should act, and have provided a copy of the guidelines to each of our employees.

#### Toyo Ink Group Basic Philosophy of Social Contribution Activities

##### 1. Contribution to society through business

The Toyo Ink Group will contribute to society through business and active participation in social activities based on an awareness of the role of a good corporate citizen and member of society.

##### 2. Development of corporate culture that values social contribution activities

To develop a corporate culture that values social contribution activities, the Toyo Ink Group will engage in support activities based on its expertise cultivated through business, and actively encourage and support employees' voluntary activities.

### Promotion system

At individual sites, their general affairs and administrative departments play a leading role in carrying out the activities in line with the Basic Philosophy of Social Contribution Activities. In Japan, we launched a volunteer leave system for supporting employees' voluntary activities. The Human Resources Department of Toyo Ink SC Holdings Co. Ltd. engages in efforts to facilitate such activities.

Before making donations to non-profit organizations (NPOs), non-governmental organizations (NGOs) and disaster relief activities, we make reasonable decisions in accordance with our internal rules.

### Activities related to local communities and society

We fulfill corporate social responsibilities as a member of the local community that conducts corporate activities and coexist with the local community, by continuing to work on the three ways: first, education for the next generation, that is, providing social experiences to students and inviting them to participate in plant tours to get them to be interested in chemistry; second, environmental conservation, such as tree planting and cleanup activities; third, contribution to local communities, including cooperation with and support for communities and activities to solve issues with communities.

In FY2022, a number of events and activities were called off due to the spread of COVID-19, but we conducted social contribution activities tailored to the prolonged COVID-19 pandemic, taking thorough infection prevention measures and contriving activities.

### Introduction of a volunteer leave system

The Toyo Ink Group (in Japan) introduced a volunteer leave system in July 2021 so that employees can actively participate in volunteer activities. In addition to supporting activities outside the Group, leveraging the expertise that we have developed in our business, we encourage employees to get involved in volunteer activities and support their activities. We thereby foster a corporate culture where social contribution activities are emphasized. Three employees took volunteer leave in FY2022.

### Collection and recycling of used clear folders

The Toyo Ink Group (the Kyobashi Head Office and the Saitama Factory) joined the ASKUL Resource Circulation Platform\* in FY2022 for the purpose of cutting plastic waste and making circular use of plastic resources. It then embarked on activities of collecting and recycling used clear folders. In the period from December 2022 to March 2023, we collected approximately 21 kilograms of clear folders.

Conventionally, aged and disused clear folders were actually discarded. Collection paves the way for recycling into resources. Collected clear folders are recycled into raw materials for new plastic products such as clear folders, ballpoint pens and accessory boxes. We will continue to expand reduce-reuse-recycle practices in business activities across the Group in an effort to make effective use of limited resources and to reduce our environmental footprint.

\* ASKUL resource circulation platform (Japanese)  
<https://www.askul.co.jp/kaisyashigen/>



Social Contribution Activities on page 85 in ESG Data Collection

# Corporate Governance

## Basic approach

The Toyo Ink Group strives to achieve appropriate corporate governance in accordance with the “Basic Corporate Governance Policies,” in order to enhance the corporate value of the Group as a whole through the enhancement of the Group’s strategic functions, speedy management, and a balance between Group-wide optimization and the optimization of individual businesses.

By adopting an Audit and Supervisory Committee system, we have enabled Committee members to exercise their voting rights at meetings of the Board of Directors, thereby increasing the level of fairness and transparency of management and strengthening oversight of the Board of Directors. By adopting an operating officer system (one year term,) we have clarified the division of roles between management supervisory and executive functions and are speeding up decision making and enhancing supervisory functions with re-

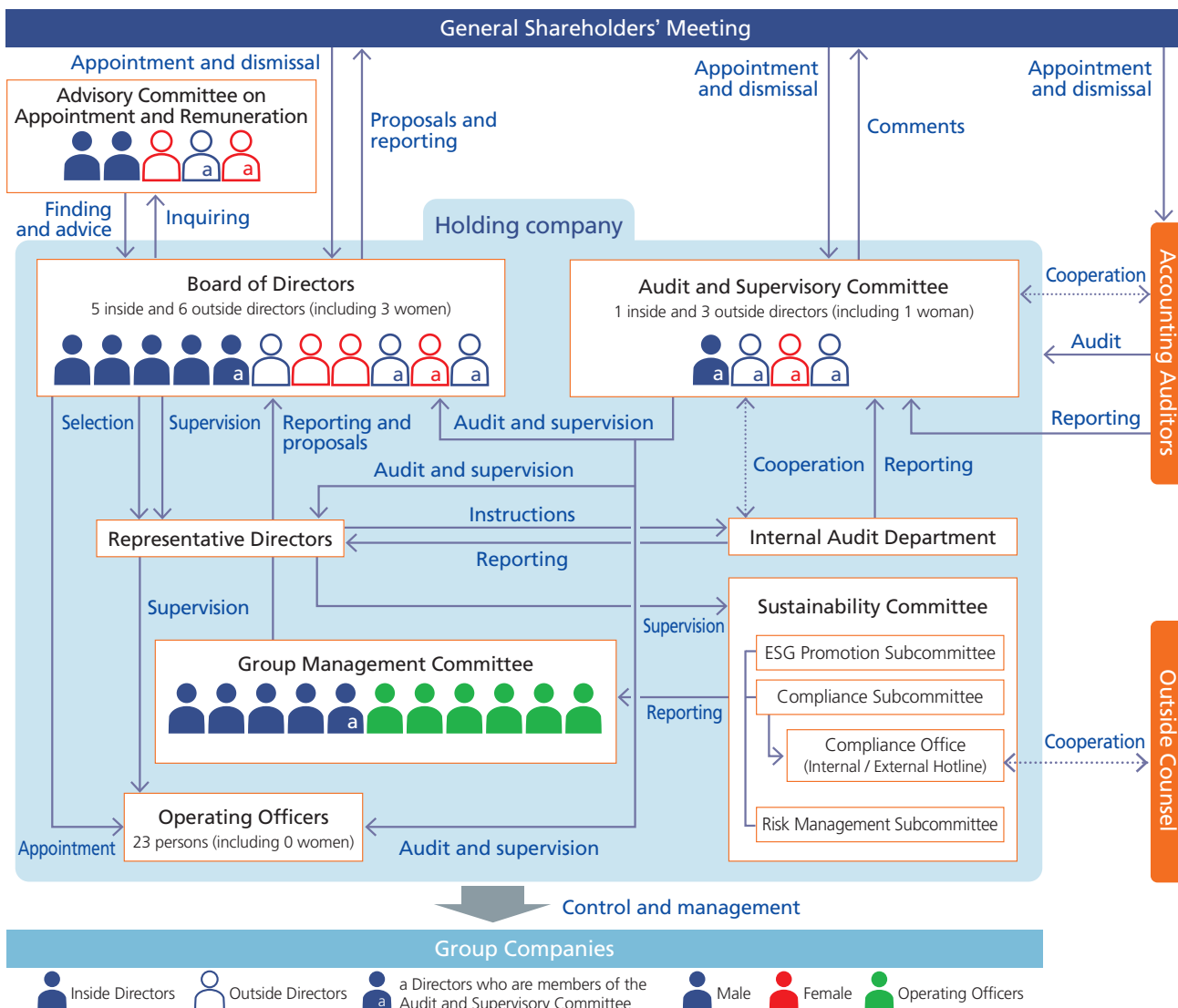
gard to execution of business.

Additionally, Toyocolor Co., Ltd., Toyochem Co., Ltd., and Toyo Ink Co., Ltd., the core operating companies of the group, each have an Operating Company Management Committee that regularly meets to share management policies and strategies, and discuss issues and achievements regarding the execution of business. Directors of the holding company attend these meeting.

**WEB** Further details regarding our corporate governance can be found on pages 61 to 67 of the “Integrated Report 2023” posted on our website.

- Basic Corporate Governance Policies
- Expertise and careers (skills matrix) of directors
- Roles expected of outside directors and details of duties
- Evaluation of the effectiveness of the Board of Directors
- Facilitating animated discussion by the Board of Directors
- Training of directors and operating officers
- Succession planning plan for chief executive officers, etc.
- Appointment and dismissal of senior management and nomination of director candidates
- Supporting System for Outside Directors
- Approach to cross-shareholdings
- Remuneration system for officers
- Process for determining remuneration for officers

## Corporate governance system (FY2023)



## Key Organizational Units and Meeting Bodies and their Roles

Organizational unit / meeting body	Members	Roles
<b>Board of Directors</b> Number of meetings held in FY2022: 17 times Term: 1 year	<b>Chair:</b> President and Representative Director <b>Members:</b> 11 members (three of whom are women): seven directors who are not Audit and Supervisory Committee members (of whom three are outside directors) and four directors who are Audit and Supervisory Committee members (of whom three are outside directors.)	In addition to meeting every month as a key organizational body making decisions regarding the overall management of the Group, the Board also meets on an extraordinary basis as necessary, making decisions on legal matters and important management matters and overseeing the state of execution of business.
<b>Audit and Supervisory Committee</b> Number of meetings held in FY2022: 10 times Term: 2 years	<b>Members:</b> 4 Audit and Supervisory Committee members (including 3 external members and 3 independent members)	The Audit and Supervisory Committee cooperates with the Internal Audit Department and accounting auditor and audits the legality and appropriateness of directors' execution of their duties. The Group's Internal Audit Department reports directly to the representative directors, and audits operations of each Group company to ensure they are being carried out in compliance with laws and regulations and the Articles of Incorporation and in an appropriate manner and that the internal control system is working effectively. In addition to reporting audit results to the representative directors and the director in charge of internal control, the department also reports to the Audit and Supervisory Committee. The committee reports audit results to accounting auditors and holds information exchange meetings as appropriate. It also gives reports with the Internal Audit Department—the Group's internal auditing division—at regular meetings of the Audit and Supervisor Committee and holds information exchange meetings as appropriate.
<b>Group Management Committee</b> Number of meetings held in FY2022: 26 times	<b>Members:</b> Directors, Audit and Supervisory Committee members, operating officers who supervise or are responsible for key management functions, presidents of core operating companies	The Group Management Committee makes important decisions on the execution of business as a consultative and decision-making body subordinate to the Board of Directors. Because the Group Management Committee mainly examines the Group's business strategies, business-related issues, and business results, its meetings are always attended by Chief R&D Officer, General Manager of Finance & Accounting Department and General Manager of Human Resources Department who do not attend the Board of Directors' meetings, and the representative directors of the Group's core operating companies, Toyocolor Co., Ltd., Toyochem Co., Ltd. and Toyo Ink Co., Ltd.
<b>Advisory Committee on Appointment and Remuneration</b> Number of meetings held in FY2022: once	<b>Members:</b> 2 inside directors and 3 outside directors (1 of whom is the chairman)	The Company convenes the committee ahead of the Annual General Meeting of Shareholders to discuss director candidates and their remuneration. The committee, the majority of which consists of outside directors, advises the Board of Directors on the appointment and remuneration of officers, thereby further enhancing transparency and objectivity in the process of determining the appointment and remuneration of directors.

## Members of major meeting bodies related to corporate governance (As of March 23, 2023)

◎: Chairman ○: Member

Position	Name	Board of Directors	Audit and Supervisory Committee	Advisory Committee on Appointment and Remuneration
Chairman and Representative Director	Katsumi Kitagawa	○	—	○
President and Representative Director, Group CEO	Satoru Takashima	◎	—	○
Senior Managing Director, in charge of Corporate Departments	Hiroyuki Hamada	○	—	—
Director in charge of Quality Assurance, Production, Environment, Sustainability and Purchasing Division Director of Production-Logistics Division*	Tetsuaki Sato	○	—	—
Outside Director	Shingo Kaneko	○	—	—
Independent Outside Director	Chise Onodera	○	—	○
Independent Outside Director	Tomoko Adachi	○	—	—
Director (Audit and Supervisory Committee member (full-time))	Toshiaki Hirakawa	○	◎	—
Leading Independent Outside Director (Audit and Supervisory Committee member)	Yutaka Yokoi	○	○	◎
Independent Outside Director (Audit and Supervisory Committee member)	Keiko Kimura	○	○	○
Independent Outside Director (Audit and Supervisory Committee member)	Minoru Matsumoto	○	○	—

\* In the personnel transfers on July 1, 2023, he was appointed Director in charge of Quality Assurance, Production and Environment, Sustainability, Purchasing and Logistics.

# Risk Management

## Basic approach

The Toyo Ink Group advances initiatives based on our understanding that identifying risks that may affect business continuity and addressing these risks promptly and appropriately to minimize the impact of the risks is an important task.

### Action Policies on Risk Management

1. (Emergency response) We will establish countermeasures and systems for responding to emergencies that may affect the overall Group.
2. (Prevention of the actualization of risks, response to reduction / transfer of loss) We will identify and select existing risks which may affect the overall Group, investigate measures to address the risks, and inform employees of the measures.
3. (Awareness-raising activities) We will improve sensitivity to new risks.

## Risk management system

The Risk Management Subcommittee, whose secretariat is the General Affairs Department, exhaustively and comprehensively manages the risks of the entire Group under the operating officer in charge of risk management (the head of the Risk Management Subcommittee.) In addition, Group companies and departments identify, assess, and examine the risks involved in changes in social environments and in their daily operations and implement measures to address these risks.

The Risk Management Subcommittee assesses the risks of each company and department based on the frequency of occurrence and severity, and creates and shares a risk map. The committee checks the progress and level of achievement of activities for the mitigation of serious risks. It reports

Groupwide risks, which need to be addressed by the Group as a whole, to the Group Management Committee and the Board of Directors. If a new problem arises that could develop into a serious risk, we report to the Board of Directors and establish an emergency headquarters to address the risk.

## Major activities in FY2022

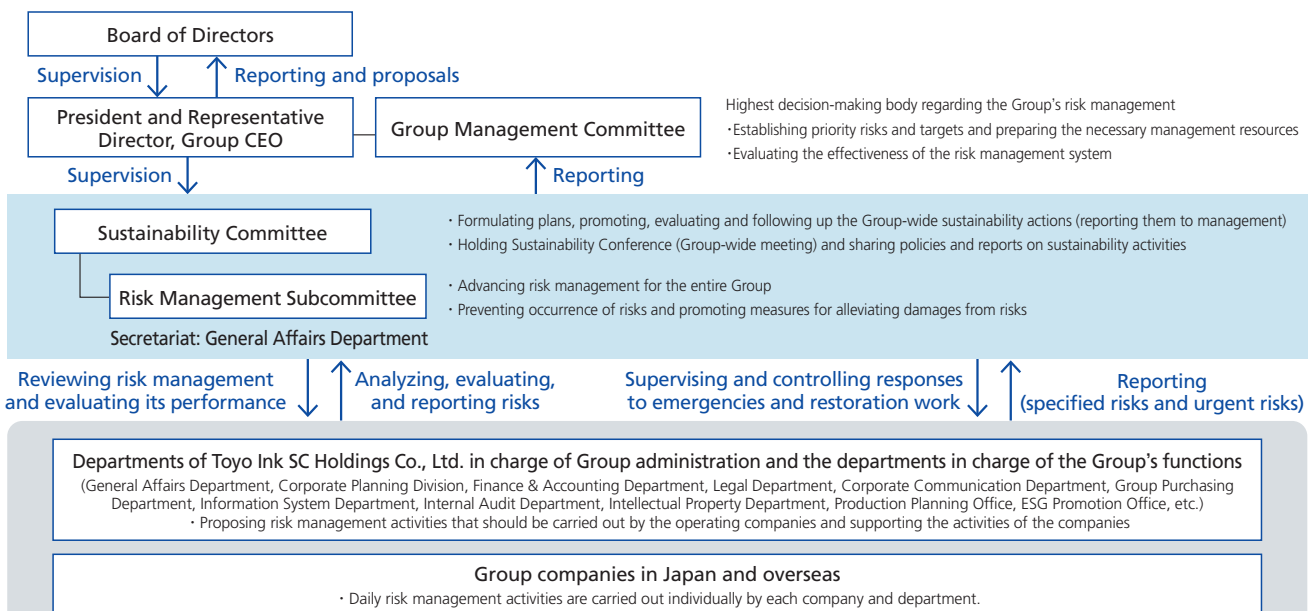
In fiscal 2022, we reviewed the functions of the Risk Management Subcommittee, rebuilt the risk management system, and examined and shared information on new issues such as (1) analysis and sharing of information on expected issues (accidents, disasters, and quality assurance,) (2) reaffirmation of disaster response manuals and BCP systems for in the event of an earthquake directly under the Tokyo metropolitan area, and (3) response measures against raw material price fluctuations and cyberattacks.

Education and awareness-raising activities included (1) safe driving training sessions for sales employees at all sites in Japan, and (2) safety education on chemical injuries and low-frequency work using e-learning at production sites, including temporary and part-time employees (held twice in total, with approximately 2,000 participants each time.)

## Internal controls

At the Toyo Ink Group, we recognize that the improvement and utilization of the internal controls system is an important management issue. The Board of Directors has formulated the "Basic Policy on the Internal Controls System," and we strive to put in place the implementation systems and monitoring systems needed to ensure that we carry out our business activities in an appropriate manner.

### Risk management system (FY2023)



\* Excerpts and additions from P.7 Sustainability promotion system (July 2023)

## Typical business risks and our response

Representative risks that management recognizes could have a significant impact on the financial position, operating

results and cash flows of the Group are as follows. (This is not an exhaustive list.)

In FY2022, there was no new risk of a significant adverse impact on the Group.

Category	Typical risks concerning the entire Group	Examples of our response to risks
(1) Risks related to overseas operations	<ul style="list-style-type: none"> <li>Changes in laws and regulations, and changes in tax systems that could have adverse effects</li> <li>The adverse effect of inadequate social common capital on corporate activities</li> <li>Unfavorable political factors</li> <li>Social turmoil caused by terrorism, war, or infectious disease</li> <li>Unexpected rapid change in the work environment</li> </ul>	<ul style="list-style-type: none"> <li>Expanding business in worldwide and improving the balance of business fields, aiming to build an earnings structure that is unlikely to be affected by economic trends or other risks in individual countries</li> <li>Establishing supply chain management that enables a flexible response to risk</li> <li>Reducing fixed costs and variable costs such as raw materials expenses</li> </ul>
(2) Risks related to information leakage, loss, and damage	<ul style="list-style-type: none"> <li>Information leakage, loss, or damage due to computer viruses or security violations</li> <li>Loss of social trust, a breach of a non-disclosure agreement, or a decline in competitiveness due to an outflow or loss of expertise, resulting from information leakage, loss or damage</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of risks through the reinforcement of the information security management system, employee training and awareness-raising activities, which are implemented by the dedicated information security department</li> <li>Implementing security measures related to the promotion of teleworking and the formulation of operating rules</li> </ul>
(3) Risks related to quality and product liability	<ul style="list-style-type: none"> <li>Accidents or complaints caused by the quality of products</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring compliance with legal regulations related to quality and safety and carrying out activities to strengthen quality assurance</li> <li>Enhancing and strengthening quality assurance in a Groupwide manner through the application of the ISO 9001 international standard related to quality, and other measures</li> </ul>
(4) Risks related to natural disasters and epidemics	<ul style="list-style-type: none"> <li>Difficulties in procuring raw materials, hindrance to production activities, stagnation of global consumer activities and stagnation of logistics functions in the supply chain, etc., due to natural disasters, such as major earthquakes, heavy rains and epidemics in Japan and other countries</li> </ul>	<ul style="list-style-type: none"> <li>Creating manuals tailored to specific risks and providing regular training to tackle them</li> <li>Implementing measures to control COVID-19 and other infectious diseases, establishing related guidelines and operating systems and vaccine occupational inoculation</li> <li>Establishing a disaster control system and systems for complementary production in Japan and overseas, through business continuity management (BCM)</li> </ul>
(5) Risks related to the sourcing of raw materials	<ul style="list-style-type: none"> <li>Raw materials price increases and stock shortages due to the fluctuation of market conditions, natural disasters, accidents, government policies, and other factors</li> <li>Suspension of raw material supply from suppliers</li> <li>Compensation for damages or the like resulting from an inability to supply products to customers</li> </ul>	<ul style="list-style-type: none"> <li>Sourcing raw materials for appropriate prices by increasing and accuracy of market price and demand forecast</li> <li>Securing stocks of raw materials according to their characteristics by sourcing them from a wide range of suppliers</li> <li>Promoting procurement based on the Procurement Principles</li> </ul>
(6) Risks related to exchange rate fluctuations	<ul style="list-style-type: none"> <li>Dramatic fluctuations in exchange rates</li> </ul>	<ul style="list-style-type: none"> <li>Taking steps to reduce exchange rate fluctuation risks, including exchange forward contracts and the balancing of foreign currency receivables and payables</li> </ul>
(7) Risks related to general legal restrictions	<ul style="list-style-type: none"> <li>Changes to legal restrictions in Japan and overseas and the resulting changes in markets</li> <li>Litigation or other legal procedures that seriously affect the Group's businesses, including litigation related to environmental issues, product liability, and patent infringement</li> </ul>	<ul style="list-style-type: none"> <li>Collecting information about legal restrictions in Japan and overseas and taking measures to address them</li> <li>Review of compliance-related policies and implementation of measures by the Compliance Subcommittee, a committee dedicated to compliance matters</li> <li>Managing the overall Group with internal control system and improving the effectiveness of the management</li> </ul>
(8) Risks of environmental burdens	<ul style="list-style-type: none"> <li>Changes to environmental laws and regulations in Japan and overseas and the resulting changes in markets</li> <li>Increased expenses caused by delays in taking measures to reduce environmental impact</li> <li>Additional investment and changes in business portfolio in response to social environmental requirements (such as the shift away from plastics and the carbon neutrality, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Advancing environmental measures (including the reduction of CO<sub>2</sub> emissions, the development of VOC-free products, and the recycling of materials) by reviewing manufacturing processes in the long-term management plan</li> <li>Strengthening the management of chemicals and systematizing management</li> </ul>
(9) Risks related to climate changes	<ul style="list-style-type: none"> <li>Changes to climate change-related laws and regulations in Japan and other countries and the resulting changes in markets</li> <li>Increase in costs due to delays in responding to social demands, such as the reduction of CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>Disclosures based on the TCFD (Task Force on Climate-related Financial Disclosures) recommendations</li> <li>Continuous efforts to reduce the environmental impact of manufacturing activities (reduction of CO<sub>2</sub> emissions, promotion of carbon neutrality, etc.) as outlined by the TSV2050/2030 Sustainability Vision</li> </ul>
(10) Risks related to common debt collection	<ul style="list-style-type: none"> <li>Difficulty in collecting of trade receivables and other claims due to the worsening of customers' financial conditions</li> </ul>	<ul style="list-style-type: none"> <li>Regular review of customers' credit risk</li> <li>Implementing measures to protect receivables and strengthening credit management</li> </ul>
(11) Risks relating to impairment losses on non-current assets	<ul style="list-style-type: none"> <li>Impairment losses on non-current assets due to changes in economic conditions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Review of screening criteria for appropriateness of investment plans</li> <li>Consideration of measures to avoid and reduce risks</li> </ul>

\* Details of business risks are shown in the securities reports.



## Information Security

### Basic approach

Information security measures are becoming more important with each year. It is important to work out policies and measures to address diversifying risks, including infections with viruses, unauthorized access to systems, leaks of personal information, and cyber attacks, to prevent risk materialization and minimize the effects of incidents if they occur. The Toyo Ink Group has established the Information Protection Management Regulations and Information System Management Regulations and has implemented technological and physical preventive measures using information technology. The Group works to maintain and enhance appropriate information management and information security.

#### Policies on Information Security Activities in FY2022

We will build a cyber risk response structure based on remote working and data use and sharing and continue and step up information security protection measures.

- Build a BCP structure in preparation for cyber incidents
- Give IT literacy education for ensuring both data use and information security
- Entrench the global rules and build up information security among overseas group companies

### Promotion system

The Information System Department of Toyo Ink SC Holding Co., Ltd. takes a leading role in initiatives in information security and addressing risk cooperating with the General Affairs Department, Legal Department and Corporate Communication Department. We have established the Information Security Contact Office, a point of contact that receives consultation and reports from employees. In the event of an incident, we will launch the Toyo Ink Group Cyber Security Incident Response Team (TIG-CSIRT) in accordance with the Information System Disaster Response Guidelines and the TIG-CSIRT Setup Guidelines. The team will deliver reports to the Risk Management Subcommittee, to the Sustainability Committee and to management and carry out response actions for the purpose of minimizing its impacts. The Information System Department will serve as an administrative office for the team.

\* TIG-CSIRT: Toyo Ink Group Cyber Security Incident Response Team

### Major activities in FY2022

#### ► Development of the mechanism and system

In FY2022, we systematized the group-wide system BCP structure, called the TIG-CSIRT, to ensure a swift response to ransomware attacks and other cyberattacks, aiming to minimize damage and to ensure business continuity. We also created a response manual that described cyber incident response procedures.

#### ► Education for employees and raising their awareness

We are working to improve information security awareness by offering a range of education and conducting awareness-raising activities. They include the Information Security Months (in September and October) in the overall Group including its overseas sites, alerts and information distribution on data security with the use of our internal portal, education for new employees and training for representatives at overseas affiliates, a fact-finding survey on information security, and an IT literacy test. In addition, we conduct a drill against targeted email attacks each year. It is aimed at responding to information security risks posed by cyberattacks.

### Information security incidents

In FY2022, there was no occurrence of a material information security incident, such as leaks of personal information.

### Protection of personal information

The Toyo Ink Group recognizes the importance of protecting personal information, and making efforts to properly handle and protect personal information while complying with laws and regulations regarding the handling of personal information. In addition to enacting the "Privacy Policy," we established "Personal Information Management Regulations" and appointed personal information managers to each department. A personal information ledger is used to properly manage information as part of our efforts to maintain customer confidence. We are also proceeding with initiatives based on the laws and regulations of each country, such as compliance with the EU General Data Protection Regulation (GDPR) that came into effect in the EU in May 2018.

 Details are shown in "Privacy Policy" of our website.

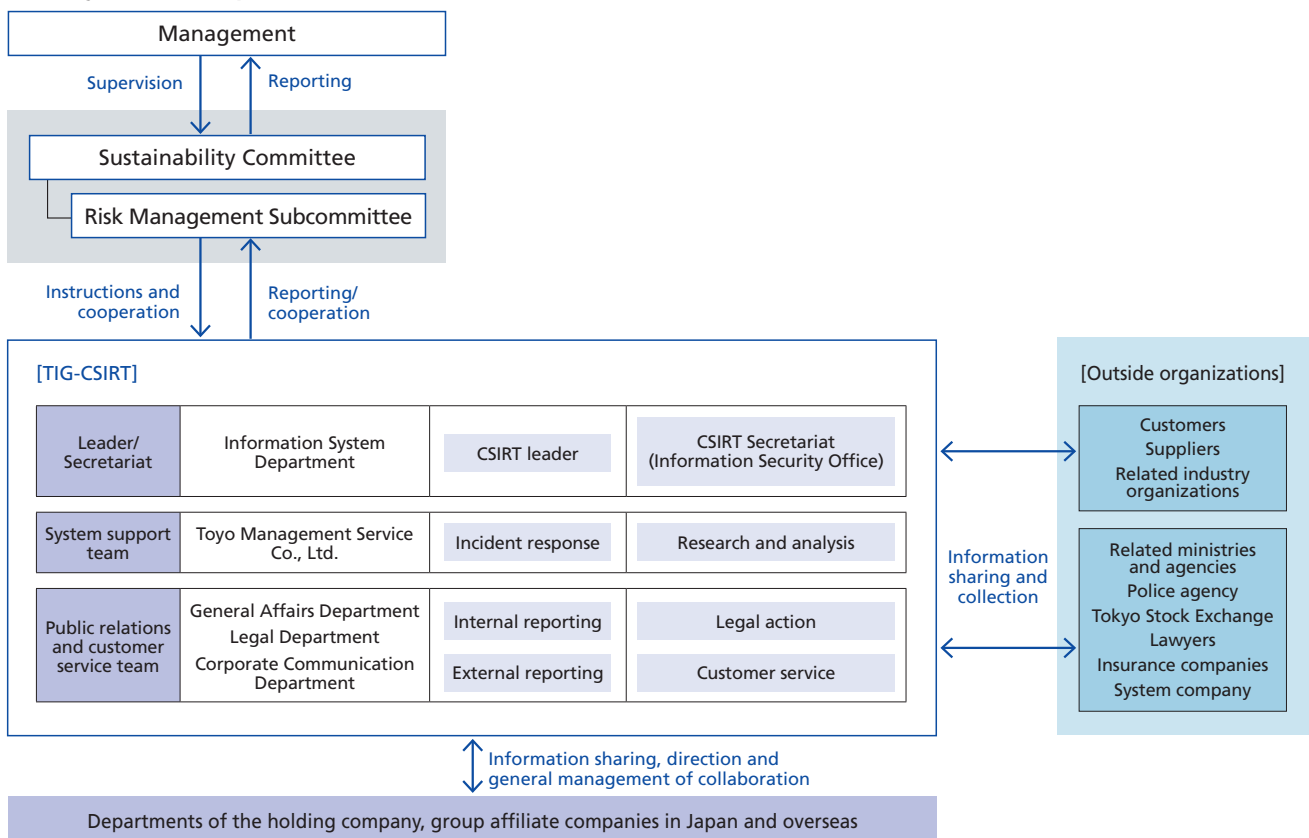
### Cyber security measures

The Toyo Ink Group needs to build up its organizational capacity to respond to unexpected cyber incidents in a bid to meet its commitment to stabilizing revenue and to establishing social trust in the Basic Principles on Risk Management. For this purpose, we set up the TIG-CSIRT as an organization for system BCP aimed at minimizing damage caused by an incident and at maintaining business continuity. We have developed the Risk management Implementation Rules, the Emergency Response Rules, the Information System Disaster Control Measures Guidelines and other rules and response procedures for responding to, and recovering from, incidents. Additionally, we have developed the TIG-CSIRT Setup Guidelines and the Cyber Incident Response Manual and strive to make them known to internal personnel.

#### Action Principles against Cyber Incidents

1. Take consistent actions to reduce and eliminate damage to information as important assets.
2. Always put customers first and serve them swiftly and sincerely.
3. Pay attention to maintaining and improving the brand image without yielding to cyberattack.

### Security incident response structure (FY2023)



[link](#) Risk Management on page 86 in ESG Data Collection

## Business Continuity Management (BCM)

### Basic approach


The Toyo Ink Group implements risk response measures for Business Continuity Management (BCM) targeting risks that have the potential to be an obstacle to business continuity, including natural disasters such as earthquakes, typhoons and floods, etc., infectious diseases pandemics, accidents such as explosions, fires or leaks taking place at factories, and cyber attacks, etc. Recognizing the importance of ensuring smooth recovery, and of the establishment of the product supply systems, in the event of an accident either at a Toyo Ink facility or at another chemical manufacturer, the Toyo Ink Group has continued to implement BCM measures.

### Establishment of emergency procedures

We operate our safety confirmation system to verify the safety of all employees in the event of a major disaster and respond promptly to the disaster in accordance with the damage. This system automatically identifies employees in affected areas based on the intensity of the earthquake and the range of the affected areas and provides necessary information by receiving the latest disaster information. In addition, we conduct disaster drills and similar events every year at our major business locations, and an emergency contact network and priority mobile phones for disaster are in place for prompt reporting.

In addition, we have launched the TIG-CSIRT\* as a team for system BCP measures aimed at cyber security control.

In response to the COVID-19 pandemic, we put top priority on the health and safety of all those associated with our business activities. The initiatives we took included understanding the level of spread of infection in Japan and overseas, implementing the guidelines and adopting stringent hygiene management in a way that did not hamper business continuity.

 For the TIG-CSIRT, see Cyber security measures on page 65.

### Making facilities more earthquake-resistant

At the Toyo Ink Group, we formulated the Rules on the Response to Measures against Earthquakes (Prevention of Collapses, Leaks, Fires, and Falling Objects) based on the results of the post-quake safety audits carried out after the Great East Japan Earthquake. These rules show specific measures for preventing falling objects, leaks, and fires by assuming a seismic intensity of upper 6 on the Japan Meteorological Agency (JMA) scale. At our business establishments in Japan, we promote measures including seismic analysis, reinforcement of buildings, demolition of aging buildings, fixing equipment, and introduction of earthquake-resistant equipment.

### Response to climate disasters

The Toyo Ink Group supports the Task Force on Climate-Related

Financial Disclosures (TCFD). With business continuity plans (BCPs) at individual sites, we develop operation manuals in the event of disaster and implement disaster control measures.

Specifically, we adopted an emergency structure and response procedures to be used when the water level reaches a dangerous level in preparation for river overflows and flooding following heavy rainfall or typhoons. We also installed water stop panels and waterproof walls at production sites, and carried out actions based on past experiences, such as relocating electrical equipment to elevated locations, installing sandbags and turning procedures for breaking electric circuits into plans. We use Aqueduct Water Risk Atlas to assess water risks at different sites in Japan and overseas and to identify risks so that the findings will be used for measures.

 For information disclosures in accordance with the TCFD recommendations, see pages 35 to 40 in Integrated Report 2022 and pages 41 to 44 in Integrated Report 2023.

 For an assessment of water risk and countermeasures, see pages 21 to 22.

### Stable procurement of raw materials

Since the Great East Japan Earthquake, we have been promoting the replacement of major limited-source materials (monopoly raw materials) with widely-available ones and the procurement of such materials from multiple sources. At the same time, we have been engaged in activities to prevent the occurrence of limited-source materials, which begin at the product design phase, so as to ensure the stable procurement of raw materials.

### Establishment of a backup production system

In response to major disasters and supply chain failures, we have established a backup production system for all of our domestic and overseas manufacturing facilities, created a system to prevent extensive damage to our business, and completed a backup production manual. Aiming for early recovery from an incident, we have clarified an action plan needed for a backup production system to be applied in the event of a one- to two-month shutdown. We are also establishing a system for backup production in cooperation with other companies in an emergency.

### Extension of BCM to cover overseas business locations

The Toyo Ink Group has been working to standardize those activities which are particularly useful in terms of business location operation, and the Group issued an "Operating Base Management Guidebook" for the reference of managers at the Group's global network of business locations. The Handbook specified the measures needed in order to formulate a BCM basic strategy that would help to ensure that, even if a business location is affected by a major natural disaster etc., specified important business activities can continue uninterrupted, or even if they are interrupted then restoration can be implemented within a specified time limit. In addition, we have revised the Japanese, English and Chinese version of the Collection of "Guidelines for Responding to Overseas Risks."

# Compliance

## Basic approach

Compliance activities of the Toyo Ink Group are based on the belief that it is important that every single employee should be aware of compliance. We discuss compliance in daily operations, aiming to steadily instill within the Group an awareness of the importance of compliance with laws and regulations.

## Code of Business Ethics

We have established the Toyo Ink Group Code of Business Ethics, which has been approved by the Board of Directors. It provides guidelines for all that work at the Toyo Ink Group to be aware of their social responsibility and corporate ethics, discipline themselves, and act voluntarily. In Japan, a Toyo Ink Group Code of Business Ethics booklet is distributed to all that work at the Toyo Ink Group, and they reaffirm its content in compliance activities every year. English-language version and Chinese-language version of the booklet are distributed at overseas sites. Those booklets are used to make the framework of the Toyo Ink Group's philosophy known to employees.

### An excerpt from the Code of Business Ethics

The Toyo Ink Group Code of Business Ethics has the seven basic principles below, and under each basic principle, specific behavioral standards are described.

#### Basic Principles

- I . Improvement of Customer Satisfaction
- II . Respect for Differences among Employees
- III . Harmonization with the Community
- IV . Improvement of Shareholder Satisfaction
- V . Compliance with Laws and Regulations
- VI . Position and Obligations of TIG Employees
- VII . Enforcement and Compliance Programs

#### Basic Principles V. Compliance with Laws and Regulations (a part)

##### 1. Firmly Maintaining Fair and Unrestricted Competition (Complying with the Antimonopoly Act)

Fully understanding the content of the Antimonopoly Act. Never engaging in cartel conduct. Paying attention to overseas competition laws.

##### 2. Insider Trading

Not engaging in insider trading. Preventing family members, etc. from engaging in insider trading.

##### 3. Respecting International Business Rules in Operating Our Business

As a corporation trusted by the international community, we will operate our business, paying due respect to the cultures of our host countries and their local communities and faithfully complying with their local laws and social norms.

##### 4. Performing Strict Export and Import Control

Implementing export and import control without fail. Being aware of extent of impact on management in the event of violation.

##### 5. Properly Conducting Chemical Control

We will comply with, not only the laws and regulations of Japan related to chemical control, but also those of an overseas nation as a chemical manufacturer seeking to achieve global development.

##### 6. Lawful Acquisition, Use and Management of Information (How to Handle Confidential Information)

Managing and using information properly. Not acquiring or using confidential information of other persons or companies without proper authorization. Obligations upon or after leaving company.

##### 7. Protecting Personal Information

When we, at TIG, handle any personal data or information of any particular individual for our operations, we will acquire, use and manage it in accordance with applicable laws and regulations so that we will not infringe on any right or benefit of the individual to which such data or information relates.

##### 8. No Political Donations

We will not give any part of the funds or other assets of TIG to any political party, political organization or group or any candidate for public office as a political contribution.

##### 9. Business Transactions with Government or Other Public Organizations

Fully understanding and complying with laws and regulations applicable to or governing business transactions with government, etc. No bribery of public officials.

##### 10. Fictitious Transactions

Not engaging in fictitious transactions or intervening transactions. Not being involved in wrongful transactions.

(Established in October 1998, Revised on April 1, 2014)

**Policies on Compliance Activities in FY2022**

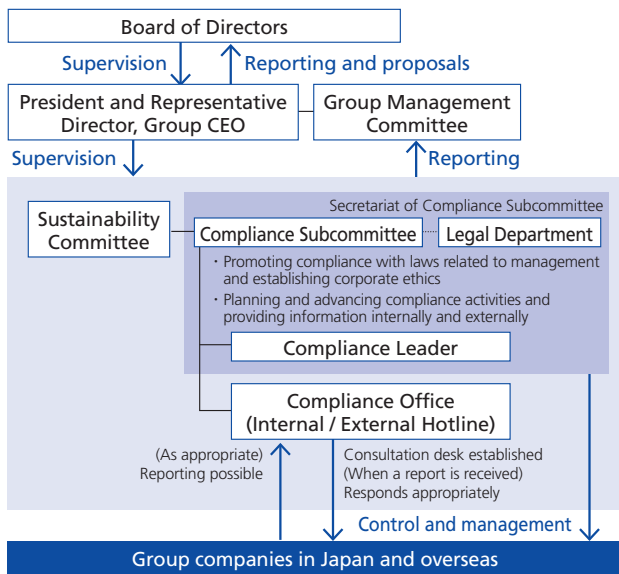
We will implement compliance measures to strengthen governance toward sound and sustainable growth based on our corporate philosophy—the unchanging pillar of our company transcending every era—to build a solid, trusted corporate foundation, as the basis for achieving our TSV2050/2030 sustainability vision.

1. Guiding compliance activities that foster a sound corporate culture for the Group
2. We will reinforce and monitor the system for addressing domestic / overseas legal risks.
3. We will provide compliance education with an emphasis on preventing the occurrence of serious legal risks.

**Compliance system**

We are disseminating the way of thinking about compliance and providing education on regulations throughout the Group, with the leading role played by the Compliance Subcommittee under the Sustainability Committee. We are also proactive in creating opportunities to deepen our awareness of compliance related to daily operations, with the central role played by compliance leaders in each operation site.

**Compliance system (FY2023)**



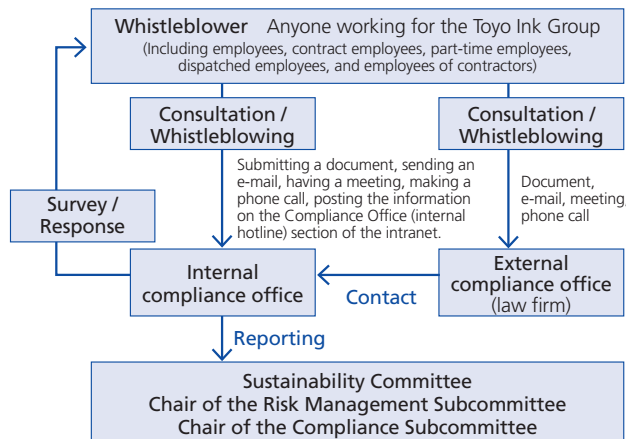
\* Excerpts and additions from P.7 Sustainability promotion system (July 2023)

**Whistleblowing system**

We have established internal / external Compliance Office as a consultation desk for compliance. We have also established the “Operating Regulations of Compliance Office” to ensure fair and proper operation of the Office. Consultations and reports mainly cover violations of laws and regulations (including corruption such as bribery and violations of the Antimonopoly Act) and violations of internal rules. We investigate the fact based on consultation, and take measures immediately if there is any concern of problem occurrence. In addition, we give maximum consideration to protection and confidentiality of whistleblowers.

In consultations with the Compliance Office in FY2022, no issues were reported that could lead to serious risks.

**Whistleblowing system**



## Major activities in FY2022

### Compliance meetings in each site (from March to June)

We held meetings at numerous locations in Japan (3,663 participants,) using materials that are used Group-wide, to promote the identification of new compliance issues and the formulation and implementation of solutions.

### Compliance Improvement Month held in October

We held meetings at each operation site (3,896 participants.) We confirmed and studied response status of the issues identified at each site, as well as any newly occurred risks. In addition, we sent the Toyo Ink Group's Code of Business Ethics and its explanatory materials, which are translated into local languages, to all representatives at overseas affiliates, and requested that they hold compliance meetings including local staff, and strengthen their awareness of compliance.

### Compliance education

<Programs tailored to each grade / level and job function>

Compliance seminar for new employees (held once a year)

Advance training for overseas assignments (held twice a year)

<Theme-based programs>

Antimonopoly Act seminar (11 sessions, 406 participants)

Subcontracting Act seminar (16 sessions, 365 participants)

#### Examples of themes regularly covered in training

- Anti-monopoly Act
- Unfair Competition Prevention Act
- Portrait rights
- Act on the Protection of Personal Information
- Whistleblower Protection Act
- Insider trading
- Harassments (power harassment, sexual harassment, etc.)
- Subcontract Act
- Fraudulent inspections
- Bribery

### Compliance auditing, with the goal of creating an organization with integrity

In FY2022, we conducted a survey to the Group companies based on public materials released by the National Public Service Ethics Review Board Secretariat regarding relationships with "deemed public servants" that may occur around the Group. As a result, we found no violations.

### Response to overseas legal risks

We also established external hotlines for overseas sites to facilitate whistleblowing and informed overseas representatives and local staff of these hotlines. Further, in China, we check the status of operations in the country every six months based on the "Bribery Prevention Regulations."

## Prevention of corruption and bribery

### Basic approach

The Toyo Ink Group has a policy of unequivocally prohibiting corruption and bribery. We have established the Bribery Prevention Regulations. The internal audit performed by the Internal Audit Department of Toyo Ink SC Holdings Co. Ltd. includes inspection on bribery. In addition, the Toyo Ink Group Code of Business Ethics\* specifies the prohibition of corruption and bribery, including the prohibition of inappropriate gratuities and gifts, prohibition of political contributions, and the prohibition of bribery of public officials.

It forbids all forms of corruption and misconduct, including bribery of third parties such as public employees and business partners, offering and receiving excessive entertainments or gifts, collusion, embezzlement, breach of trust and money laundering. We conduct fair and impartial business activities in compliance with laws, regulations and internal rules related to the prevention of bribery and corruption.

\* The booklet is distributed to all those working for the Toyo Ink Group. To overseas sites, we send the English version and the Chinese version of this booklet.

### Promotion system

The Compliance Subcommittee in the Sustainability Committee takes the initiative in sending out information on the prohibition of any form of corruption and in education about laws and regulations on a group-wide scale. Our internal rules are the responsibility of the Legal Department of Toyo Ink SC Holdings Co. Ltd.

If any events considered risk factors or serious problems occur, they will be reported to the Board of Directors following the work flow created by the Risk Management Subcommittee, and the subcommittee will deal with them in cooperation with related departments.

### Employee education and Compliance Office

A booklet of the Toyo Ink Group Code of Business Ethics, prepared in Japanese, English and Chinese, is distributed to all those working for the Group. It expressly states that corruption and bribery are prohibited, including inappropriate rewards or gifts, donations to politicians and bribery of public employees. With this booklet, we repeatedly make our principles known to personnel in the Group. Furthermore, in the compliance activities we conduct every year, we focus on corruption and bribery cases, among other cases, regularly and carry out activities to prevent recurrence of similar cases in all business sites.

We have a system in which consultations and reports about corruption, bribery and violations of laws and regulations related to corruption and bribery are received at the Compliance Office (Whistleblowing System), internal and external.

 [For the Whistleblowing System, see pages 68.](#)

### Actions Related to Supply Chains

For the purpose of enhancing supply chain management, we revised the Procurement Principles and the Standard for Selecting Suppliers and newly formulated the Sustainable Supply Chain Guidelines in October 2022.

The Procurement Principles stipulate in 4. Fair business practices that bribery, sharing or receiving of illegal gains, the obstruction of fair and open competition, and infringement of intellectual property rights and others are prohibited. The Sustainable Supply Chain Guidelines has an explicit provision for the prevention of corruption in 5. *Ethics*.

We ask suppliers to consent to the Procurement Principles, the Standard for Selecting Suppliers and the Sustainable Supply Chain Guidelines. We also implement CSR procurement self-assessments and analyze the findings in order to understand and redress adverse impacts of our supply chain on the environment and society.

 [The Sustainable Supply Chain Guidelines are available on our website.](#)

### Violations

In FY2022, there were no violations related to corruption or bribery, or disciplinary actions against employees (including dismissals) or fines or penalties related to violations.

### Fair trade

The Code of Business Ethics stipulates that the Group will adhere to free and fair competition. The Group's corporate activities are compliant with laws and regulations related to fair competition and fair trade in each country in which the Group operates.

### Prevention of violations of the Anti-monopoly Act

We hold Anti-monopoly Act workshops for all employees involved in sales activities every year. We distribute an Anti-monopoly Act compliance manual to all employees to instill knowledge about the Anti-monopoly Act. In addition, we apply internal rules stipulating that employees are required, in principle, to seek approval of contacts with competing companies in advance and has established a system that blocks cartel behavior. There were no violations of the Anti-monopoly Act in FY2022.

### Compliance with the Subcontract Act

We continue to hold Subcontract Act workshops for all employees involved in subcontracting transactions to ensure compliance with the Subcontract Act.

### Prevention of insider trading

The Code of Business Ethics stipulates the prevention of insider trading, and we prohibit insider tradings based on non-public material information obtained through business.

### Response to anti-social forces

The Code of Business Ethics stipulates that we do not have any relationship with anti-social forces or organizations, and we do so, and respond with a resolute attitude.

 [Compliance on page 86 in ESG Data Collection](#)

## Tax Affairs

### Basic approach

The Toyo Ink Group's CSR Action Guidelines include ensuring compliance. We will ensure compliance with laws and regulations in Japan and overseas as well as with international treaties and regional social norms, and we will make rational, conscientious, and ethical decisions and act accordingly. The Code of Business Ethics includes compliance with laws and regulations. We strive to raise each employee's awareness of compliance through the enlightenment to each employee.

Our attitude toward tax affairs is based on the same principles. We comply with relevant laws and regulations and other rules in each country where we operate and properly pay taxes, thereby fulfilling our corporate social responsibility.

In our global operations, we follow the OECD Transfer Pricing Guidelines, among other rules, when we conduct transactions with overseas affiliates, and the transactions are subject to arm's length prices. We will not arbitrarily engage in tax avoidance, such as use of tax havens.

### Tax governance

The Finance & Accounting Department of Toyo Ink SC Holding Co., Ltd. under the Chief Financial Officer has built the tax governance system and works to reduce tax risks in cooperation with the accounting departments of Group companies.

If any tax problems arise, they will be reported to the Board of Directors and other bodies as needed and be dealt with appropriately in consultation with outside experts in a timely manner.

### Relationship with tax authorities

We strive to maintain a good and healthy relationship with the tax authority. We sincerely give explanations to, and communicate with, the tax authority based on facts in good faith. If there are any suggestions or guidance from the tax authority, we identify the reasons and take appropriate corrective and remedial actions to prevent a recurrence.

#### Tax data

	FY2020	FY2021	FY2022
Corporate taxes, etc. (consolidated)	3,512 million JPY	3,450 million JPY	2,968 million JPY

## Intellectual Property Management

### Basic approach

In line with the provisions in the section of maintaining sound corporate activities in its Code of Business Ethics, the Toyo Ink Group properly manages and uses corporate assets and strives for the proper management and use of intellectual property, information, brands and other assets. We will protect our own intellectual property and respect the intellectual property of other companies. We will focus on creating strategic intellectual property in the process of new development.

### System

The Intellectual Property Department under the R&D Division of Toyo Ink SC Holdings Co., Ltd. plays a central role in the protection and management of intellectual property, and formulation of rules and principles in collaboration with relevant departments. The Toyo Ink Academy and other bodies provide employee education and conduct awareness-raising activities related to intellectual property.

### Initiatives

The Toyo Ink Group understands that intellectual properties are key part of assets. We are working to create, protect and make active use of intellectual property and take measures against counterfeit products around the world. Procedures for the protection of intellectual property vary from country to country. We observe laws and regulations in separate countries to take appropriate actions.

- Prevention of intellectual property rights infringement  
We study and check patent information to prevent our products from infringing any third party's intellectual property rights.
- Measures against counterfeit products  
We adopt global anti-counterfeit measures, specifically the collection of information in separate regions and monitoring by means of market research.

#### Number of patents held\*

Japan	2,099 patents
Overseas	922 patents

#### Number of registered trademarks held\*

Japan	514 items
Overseas	1,157 items

\* As of December 31, 2022



## Environmental

### Scope of collection of environmental data

The organizations specified below are subject to collection of different data.

#### [Major factories and plants in Japan]

- Toyocolor Co., Ltd. Fuji Factory, Mobara Plant, Okayama Plant
- Toyochem Co., Ltd. Kawagoe Factory, Seishin Plant, Amagasaki Plant, Chitose Plant and Chiba Plant
- Toyo Ink Co., Ltd. Saitama Factory
- Toyo Visual Solutions Co., Ltd. Moriyama Factory

\* Data for FY2021 to FY2022 cover the four factories and the six plants mentioned above.

\* Data for FY2018 to FY2020 cover four factories and four plants. The Chitose Plant and the Chiba Plant are not included.

#### [Domestic affiliates]

Toyo-Morton, Ltd., Toyo FPP Co., Ltd., and Matsui Chemicals, Co., Ltd.

\* The data for FY2021 to FY2022 cover the three companies mentioned above. They were major production affiliates in Japan.

\* The data for FY2018 to FY2020 cover Toyo-Morton, Ltd., Toyo ADL Corp., and Matsui Chemicals, Co., Ltd. They were major production affiliates in Japan.

#### [All domestic business bases]

All bases in Japan, where the holding company and consolidated subsidiaries (a total of 17 companies) and one equity-method affiliate (Logi Co-Net Corp.) are located

#### [Principal overseas production affiliates]

Fifteen factories and eight plants certified with the ISO 14001 among the overseas affiliates (i.e. PT. Toyo Ink Indonesia, Toyoink India Pvt. Ltd., Toyo Ink America, LLC\*<sup>1</sup>, Hanil TOYO Co., Ltd., Toyo Ink Brasil Ltda., Chengdu Toyo Ink Co., Ltd., and Toyo Ink Europe N.V.)

\* For the business sites certified with ISO 14001, see the list on the right.

\* Toyo Ink America, LLC ceased its production at the end of March 2021.

### Environmental Management

#### Acquisition status of ISO certification (As of December 31, 2022)

Japan	ISO 14001	ISO 9001
<b>[Toyocolor Co., Ltd.]</b>		
● Fuji Factory	○	○
● Mobara Plant	○	○
● Okayama Plant	○	○
● Kawagoe Branch Office	○	○
<b>[Toyochem Co., Ltd.]</b>		
● Kawagoe Factory	○	○
● Seishin Plant	○	○
● Amagasaki Plant	○	○
● Chiba Plant	○	○
<b>[Toyo Ink Co., Ltd.]</b>		
● Saitama Factory	○	○
<b>[Affiliates companies]</b>		
● Toyo FPP Co., Ltd	○	○
● Toyo Visual Solutions Co., Ltd	○	○
● Toyo-Morton, Ltd.	○	○
● Matsui Chemical Co., Ltd.	○	○

Overseas	ISO 14001	ISO 9001
● TIPPS Pte. Ltd. (Singapore)	○	○
● Toyochem Specialty Chemical Sdn. Bhd. (Malaysia)	○	○
● Toyo Ink (Thailand) Co., Ltd. (Thailand)	○	○
● Toyo Ink (Philippines) Co., Inc. (Philippines)	○	○
● PT. Toyo Ink Indonesia (Indonesia)		○
● Toyo Ink Vietnam Co., Ltd. (Vietnam)	○	○
● Toyo Ink Compounds Vietnam Co., Ltd. (Vietnam)	○	○
● Toyo Ink India Pvt. Ltd (India)		○
● Tianjin Toyo Ink Co., Ltd. (China)	○	○
● Shanghai Toyo Ink Mfg. Co., Ltd. (China)	○	○
● Jiangmen Toyo Ink Co., Ltd. (China)	○	○
● Zhuhai Toyocolor Co., Ltd. (China)	○	○
● Chengdu Toyo Ink Co., Ltd. (China)		○
● Toyo Advanced Science Taiwan Co., Ltd (Taiwan)	○	○
● Hanil TOYO Co., Ltd. (South Korea)		○
● Sam Young Ink & Paint Mfg. Co., Ltd. (South Korea)	○	○
● Toyo Ink Europe N.V. (Belgium)		○
● Toyo Ink Europe Specialty Chemicals S.A.S (France)	○	○
● Toyo Matbaa Mürekkepleri Sanayi ve Ticaret A.Ş. (Turkey)	○	○
● Toyo Ink Hungary Kft. (Hungary)		○
● LioChem, Inc. (USA)	○	○
● Toyo Ink Mexico, S.A. de C.V. (Mexico)		○

● : Manufacturing ○ : Certification has been achieved.

\* Of 38 manufacturing locations, ISO 14001 certification has been achieved at 28 (74%) locations. In Japan, the certification has been achieved at 93% of manufacturing locations.

\* Of 38 manufacturing locations, ISO 9001 certification has been achieved at 34 (89%) locations. In Japan, the certification has been achieved at 86% of manufacturing locations.

## Material balance

By grasping the overall picture of material balance and clarifying the effectiveness of our environmental conservation activities, we will further reduce the environmental impact.

### INPUT

		FY2020	FY2021	FY2022
Raw materials	Solvents, resins, pigments, etc. (t)	190,041	168,356	161,313
	Chemicals* <sup>1</sup> amount handled (t)	44,631	51,011	44,468
Supplementary materials	drums, five-gallon drums, etc. (t)	7,983	8,255	7,502
Energy	Electricity (million kWh)	49.40	50.73	48.95
	Heavy fuel oil A (kL)	688.8	508.9	330.2
	LPG (t)	34.5	36.3	26.8
	Municipal gas (thousand m <sup>3</sup> )	18,622	20,178	18,844
Water	Water supplied (thousand m <sup>3</sup> )	140	160	140
	Industrial-use water (thousand m <sup>3</sup> )	7	0	0
	Groundwater (thousand m <sup>3</sup> )	2,540	2,820	2,680
	Total (thousand m <sup>3</sup> )	2,690	2,990	2,830

### OUTPUT

		FY2020	FY2021	FY2022
Volume of products (t)		157,627	165,467	153,953
CO <sub>2</sub> (t-CO <sub>2</sub> )		67,607	71,533	66,030
Chemicals (t)		68.2	61.7	78.5
Wastewater (thousand m <sup>3</sup> )		2,702	2,302	2,229
Environmental pollutant	SO <sub>x</sub> (t)	1.0	0.8	0.4
	NO <sub>x</sub> (t)	49.9	53.1	62.6
	Particulates (t)	1.9	1.7	1.5
	COD (t)	83.9	68.4	64.6
Waste	Volume of emissions (t)	14,354	15,984	15,408
	Final disposal volume (t)	0.1	0	0

Scope of calculation: Major factories and plants in Japan; For details about the organizations in the scope, see page 72.

\* The major factories and plants are responsible for approximately 92.3% of energy consumption of all our production bases in Japan.

\*<sup>1</sup> The chemicals described here refer to Class I designated chemical substances listed under the PRTR Act and substances designated by the Japan Chemical Industry Association.

## Environmental accounting

The Toyo Ink Group began to calculate its environmental costs based on guidelines from the Environmental Agency (Ministry of the Environment) in FY1999, which it positions as the first year of environmental accounting. Since then, we have been evaluating our environmental activities by continuing to check required costs for these activities and their effects.

### Environmental costs

(Unit: million JPY)

Category	Main measures implemented	FY2020		FY2021	
		Investments	Costs	Investments	Costs
Business area costs		681	1,597	175	1,686
Pollution prevention	Pollution prevention related investment and maintenance and management expenses	406	764	80	586
Global environment protection	Global environment protection related investment and maintenance and management expenses	206	299	64	636
Resource recycling	Waste processing and recycling related investment and maintenance and management expenses	69	534	30	463
Upstream and downstream costs	Product recycling and product container recycling expenses	46	176	114	216
Management activity costs	Environmental management expenses, and environmental advertising, environmental education and other activity expenses	0	344	0	397
R&D costs		563	2,957	1,421	4,066
Product development	Environmentally friendly product development related personnel costs, maintenance costs and investment in experimental equipment	483	2,881	1,381	3,086
Technology development	Environmentally friendly technology development related personnel costs, maintenance costs and investment in experimental equipment	81	76	40	980
Social activity costs	Support for global environment activities and donations to environmental organizations	0	1	0	1
Environmental damage response costs	Soil pollution remediation expenses	552	19	699	19
Total		1,842	5,094	2,410	6,385

Period covered by the data: January 1, 2022 – December 31, 2022

Scope of calculation: Major factories and plants in Japan and affiliates in Japan; For details about the organizations in the scope, see page 72.

\* The total amount of R&amp;D expenditure during this period (consolidated) : 9,111 million JPY

### Direct quantitative effects of environmental preservation (within business area)

Description	Index indicating the effect of environmental protection			
	Category	FY2021	FY2022	Effect*
Effects related to resources used in operations	Total energy used (crude-oil equivalent: thousand kL)	39.8	37.7	-0.4
	Volume of water resources used (thousand m <sup>3</sup> )	3,018	2,861	-3.3
	Volume of PRTR- and JCIA-designated chemicals handled (thousand t)	54.7	48.3	3.0
Effects related to environmental burden and waste from business activity emissions	CO <sub>2</sub> emissions (thousand t-CO <sub>2</sub> )	76.1	70.2	1.1
	Emissions of PRTR- and JCIA-designated substances (t)	62.3	78.8	-20.4
	Volume of wastewater (thousand m <sup>3</sup> )	2,319	2,569	-39.6
	Volume of waste emissions (thousand t)	18.1	17.5	-0.6
	Final disposal volume (t)	4.7	3.1	1.3
	SOx emissions (t)	0.8	0.4	0.4
	NOx emissions (t)	53.2	62.7	-12.8
	Particulates emissions (t)	1.68	1.52	0.1
COD emissions (t)	68.4	64.6	-0.5	

Scope of calculation: Major factories and plants in Japan and affiliates in Japan; For details about the organizations in the scope, see page 72.

\* Direct quantitative effects of environmental protection activities are calculated by comparing data for the year with data for the previous fiscal year, with adjustments for production quantity.

\* Effect = Environmental burden for previous fiscal period × (Production quantity for current fiscal period / Production quantity for previous fiscal period) – Environmental burden for current fiscal period.

### Economic effects

(Unit: million JPY)

Category	Data aggregation definitions and scope, etc. for each item	FY2021	FY2022
1 Sales of valuable resources	Revenue from sale of used containers, etc.	15	25
2 Energy conservation	Monetary value of the effects from energysaving activities at individual business locations	59	86
3 Resource conservation	Effects derived from the reduction in raw materials used due to higher recovery rates, etc.	192	320
4 Recycling of containers, etc.	Effects derived from product container reuse and adoption of reusable tanks	27	51
5 Reduction waste disposal costs	Reduced expenditure due to reduction in the amount of waste generated	6	41
Total		299	523
Environmental business	Total earnings from products registered as "environmentally friendly products"*1	2,590*2	259*2

Scope of calculation: Major factories and plants in Japan and affiliates in Japan; For details about the organizations in the scope, see page 72.

\*1 Sales of environmentally friendly products multiplied by the operating margin.

\*2 The sale of electricity from in-house solar power generation equipment is included.

## Response to Climate Change

### CO<sub>2</sub> emissions / CO<sub>2</sub> emissions per unit of sales

		FY2019	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	Total in Japan	82,736	76,843	79,380	73,404
	Total of overseas affiliates	121,344	118,786	120,893	109,134
	Asia, China and Eastern Asia	102,193	102,134	101,970	94,850
	Europe and Africa	9,518	8,793	9,753	4,418
	Americas	9,633	7,859	9,169	9,865
	Group total	204,080	195,629	200,273	182,538
CO <sub>2</sub> emissions per unit of sales (t-CO <sub>2</sub> /million JPY)		0.73	0.76	0.70	0.58

Scope of calculation: All bases in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* For the electricity emission factor in Japan, we use the emission factor for each electric power company that is announced every year.

\* Overseas electricity emissions factors have been calculated using the emissions factors of individual countries from the Inventory Database for Environmental Analysis (IDEA).

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

### Energy consumption / energy use per production unit

		FY2019	FY2020	FY2021	FY2022
Energy consumption (kL)	Total in Japan	40,374	38,388	39,849	37,723
	Major factories and plants in Japan	36,800	35,023	37,056	34,830
	Affiliates in Japan	3,574	3,365	2,793	2,893
	Overseas affiliates	50,124	48,625	49,860	47,498
	Group total	90,498	87,013	89,709	85,221
Energy use per production unit (L/t)	Major factories and plants in Japan	218	222.2	223.9	226.2
	Overseas affiliates	170.9	170.2	164.1	164.1

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

## Scope 1 to 3 emissions

(Unit: t-CO<sub>2</sub>)

	FY2020	FY2021	FY2022
Scope1 (direct emissions)	45,026	48,300	51,027
Heavy fuel oil A	1,866	1,379	994
Municipal gas	42,697	46,272	43,574
LPG	104	109	99
Scope2 (indirect emissions from energy sources)	23,655	23,960	27,934
Scope3 (other indirect emissions)	547,724	595,797	868,211
Category 1: Purchased goods and services	481,145	518,434	766,535
Category 2: Capital goods	15,960	19,075	21,823
Category 3: Fuel and energy related activities not included in Scope 1 or 2	14,055	14,908	16,507
Category 4: Transportation and delivery (upstream)	14,827	23,181	36,454
Category 5: Waste generated in operations	13,580	12,374	16,458
Category 6: Business travel	343	191	552
Category 7: Employee commuting	967	946	1,565
Category 8: Leased assets (upstream)	0	0	160
Category 9: Transportation and delivery (downstream)	6,847	6,688	8,157
Category 10: Processing of sold products	—	—	—
Category 11: Use of sold products	—	—	—
Category 12: End-of-life treatment of sold products	—	—	—
Category 13: Leased assets (downstream)	0	0	0
Category 14: Franchise	0	0	0
Category 15: Investments	0	0	0
Total	616,405	668,057	947,172
Scope1+Scope2	68,681	72,260	78,961

\* The scopes of calculation of Scope 1, 2 and 3 emissions used to be major factories, plants and business sites in Japan, including core operating companies. From FY2022 onwards, broader scopes apply in order to understand overall emission figures from the whole Group in Japan. The number of items subject to calculation has also been increased (by adding specific items in Categories 1, 4 and 5 and Category 8). This means that the figures for FY2022 are massively higher than figures for previous fiscal years. Going forward, we will advance efforts to set CO<sub>2</sub> reduction targets at individual items, to formulate an implementation plan, to improve calculation accuracy and to further expand the scope of calculation (for global calculation including overseas emissions).

\* For the method and scope of calculation and the items added, see page 77.

### Scopes 1, 2 and 3 emissions calculation method

Item		Calculation method	Applicable to more organizations from 2022 onwards	Covering more items from 2022 onwards	Emissions increase (t-CO <sub>2</sub> ) due to the expansion of the scope of calculation
Scope1 (direct emissions)		Calculated direct emissions from stationary combustion of fuels (heavy fuel oil A, municipal gas, LPG, etc.) in business activities. The emissions unit value set out in Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain of the Ministry of the Environment were used.	○	-	Approx. 2,700
Scope2 (indirect emissions from energy sources)		Calculated indirect emissions originating from electricity purchased in business activities. The latest emission factors for each electric power company published under the Act on Promotion of Global Warming Countermeasures were used.	○	-	Approx. 3,900
Scope 3 (other indirect emissions)	Category 1: Purchased goods and services	Calculated emissions by multiplying the cost of raw materials purchased, the cost of merchandise purchased, supplies expense, and the cost of auxiliary materials purchased by the emissions intensity for each item. For items related to consumables and services, the applicable emission factor on the value basis was used for calculation. * Emissions intensity used: IDEA3.2, the input-output table, and global environmental impact intensity	○	○	Approx. 240,000
	Category 2: Capital goods	Calculated emissions by multiplying capital expenditure (excluding environmental costs) by an emissions intensity (2.73t-CO <sub>2</sub> /million JPY).	-	-	Approx. 2,700
	Category 3: Fuel and energy related activities not included in Scope 1 or 2	Calculated emissions by multiplying electricity consumption and heat consumption by the emissions intensity. (Emissions intensity used: The Database of Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 3.2))	○	-	Approx. 1,600
	Category 4: Transportation and delivery (upstream)	Calculated emissions using the volumes of raw materials purchased, merchandise purchased, and auxiliary materials and a transportation scenario: a transport of 500 km using a tanker truck or 10-ton truck (a loading ratio of 50%). * Emissions intensity used: IDEA2.3 Calculated CO <sub>2</sub> emissions associated with the transportation and distribution of our products and merchandise based on regular reports from specified consignors under the Act on Rationalizing Energy Use. Emissions in the scope of specified consignors not subject to reporting were calculated from the value concerning emissions understood by the company's system with the use of the emission intensity and in consideration of the period of storage in external warehouses. Emissions intensity used: Fuel method, improved ton-kilometer method, conventional ton-kilometer method and the input-output table	○	○	Approx. 13,000
	Category 5: Waste generated in operations	Classified industrial waste by type of waste and by stage of the disposal process (transportation, incineration, and landfill) and calculated emissions by multiplying the amount of industrial waste in each classification by the emissions intensity for each stage. Emissions from sewerage were calculated from the value for the volume of use. * Emissions intensity used: IDEA3.2 and the input-output table	○	○	Approx. 1,800
	Category 6: Business travel	Calculated emissions by multiplying the number of employees by the emissions intensity (0.130t-CO <sub>2</sub> per person per year).	○	-	Approx. 360
	Category 7: Employee commuting	Classified employees by type of workplace and by location of workplace and calculated emissions by multiplying the number of employees in each classification by the number of business days and by the emissions intensity for each classification. * Emissions intensity used: emissions intensities per employee per business day by type of workplace and by location of workplace set out in the Database of Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations throughout the Supply Chain (Ver. 3.2)	○	-	Approx. 600
	Category 8: Leased assets (upstream)	Emissions are deemed to be zero because emissions are included in emissions at our business sites (Scopes 1 and 2).	○	○	Approx. 160
	Category 9: Transportation and delivery (downstream)	Assumed transportation from a processing company to a retailer and calculated emissions using a transportation scenario: a transport of 100 km using a 4-ton truck (average loading ratio). * Emissions intensity used: IDEA2.3	○	-	Approx. 1,470
	Category 10: Processing of sold products	Do not calculate emissions because there are a wide variety of products and it is difficult to create a scenario about the processing of sold products.	-	-	-
	Category 11: Use of sold products	Do not calculate emissions because there are a wide variety of products and it is difficult to create a scenario about the use of sold products.	-	-	-
	Category 12: End-of-life treatment of sold products	Do not calculate emissions because there are a wide variety of products and it is difficult to create a scenario about the end-of-life treatment of sold products.	-	-	-
	Category 13: Leased assets (downstream)	Emissions are deemed to be zero because we have no applicable leased assets.	-	-	-
	Category 14: Franchise	Emissions are deemed to be zero because we have no franchises.	-	-	-
	Category 15: Investments	Emissions are deemed to be zero because we do not engage in investment business activities directly.	-	-	-

Scope of calculation: Expanded from fifteen sites for FY2020 to FY2021 including major factories, plants, offices and laboratories in Japan to all sites in Japan for Scopes 1 and 2 and for Categories 3, 6 and 7 of Scope 3 for FY2022

## Water Resources Management

### Water consumption

(Unit: thousand m<sup>3</sup>)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	2,912	2,728	3,018	2,861
Major factories and plants in Japan	2,869	2,689	2,986	2,831
Affiliates in Japan	43	39	32	30
Overseas affiliates	2,570	2,699	2,577	1,996
Group total	5,482	5,427	5,595	4,857

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

### Water withdrawal by source

(Unit: thousand m<sup>3</sup>)

		FY2019	FY2020	FY2021	FY2022
Japan	Water supplied	186.0	173.8	185.0	172.0
	Industrial-use water	6	7	5	4
	Groundwater	2,720	2,547	2,827	2,685
	Other (rainwater, seawater, river and others)	0	0	0	0
	Total	2,912	2,728	3,017	2,861
Overseas	Water supplied	1,151	1,307	635	1,188
	Industrial-use water	614	810	1,273	116
	Groundwater	732	578	664	692
	Other (rainwater, seawater, river and others)	0	0	0	0
	Total	2,570	2,699	2,577	1,996

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

### Amount of wastewater

(Unit: thousand m<sup>3</sup>)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	2,699	2,727	2,319	2,569
Major factories and plants in Japan	2,660	2,702	2,302	2,542
Affiliates in Japan	39	25	17	26
Overseas affiliates	1,582	1,472	1,704	1,606
Group total	4,281	4,199	4,023	4,175

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

### Breakdown of volume of wastewater by destination (FY2022)

(Unit: thousand m<sup>3</sup>)

	Japan	Overseas
Sewerage networks	1,914	1,605
River	650	1
Sea	5	0
Groundwater	0	0

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

### COD emissions

(Unit: t)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	76.8	83.9	68.4	64.6
Major factories and plants in Japan	76.8	83.9	68.4	64.6
Affiliates in Japan	0.0	0.0	0.0	0.0
Overseas affiliates	112.0	75.9	80.3	159.9
Group total	188.8	159.7	148.7	224.5

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

## Waste Management

### Volume of waste emissions / volume of industrial waste emissions / amount of waste treated off-site / final disposal volume (Unit: t)

		FY2019	FY2020	FY2021	FY2022
Volume of waste emissions	Total in Japan	18,026	16,432	18,053	17,456
	Major factories and plants in Japan	15,805	14,354	15,984	15,541
	Affiliates in Japan	2,221	2,078	2,068	1,914
	Overseas affiliates	14,840	13,817	15,999	14,410
	Group total	32,867	30,249	34,052	31,866
Volume of industrial waste emissions	Total in Japan	7,138	7,572	8,956	7,865
	Major factories and plants in Japan	6,459	6,763	8,337	7,345
	Affiliates in Japan	679	809	619	520
Amount of waste treated off-site	Total in Japan	14,505	12,900	13,949	13,466
	Major factories and plants in Japan	12,333	11,075	12,154	11,774
	Affiliates in Japan	2,173	1,825	1,796	1,692
Final disposal volume	Total in Japan	6.4	6.5	4.7	3.1
	Major factories and plants in Japan	0.4	0.1	0	0
	Affiliates in Japan	6.0	6.4	4.7	3.1

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* The data on affiliates in Japan for FY2022 include figures of the Kansai Branch Office (Neyagawa), the Kansai Branch Office (Toyama), the Chubu Branch Office (Kasugai), Toyo Ink Hokkaido Co., Ltd., Toyo Ink Chushikoku Co., Ltd. (Okayama), Toyo Ink Chushikoku Co., Ltd. (Takamatsu) and Toyo Ink Kyushu Co., Ltd. (Fukuoka).

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

### Volume of hazardous / non-hazardous waste emissions (Unit: t)

	FY2020		FY2021		FY2022	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Valuables	1,187	2,963	996	3,695	1,118	3,901
Reuse within the Group	3,532	0	3,940	4	3,983	6
Recycling at recyclers	2,714	6,021	2,957	6,457	2,826	5,618
Landfill	0	6	0	3	0	3.1
Total	7,433	8,990	7,892	10,159	7,927	9,528

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* The data on affiliates in Japan for FY2022 include figures of the Kansai Branch Office (Neyagawa), the Kansai Branch Office (Toyama), the Chubu Branch Office (Kasugai), Toyo Ink Hokkaido Co., Ltd., Toyo Ink Chushikoku Co., Ltd. (Okayama), Toyo Ink Chushikoku Co., Ltd. (Takamatsu) and Toyo Ink Kyushu Co., Ltd. (Fukuoka).

\* Hazardous waste: specially controlled industrial waste (waste oil, PCB, waste acid, waste alkali)



## Pollution Prevention

### NOx emissions

(Unit: t)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	46.7	50.8	53.2	62.7
Major factories and plants in Japan	45.6	49.9	53.1	62.6
Affiliates in Japan	1.0	0.9	0.2	0.2
Overseas affiliates	46.5	22.9	21.6	32.2
Group total	93.1	73.7	74.8	94.9

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

### SOx emissions

(Unit: t)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	1.2	1.0	0.8	0.4
Major factories and plants in Japan	1.2	1.0	0.8	0.4
Affiliates in Japan	0	0	0	0
Overseas affiliates	9.3	3.5	6.5	12.8
Group total	10.5	4.5	7.2	13.2

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

### Particulate emissions

(Unit: t)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	2.1	2.0	1.7	1.5
Major factories and plants in Japan	2.0	1.9	1.7	1.5
Affiliates in Japan	0.1	0.1	0	0
Overseas affiliates	10.1	22.0	6.6	8.8
Group total	12.2	24.0	8.2	10.3

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

### VOC emissions

(Unit: t)

	FY2020	FY2021	FY2022
Total in Japan	48,568	44,320	53,279
Major factories and plants in Japan	47,935	43,961	53,186
Affiliates in Japan	633	359	93

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

## Chemical Management

### Chemical emissions

(Unit: t)

	FY2019	FY2020	FY2021	FY2022
Total in Japan	70.8	69.1	62.3	78.8
Major factories and plants in Japan	69.8	68.2	61.7	78.5
Affiliates in Japan	1.0	0.9	0.6	0.2
Overseas affiliates	183.8	316.7	213.3	107.3
Group total	254.6	385.8	275.6	186.1

Scope of calculation: Major factories and plants in Japan, affiliates in Japan and major overseas affiliates engaging in manufacturing; For details about the organizations in the scope, see page 72.

\* Past figures have been recalculated retrospectively, given that overseas affiliates adopted a new calculation method in FY2020.

## Emissions and transfers of PRTR-designated chemicals (FY2022)

(Unit: kg)

PRTR substance name	Ordinance designation number	Amount emitted			Amount transferred	
		Atmosphere	Public waters	Soil	Sewerage	Waste materials
ethyl acrylate	3	6	0	0	0	0
acrylic acid and its water-soluble salts	4	2	0	0	0	0
N-butyl acrylate	7	1,631	0	0	0	0
methyl acrylate	8	9	0	0	0	0
acetonitrile	13	0	0	0	0	15
antimony and its compounds	31	0	0	0	0	7
3-isocyanatomethyl-3,5,5-trimethylcyclohexyl isocyanate	34	0	0	0	0	0
ethylbenzene	53	24,042	0	0	0	56,740
ethylene glycol monoethyl ether	57	7	0	0	0	2
1,2-epoxypropane	68	0	0	0	0	3
p-octylphenol	74	0	0	0	0	19,896
ε-caprolactam	76	0	0	0	0	59
xylene	80	24,108	0	0	0	55,248
cobalt and its compounds	132	0	0	0	0	350
vinyl acetate	134	51	0	0	0	0
2-(diethylamino) ethanol	145	1	0	0	0	0
1,3-dioxolane	151	6	0	0	0	27
2,6-di-tert-butyl-4-cresol	207	0	0	0	0	268
N, N-dimethylformamide	232	0	0	0	0	20
organic tin compounds	239	0	0	0	0	16
styrene	240	95	0	0	0	0
Water-soluble copper salts (except for complex salts)	272	0	0	0	0	500
1,2,4-trimethylbenzene	296	8	0	0	0	1,278
1,3,5-trimethylbenzene	297	1	0	0	0	0
tolylene diisocyanate	298	0	0	0	0	75
toluene	300	4,708	0	0	200	28,082
hexamethylene diacrylate	306	0	0	0	0	10
nickel compounds	309	0	0	0	0	556
nitroglycerin	313	0	0	0	0	231
nonylphenol	320	0	0	0	0	1,579
phenol	349	1	0	0	0	0
diallyl phthalate	352	4	0	0	0	2
4-tertiary butylphenol	368	0	0	0	0	16,340
n-hexane	392	81	0	0	0	26
poly (oxyethylene) = alkyl ether (limited to alkyl-group carbon numbers 12 through 15 and composites containing these)	407	0	0	0	0	54
formaldehyde	411	44	0	0	0	0
phthalic anhydride	413	0	0	0	0	83.88
maleic anhydride	414	0	0	0	0	8924
methacrylic acid	415	18	0	0	0	0
n-butyl methacrylate	419	0	0	0	0	0
methyl methacrylate	420	131	0	0	0	40
methylenebis (4,1-phenylene) diisocyanate	448	0	0	0	0	577

Scope of calculation: Major factories and plants in Japan; For details about the organizations in the scope, see page 72.

## Social

### Human Resource Management

#### Number of employees

			FY2020	FY2021	FY2022
Number of employees (employees)	Toyo Ink SC Holdings	male	325	306	304
		female	95	96	99
		Total	420	402	403
	Toyo Ink	male	616	579	585
		female	75	73	75
		Total	691	652	660
	Toyochem	male	410	486	493
		female	59	73	73
		Total	469	559	566
	Toyocolor	male	438	445	426
		female	51	56	58
		Total	489	501	484
	Total in Japan	male	848	786	768
		female	184	177	183
		Total	1,032	963	951
	Overseas total	male	—	—	3,754
		female	—	—	1,112
		Total	5,056	4,810	4,866
Group total	male	—	—	6,330	
	female	—	—	1,600	
	Total	8,157	7,887	7,930	

Aggregation scope: Global (consolidated)

#### Employees by business area

			FY2020	FY2021	FY2022
Number of employees (employees)	Japan	male	2,637	2,602	2,576
		female	464	475	488
		Total	3,101	3,077	3,064
	China	male	—	—	1,220
		female	—	—	344
		Total	2,293	1,579	1,564
	Asia	male	—	—	1,790
		female	—	—	467
		Total	1,785	2,251	2,257
	Americas	male	—	—	303
		female	—	—	161
		Total	418	440	464
	Europe and Africa	male	—	—	441
		female	—	—	140
		Total	560	540	581

Aggregation scope: Global (consolidated)

#### Number of new hires / Average years of service / Rate of regular employees

			FY2020	FY2021	FY2022
Number of new hires (employees)	Number of new graduate hires	male	44	40	32
		female	20	19	17
		Total	64	59	49
	Number of mid-career hires	male	28	41	49
		female	6	7	10
		Total	34	48	59
	Total	male	72	81	81
		female	26	26	27
		Total	98	107	108
Average years of service (years)	male	19.1	19.2	19.3	
	female	14.5	14.6	14.9	
	Total	18.4	18.4	18.6	
Rate of regular employees (%)			83.6	82.1	81.3

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

#### Number of employees by age group, average age

		FY2020	FY2021	FY2022
Number of employees (employees)	Ages 18 to 29	386	395	380
	Ages 30 to 39	738	709	704
	Ages 40 to 49	866	837	796
	Ages 50 to 59	997	994	1,002
	Ages 60 to 64	245	275	309
	Ages 65 and above	6	13	17
Average age (years old)	male	45.0	45.3	45.6
	female	41.4	41.7	41.9
	Total	44.5	44.7	45.0

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

#### Annual turnover and reasons for leaving the Group

		FY2020	FY2021	FY2022
Annual turnover* (%)		2.35	2.01	2.84
Reasons for leaving the Group (employees)	Company circumstances	0	0	0
	Personal circumstances	54	45	58
	Mandatory retirement age	6	3	0
	Leave period expired	0	1	6
	Reemployment period expired	21	12	16
	Total	81	61	80

Aggregation scope: Japan (Employees who belong to Toyo Ink SC Holdings Co., Ltd.)

\* The annual turnover indicates the percentage of retirees who left the Group due to personal circumstances or who have expired the leave period per the number of all subject employees.

## Human resources development

### Training costs per employee / in-house recruitment

		FY2020	FY2021	FY2022
Training costs per employee*1	Investment amount (thousand JPY / employee)	20	30	30
In-house recruitment system / Career challenge system (employees)*2	Number of voluntary career development programs adopted	3	8	11
Number of cases eligible for in-house commendation (cases)		4	4	2
Number of applications for Business Idea Competition (cases)*3		—	122	63

\*1 Aggregation scope: Toyo Ink SC Holdings Co., Ltd., Toyo Ink Co., Ltd., Toyochem Co., Ltd., Toyocolor Co., Ltd., and Toyo Visual Solutions Co., Ltd.

\*2 Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

\*3 Scope of calculation: Global (consolidated) In the business idea contest, teams composed of multiple employees deliver presentations on their activities on subjects they have determined.

## Promoting Diversity and Inclusion

### Employee diversity

		FY2020	FY2021	FY2022
Rate of female managers (%)*1		3.9	4.5	4.5
Rate of hiring female graduates (%)*2		32.1	32.7	32.5
Number of foreign employees (employees)		21	27	28
Employment of people with disabilities	Number of employees (employees)	41	42	42
	Employment rate (%)	2.35	2.56	2.60
	Average years of service (years)	16.1	15.8	15.6

Aggregation scope: Japan (Employees who belong to Toyo Ink SC Holdings Co., Ltd.)

\*1 As of the following January of each fiscal year

\*2 Rate of hiring female graduates joining the company each year in April.

### Wage Gap between Male and Female

	FY2022
Regular employees (%)	76.0
Non-regular employees (%)	65.1
All employees (%)	75.5

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

\* The wage gap between men and women is calculated by dividing the annual average wage for women by the annual average wage for men.

### Trainings

		FY2020	FY2021	FY2022
Human rights/ harassment training (employees)	Training for new employees	51	59	49
	Overseas assignment training	16	24	20
	Training for managers	672	86	97
	Compliance training	Meetings in each site: 3,474 Improvement Month: 3,785	Meetings in each site: 3,456 Improvement Month: 3,740	Meetings in each site: 3,663 Improvement Month: 3,896
Number of participants in diversity training (employees)*1		—	—	Total 146
Number of ally supporters (employees)*1		—	—	94

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

\*1 Implemented from FY2022

## Promoting a Healthy Work-Life Balance

			FY2020	FY2021	FY2022
Childcare leave	Ratio of employees taking childcare leave, etc. (%)	Male	25.8	25.8	92.7
		female	100	100	100
	Ratio of employees returning to work after childcare leave (%)	Male	100	100	100
		female	100	100	100
		Total	100	100	100
	Number of employees working shorter hours for childcare (employees)		39	41	36
Working hours	Total working hours (hr)		1,728	1,753	1,723
	Average overtime hours (hr/month)		6.2	7.6	7.2
	Ratio of paid leave taken (%)		57.2	57.6	64.0
	Average number of days of annual paid leave taken (days)		11.0	11.1	12.3
	Average number of days of total paid leave taken* <sup>1</sup>		14.2	15.2	16.7
	Ratio of half-day leave taken (%)		68.0	69.0	73.7
	Rate of use of the selectable welfare program (%)		69.3	71.5	85.8

Aggregation scope: Japan (Employees who belong to Toyo Ink SC Holdings Co., Ltd.)

\*<sup>1</sup> Total paid leave = annual paid leave + nursing care leave + special leave + accumulated leave

## Health and Productivity Management

	FY2020	FY2021	FY2022
Rate of receiving health examinations (%)	100	100	100
Health examinations for dependents (%)*	77.3	81.2	81.9
Rate of conducting stress checks (%)	91.7	92.5	90.9
Influenza vaccinations (%)	78	60	64
Number of COVID-19 vaccinations in workplaces	—	5,600	1,922

Aggregation scope: Japan (Employees who belong to Toyo Ink SC Holdings Co., Ltd.)

\* As of the end of December of each year

## Occupational Safety and Health, Process Safety and Disaster Prevention

### Lost-workday injuries / fatal accidents

			FY2020	FY2021	FY2022
Lost-workday injuries	Number of occurrences (cases)*1	Our Group	2	4	2
		Partner companies	2	2	1
Fatal accidents	Number of occurrences (cases)*1	Our Group	0	0	0
		Partner companies	0	0	0
Lost-workday injuries	Frequency rate*2	Our Group	0.289	0.569	0.286
	Severity rate*3	Our Group	0.006	0.001	0.002
Work-related diseases and poor physical condition	Number of disease outbreaks (cases)	Our Group and partner companies	0	0	0
	Number of deaths (employees)	Our Group and partner companies	0	0	0

Scope of calculation: Japan Our Group: employees working at all of the business establishments of the Group based in Japan (including contract employees, part-time employees and dispatched employees)

Partner companies: employees of those companies engaged in commissioned services in all business sites of the Group in Japan (including those without capital relationships) which provide data for the Group's companies and implement safety management as the Group's companies do

Calculation period: From January to December each year

\*1 Number of injuries/accidents: Cases where workers suffer diseases, injuries or death arising from their work activities while on duty (wherein diseases or injuries refer to lost-workday for one day or more or non-lost-workday injuries that cause a loss of part of the body or functions, excluding tardive work-related diseases(\*), food poisoning and infectious diseases). Injuries, illnesses or death arising from commuting accidents are excluded.

\* Slow-onset: Illnesses that develop slowly, not acutely due to an accident or disaster

They include pneumoconiosis, lead poisoning, and vibration disorder. (Excerpted from the *Manual for Entering FY2020 Survey Sheet for Survey on Industrial Accidents* by the Ministry of Health, Labour and Welfare)

\*2 Lost-workday injury frequency rate: Number of workers suffering or death per million actual working hours in cumulative total, which indicates the frequency of occurrence of lost-workday injuries

\*3 Lost-workday injury severity rate: Number of lost-workdays per thousand actual working hours in cumulative total, which indicates severity of lost-workday injuries

### Number of violations of labor standards-related laws and regulation

	FY2020	FY2021	FY2022
Number of violations of labor standards-related laws and regulations	0	0	0

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

## Social Contribution Activities

### Major activities in FY2022

Education for the next generation	<ul style="list-style-type: none"> <li>• Donation of educational materials (colors and other painting tools) to local elementary schools (Toyocolor Co., Ltd.)</li> <li>• Sponsorship for the Scrum Japan Program, an initiative for spreading and cultivating rugby (Toyo Ink SC Holdings Co., Ltd.)</li> <li>• Donation of an approximate total of 6 million yen in FY2022 according to the CSR program launched in FY2021 for donating to research institutions and offering computers and other learning equipment, bookshelves, chairs and other supplies for use by schoolchildren to local schools (Toyo Ink India Pvt. Ltd.)</li> </ul>
Environmental conservation	<ul style="list-style-type: none"> <li>• Continued to participate in environmental beautification activities on July 1 (<i>Lake Biwa Day</i>) (Moriyama Factory of Toyo Visual Solutions Co., Ltd.)</li> <li>• Continued to participate in environmental beautification activities, Nakanoshima West Cleanup Activities (Kansai Branch Office, Toyo Ink Co., Ltd.)</li> <li>• Participation in activities of collecting and recycling used clear folders (Kyobashi Head Office and Toyo Ink Co., Ltd.'s Saitama Factory)</li> <li>• Tree-planting activities on the premises on World Environment Day (June 5) (Toyo Ink India Pvt. Ltd.)</li> <li>• Participation in a tree planting event in a mangrove forest conservation zone in conjunction with the International Day for the Conservation of the Mangrove Ecosystem (July 26) (Toyo Ink (Philippines) Co., Inc.)</li> <li>• Participation in a tree planting event organized by the municipal government and local authorities (where 1,000 young trees of a local species were planted) (Toyo Ink (Philippines) Co., Inc.)</li> </ul>
Contribution to local communities	<ul style="list-style-type: none"> <li>• Sales of crops at direct sales places and promotions in collaboration with local tourism associations and communities in agribusiness (Toyo B-Net Co., Ltd.)</li> <li>• Donation of disinfecting alcohol and other items to neighboring kindergartens (Toyo Ink SC Holdings Co., Ltd.)</li> <li>• Donated used stamps and Bell-marks to the local Council of Social Welfare (General Affairs Department, Toyo Ink SC Holdings Co., Ltd.)</li> <li>• Cooperation in employees' blood donation activities on plant premises (Toyo Ink (Philippines) Co., Inc. and Toyo Ink India Pvt. Ltd.)</li> </ul>
Others (supporting / donations, etc.)	<ul style="list-style-type: none"> <li>• Continued donation to the <i>Chuo-ku-no-Mori</i> forest conservation project run by the Chuo City Government in Tokyo as a measure against global warming</li> <li>• Continued donation to the Red Feather Community Chest</li> <li>• Donation of research grants to universities and organizations for the purpose of supporting research</li> </ul>

### Number of employees taking volunteer leave (unit: employees)

	FY2021	FY2022
Number of employees taking volunteer leave*	4	3

\* The system implemented from July 2021

## Governance

### Corporate Governance

#### Members of major meeting bodies related to corporate governance

			FY2020	FY2021	FY2022	FY2023
Composition of the Board of Directors	Gender	Male (persons)	10	8	9	8
		Female (persons)	1	2	2	3
		Percentage of female directors	9.1	20.0	18.2	27.3
	Total (persons)		11	10	11	11
	By age group (%)	Under 30	0	0	0	0
		Age 30 to 49	0	0	0	0
		Over 50	100	100	100	100
Independent Outside Director (persons)		3	4	5	5	
Composition of the Group Management Committee	Gender (persons)	Male	11	9	11	11
		Female	0	0	0	0
	Total (persons)		11	9	11	11
Composition of Operating Officers	Gender (persons)	Male	25	23	24	23
		Female	1	0	0	0
	Total (persons)		26	23	24	23

\* Members after the annual general meeting of shareholders; except for FY2023, for which the figure is as of March 23, 2023

#### Total amounts of remuneration, etc. by directors and Audit and Supervisory Board members (FY2022)

Position	Total amount of remuneration, etc. (million JPY)	Total amount of remuneration, etc. by type (million JPY)			Number of eligible persons (persons)
		Fixed compensation (Basic compensation)	Variable compensation (Performance-linked compensation)	Transfer-restricted stock-based compensation	
Directors (Excluding Directors who are members of the Audit & Supervisory Committee) (outside directors)	293 (34)	196 (34)	85 (-)	11 (-)	11 (6)
Directors (Audit and Supervisory Committee member) (outside directors)	40 (22)	40 (22)	-	-	4 (3)
Audit and Supervisory Committee members (outside directors)	20 (8)	20 (8)	-	-	5 (3)
Total (outside officers)	353 (64)	256 (64)	85 (-)	11 (-)	Total 20 (Total 12)

\* The number of people and the amounts of compensation above include the two directors and the five Audit and Supervisory Board members who resigned at the closing of the Annual General Meeting of Shareholders held on March 23, 2022.

### Risk Management

	FY2020	FY2021	FY2022
Serious incidents related to information security (cases)	0	0	0

### Compliance

	FY2020	FY2021	FY2022
Serious compliance violations (cases)	0	0	0
Violations related to corruption (cases)	0	0	0

# GRI Content Index

[Statement of use]	The Toyo Ink Group has reported the information cited in this GRI content index for the period [January 1, 2022 to December 31, 2022] with reference to the GRI Standards.
[GRI1 used]	GRI1: Foundation 2021

## GRI2: General Disclosures 2021

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
		Page	Item	Item
<b>The organization and its reporting practices</b>				
2-1	Organizational details	93	Overview of the Toyo Ink Group	
2-2	Entities included in the organization's sustainability reporting	72 93	Scope of collection of environmental data Overview of the Toyo Ink Group	Annual Securities Report Integrated Report 2023
2-3	Reporting period, frequency and contact point	2	About the Sustainability Data Book 2023	
2-4	Restatements of information	72-86	ESG Data Collection	
2-5	External assurance		—	
<b>Activities and workers</b>				
2-6	Activities, value chain and other business relationships	11 56-58 93	Toyo Ink Group's relationships with SDGs in its value chain Supply Chain Management Overview of the Toyo Ink Group	Annual Securities Report
2-7	Employees	82	ESG Data Collection	
2-8	Workers who are not employees		—	
<b>Governance</b>				
2-9	Governance structure and composition	60-61	Corporate Governance	Corporate Governance Report Annual Securities Report
2-10	Nomination and selection of the highest governance body		—	Corporate Governance Report Integrated Report 2023
2-11	Chair of the highest governance body		—	Corporate Governance Report Integrated Report 2023
2-12	Role of the highest governance body in overseeing the management of impacts	7-8 60-61	Sustainability Management Corporate Governance	Integrated Report 2023
2-13	Delegation of responsibility for managing impacts	7-8 60-61	Sustainability Management Corporate Governance	Integrated Report 2023
2-14	Role of the highest governance body in sustainability reporting	7-8 60-61	Sustainability Management Corporate Governance	Integrated Report 2023
2-15	Conflicts of interest		—	Corporate Governance Report Annual Securities Report
2-16	Communication of critical concerns	62-66 67-70	Risk Management Compliance	
2-17	Collective knowledge of highest governance body		—	Integrated Report 2023
2-18	Evaluation of the performance of the highest governance body		—	Corporate Governance Report Integrated Report 2023
2-19	Remuneration policies		—	Corporate Governance Report Integrated Report 2023
2-20	Process to determine remuneration		—	Corporate Governance Report Integrated Report 2023
2-21	Annual total compensation ratio		—	



GRI Standards		References		
		Sustainability Data Book 2023		Other materials
		Page	Item	Item
<b>Strategy, policies and practices</b>				
2-22	Statement on sustainable development strategy	4	Top Message	Integrated Report 2023
2-23	Policy commitments	1 15 29 33 37, 40 45 52 56-57 59 62 64 67 68	CSR Charter and Action Guidelines Environmental and Safety Basic Principles Basic Policy on Biodiversity Basic Policy on Quality Assurance Human Resources Policy Basic Policy on Health and Productivity Management, Health and Productivity Management Declaration Policy on Human Rights Procurement Principles Basic Philosophy of Social Contribution Activities Action Policies on Risk Management Policies on Information Security Activities Code of Business Ethics Policies on Compliance Activities	Integrated Report 2023 CSR Related Policies <a href="https://sched.toyoinkgroup.com/ja/csr/policies/index.html">https://sched.toyoinkgroup.com/ja/csr/policies/index.html</a>
2-24	Embedding policy commitments	7-71	Sustainability Data Book 2023	
2-25	Processes to remediate negative impacts	51-55 58 69-70	Respect for Human Rights Promotion of CSR procurement Compliance	
2-26	Mechanisms for seeking advice and raising concerns	55 68	Office providing consultations on human rights violations Whistleblowing system	
2-27	Compliance with laws and regulations	69-70 86	Compliance ESG Data Collection	
2-28	Membership associations	20 24 32	Support for the TCFD and Participation in the Japan Climate Initiative Initiatives to create a circular society Participation in biodiversity organizations Japan Chemical Industry Association, Japan Printing Ink Makers Association, Japan Dyestuff and Industrial Chemicals Association, Japan Packaging Institute, KEIDANREN (Japan Business Federation)	
<b>Stakeholder engagement</b>				
2-29	Approach to stakeholder engagement	13	Relationship with Stakeholders	Integrated Report 2023
2-30	Collective bargaining agreements		—	

### GRI3: Material Topics 2021

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
		Page	Item	Item
<b>Disclosures on material topics</b>				
3-1	Process to determine material topics	8	Material Issues	
3-2	List of material topics	9-10	Material issues and progress of our activities	
3-3	Management of material topics	7-8 9-10	Sustainability Management Material issues and progress of our activities	

## Topic-specific Standards

### Economic

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
		Page	Item	Item
<b>GRI201: Economic Performance 2016</b>				
201-1	Direct economic value generated and distributed	94	Major Business Indicators	Annual Securities Report Integrated Report 2023
201-2	Financial implications and other risks and opportunities due to climate change		—	Integrated Report 2022 Integrated Report 2023
201-3	Defined benefit plan obligations and other retirement plans		—	Annual Securities Report
201-4	Financial assistance received from government		—	
<b>GRI202: 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>GRI203: Indirect Economic Impacts 2016</b>				
203-1	Infrastructure investments and services supported	59 85	Social Contribution Activities ESG Data Collection	
203-2	Significant indirect economic impacts		—	
<b>GRI204: Procurement Practices 2016</b>				
204-1	Proportion of spending on local suppliers		—	
<b>GRI205: Anti-corruption 2016</b>				
205-1	Operations assessed for risks related to corruption	69-70	Prevention of corruption and bribery	
205-2	Communication and training about anti-corruption policies and procedures	69-70	Prevention of corruption and bribery	
205-3	Confirmed incidents of corruption and actions taken	70	Violations	
<b>GRI206: Anti-competitive Behavior 2016</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	70	Fair trade	
<b>GRI207: Tax 2019</b>				
207-1	Approach to tax	71	Tax Affairs	
207-2	Tax governance, control, and risk management	62-66 71	Risk Management Tax Affairs	
207-3	Stakeholder engagement and management of concerns related to tax	71	Tax Affairs	
207-4	Country-by-country reporting		—	

### Environmental

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
		Page	Item	Item
<b>GRI301: Materials 2016</b>				
301-1	Materials used by weight or volume	73	ESG Data Collection	
301-2	Recycled input materials used		—	
301-3	Reclaimed products and their packaging materials		—	
<b>GRI302: Energy 2016</b>				
302-1	Energy consumption within the organization	19 75	Achievements in FY2022 ESG Data Collection	
302-2	Energy consumption outside of the organization	20 76-77	CO <sub>2</sub> emissions across the supply chain ESG Data Collection	

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
		Page	Item	Item
302-3	Energy intensity	19 75	Achievements in FY2022 ESG Data Collection	
302-4	Reduction of energy consumption	19-20	Initiatives	
302-5	Reductions in energy requirements of products and services	17	Environmentally Friendly Products / Utilization of Life Cycle Assessment	Biomass Package Solutions <a href="https://www.toyoink.jp/ja/solution/biomass/">https://www.toyoink.jp/ja/solution/biomass/</a>
<b>GRI 303: Water and Effluents 2018</b>				
303-1	Interactions with water as a shared resource	21-22	Water Resource Management	
303-2	Management of water discharge-related impacts	21-22	Water Resource Management	
303-3	Water withdrawal	21-22 78	Water Resource Management ESG Data Collection	
303-4	Water discharge	21-22 78	Water Resource Management ESG Data Collection	
303-5	Water consumption	21-22 78	Water Resource Management ESG Data Collection	
<b>GRI304: 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	29-32	Biodiversity	
304-2	Significant impacts of activities, products, and services on biodiversity	29-32	Biodiversity	
304-3	Habitats protected or restored	29-32	Biodiversity	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	29-32	Biodiversity	
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	20 76	CO <sub>2</sub> emissions across the supply chain ESG Data Collection	
305-2	Energy indirect (Scope 2) GHG emissions	20 76	CO <sub>2</sub> emissions across the supply chain ESG Data Collection	
305-3	Other indirect (Scope 3) GHG emissions	20 76	CO <sub>2</sub> emissions across the supply chain ESG Data Collection	
305-4	GHG emissions intensity	19 75	Achievements in FY2022 ESG Data Collection	
305-5	Reduction of GHG emissions	18-20	Response to Climate Change	
305-6	Emissions of ozone-depleting substances (ODS)	26	Compliance with the Law for Controlling Fluorocarbon Emissions	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	25 80	Pollution Prevention ESG Data Collection	
<b>GRI306: Waste 2020</b>				
306-1	Waste generation and significant waste-related impacts	23-24	Waste Management	
306-2	Management of significant waste-related impacts	23-24	Waste Management	
306-3	Waste generated	23-24 79	Waste Management ESG Data Collection	
306-4	Waste diverted from disposal	23-24 79	Waste Management ESG Data Collection	
306-5	Waste directed to disposal	23-24 79	Waste Management ESG Data Collection	
<b>GRI308: Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	56-58	Supply Chain Management	
308-2	Negative environmental impacts in the supply chain and actions taken	56-58	Supply Chain Management	

## Social

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
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<b>GRI401: Employment 2016</b>				
401-1	New employee hires and employee turnover	82	ESG Data Collection	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	43-44	Promoting a Healthy Work-Life Balance	Recruitment information <a href="https://sched.toyoinkgroup.com/ja/recruit/">https://sched.toyoinkgroup.com/ja/recruit/</a>
401-3	Parental leave	43	Childcare support	Childcare support <a href="https://sched.toyoinkgroup.com/ja/csr/matissues/childcaresupport.html">https://sched.toyoinkgroup.com/ja/csr/matissues/childcaresupport.html</a>
<b>GRI402: Labor / Management Relations 2016</b>				
402-1	Minimum notice periods regarding operational changes			—
<b>GRI403: Occupational Health and Safety 2018</b>				
403-1	Occupational health and safety management system	48-50	Occupational Safety and Health, Process Safety and Disaster Prevention	
403-2	Hazard identification, risk assessment, and incident investigation	49-50	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	45-47 49-50	Health and Productivity Management Hazard identification, risk assessment, and incident investigation	
403-4	Worker participation, consultation, and communication on occupational health and safety	48-50	Occupational Safety and Health, Process Safety and Disaster Prevention	
403-5	Worker training on occupational health and safety	50	Training for occupational safety and health	
403-6	Promotion of worker health	45-47	Health and Productivity Management	Health and Productivity Management <a href="https://sched.toyoinkgroup.com/ja/csr/matissues/healthmanagement.html">https://sched.toyoinkgroup.com/ja/csr/matissues/healthmanagement.html</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Sustainable Supply Chain Guidelines <a href="https://sched.toyoinkgroup.com/ja/csr/doc/ss_guidelines.pdf">https://sched.toyoinkgroup.com/ja/csr/doc/ss_guidelines.pdf</a>
403-8	Workers covered by an occupational health and safety management system			—
403-9	Work-related injuries	49 85	Changes in the frequency rate and the severity rate for lost-workday injuries ESG Data Collection	
403-10	Work-related ill health	49 85	Changes in the frequency rate and the severity rate for lost-workday injuries ESG Data Collection	
<b>GRI404: Training and Education 2016</b>				
404-1	Average hours of training per year per employee			—
404-2	Programs for upgrading employee skills and transition assistance programs	38-39	Human resources development	
404-3	Percentage of employees receiving regular performance and career development reviews	38-39	Human resources development	
<b>GRI405: Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	82-83 86	ESG Data Collection	Corporate Governance Report
405-2	Ratio of basic salary and remuneration of women to men			—
<b>GRI406: Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	54-55	Respect for Human Rights	
<b>GRI407: 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	55	Respect for workers' rights	

GRI Standards		References		
		Sustainability Data Book 2023		Other materials
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<b>GRI408: Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	55	Child labor, forced labor	
<b>GRI409: Forced or Compulsory Labor 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	55	Child labor, forced labor	
<b>GRI410: Security Practices 2016</b>				
410-1	Security personnel trained in human rights policies or procedures		—	
<b>GRI411: Rights of Indigenous Peoples 2016</b>				
411-1	Incidents of violations involving rights of indigenous peoples		Not applicable	
<b>GRI413: Local Communities 2016</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	59 85	Social Contribution Activities ESG Data Collection	
413-2	Operations with significant actual and potential negative impacts on local communities		—	
<b>GRI414: Supplier Social Assessment 2016</b>				
414-1	New suppliers that were screened using social criteria	56-58	Supply Chain Management	
414-2	Negative social impacts in the supply chain and actions taken		—	
<b>GRI415: Public Policy 2016</b>				
415-1	Political contributions		Not applicable	
<b>GRI416: Customer Health and Safety 2016</b>				
416-1	Assessment of the health and safety impacts of product and service categories	33-34	Ensuring Quality and Safety	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not applicable	
<b>GRI417: Marketing and Labeling 2016</b>				
417-1	Requirements for product and service information and labeling	33-34	Ensuring Quality and Safety	
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>GRI418: Customer Privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64-65	Information Security	

Legend of "References (Title)" —: No data, Not applicable: There are no applicable disclosures.

## Toyo Ink SC Holding Co., Ltd.

<b>Head Office</b>	: 2-1, Kyobashi 2-chome, Chuo-ku, Tokyo 104-8377 JAPAN	<b>Capital</b>	: 31,733,496,860 JPY
<b>Founded</b>	: January 1896	<b>Number of Affiliates</b>	: 20 in Japan, 48 overseas (61 consolidated subsidiaries and 7 equity-method affiliates)
<b>Established</b>	: January 15, 1907	<b>Number of Employees</b>	: 402 employees (Non-consolidated) 7,887 employees (Consolidated)
<b>Representative</b>	: Katsumi Kitagawa, Chairman and Representative Director Satoru Takashima, President and Representative Director, Group CEO	<b>Website</b>	: <a href="https://sched.toyoinkgroup.com/en/">https://sched.toyoinkgroup.com/en/</a>

## Company List of Toyo Ink Group

### Holding Company

Toyo Ink SC Holdings Co., Ltd.

### Consolidated Subsidiaries

#### Japan

Toyocolor Co., Ltd.  
 Toyochem Co., Ltd.  
 Toyo Ink Co., Ltd.  
 Toyo Ink Hokkaido Co., Ltd.\*<sup>1</sup>  
 Toyo Ink Tohoku Co., Ltd.\*<sup>1</sup>  
 Toyo Ink Chushikoku Co., Ltd.\*<sup>1</sup>  
 Toyo Ink Kyushu Co., Ltd.\*<sup>1</sup>  
 Toyo Ink Engineering Co., Ltd.  
 Toyo Ink Graphics Co., Ltd.\*<sup>1</sup>  
 Toyo Ink Graphics Nishinohon Co., Ltd.\*<sup>1</sup>  
 Toyo SC Trading Co., Ltd.\*<sup>4</sup>  
 Toyo FPP Co., Ltd.  
 Toyo B-Net Co., Ltd.  
 Toyo Visual Solutions Co., Ltd.  
 Toyo Management Service Co., Ltd.  
 Toyo-Morton, Ltd.  
 Matsui Chemical Co., Ltd.

#### Asia

TIPPS Pte. Ltd.  
 Toyochem Specialty Chemical Sdn. Bhd.  
 Toyo Ink (Thailand) Co., Ltd.\*<sup>3</sup>  
 Toyo Ink (Philippines) Co., Inc.  
 TIP LH Corp.  
 Toyo Ink Compounds Corp.  
 PT. Toyo Ink Indonesia  
 PT. Toyo Ink Trading Indonesia  
 Toyo Ink Middle East Fze.  
 Toyo Ink Vietnam Co., Ltd.  
 Toyo Ink Compounds Vietnam Co., Ltd.  
 Toyo Ink India Pvt. Ltd.  
 Toyo Ink Arets India Pvt. Ltd.  
 Toyo Ink Myanmar Co., Ltd.  
 Tianjin Toyo Ink Co., Ltd.  
 Shanghai Toyo Ink Mfg. Co., Ltd.  
 Toyo Ink Asia Ltd.  
 Shenzhen Toyo Ink Co., Ltd.  
 Jiangmen Toyo Ink Co., Ltd.  
 Zhuhai Toyocolor Co., Ltd.  
 Jiangsu Toyo Shenlanhua Pigment Co., Ltd.  
 Chengdu Toyo Ink Co., Ltd.

Sichuan Toyo Ink Mfg. Co., Ltd.  
 Toyo Ink Far East Ltd.  
 Dong Da Li Chemical Co., Ltd.  
 Toyo Advanced Science Taiwan Co., Ltd.  
 Toyo Ink Korea Co., Ltd.  
 Hanil TOYO Co., Ltd.  
 Sam Young Ink & Paint Mfg. Co., Ltd.

#### The Americas\*<sup>2</sup>

Toyo Ink International Corp.  
 Toyo Ink America, LLC  
 LioChem Inc.  
 Toyo Ink Brasil Ltda.  
 Toyo Ink Mexico S.A. de C.V.

#### Europe and Africa

Toyo Ink Europe International N.V.  
 Toyo Ink Europe N.V.  
 Toyo Ink Europe UK Ltd.  
 Toyo Ink Europe Deutschland GmbH  
 Toyo Ink Europe Specialty Chemicals S.A.S  
 Toyo Ink Europe France S.A.S  
 UAB "Toyo Ink Europe Baltica"  
 Toyo Ink Hungary Kft.  
 Toyo Matbaa Mürekkepleri Sanayi ve Ticaret A.Ş.  
 Toyo Ink North Africa S.A.R.L. AU

### Equity-Method Affiliates

#### Japan

Nippon Polymer Industries Co., Ltd.  
 MAVERIQ Partners Inc.  
 Logi Co-Net Corp.

#### Asia

Sumika Polymer Compounds (Thailand) Co., Ltd.  
 Heubach Toyo Colour Pvt. Ltd.  
 Zhuhai Sumika Polymer Compounds Co., Ltd.

#### Europe and Africa

Sumika Polymer Compounds Europe Ltd.\*<sup>5</sup>

\*<sup>1</sup> On January 1, 2023, six companies—Toyo Ink Hokkaido Co., Ltd., Toyo Ink Tohoku Co., Ltd., Toyo Ink Chushikoku Co., Ltd., Toyo Ink Kyushu Co., Ltd., Toyo Ink Graphics Co., Ltd., and Toyo Ink Graphics Nishinohon Co., Ltd.—were absorbed into Toyo Ink Co., Ltd.

\*<sup>2</sup> On January 6, 2023, LioChem e-Materials LLC was established in the United States.

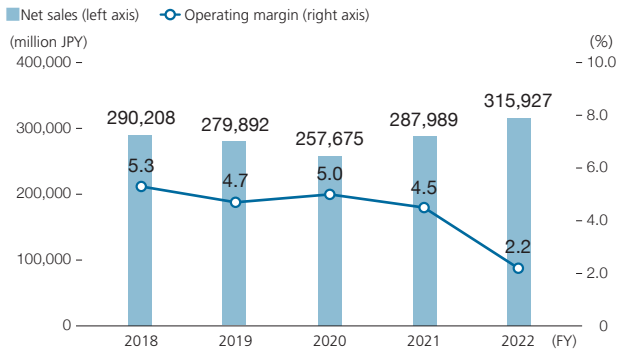
\*<sup>3</sup> As of March 10, 2023, Toyo Ink (Thailand) Co., Ltd. has acquired Thai Eurocoat Ltd. and made it a subsidiary.

\*<sup>4</sup> On July 1, 2023, Toyo SC Trading Co., Ltd. will be absorbed into Toyo Be-Net Co., Ltd.

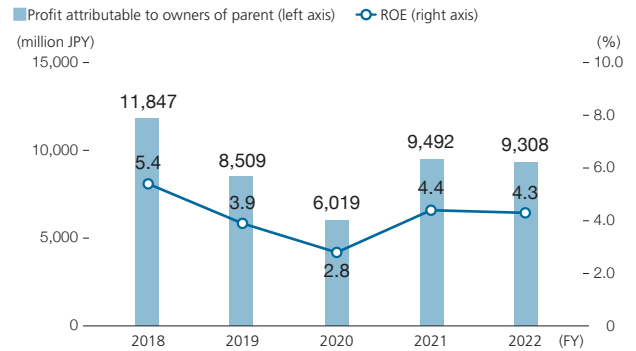
\*<sup>5</sup> All its shares were sold on March 31, 2023.

## Major Business Indicators

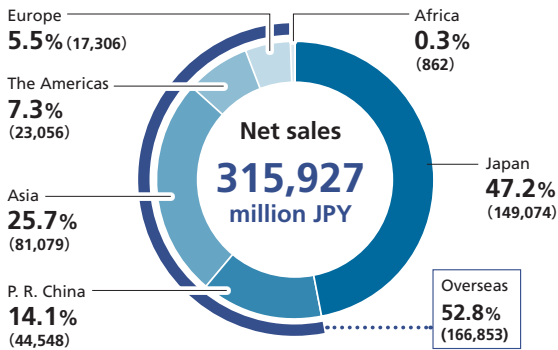
### Changes in net sales and operating margin



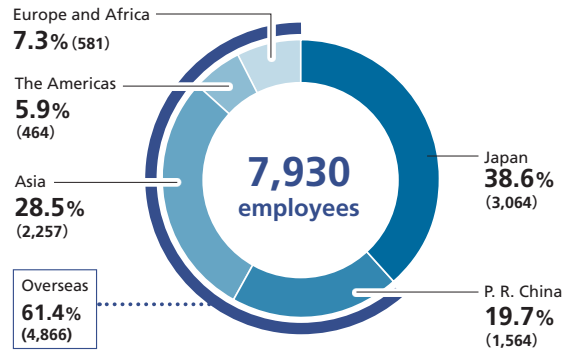
### Changes in profit and ROE



### Net sales by business area (million JPY)



### Employees by business area (employees)



## Business Segements

The business activities of the Toyo Ink Group are divided into four segments, the Colorants and Functional Materials Business, the Polymers and Coatings Business, the Packaging Materials Business, and the Printing and Information Business. Group companies work globally within these businesses with the three core operating companies, Toyocolor Co., Ltd., Toyochem Co., Ltd., and Toyo Ink Co., Ltd. playing central roles.

### Colorants and Functional Materials Business

#### <Major products>

Pigments, pigment dispersions, high functional pigments, pastes for color filter, color resist, color masterbatches, functional masterbatches, functional compounds, paints for data recording materials, carbon dispersions, inkjet inks, etc.

### Polymers and Coatings Business

#### <Major products>

Pressure sensitive adhesives, laminating adhesives, hot-melt adhesives, adhesive tapes, functional film materials for electronics, marking films, can coatings, resins, hard coating materials, medical products, natural extracts, etc.

### Packaging Materials Business

#### <Major products>

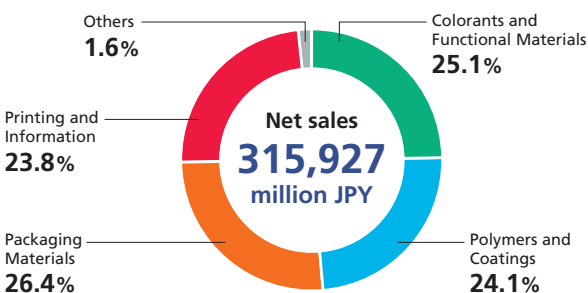
Gravure inks, flexographic inks, gravure printing systems, gravure and flexographic plate making, etc.

### Printing and Information Business

#### <Major products>

Offset inks, newspaper inks, metal decorative inks, UV curing inks, offset printing materials, printing inspection equipment, screen inks, etc.

### Net sales by business segment



### Operating profit by business segment

