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Editorial Policy

The ENEOS Materials Group works to help achieve a sustainable society by providing products that respond to the needs of society. To share information about these activities, we have been publishing the Sustainability Report since 2024. In this report, we provide our Group's stakeholders with information on our approach to sustainability, along with our main initiatives and achievements in fiscal 2024.

Reporting period

April 2024–March 2025
 *Some activities before and after the reporting period are included.

Publication date

March 2026 (next publication scheduled for early 2027)

Referenced guidelines

GRI Sustainability Reporting Standards

Independent assurance of data

Data that has received independent assurance is marked with

Inquiries

ENEOS Materials Corporation
 Corporate Planning Division
 Public Relations and Sustainability Department
 ESG and Public Relations Group
https://ssl.eneos.co.jp/eneos-materials_en/inquiry/input

Reporting Organizations

This report covers ENEOS Materials Corporation and its domestic and overseas group companies, with reporting scope categorized according to the criteria below. When the scope differs, this fact is noted individually.

Designation	Coverage ^{*1}
ENEOS Materials, Our Company	ENEOS Materials Corporation (includes the head office, offices, and plants)
ENEOS Materials Group, Our Group	ENEOS Materials Corporation and 26 domestic and overseas group companies ^{*2} (includes head offices, offices, and plants)
Our Group's Domestic Companies	ENEOS Materials Corporation and 7 domestic group companies ^{*2} (includes head offices, offices, and plants)
Principal Domestic Operating Companies	ENEOS Materials Corporation, EMIX, EMTR, TMC (includes head offices, offices, and plants)
Our Group's Production Sites	ENEOS Materials Corporation, BEE, EMSR, EMIX, 4 overseas EMIX group companies, TMC, NSR, ANCI, NCTI (plants only)
Our Group's Domestic Production Sites	ENEOS Materials Corporation, EMIX, TMC, NSR (plants only)
Principal Synthetic Rubber Production Sites	ENEOS Materials Corporation, BEE, EMSR (plants only)
ENEOS Materials' 3 plants, Our Company's 3 plants	Yokkaichi Plant, Chiba Plant, Kashima Plant

^{*1} For the official names of the companies listed under Coverage, please see [Company Profile on P. 03](#)

^{*2} Figures represent the number of ENEOS Materials Corporation and its consolidated subsidiaries as of the end of fiscal 2024.

Corporate Data (as of March 31, 2025)

Company Name	ENEOS Materials Corporation
Head Office	1-5-2 Higashi-Shinbashi, Minato-ku, Tokyo 105-7109, Japan
Representative	President and Representative Director: Shiga Satoru <small>*Assumed office on April 1, 2025</small>
Established	May 12, 2021 (Japan Synthetic Rubber Spin-off Preparation Co., Ltd. founded) April 1, 2022 (Changed company name to ENEOS Materials Corporation)
Capital	1 billion yen
Number of Employees <small>(our Group)</small>	3,178 (ENEOS Materials: 1,379)
Net Sales <small>(our Group)</small>	347 billion yen (ENEOS Materials: 179.2 billion yen) (fiscal 2024)
Business	Manufacturing and marketing of synthetic rubber, other chemical products, and raw materials
URL	https://www.eneos-materials.com/english/

ENEOS Materials Group

As of September 30, 2025, the ENEOS Materials Group consists of 38 companies (including affiliates), of which 26 consist of ENEOS Materials Corporation and its consolidated subsidiaries.

This sustainability report covers ENEOS Materials Corporation and the following 26 consolidated subsidiaries as of March 31, 2025.

1	ENEOS Materials Corporation	14	ENEOS Materials America, Inc.
2	ENEOS Techno Materials Corporation [TMC]	15	ELASTOMIX CO., LTD. [EMIX]
3	ENEOS LC COMPANY, LIMITED [LC]	16	ELASTOMIX (THAILAND) CO., LTD.
4	ANCI Inc. [ANCI]	17	ELASTOMIX (FOSHAN) CO., LTD
5	ANCI SAS	18	PT.ELASTOMIX INDONESIA
6	Nippon Chemical Texas Inc. [NCTI]	19	ELASTOMIX MEXICO S.A. de C.V.
7	Nippon Synthetic Resin Co., Ltd. [NSR]	20	ENEOS Materials Trading Co., Ltd. [EMTR]
8	BST ENEOS Elastomer Co., Ltd. [BEE]	21	Goko Trading Co., Ltd.
9	ENEOS Materials Synthetic Rubber Hungary Ltd. [EMSR]	22	ENEOS Materials Trading (Shanghai) Co., Ltd.
10	ENEOS Materials Korea Co., Ltd.	23	ENEOS Materials Trading Bangkok Co., Ltd.
11	ENEOS Materials Europe GmbH	24	ENEOS Materials Trading Mexico S.A. de C.V.
12	ENEOS Materials Europe Belgium B.V.	25	ENEOS Materials Trading Vietnam Co., Ltd.
13	ENEOS Materials India Private Limited	26	ENEOS Materials Trading America, Inc.

*Abbreviations are shown in [].

*This report may partially refer to information on the following 3 equity-method affiliates in relation to sustainability activities and data: Japan Butyl Co., Ltd. [JBC], Kraton ENEOS Elastomers K.K. [EKE], SAN-PETROCHEMICALS CO., LTD. [SPCC]

Message from the President and Representative Director

Building on Stakeholder Dialogue to Meet Expectations and Drive Continuous Evolution

Using insights from dialogue and field visits to deliver materials that benefit society

I became president and representative director in April 2025, our Company's 4th year of operation. Our roots go back to Japan Synthetic Rubber Co., Ltd. (hereafter Japan Synthetic Rubber), founded in 1957. Our company was created by taking over the elastomer business of what later became JSR Corporation. In 2024, we integrated the functional materials business of ENEOS Corporation (ENEOS), launching a fresh start as the ENEOS Group company responsible for materials operations. Counting back to the Japan Synthetic Rubber era, we have more than 60 years of history and world-class technological capabilities that have supported industrial development at home and abroad, particularly in the automotive sector. I spent my career at ENEOS in fuel oil manufacturing, so the materials business is new territory for me. In the fuel oil business, end users visit gas stations to buy products themselves. In the materials business, manufacturers are our customers. The materials business also sees faster shifts in customer needs than fuel oil does and demands constant product development. We need to listen carefully to what our customers tell us, but we also need to keep the end users in mind and keep delivering high-quality, competitive products.

I worked at plants for many years, so I have a keen



President and
Representative Director

Shiga Satoru

awareness of how important it is to see operations firsthand. Ever since my appointment was confirmed, I have been actively visiting sites in Japan and overseas, talking face-to-face with employees in the field and working to build a clear picture of how the business operates in each region. For example, in the case of tires, performance priorities such as speed, durability vary by country and region, and these differences influence our approach to product development. Getting this kind of real-world information in the field turns into a wellspring of new ideas that draw on the technologies we have built up over the years, which in turn leads to new challenges. Drawing on my long experience in manufacturing, I will visit sites as often as I can, gather

the kind of real information you cannot get by looking at numbers at headquarters, and push for further growth as a global company delivering materials that contribute to society.

Leveraging our strong customer connections to create new value

Since our founding, we have forged ahead with organizational restructuring while also working on cost reduction, shutting down inefficient production lines, and withdrawing from unprofitable R&D projects and businesses to improve profitability. As a result,

supported by external factors such as rising raw material prices and a weaker yen, we emerged from the difficult conditions of the COVID-19 pandemic and achieved higher revenues and profits in fiscal 2024. In fiscal 2025, rising equipment maintenance costs, tariff issues, an uncertain economic outlook, and the slowdown in electric vehicle adoption have made for a challenging business environment.

This is my first year as president under circumstances that cannot help but create a sense of pressure, but our mission to reliably deliver the materials our customers need remains unchanged regardless of the situation, and fulfilling that mission requires direct dialogue with customers. Since taking office, I have been engaging in dialogue with a wide range of customers, and I have come to appreciate how important this is. The reason we can have so many of these conversations is the strong connections we have with customers, built on relationships of trust that go back to our predecessor companies. This is a tremendous asset for developing products that address customer needs. We will make the most of this strength and push forward with R&D that anticipates what customers will need.

One major need today is consideration for the environment. In response to societal demands, we are developing forward-looking materials that reduce environmental impact while improving product performance. We are also participating in the development of sustainable materials through collaboration with other companies, including our customers. Collaborating with other companies also gives us opportunities to expand our collective knowledge as development progresses. Internal development requires investment in new equipment, which takes both money and time, so we have to be careful about timing. But we are pushing ahead with

research and preparation after carefully assessing what our customers are saying and how society is evolving. Going forward, we will continue to deliver new, valuable products that meet customer expectations and help solve environmental challenges.

Advancing integrated ESG management across our Group for further corporate growth

Sustainability initiatives, starting with environmental measures, are essential actions for enhancing corporate value. As a major operating company of ENEOS Holdings, Inc., which is committed to ESG management, we are focusing on these efforts as well. On the environmental front, our Carbon Neutrality Plan, formulated in November 2023, sets targets of a 38 to 46% reduction in Scope 1 and 2 GHG (greenhouse gas) emissions by fiscal 2030 (compared to fiscal 2013) and net-zero GHG emissions by fiscal 2050. We are already making steady progress in line with societal expectations, including introducing electricity derived from renewable energy sources. For Scope 3 emissions, we will work to reduce GHG emissions through our products as we pursue carbon neutrality by fiscal 2050.

On the governance front, we have been strengthening our organizational foundation, including internal controls, since our establishment. Going forward, we will continue advancing initiatives based on the ENEOS Group's Material ESG Issues and further strengthen governance. For our group companies, we will respect their individual characteristics while providing support from our corporate departments so they can operate with consistency based on the ENEOS Group Philosophy and various policies, thereby improving governance standards across the entire Group.

In addition to governance, we place great importance on utilizing human resources. The ENEOS Group's Medium-Term Management Plan emphasizes human capital management, with 2 pillars: realizing and implementing an effective system based on the assignment of the right person to the right job, and fostering a corporate culture where employees can work comfortably and with pride. We are advancing human resource utilization in line with this policy. As for systems, we are working to shift away from seniority-based HR practices to systems that properly evaluate talented individuals in their areas of expertise, regardless of generation. In building corporate culture, I made 3 promises to employees when I took office: I will listen, I will think alongside you, and I will make decisions. This reflects my commitment to engaging with employees in a sincere manner, working together to solve problems, and making responsible decisions as the head of management and putting them into practice. We have already held dialogue sessions with managers, and we will continue holding them regularly to gather a diverse array of opinions. We will keep refining both our systems and our corporate culture to build an organization where employees can fully demonstrate their abilities.

As long as we continue to exist thanks to the support of our stakeholders, including customers and employees, we believe we must constantly pursue growth. To achieve this, our employees must take pride in and feel attachment to our Company and earn recognition and trust from customers and society in terms of both technology and ethics. As a global company, we will continue engaging in dialogue with all our stakeholders to accurately understand their needs, devote ourselves to providing materials that contribute to society, and aim for further corporate growth.

ESG Management

Basic Policy for ESG Management

For a company to achieve sustainable growth, it must respond to societal needs through its business activities, contribute to solving social issues such as climate change and human rights challenges, and become an entity whose value is recognized by earning society’s trust and empathy.

Based on this understanding, the ENEOS Group has established its Basic Policy for ESG Management and is advancing sustainable management practices integrated with business strategy across the areas of Environment (E), Society (S), and Governance (G).

The ENEOS Materials Group also established the ESG Regulations in April 2024 and, as a member of the ENEOS Group, is working to achieve KPIs based on the ENEOS Group’s Material ESG Issues. Furthermore, taking into account our Group’s business characteristics and risks and opportunities, we have built our own ESG management framework in line with ENEOS Group’s policies. We have set quantitative and qualitative targets and scopes for particularly relevant items and are advancing activities accordingly. Going forward, we will continue to identify and respond to ESG-related risks and opportunities, manage progress based on ENEOS Group’s KPIs and our own targets, and strengthen our internal systems to improve the effectiveness of ESG management and promote sustainable value creation.

Basic Policy for ESG Management

- ESG management at the ENEOS Materials Group involves formulating management and business strategies based on risks and business opportunities and creating both economic value (profits) and social value (resolution of social issues) through our business in order to realize the ENEOS Group Philosophy.
- The ENEOS Materials Group strives to earn the trust of stakeholders through the implementation of ESG management in our business operations.

Basic Policy of RC

In our Group, each company with production facilities fulfills its social responsibility as a chemical manufacturer by promoting voluntary initiatives (RC activities) based on the principles of Responsible Care (RC), an international commitment in the chemical industry. These initiatives ensure environment, health, and safety (EHS) across the entire product lifecycle (development, production, distribution, use, and disposal) and promote dialogue with society and information disclosure. We position RC activities as one of our management priorities and aim for advanced EHS management that goes beyond legal compliance, product safety, risk reduction in transportation and storage, and building relationships of trust with local communities. Going forward, we will continue to ensure continuous improvement through PDCA-based operations while maintaining alignment with the global RC charter and industry policies both in Japan and abroad.

Basic Policy of RC

ENEOS Materials Corporation regards occupational safety, security and disaster prevention, environmental protection, and product safety as important foundations of its business activities and promotes all business activities based on the following basic approach of Responsible Care.

- 1. We will strive to ensure the safety of our employees and local communities, protect the environment, and contribute to a sustainable global environment by identifying the risks associated with our business activities and implementing measures to address them.**
- 2. We will endeavor to comply with the laws and regulations and self-imposed restrictions by collecting and reliably sharing information on the laws and regulations, etc. necessary for our business activities.**
- 3. We will strive for product safety by developing products that are conscious of safety, health, and the environment and providing information on such products.**

April 2022
 ENEOS Materials Corporation
 President and Representative Director

Topics Signing the declaration of support for the Responsible Care® (RC) Global Charter

To further enhance and strengthen RC activities around the world, ENEOS Materials supports the RC Global Charter, a voluntary code of conduct common to the chemical industry established by the International Council of Chemical Associations (ICCA), and signed the declaration of support for the Responsible Care Global Charter in June 2024.

ESG Management

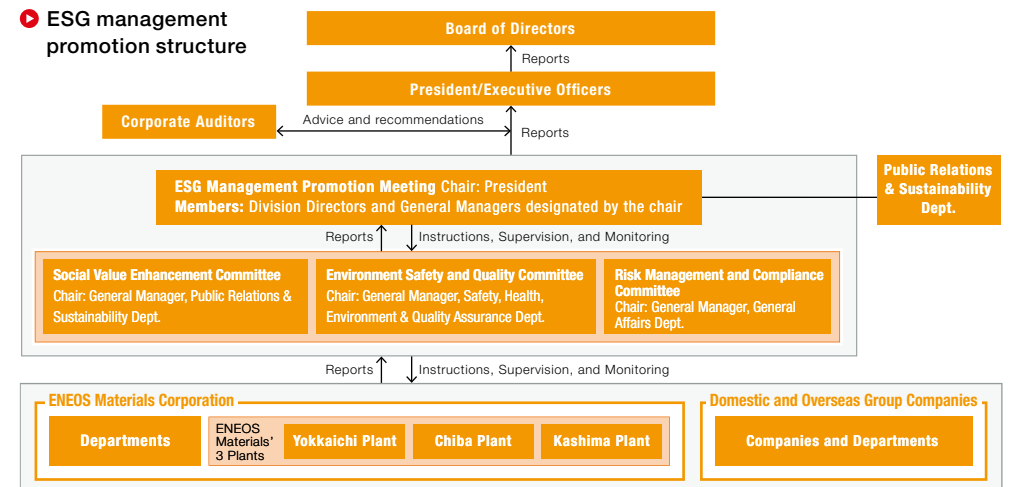
ESG management promotion structure

Our Group aims to continuously create both social value and economic value and contribute to the development of society and the creation of a vibrant future, based on the Basic Policy for ESG Management. To achieve this, we have established the ESG Management Promotion Meeting as the core organization responsible for company-wide policy decisions and execution oversight. This council is chaired by our president, with members consisting of the Division Directors and managers designated by the chair, and is held 4 times a year in principle. It functions as the highest decision-making body for company-wide ESG management, reviewing progress on priority ESG issues and making decisions on corrective measures. The council also serves as the safety measures headquarters under the High Pressure Gas Safety Act and plays an important role from a safety and security perspective. Starting in fiscal 2025, we established 3 specialized committees under the ESG Management Promotion Meeting and began PDCA operations that leverage expertise in each area.

Specialized committees

Committee name	Members	Role	Meeting frequency
Social Value Enhancement Committee	Chair: General Manager, Public Relations & Sustainability Dept. Members: General Managers of the General Affairs Dept., Human Resources Dept., Procurement Dept., Supply Chain Management Dept., and Production Technology Dept., plus individuals appointed by the chair; attendees from group companies are also selected as needed	Promotes activities related to human rights, health promotion, human resource development, DE&I, CSR procurement, carbon neutrality, and social contribution	Twice a year in principle
Environment Safety and Quality Committee	Chair: General Manager, Safety, Health, Environment & Quality Assurance Dept. Members: Plant Managers, related department General Managers, and members appointed by the chair, the General Manager of the Internal Audit Dept. participates as an observer as needed	Plans and promotes measures related to occupational safety, process safety and disaster prevention, environmental conservation, and product safety and quality based on the Basic Policy of RC	Twice a year in principle
Risk Management and Compliance Committee	Chair: General Manager, General Affairs Dept. Vice Chair: General Manager, Public Relations & Sustainability Dept.	Responsible for establishing and operating company-wide systems for risk management and compliance (legal compliance, ethics, whistleblowing response, etc.)	4 regular meetings per year, with extraordinary meetings held for major issues

All of these committees cover our entire Group, develop annual activity plans, receive approval from the ESG Management Promotion Meeting, and deploy activities accordingly. In addition, deliberation results and important issues are communicated to the ENEOS Group’s departments responsible for the Material ESG Issues to ensure consistency across the Group and strengthen governance. We have also established a system in which the Corporate Auditors understand the content by attending meetings and reviewing minutes and provide advice and recommendations as needed, ensuring the effectiveness of internal oversight.



Social Value Enhancement Committee

Our Group newly established the Social Value Enhancement Committee in fiscal 2025 to fulfill social responsibilities and enhance non-financial value, based on our ESG Regulations. This committee handles areas such as respect for human rights, health promotion, human resource development, diversity, equity, and inclusion (DE&I), CSR procurement, environmental consideration (carbon neutrality, climate change, and

ESG Management

biodiversity), and social contribution in an integrated manner, and aims to maximize social value across our Group. The Public Relations & Sustainability Dept. serves as the committee secretariat, and in cooperation with the ESG Management Promotion Meeting, we are working to establish a PDCA cycle through deliberation of plans, progress monitoring, and improvement proposals. Policies and measures decided by this committee are deployed to relevant departments, and important matters are reported to the ESG Management Promotion Meeting and the Corporate Auditors to ensure effective operations under company-wide governance.

Main deliberation items

- Promoting respect for and protection of human rights across the supply chain
- Matters related to health promotion
- Matters related to human resource development
- Matters related to diversity (D), equity (E), and inclusion (I) (DE&I)
- Matters related to CSR procurement and conflict minerals response
- Matters related to carbon neutrality, climate change, and biodiversity
- Matters related to social contribution
- Matters related to requests and reports from ENEOS Holdings and responses to new societal demands

Environment Safety and Quality Committee

Our Group positions occupational safety, process safety and disaster prevention, environmental conservation, and product safety as critical foundations of business activities, based on the Basic Policy for ESG Management and Basic Policy of RC. As the promotion structure for this, we have established the Environment Safety and Quality Committee at our head office to provide cross-group management and continuous improvement.

The Safety, Health, Environment & Quality Assurance Dept. serves as the secretariat and plays a central role in compiling matters for deliberation and internal deployment. Through deliberation, reporting, development, and review of the following matters, the committee works to strengthen PDCA-based environment, safety, and quality management.

Main deliberation items

- Deliberation of activity policies and plans related to occupational safety, process safety and disaster prevention, environmental conservation, product safety, and logistics safety
- Confirmation of activity results and information disclosed to the public
- Confirmation of policies and progress related to quality assurance and product safety (PLP*)
- Confirmation of internal and external audit results related to environment, safety, and quality
- Organization and reporting of dialogue activities with local communities (social dialogue)
- Confirmation of requests from ENEOS Holdings and matters to be reported

*Product Liability Prevention

These activities ensure integrated governance at the Company-wide level through reporting and deliberation routes to the ESG Management Promotion Meeting. In addition, each responsible department handles various codes (process safety and disaster prevention code, environmental conservation code, logistics safety code, product safety code, etc.), and through operations such as plan formulation, execution, auditing, reporting, and commendations, we have built a highly effective Responsible Care system.

Risk Management and Compliance Committee

The Risk Management and Compliance Committee is a specialized committee newly established in fiscal 2025 to strengthen risk management and compliance systems across our Group, based on the ENEOS Group Philosophy, the ENEOS Group Code of Conduct, the Basic Policy on Internal Control System, and our ESG Regulations. As a subordinate organization of the ESG Management Promotion Meeting, it operates with a 2-subcommittee structure: the Risk Subcommittee, which oversees risk management, and the Compliance Subcommittee, which oversees compliance. The Risk Subcommittee is responsible for identifying companywide critical risks, including group-wide common risks, formulating response policies, checking and improving internal control activities, and deliberating on BCP (business continuity planning). The Compliance Subcommittee works on disseminating and instilling corporate ethics, analyzing legal violation cases and preventing recurrence, and confirming and improving the operation of the Corporate Ethics



ESG Management

Hotline. The 2 subcommittees hold joint meetings depending on the agenda content. In addition, systems have been established at each business site and group company to share and deploy deliberation content, good practices, and common issues from the Risk Management and Compliance Committee, and we are working to raise governance standards and improve transparency across the entire Group. Important matters are reported to the ESG Management Promotion Meeting and the Corporate Auditors to reflect them in company-wide decision-making and conduct effective monitoring.

Main Deliberation Items of the Risk Management and Compliance Committee

Risk management-related (Risk Subcommittee)

- Identification of critical risks and formulation of risk response policies
- Review of internal control activity plans and inspection results
- Confirmation of BCM/BCP promotion plans and implementation of training
- Deliberation of updates to Crisis Management Manuals
- Confirmation of risk management systems and standards at group companies
- Confirmation of matters to be reported to the ESG Management Promotion Meeting and ENEOS Holdings, etc.

Compliance-related (Compliance Subcommittee)

- Deliberation of proposals to establish or abolish the Corporate Ethics Guidelines
- Compliance activity plans and progress reports
- Reports on compliance status inspections and the operation of the Corporate Ethics Hotline
- Sharing of misconduct and violation cases and horizontal deployment of lessons learned
- Confirmation of compliance activities at ENEOS Group companies
- Policy sharing and reporting coordination with ENEOS Holdings, etc.

Compliance ▶pp.66-70

ESG Management

Targets (KPIs) for Advancing ESG Management

In fiscal 2024, the ENEOS Materials Group advanced initiatives as a member of the ENEOS Group in line with the ENEOS Group’s Material ESG Issues*. For 6 of the Material ESG Issues shown in the table below, we set 10 original targets (key performance indicators, or KPIs) and advanced our initiatives. As a result, we achieved 6 items, while 4 items were not achieved.

*In fiscal 2024, the ENEOS Group identified 10 Material ESG Issues and set 20 specific targets (KPIs) for those Material Issues. For details, please see the ENEOS Holdings’ website.

[ENEOS Holdings Fiscal 2024 Material ESG Issues](https://www.hd.eneos.co.jp/english/esgdb/management/)
<https://www.hd.eneos.co.jp/english/esgdb/management/>

Fiscal 2024 ENEOS Materials Group KPI response status

Evaluation: Achieved/Steady progress Not achieved

Category	ENEOS Group/ENEOS Materials Group		ENEOS Materials Group		
	Material ESG Issues	Initiative	Target KPI	Scope	Fiscal 2024 activity results and progress
Environment	Contribution to the development of a decarbonized society	Reduction in CO ₂ emissions	13% reduction compared to 2013 (Scope 1 + 2)	ENEOS Materials	12% reduction
	Contribution to the development of a recycling-oriented society	Reduction in landfill disposal	Waste-to-landfill ratio: Maintain zero emissions (0.1% or less)	ENEOS Materials, EMIX, TMC, NSR	0.1% or less (continued zero emissions)
Society	Ensuring safety / Health enhancement	Reduction in occupational injuries Serious occupational injuries (occupational fatalities): zero	ENEOS Materials, BEE, EMSR, EMIX, TMC, NSR, LC, NCTI, ANCI	0 cases
			TRIR*1: 1.0 or less		0.88
			LTIR*2: 0.0 for employees, 0.3 or less for employees of contractor companies		0.44 for employees, 1.25 for employees of contractor companies
	Compliance with international principles on human rights	Human rights awareness	Implement human rights training	ENEOS Materials, EMIX, TMC, NSR, EMTR, BEE, EMSR, NCTI, ANCI, EKE	One company was unable to conduct training during the fiscal year
Diversity, equity and inclusion (DE&I)	Advancement of employees with disabilities	Advancement of women in the workplace	Maintain rate of women among newly hired university graduates at 25% or higher	ENEOS Materials	25% (including technical college graduates)
		Maintain employment rate of people with disabilities at 2.5% or higher	ENEOS Materials, EMIX, EMTR	2.25% (as of April 1, 2025)	
Governance	Compliance	Strengthen compliance activities	Conduct legal compliance inspections	ENEOS Materials, BEE, EMSR, EMIX, overseas EMIX Group companies, EMTR, overseas EMTR Group companies, TMC, NSR, NCTI, ANCI, EKE	Conducted inspections covering all departments of our Company and 25 group companies
		Foster compliance awareness	Implementation of compliance and legal training tailored to each company’s business risks and internal issues	Our Group’s domestic companies and ANCI	Conducted various training programs through e-learning (3 times per year) and training by job level

*1 TRIR: Number of occupational injuries per million working hours (non-lost-time occupational injuries + lost-time occupational injuries and fatalities) *2 LTIR: Number of lost-time occupational injuries and fatalities per million working hours

Environmental Management

Environmental Policy

The ENEOS Materials Group fully understands how its business activities affect climate change risks and natural capital, as a corporate group responsible for supplying materials. For our Group, addressing these environmental impacts is part of management responsibility. This means not simply complying with laws and regulations, but taking a proactive stance of contributing to solutions through our business. Based on this approach, we comply with the ENEOS Group Code of Conduct and The Material ESG Issues and have formulated the ENEOS Materials Group Environmental Policy to actively address climate change, resource circulation (the 3Rs: Reduce, Reuse, Recycle), and conservation of the natural environment.

Going forward, we will view environmental issues as medium- to long-term management risks and opportunities and continue to strengthen environmental management across our Group to help build a sustainable society.

ENEOS Group Code of Conduct (Excerpt)

3. Environmental conservation

- (1) We recognize that we are stewards of the environment and its limited resources. We strive to conserve biodiversity and natural capital, including, but not limited to, water, soil, and the atmosphere, and contribute to the development of a sustainable society.**
- (2) We strive to promote renewable energy and energy conservation in order to contribute to the development of a decarbonized society.**
- (3) We strive to contribute to the establishment of a circular economy by reducing, reusing and recycling, while using resources effectively and efficiently.**
- (4) We strive to take actions to promote sustainable production and consumption for the benefit of society while taking the same actions throughout our value chain, including, but not limited to, resource development, procurement, production, distribution and sales.**

[ENEOS Group Code of Conduct Environmental Conservation](https://www.hd.eneos.co.jp/english/about/conduct.html)
<https://www.hd.eneos.co.jp/english/about/conduct.html>

ENEOS Materials Group Environmental Policy

The ENEOS Materials Group and its employees will follow the basic policies outlined below as part of efforts to help build a sustainable society.

- 1. Comply with environmental laws and regulations**
- 2. Contribute to the formation of a decarbonized society**
- 3. Contribute to the formation of a resource recycling society**
- 4. Promote environmental conservation in business activities**

April 2024
 ENEOS Materials Corporation
 President and Representative Director

[ENEOS Materials Group Environmental Policy](https://www.eneos-materials.com/english/sustainability/environment/)
<https://www.eneos-materials.com/english/sustainability/environment/>

Environmental Management Structure

Our Group has established an environmental management structure that oversees all aspects of environmental policy, from formulation through planning, execution, monitoring, and improvement.

Environmental policies, activity plans, annual results, and environmental audit results are deliberated by the Environment Safety and Quality Committee, and important matters are reported and submitted to the ESG Management Promotion Meeting and the Executive Committee for final approval and decisions. This ensures effective environmental management through a company-wide governance structure with management involvement.

In addition, the Public Relations & Sustainability Dept. oversees formulation of medium- to long-term policies and plans (the Carbon Neutrality Plan) for reducing greenhouse gas (GHG) emissions and handles planning and coordination of related measures. These initiatives are promoted in coordination with the ENEOS Holdings' Carbon Neutral Strategy Dept., while maintaining alignment with ENEOS Group policies.

Going forward, our Group will establish a PDCA cycle in which management and specialized organizations work together on a wide range of environmental themes to continuously improve environmental performance and contribute to a sustainable society.

Environmental Management

Targets (KPIs)

The ENEOS Group has set KPIs in 3 environmental areas: contribution to the development of a decarbonized society, contribution to the development of a recycling-oriented society, and appropriate understanding and management of biodiversity risks among the 10 Material ESG Issues. Our Group is working toward these targets as a member of the ENEOS Group.

In addition, our Group has set specific KPIs for contribution to the development of a decarbonized society and contribution to the development of a recycling-oriented society, and annually confirms and updates achievement status.

In line with these targets and KPIs, our Group is working to reduce CO₂ emissions, lower the final waste disposal rate, and assess our dependence on and impact on natural capital. The results are as follows.

Fiscal 2024 ENEOS Materials Group KPI response status **KPI**

Evaluation: 😊 Achieved/Steady progress 😞 Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 activity results and progress
CO ₂ emission reduction	13% reduction compared to 2013 (Scope 1 + 2)	ENEOS Materials	😞 12% reduction
Reduction in landfill disposal	Waste-to-landfill ratio: Maintain zero emissions (less than 0.1%)	ENEOS Materials, EMIX, TMC, NSR	😊 0.1% or less (continued zero emissions)

Fiscal 2024 Material ESG Issues of the ENEOS Group: Targets, Results, and Progress

ENEOS Group		ENEOS Materials Group	
Initiative	Targets	Scope	Fiscal 2024 activity results and progress
Understand the degree of dependence and impact on natural capital	Understand the degree of dependence and impact on natural capital in main business sectors	ENEOS Materials	Worked with ENEOS Holdings to assess impact using analytical tools

Based on the ENEOS Group’s Material ESG Issues, our Group has independently formulated the ENEOS Materials Group Environmental Targets, targeting fiscal 2025. This Target framework sets specific quantitative targets and responsible entities for each policy area, namely legal compliance, decarbonization, circular economy, and environmental conservation, based on the ENEOS Materials Group Environmental Policy. In addition, as

part of strengthening our response to climate change, we formulated the ENEOS Materials Carbon Neutrality Plan in November 2023 and set GHG emission reduction rate targets for the Company. The plan is being implemented through PDCA-based operations while maintaining alignment with overall ENEOS Group policies.

Contributing to the formation of a decarbonized society **pp. 16-19**

Fiscal 2025 ENEOS Materials Group Environmental Targets

Our Group's Environmental Policy	Promotion Themes	KGI or KPI	Fiscal 2025 Targets	Scope	
1. Comply with environmental laws and regulations	Compliance with environmental laws, regulations, and voluntary standards	Number of violations (crisis level 1* or lower)	0 cases	Our Group	
		Number of violations (crisis level 2* or higher)	0 cases		
2. Contribute to the formation of a decarbonized society	Promoting energy conservation activities and efficient energy use	Energy intensity (Energy Conservation Act compliance)	1% or greater reduction compared to previous fiscal year	ENEOS Materials, EMIX, TMC, NSR, JBC, EKE, SPCC *Companies subject to the Energy Conservation Act	
		Waste reduction	Industrial waste volume	At or below fiscal 2024 results	Our Group's production sites
			Production volume intensity	0.0511	ENEOS Materials
3. Contribute to the formation of a resource recycling society	Reduction in waste-to-landfill	waste-to-landfill rate (zero emissions)	At or below fiscal 2024 results	Our Group's production sites	
		Promotion of resource recycling	Recycling rate (target: all industrial waste)	60%	ENEOS Materials
			Waste plastic recycling rate	At or above fiscal 2024 results	Our Group's production sites
4. Promote environmental conservation in business activities	Risk reduction for local environments	Number of environmental pollution incidents (level 3)	0 cases	Our Group's production sites	
		Number of environmental complaints	0 cases	Our Group's production sites	

*Classification based on internal regulations

Environmental Management

Status of Compliance with Environmental Laws and Regulations

Our Group positions compliance with environmental laws and regulations as the foundation of environmental management and has built a structure to continuously inspect and confirm compliance status at each production site. As a result, no serious violations of environmental laws and regulations (cases subject to fines or sanctions) have occurred over the past three years, from fiscal 2022 to fiscal 2024.

Going forward, we will maintain and strengthen compliance standards through daily inspections, internal training, and audits while responding accurately to changes in environmental regulations.

Environmental Education

Our Group conducts environmental education systematically every year to foster company-wide environmental awareness and improve legal compliance and practical capabilities.

Environmental education is incorporated into training programs organized by employee level and job category and reflects practical content tailored to the circumstances of each business site. In addition, we introduced e-learning-based environmental law education in fiscal 2023. In fiscal 2024, we provided training to all employees of our Group’s domestic companies subject to relevant laws, focusing on the Act on Rational Use and Appropriate Management of Fluorocarbons and content related to violation cases at our Company. Through this, we are working to ensure understanding of legal knowledge and promote risk sharing and recurrence prevention across our Group. Furthermore, each plant continuously provides hands-on learning opportunities, such as experiential education through off-site cleanup activities and on-site education by environmental management departments at work sites. In addition, at plants that have obtained ISO 14001 certification, we regularly train internal environmental auditors in accordance with each plant’s environmental education plan based on certification requirements.

Fiscal 2024 ENEOS Materials environmental education implementation

	Target participants	Scope	Educational theme	Frequency	Completion rate
Training by level	New employees	ENEOS Materials	Our Company’s environmental management, etc. (themes set by each business site)	Once a year	100%
Training by level/ Job category	High school graduates in their 4th year, university graduates in their 2nd year	ENEOS Materials	Safety, Health, and Environment Training Beginner Plus: Fundamentals of environmental management	Once a year	100%
	High school graduates in their 9th–10th year, university graduates in their 5th–7th year	ENEOS Materials	Safety, Health, and Environment Training Advanced: Knowledge of environmental conservation and environmental ISO		92%
	High school graduates in their 11th–14th year	ENEOS Materials	Safety, Health, and Environment Training Advanced Plus: Waste treatment and zero emissions basic knowledge		88%
Environmental law education	All employees	Our Group’s domestic companies*	Act on Rational Use and Appropriate Management of Fluorocarbons	Once a year	92%

*Includes joint ventures (JV) EKE, JBC, SPCC, and Shiohama Chemical Warehouse Co., Ltd.

[Human Resource Development Programs](#) ppp. 49-50

Environmental Audits

Our Group’s production sites have built a multilayered environmental audit structure combining external audits by 3rd parties and internal audits conducted in-house to ensure proper operation and continuous improvement of the environmental management system (EMS*). In addition, we conduct audits from both head office and plant perspectives and promote improvement activities with management involvement.

*EMS: Environmental Management System

External audits and internal environmental audits

Each plant in our Group undergoes external audits by certification bodies based on ISO 14001 (once a year) and conducts the internal environmental audits by internal auditors (at least once a year).

In the internal audits, in addition to audit criteria based on ISO 14001 requirements, we incorporate our own perspectives that focus on legal compliance and the effectiveness of

Environmental Management

environmental conservation activities. These audits are conducted to continuously improve and enhance the effectiveness of the environmental management system (EMS).

In fiscal 2024, no nonconformities were identified in external audits, and certification bodies evaluated that our management system is functioning properly and being maintained appropriately. Internal audits were also conducted at each site, with no serious findings. Operations at each department were strengthened through improvement proposals and advice.

Plant manager audits and head office environmental audits

Separate from audits based on ISO 14001, we have established our own audit structure at the head office and each plant and conduct the Plant Manager audits and the head office environmental audits once a year each.

The Plant Manager audits are conducted to confirm the effectiveness of the management system and conduct mid-term reviews of business plans, leading to system improvements through inspections and guidance from an operational perspective. In fiscal 2024, the Yokkaichi Plant conducted audits of 17 departments with 5 findings, the Chiba Plant audited 7 departments with no findings and 13 pieces of advice, and the Kashima Plant audited 6 departments with 1 instruction/piece of advice. We promptly completed improvements and corrective actions before the next audit and are working to raise the level of our environmental management system.

Meanwhile, the head office environmental audits involve an audit team consisting of members from the head office environmental department confirming the operational practices of each department from the perspectives of

the environmental management system (EMS) and Responsible Care. Priority audit themes are set each year to standardize internal practices and identify issues. On the final day of the audit, a report is made to the President, who is the top executive responsible for the EMS, and issues and areas for improvement are shared companywide.

Going forward, we are considering deploying a similar audit framework to the domestic and overseas group companies.

External Environmental Certifications

Our Group actively pursues obtaining and maintaining external certifications by 3rd-party organizations to enhance the credibility and transparency of environmental management.

In addition to ISO 14001 certification, the international standard for environmental management systems (EMS), we have built a system for complying with environmental laws and responsibly managing sustainable products through the International Sustainability and Carbon Certification (ISCC PLUS certification), which includes the mass balance approach*.

*Mass balance approach: A method that, when raw materials with different characteristics are mixed, allocates the characteristics to a portion of the products manufactured according to the input amount of raw materials with certain characteristics

ISO 14001 Certification

Our Group has obtained ISO 14001 certification at major business sites both in Japan and overseas

to continuously improve the EMS and strengthen environmental risk management.

As of March 2025, a total of 15 business sites and plants in our Group have obtained ISO 14001 certification, and we are systematically promoting environmental conservation activities based on the EMS within the certification scope. In addition, the ISO 14001 coverage rate at our Group's production sites is 82%. Going forward, we will maintain and expand the coverage rate while raising company-wide environmental management standards and strengthening compliance.

[Data Environmental Management](#) ▶ p. 72

ISO 14001 Certification

<https://www.eneos-materials.com/english/sustainability/environment/>

International sustainability and carbon certification (ISCC PLUS Certification) obtained

Our Group is advancing the use and expansion of ISCC PLUS certification, an international certification system for sustainable products, for rubber products (ESBR, SSBR, BR, etc.). As shown in the separate table, certified products include those manufactured at our Yokkaichi Plant and Chiba Plant and at group companies EMSR and BEE.

In addition, we have obtained ISCC PLUS certification for Isobutylene, Dicyclopentadiene (DCPD), and Hydrocarbon resin (T-REZ®) produced by ENEOS Corporation and sold by our Company, and we have built a supply chain management system compliant with the certification scheme from raw material supply through distribution and sales.

ISCC PLUS certification proves that traceability is properly managed through the Mass Balance Approach for these products manufactured based on Biomass or

Environmental Management

recycled raw materials. Going forward, our Group will continue to strengthen sustainability contributions in the global market by expanding ISCC PLUS certification coverage and promoting sustainable products.

ISCC PLUS Certification status

Certified Products	Emulsion Styrene Butadiene Rubber (ESBR)	Butadiene Rubber (BR)	Solution Styrene Butadiene Rubber (SSBR)
Yokkaichi Plant	●	●	●
Chiba Plant		●	
EMSR			●
BEE			●

ISCC PLUS Certification

<https://www.eneos-materials.com/english/sustainability/environment/>

Participation in Environmental Initiatives

Our Group positions environmental conservation as a core responsibility of business activities and places importance on initiatives through dialogue and collaboration with local communities, government, and industry associations.

At each site, we continuously participate in responses to local environmental issues and voluntary improvement activities as an industry, working to build trust with local communities and strengthen environmental governance through information sharing, awareness-raising, and joint implementation. As shown in the table on the right, we balance social responsibility with contributions to sustainable regional development through participation in practical, medium- to long-term initiatives at each plant and region.

Participation in initiatives

Initiative	Overview
Yokkaichi Area Environmental Countermeasures Council	Established to promote environmental conservation and sound development of business activities in the Yokkaichi region. Composed of 23 companies in the Yokkaichi industrial complex, implementing activities that contribute to the environment and society. Served as an officer company (chair of the industrial waste subcommittee) in fiscal 2023
Mie Prefectural Industrial Waste Countermeasures Promotion Council	Established to promote reduction and recycling of industrial waste, composed of 38 companies and organizations in Mie Prefecture. Has expanded activities to address ocean plastic issues and has participated annually in beach cleanup activities on Toshijima in Toba City, Mie Prefecture since 2012
Yokkaichi-Area RC Liaison Committee	Member of the Japan Chemical Industry Association Responsible Care Committee, composed of 12 chemical companies in the Yokkaichi industrial complex. As an activity for dialogue and communication with society, holds regional dialogue sessions every 2 years where local residents, government officials, and related companies gather. Next meeting scheduled for October 2026
Yokkaichi Complex Carbon Neutrality Promotion Committee	Launched with the establishment of a preparatory committee in 2022, with the goal of promoting sustainable regional development while considering the environment by jointly advancing new initiatives such as fuel conversion and recycling, centered on GHG emission reduction, among Mie Prefecture, Yokkaichi City, and industrial complex companies. Participating as a committee member. Also conducting subcommittee activities established for each study theme
Environmental Conservation Association of Chiba Prefecture	Established as a pollution prevention council. As a council member, participates in briefing sessions on environmental law revisions from government authorities and environmental lectures and training sessions conducted by related organizations, regularly holding information exchange sessions with close coordination between government and companies (general meetings, training sessions, etc., 8 times per year)
Ichihara Subcommittee, Central District No.2 Environmental Liaison Committee	As a communication network for environmental managers at five neighboring companies, holds free information exchange meetings to discuss environmental conservation agreements, environmental law compliance status, and corporate concerns (once a year)
Kashima Coastal Industrial Area Environmental Conservation Promotion Council	A council composed of prefectural and municipal governments and companies, aimed at smooth operation of the Kashima Regional Pollution Prevention Agreement and promotion of regional environmental conservation activities. Serves annually as an executive member company (secretariat)
Kashima District RC Liaison Committee	Member of the Japan Chemical Industry Association and composed of 15 companies with plants in the Kashima district. Holds regional dialogue sessions with local residents and government officials once every 2 years. Next meeting scheduled for February 2027

Contributing to the Formation of a Decarbonized Society

Basic Approach

Based on the ENEOS Materials Group Environmental Policy, ENEOS Materials Group positions climate change as one of its critical issues and is working to reduce GHG emissions toward creating a decarbonized society. Our Group has established a policy to progressively address not only reductions in Scope 1+2 emissions from our own business activities, but also emissions reductions across the entire supply chain (Scope 3). These activities are promoted in alignment with the ENEOS Group Material ESG Issues, the ENEOS Group Carbon Neutrality Plan, and the ENEOS Materials Carbon Neutrality Plan. Through the achievement of KPIs related to GHG emissions reduction and the implementation of reduction plans, we are developing environmental management that responds to societal demands.

[ENEOS Materials Group Environmental Policy](https://www.eneos-materials.com/english/sustainability/environment/)
<https://www.eneos-materials.com/english/sustainability/environment/>

Structure

Our initiatives for GHG emissions reduction are promoted based on the ENEOS Materials Carbon Neutrality Plan through a structure in which the Public Relations & Sustainability Dept. is responsible for planning and plan formulation, while the Production Technology Dept. handles technical implementation such as equipment installation and process reviews. These measures follow a flow in which they are reported to the ESG Management Promotion Meeting after company-wide progress management and effectiveness verification, with improvements and revisions made under management involvement. Additionally, when formulating plans, we coordinate with the ENEOS Holdings' Carbon Neutral Strategy Dept. to ensure consistency with ENEOS Group policies. Going forward, we will continue to advance decarbonization measures and pursue continuous improvement through cross-departmental collaboration and management-level reviews.

[Environmental Management](#) ▶pp. 11-15

Targets (KPIs)

Based on the ENEOS Group Material ESG Issues, our Group has independently established the ENEOS Materials Group Environmental Targets with fiscal 2025 as the target year. For contributing to the formation of a decarbonized society, we have set KPIs and targets based on promotion themes and are advancing our initiatives.

[Environmental Management Targets \(KPIs\)](#) ▶p. 12

▶ Fiscal 2024 ENEOS Materials Group KPI response status **KPI**

Evaluation: 😊 Achieved/Steady progress 😞 Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 activity results and progress
Reduction in CO ₂ emissions	13% reduction compared to 2013 (Scope 1+2)	ENEOS Materials	😞 12% reduction

▶ Fiscal 2025 ENEOS Materials Group Environmental Targets

ENEOS Materials Group Environmental Policy	Promotion theme	KGI or KPI	Fiscal 2025 target	Scope
2. Contribute to the formation of a decarbonized society	Promoting Energy Conservation Activities and Efficient Energy Use	Energy Intensity (in compliance with Act on the Rational Use of Energy)	Reduction of 1% or more compared to the previous fiscal year	ENEOS Materials, EMIX, TMC, NSR, JBC, EKE, SPCC *Companies subject to Act on the Rational Use of Energy

Contributing to the formation of a decarbonized society

ENEOS Materials Carbon Neutrality Plan

ENEOS Group Long-Term Vision

The ENEOS Group is taking on the challenge of achieving both **stable supply of energy and materials** and **the realization of a carbon neutral society**.

ENEOS Group Carbon Neutrality Policy

We will promote initiatives that contribute to the energy and materials transition and the circular economy, while promoting measures to reduce greenhouse gas emissions in the ENEOS Group and taking into consideration social issues such as biodiversity.

In pursuit of realizing a carbon-neutral and circulating society in step with the government and society, the ENEOS Group will continue to create "tomorrow's normal" based on the principle of S+3E.*1

We will respond to the changing demands of our customers and society as the times change, and promote initiatives to prepare for multiple societal scenarios in a rational manner so as to reliably deliver the energy and materials needed.

ENEOS Materials Carbon Neutrality Plan

Reduction of our greenhouse gas(GHG) emissions*2	+	Contribution to the reduction of society's greenhouse gas emissions
<ul style="list-style-type: none"> 38 to 46% reduction of Scope 1 and 2 GHG emissions by 2030 Aim for the reduction of greenhouse gas emissions by 38 to 46% (compared to FY2013) by FY2030. To achieve this, we will work on energy conservation, fuel conversion (biomass, LNG etc.), carbon credit procurement, etc. Net zero Scope1 and 2 GHG emissions by 2050 Aim for net zero greenhouse gas emission in manufacturing by FY2050. To achieve this, we will engage in the use of fuels such as hydrogen in collaboration with the industrial complex. 	+	<ul style="list-style-type: none"> Carbon neutrality including Scope3 by 2050 Work in step with the government and other companies to aim for the realization of carbon neutrality, including Scope 3, by FY2050. To achieve this, we will work on the development, manufacturing, and sale of bio-based materials, recycled materials, and environmentally friendly advanced materials, thereby contributing to the mitigation of climate change.

*1 The basic energy policy of the Japanese government. With Safety as a major premise, it aims to simultaneously achieve Energy Security, Economic Efficiency, and Environment.

*2 In line with the ENEOS Group Carbon Neutrality Plan announced in May 2025, we have updated our emission reduction targets, taking into consideration the social scenarios envisioned by the ENEOS Group.

[ENEOS Materials Carbon Neutrality Plan](https://www.eneos-materials.com/english/sustainability/s_policy/) https://www.eneos-materials.com/english/sustainability/s_policy/

Results

Fiscal 2024 energy consumption (crude oil equivalent) was 262 thousand kL at ENEOS Materials' 3 plants and 409 thousand kL at our Group's production sites. With additional group companies joining from fiscal 2024, energy consumption at our Group's production sites increased by 64 thousand kL compared to the previous fiscal year. GHG emissions (CO₂ equivalent, Scope 1+2) totaled 625 thousand tons at ENEOS Materials' 3 plants and 931 thousand tons at ENEOS Materials Group's production sites. Compared to the previous fiscal year, CO₂ emissions at ENEOS Materials' 3 plants increased by 11 thousand tons, and the ENEOS Materials Group KPI for CO₂ emissions reduction was not achieved. This

reflects the impact of increased product production volume. We continue promoting energy conservation activities.

GHG Emissions

	Target scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Scope 1	ENEOS Materials Group's production sites	Thousand t-CO ₂ e	404	403 <input checked="" type="checkbox"/>	468 <input checked="" type="checkbox"/>
	Of which ENEOS Materials' 3 plants		400	398 <input checked="" type="checkbox"/>	410 <input checked="" type="checkbox"/>
Scope 2 (Market-based method)	ENEOS Materials Group's production sites	Thousand t-CO ₂ e	409	436 <input checked="" type="checkbox"/>	463 <input checked="" type="checkbox"/>
	Of which ENEOS Materials' 3 plants		221	216 <input checked="" type="checkbox"/>	215 <input checked="" type="checkbox"/>
Scope 1+2 Total	ENEOS Materials Group's production sites	Thousand t-CO ₂ e	813	839 <input checked="" type="checkbox"/>	931 <input checked="" type="checkbox"/>
	Of which ENEOS Materials' 3 plants		621	614 <input checked="" type="checkbox"/>	625 <input checked="" type="checkbox"/>
Scope 1+2 Reduction Rate (compared to fiscal 2013)	ENEOS Materials' 3 plants	%	—	14	12
Direct CO ₂ Emissions from Biomass combustion	ENEOS Materials' 3 plants	Thousand t-CO ₂ e	—	—	0.2

Energy consumption

	Target scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Energy consumption	ENEOS Materials Group's production sites	TJ	13,351 (344)	13,377 (345) <input checked="" type="checkbox"/>	15,847 (409) <input checked="" type="checkbox"/>
	Of which ENEOS Materials' 3 plants	(thousand kL*)	9,741 (251)	9,714 (251) <input checked="" type="checkbox"/>	10,152 (262) <input checked="" type="checkbox"/>
Of which renewable energy consumption	ENEOS Materials Group's production sites	TJ (thousand kL*)	—	—	136 (3)
	ENEOS Materials production sites	TJ (thousand kL*)	—	—	135 (3)
Percentage of Electricity Derived from Renewable Energy Sources in Purchased Electricity	ENEOS Materials' 3 plants	%	—	—	11

*Crude oil equivalent

Initiatives for GHG Emissions Reduction

ENEOS Materials' 3 plants are implementing various initiatives to achieve our targets.

Contributing to the formation of a decarbonized society

Efficient energy use and fuel conversion

At our Yokkaichi Plant and Kashima Plant (South Kashima Power Plant), we have introduced cogeneration systems to reduce GHG emissions. Through energy conservation in manufacturing processes and renewable energy utilization, we are working toward further GHG emissions reductions in line with the Scope 1+2 emissions reduction targets of our Carbon Neutrality Plan. Through past initiatives, we achieved GHG emissions reductions of more than 250 thousand tons compared to fiscal 2005 and 15 thousand tons per year compared to fiscal 2013 by the end of fiscal 2021.

Natural gas turbine cogeneration facility

Yokkaichi Plant

We introduced a natural gas cogeneration system at the Yokkaichi Plant in fiscal 2010. Using natural gas as fuel, we achieved GHG emissions reductions on the order of tens of thousands of tons compared to coal-fired and heavy oil-fired steam boilers and condensing steam turbine facilities.

Kashima Plant (South Kashima Power Plant)

South Kashima Power Plant Inc. which supplies energy to the Kashima Plant, introduced a gas turbine cogeneration system in fiscal 2020. This system minimizes emissions of CO₂ and nitrogen oxides while reducing environmental impact. Operating this facility has reduced our GHG emissions.

Sludge drying facility

Yokkaichi Plant

While sludge is incinerated on-site using auxiliary fuel (heavy oil), sludge discharged from the wastewater

treatment facility has a high moisture content. We have introduced sludge drying equipment to dry the sludge and convert it into fuel, reducing auxiliary fuel consumption.

Initiatives from Fiscal 2023 Onward

Biomass fuel co-firing test

Yokkaichi Plant

Since fiscal 2023, the Yokkaichi Plant has been conducting short-term tests co-firing semi-carbonized pellets (biomass fuel created by heating wood pellets to semi-carbonize them and enhance water resistance) in existing coal-fired boilers. We will pursue long-term testing and increased co-firing rates as we work toward switching to carbon neutral fuels.

Improving existing boiler operating technology

Yokkaichi Plant

In fiscal 2023, we established high-efficiency operating technology that expands the operating range of steam output by revising boiler exhaust gas temperature control, minimizing losses during load fluctuations. This reduced annual GHG emissions by approximately 16 thousand tons.

Procuring renewable energy-equivalent electricity

Chiba Plant

Starting in April 2024, the Chiba Plant switched 100% of the electricity supplied by the power company to renewable energy-equivalent electricity. This contributes to reducing annual GHG emissions by approximately 7 thousand tons (for our products used within the Chiba Plant).

Reducing environmental impact in logistics

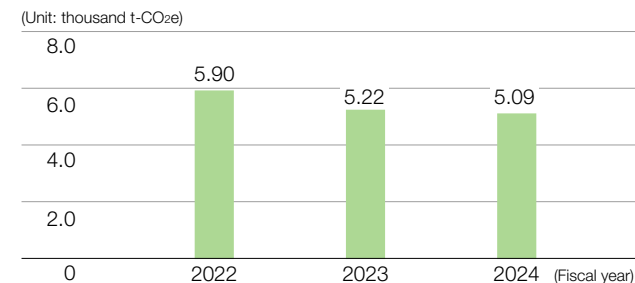
We are pursuing modal shift initiatives to reduce emissions from product transportation. We consistently focus on selecting appropriate transportation methods, such as actively using rail and marine transport for long-distance shipping. We are also working to shorten transportation distances by making effective use of regional ports. As a result of these efforts, our fiscal 2024 modal shift rate* for transportation over 500 km reached 85%.

We are also advancing initiatives to promote reuse of product packaging materials. At the principal synthetic rubber production sites, we used wooden packaging materials when transporting synthetic rubber and other products, but starting around 2000 we switched to reusable steel boxes. Promoting reuse of steel boxes eliminates the need to procure new packaging materials, contributing to reduced GHG emissions and resource conservation. Our fiscal 2024 reuse rate was 98%.

*Modal shift rate: The proportion of transportation volume carried by rail or marine transport (including ferries) when the transportation distance exceeds 500 km for domestic transportation of our products

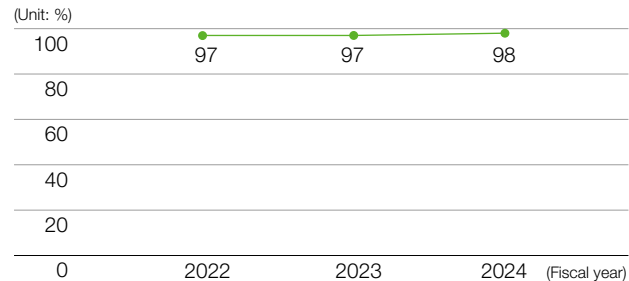
Logistics Safety ▶▶ pp. 35-36

GHG emissions from transportation (ENEOS Materials' 3 plants)



Contributing to the formation of a decarbonized society

▶ Packaging material reuse rate (ENEOS Materials)



Environmentally Friendly Products

▶ SSBR for low-fuel-consumption tires

Environmental regulations for automobiles are strengthening year by year, and improved fuel efficiency is required to reduce GHG emissions, with tire performance serving as a major key. Our Group has developed, manufactures, and sells SSBR for low fuel consumption tires, a raw material for tires that achieves the 2 conflicting properties of high grip and low rolling resistance (ease of rolling). This raw material, which is indispensable for manufacturing low-fuel-consumption, high-performance tires has received high praise both domestically and internationally.

📄 **Research and Development Activity Topics: Response to Tighter Environmental Regulations for Automobiles (=Improving Fuel Efficiency)**
<https://www.eneos-materials.com/english/rd/achievements/>

▶ Battery Binder/TRD®

With the spread of electric vehicles, battery capacity is increasing (extending driving range) and resistance is decreasing (enabling rapid charging). Accordingly, battery binders require higher adhesion, higher

compressibility, and lower resistance materials.

Through the development, manufacturing, and sale of our high-performance battery binder TRD using advanced polymerization and particle control technology, we are responding to the needs for enhanced electric vehicle performance while contributing to the spread of secondary batteries and realization of a low-carbon society.

📄 **Research and Development Activity Topics: Contributions to the Improvement of EV (Electric Vehicle) Performance**
<https://www.eneos-materials.com/english/rd/achievements/>

Initiatives for Developing Sustainable Products

▶ Biomanufacturing Ecosystem Construction Project Using Wood and Other Under-Utilized Resources Selected as NEDO Research and Development of Technologies to Promote Biomanufacturing

In July 2024, the Biomanufacturing Ecosystem Construction Project Using Wood and Other Under-Utilized Resources, jointly proposed by our Company, Oji Holdings Corporation (Oji HD), Bacchus Bio innovation Co., Ltd., JGC Holdings Corporation, Osaka Gas Co., Ltd., and Toray Industries, Inc., was selected for the New Energy and Industrial Technology Development Organization (NEDO)'s Research and Development of Technologies to Promote Biomanufacturing project.*

In this project, working toward the goal of the integrated implementation of sustainable raw materials development, microbial breeding, development of culturing, separation, purification, and conversion processes, and conducting production demonstrations, the consortium will pool the knowledge and technologies we have cultivated so far for the advancement of the society as a whole. The project is

scheduled to run from fiscal 2024 to fiscal 2031. ENEOS Materials will develop a technology for manufacturing butadiene using bioethanol derived from under-utilized resources and carry out social demonstrations for industrial applications, and jointly with the 6 participating companies, we will work on the “development of evaluation methods for social implementation of biomanufacturing products.”

*This project is implemented based on the “Research and Development of Technologies to Promote Biomanufacturing R&D Plan” established by the Ministry of Economy, Trade and Industry.

▶ 3-company collaboration for the commercialization of tires using plant resource-derived synthetic rubber

ENEOS Materials, Bridgestone Corporation, and JGC Holdings Corporation (JGC HD) have been advancing market research and technical studies toward manufacturing tire synthetic rubber using plant resource-derived bio-butadiene as a raw material since 2022. Following the selection in July 2024 of the “Biomanufacturing Ecosystem Construction Project Using Wood and Other Under-Utilized Resources,” in which our Company and JGC HD participate, as part of NEDO’s “Research and Development of Technologies to Promote Biomanufacturing” project, the 3 companies will accelerate efforts toward commercializing plant resource-derived synthetic rubber for tires. Our Company will handle manufacturing of bio-butadiene and synthetic rubber using that bio-butadiene. This initiative can contribute to improving the sustainability of tire raw materials and reducing CO₂ emissions during tire disposal and recycling. We will continue strengthening collaboration among the 3 companies and aim for commercialization in the early 2030s.

Contributing to the Formation of a Resource Recycling Society

Basic Approach

Under ENEOS Materials Group Environmental Policy, ENEOS Materials Group works to reduce waste and promote resource recycling to contribute to the formation of a resource recycling society. We promote effective resource utilization and waste reduction, reuse, and recycling.

We also monitor emissions and treatment methods and manage external waste treatment contractors as we aim to continuously reduce waste to landfill ratio and improve recycling rates, pursuing ongoing improvements toward realizing sustainable resource recycling management.

[ENEOS Materials Group Environmental Policy](https://www.eneos-materials.com/english/sustainability/environment/)
<https://www.eneos-materials.com/english/sustainability/environment/>

Structure

Our Group has established Contributing to the Formation of a Resource Recycling Society as a priority theme in environmental management and has built a company-wide PDCA operating structure centered on the Environment Safety and Quality Committee. The committee ensures the effectiveness of activities and continuous improvement through deliberation of measures related to waste reduction, recycling, and reuse, confirmation of annual results and audit findings, and identification of issues and formulation of corrective policies. Important matters are reported to the ESG Management Promotion Meeting and the Executive Committee, with governance ensured under management involvement. Additionally, management of waste treatment contractors and improvement of recycling processes are handled proactively by responsible departments at each plant, which thoroughly conduct on-site confirmation, contractor evaluation, and improvement measures. The Safety, Health, Environment & Quality Assurance Dept. promotes enhancement of circular management through cross-site deployment of best practices and company-wide response support when problems arise. This operating structure enables management and integration of KPIs and environmental targets, as well as strengthened

strategic resource circulation through cross-departmental collaboration, contributing to sustainable materials supply and creation of environmental value.

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Targets (KPIs)

Based on the ENEOS Group Material ESG Issues, our Group has independently established ENEOS Materials Group Environmental Targets with fiscal 2025 as the target year. For contributing to the formation of a resource recycling society, we have set KPIs and targets based on promotion themes and are advancing our initiatives.

[Environmental Management Targets \(KPIs\)](#) ▶p. 12

▶ Fiscal 2024 ENEOS Materials Group KPI response status **KPI**

Evaluation: 😊 Achieved/Steady progress ☹️ Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 Activity results and progress
Reduction in landfill disposal	Waste-to-landfill ratio: Maintain zero emissions (0.1% or less)	ENEOS Materials, EMIX, TMC, NSR	😊 0.1% or below (zero emissions continuing)

▶ Fiscal 2025 ENEOS Materials Group Environmental Targets

ENEOS Materials Group Environmental Policy	Promotion theme	KGI or KPI	Fiscal 2025 target	Scope
3. Contribute to the formation of a resource recycling society	Waste reduction	Industrial waste volume	Fiscal 2024 results or below	Our Group's production sites
		Production volume intensity	0.0511	ENEOS Materials
	Reducing waste-to-landfill rate	Waste-to-landfill ratio (zero emissions)	Fiscal 2024 results or below	Our Group's production sites
		Recycling rate (Target: all industrial waste)	0.1% or less, zero emissions continuing	Our Group's production sites
Promoting resource recycling	Waste plastic recycling rate	60%	Fiscal 2024 results or above	ENEOS Materials
		Fiscal 2024 results or above	Our Group's production sites	
			Fiscal 2024 results or above	Our Group's production sites

Contributing to the formation of a resource recycling society

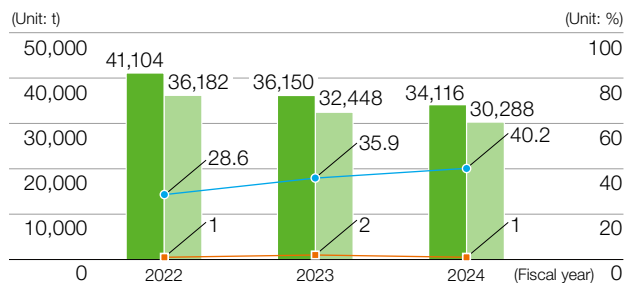
Results

Our Group’s production sites are working to reduce industrial waste volume and recycle waste plastics. Fiscal 2024 industrial waste volume was 34,116 tons, a reduction of 2,034 tons from the previous fiscal year.

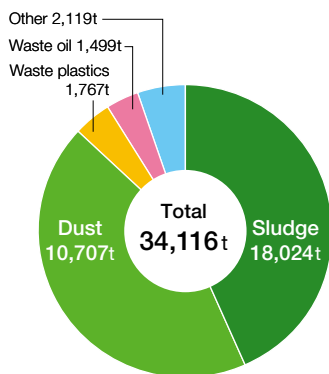
For waste plastic recycling, fiscal 2024 material recycling rate was 13.3% and chemical recycling rate was 2.6%, both improved from the previous fiscal year.

Industrial waste volume, reduction rate, and waste-to-landfill ratio

- Industrial waste volume (Our Group’s production sites)
- Industrial waste volume (ENEOS Materials’ 3 plants)
- Industrial waste volume reduction rate (compared to fiscal 2013, ENEOS Materials’ 3 plants)
- Waste-to-landfill ratio (Our Group’s production sites)



Fiscal 2024 industrial waste volume breakdown (Our Group’s production sites)



Waste plastic recycling (Our Group’s production sites)

	Fiscal 2022		Fiscal 2023		Fiscal 2024	
Waste plastic volume	1,898t		1,573t		1,767t	
Material recycling volume/rate	193t	10.2%	153t	9.8%	234t	13.3%
Chemical recycling volume/rate	1t	0%	0t	0%	46t	2.6%
Thermal recycling volume/rate	1,703t	89.7%	1,413t	89.8%	1,447t	81.9%

Waste reduction initiatives

The principal synthetic rubber production sites manufacture chemical industry products including synthetic rubber and raw materials. Main waste includes synthetic rubber scraps generated during product manufacturing, waste oil, and sludge generated during wastewater treatment. For synthetic rubber scraps, we first promote conversion to valuables and work to reduce waste. When disposal as waste plastics is necessary, we conduct recycling close to 100% including thermal recovery. Each production site promotes waste recycling and thermal recovery during waste treatment, working to utilize resources as effectively as possible.

Additionally, rather than discarding certain non-conforming products, we reprocess and rework them, and when they meet quality specifications after these efforts, we sell them, advancing initiatives to reduce raw material consumption and waste.

EMTR contributes to reducing waste in society and GHG emissions during waste incineration by purchasing rubber that would normally be incinerated as waste and promoting sales to companies that can reuse it.

Initiatives at Yokkaichi Plant

At our Yokkaichi Plant, sludge discharged from the wastewater treatment facility is incinerated in on-site incinerators and is also being converted to fuel through treatment with sludge dryers.

Coal ash, which has the next highest discharge volume after sludge, is recycled as cement raw material, and we achieved 100% recycling again in fiscal 2024.

We have also established a recycling center within the Yokkaichi Plant to promote separation and recycling of waste generated internally. Waste is consolidated through regular plant collection and direct delivery from each department, then manually separated and disassembled into waste and valuables. After separating plastics, we conduct further re-separation by material type to promote valuable sales.

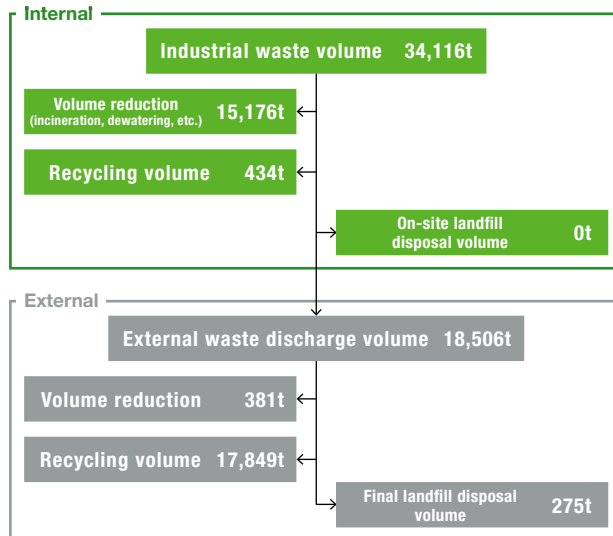
For reusable items, we encourage reuse among all employees, helping raise awareness of waste reduction.

When outsourcing treatment, our basic policy is to select appropriate contractors

Contributing to the formation of a resource recycling society

and conduct ongoing management. We contract with licensed operators for disposal. For contractors not certified as excellent operators, we conduct annual on-site confirmation of intermediate treatment and final disposal site conditions, permit holdings and validity periods, processing capacity and equipment appropriateness, and legal compliance track records. For certified excellent operators, we conduct annual questionnaire confirmation and implement on-site confirmation as needed.

Fiscal 2024 Industrial Waste Treatment Flow Diagram (Our Group's production sites)



Environmental Conservation

Basic Approach

Based on ENEOS Materials Group Environmental Policy, the ENEOS Materials Group positions minimizing impacts on the atmosphere, water quality, soil, and other areas and achieving coexistence with local environments at the core of our environmental conservation activities. For environmental impacts from business activities (SOx, NOx, dust, VOCs, PRTR target substances, water pollutants, etc.), we maintain a basic stance of preventive approaches and continuous improvement, promoting establishment of voluntary standards exceeding legal compliance and introduction of advanced treatment facilities. We have also established environmental targets of continuously achieving zero environmental complaints and zero environmental accidents, and we work to reduce environmental risks and ensure social trust through visualization and quantitative management of emissions data.

[ENEOS Materials Group Environmental Policy](https://www.eneos-materials.com/english/sustainability/environment/)
<https://www.eneos-materials.com/english/sustainability/environment/>

Structure

Our Group promotes environmental conservation activities company wide under the jurisdiction of the Environment Safety and Quality Committee, a subordinate body of the ESG Management Promotion Meeting. The committee deliberates matters related to emissions management for air, water quality, soil,

and other areas, environmental law compliance, and environmental audit policies and results, with a structure to report to the Executive Committee and other bodies as needed. At operational sites, responsible departments at each plant lead operation management of emissions treatment facilities and daily monitoring based on voluntary management standards, executing environmental management through PDCA cycles in coordination with the committee.

[Environmental Management](#) ▶pp. 11-15

Targets

The ENEOS Group has established KPIs for Appropriate identification and management of biodiversity risks among the 10 Material ESG Issues, and our Group is working toward understanding the degree of dependence and impact on natural capital as a member of the ENEOS Group. Additionally, based on the ENEOS Group Material ESG Issues, our Group has independently established the ENEOS Materials Group Environmental Targets, with fiscal 2025 as the target. For environmental conservation, we have set KPIs and targets based on the themes we are promoting and are advancing our initiatives.

▶ Fiscal 2024 Material ESG Issues of the ENEOS Group: Targets, Results, and Progress

ENEOS Group		ENEOS Materials Group	
Initiative	Targets	Scope	Fiscal 2024 activity results and progress
Understand the degree of dependence and impact on natural capital	Understand the degree of dependence and impact on natural capital in main business sectors	ENEOS Materials	Understand the Degree of Dependence and Impact Using Tools in Coordination with ENEOS Holdings

▶ Fiscal 2025 ENEOS Materials Group Environmental Targets

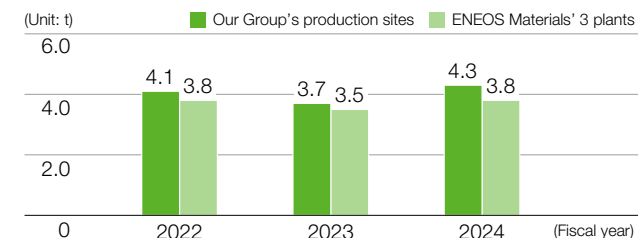
ENEOS Materials Group Environmental Policy	Theme Being Promoted	KGI or KPI	Fiscal 2025 Target	Scope
4.Promote environmental conservation in business activities	Reduce risks to local environments	Number of environmental pollution accidents (Level 3)	0 cases	Our Group's production sites
		Number of environmental complaints	0 cases	Our Group's production sites

Air Pollution Prevention

Our Group's production sites have established voluntary management values stricter than legal regulations to reliably comply with regulatory values under each country's laws and agreement standard values with local governments.

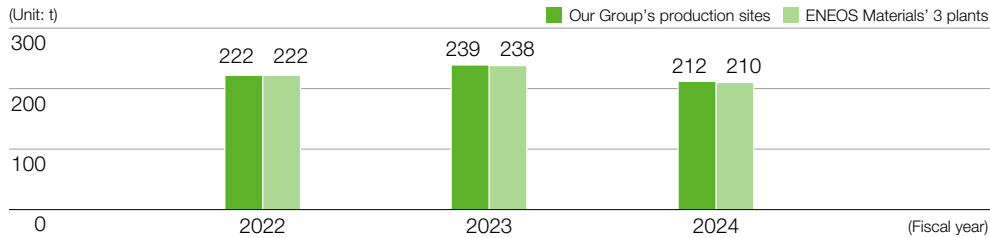
For example, ENEOS Materials' 3 plants have installed desulfurization equipment to remove sulfur oxides (SOx) and denitrification equipment to remove nitrogen oxides (NOx), treating SOx, NOx, and dust discharged as exhaust gas components from boilers and incinerators.

▶ SOx emissions trends (Our Group's production sites)

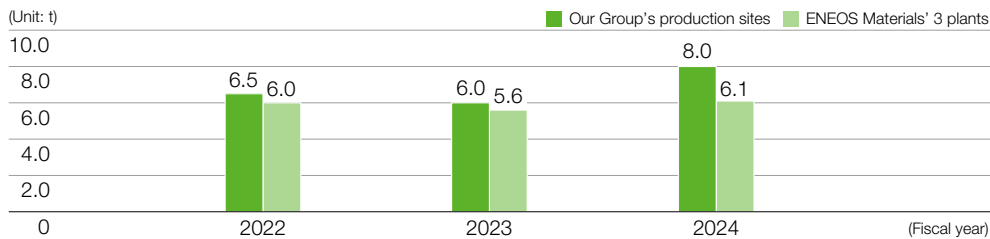


Environmental Conservation

NOx emissions trends (Our Group's production sites)



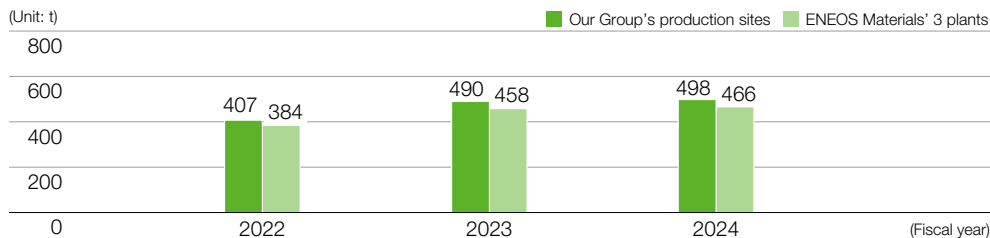
Dust emissions trends (Our Group's production sites)



Promoting VOC (Volatile Organic Compounds) emissions reduction

Our Group's production sites work to reduce VOC emissions. For example, our Company treats VOCs discharged from production processes through combustion in regenerative thermal oxidizers (RTOs) to reduce emissions.

VOC emissions trends (Our Group's production sites)



Measures for PRTR System Target Substances

Our Group's domestic production sites compile data on emissions to the environment (air, water, soil) and transfer volumes of designated chemical substances manufactured or used each year based on the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement, and report to the government for each site.

We implement measures such as installing environmental improvement facilities and improving manufacturing processes to address highly hazardous substances, substances with high emission volumes, and substances considered to have major environmental impacts. As a result of these efforts, fiscal 2024 air emissions of designated chemical substances at our Group's domestic production sites were 442 tons.

PRTR target substance emissions (Our Group's domestic production sites)

(Unit: t)

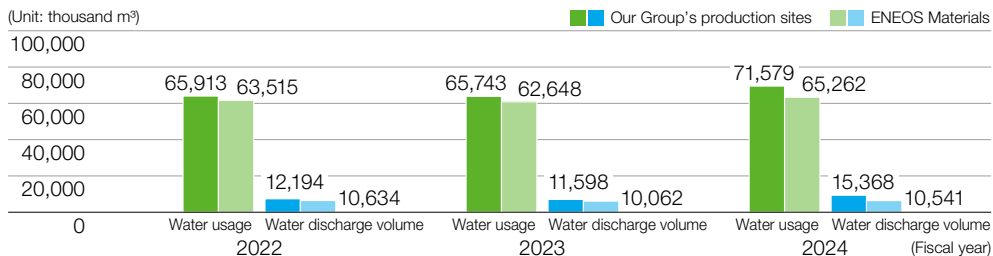
	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	ENEOS Materials	Our Group's domestic production sites	ENEOS Materials	Our Group's domestic production sites	ENEOS Materials	Our Group's domestic production sites
Handling volume	580,190	580,305	525,666	525,775	565,193	568,188
Emissions	101	101	377	377	442	442
Air	81	81	360	360	421	422
Water	20	20	17	17	21	21
Soil	0	0	0	0	0	0
Transfer amount	142	143	241	241	102	107

Environmental Conservation

Water Resource Conservation

Water is essential in the manufacturing processes of our products and raw materials. Water used in manufacturing processes undergoes water quality checks after treatment and is properly managed before discharge to rivers and oceans.

Water usage and discharge volumes (Our Group's production sites)



Water Discharge Management and Water Quality Investigation

Our Group's production sites perform appropriate treatment according to water quality to remove water pollutants, and we have established voluntary management standards stricter than legal and ordinance standard values in each country to manage discharge to rivers and marine areas. We also conduct regular groundwater surveys* and confirm that water quality has no issues.

*Groundwater surveys at our Yokkaichi Plant are conducted in cooperation with JSR Corporation, which performs the survey work.

Water pollutants (Our Group's production sites)

(Unit: t)

	Fiscal 2022	Fiscal 2023	Fiscal 2024
COD emissions	574	554	629
Total phosphorus emissions	1	1	0
Total nitrogen emissions	115	94	94

Reducing Environmental Impact

Installing Environmental Improvement Facilities

ENEOS Materials' 3 plants have installed environmental improvement facilities to address not only air pollution, but also noise, vibration, and odor, known as sensory pollution. Each plant measures vibration and noise monthly and odor annually, confirming values are below standards.

As of the end of September 2025, our Group's production sites had no environmental complaints in fiscal 2022 through 2024.

Environmental improvement facilities at ENEOS Materials' 3 Plants

	Measures
Yokkaichi Plant	<ul style="list-style-type: none"> We have installed a ground flare that combusts within a ground-level cylindrical furnace as environmental countermeasure equipment. This produces no combustion noise and flames are not directly visible from outside, reducing impact on the surrounding environment. We have installed bag filters on boilers that can collect particulate matter, reducing dust emissions.
Chiba Plant	We have introduced a regenerative combustion deodorization system in the synthetic rubber finishing process to suppress odor and treat volatile organic compounds (VOCs) with high efficiency.
Kashima Plant	Like the Yokkaichi Plant, we have installed a ground flare, reducing impact on the surrounding environment.

Improvement of Local Environments
<https://www.eneos-materials.com/english/sustainability/environment/mitigation/>

Environmental Conservation

Biodiversity

Basic Approach

As clearly stated in the ENEOS Group Code of Conduct and the ENEOS Materials Corporate Ethics Guidelines, our Group recognizes biodiversity conservation as one of our important environmental issues.

We aim to properly manage our dependence and impact on natural capital in business activities and to balance ecosystem conservation with sustainable resource use. We work to understand and minimize risks to biodiversity through business activities including land use, water use, and chemical substance management, pursuing business operations in harmony with local communities.

ENEOS Group Code of Conduct (Excerpt)

3. Environmental conservation

(1) We recognize that we are stewards of the environment and its limited resources. We strive to conserve biodiversity and natural capital, including, but not limited to, water, soil, and the atmosphere, and contribute to the development of a sustainable society.

[ENEOS Group Code of Conduct Environmental Conservation](https://www.hd.eneos.co.jp/english/about/conduct.html)
<https://www.hd.eneos.co.jp/english/about/conduct.html>

Understand the degree of dependence and impact on natural capital

We are advancing efforts to understand the degree of our dependence and impact on natural capital and properly manage risks that business activities pose to ecosystems and local environments. As part of this, we began assessment work using the ENCORE* tool in fiscal 2024. In fiscal 2025, we will advance our understanding of dependence and impact on natural capital.

*Abbreviation for Exploring Natural Capital Opportunities, Risks and Exposure. A tool developed by organizations including the UN Environment Program World Conservation Monitoring Centre (UNEP-WCMC) for understanding the degree of corporate impacts and dependence on nature

Our Biodiversity Initiatives

ENEOS Materials' 3 plants and offices are working to contribute to conserving local ecosystems and reduce indirect impacts of business activities on the natural environment.

Yokkaichi Plant initiatives

The Yokkaichi Plant works on biodiversity consideration and environmental conservation through maintaining and managing green belts on the premises and maintaining satoyama woodlands. We have confirmed cases where butterfly habitat environments in the region have improved through environmental improvement on the premises.

Measures to reduce natural environment impact at ENEOS Materials' 3 plants

ENEOS Materials' 3 plants implement various initiatives and also work to suppress indirect impacts on biodiversity.

Initiatives at each office

- Water quality conservation through appropriate wastewater treatment based on voluntary management standards
- Reducing VOC (volatile organic compound) emissions and managing atmospheric impacts
- Proper storage of chemical substances and hazardous materials and management of soil outflow risks
- Leak prevention design and operation management for facilities in preparation for natural disasters

These initiatives are positioned as measures linked with our environmental risk management, aiming to achieve both natural capital protection and maintenance of local ecosystems.

Product Safety and Quality

Quality Policy

Based on the ENEOS Group Code of Conduct, ENEOS Materials Group positions safety assurance, environmental conservation, and product safety as important foundations for business activities. Under our Basic Policy of RC, we have established the ENEOS Materials Quality Policy and work to maintain and improve product safety and quality. For our Company's 3 plants, we have also formulated site policies based on ISO 9001.

Quality Policy

1. Improve customer satisfaction

We will meet customer expectations by continually striving to improve all aspects of our products, including the provision of information related to product safety and environmental impact, quality, cost, and delivery time.

2. Continually enhance the effectiveness of mechanisms and rules

We will continually improve the effectiveness of our quality-related work mechanisms and rules to provide products and services that customers can use with confidence.

3. Conduct company-wide activities

All employees will strive to continually enhance the quality of products and work in their respective duties.

October 2022
ENEOS Materials Corporation
President and Representative Director

Basic Policy of RC ▶ p. 6

ENEOS Group Code of Conduct Product and Service Quality
<https://www.hd.eneos.co.jp/english/about/conduct.html>

Quality Policy
<https://www.eneos-materials.com/english/sustainability/social/safety/>

Structure

With the Environment Safety and Quality Committee at its core, our Company advances chemical substance management, product safety, quality assurance, and product liability prevention (PLP) through the Safety, Health, Environment & Quality Assurance Dept., which oversees chemical and product safety, while the Technical Dept. promotes comprehensive management and improvement of product quality. ENEOS Materials' 3 plants and 11 group companies have obtained ISO 9001 certification and have established quality management systems at each plant, conducting planning, internal audits, management reviews, and education related to product safety and quality to work on product safety and improve quality.

ESG Management Promotion Structure ▶ p. 7

Data Product Safety and Quality ▶ p. 76

ISO 9001 Certification
<https://www.eneos-materials.com/english/sustainability/social/safety/>

Product safety initiatives

Our Group is advancing product safety assurance initiatives to meet customer expectations with safe and reliable products.

Chemical substance management initiatives

While chemical substances support convenient and comfortable living, some are difficult to decompose in nature and can adversely affect human health and the environment. As a chemical manufacturer, our Group is working on concrete measures including compliance with laws and regulations related to chemical substances.

Because chemical substance laws in each country are detailed and frequently revised, we have established regional representatives to accurately collect information on each regulation. We also use chemSHERPA* to manage information on chemical substances contained in products, establishing a structure to respond globally to regulations related to chemical substances.

*chemSHERPA: A common information communication scheme developed and released under the leadership of the Ministry of Economy, Trade and Industry in 2015 to properly manage information on chemical substances contained in products throughout the supply chain from upstream to downstream companies and communicate it reliably and efficiently

Product liability prevention (PLP) initiatives

To ensure the safety and health of customers using products we manufacture and sell and prevent economic losses to product users from product defects, we have established PLP check procedures including legal regulations at the development stage of our products. We confirm safety according to product applications and attributes using checklists.

In addition to PLP checks, the research and development department conducts safety and environmental assessments stipulated in pre-safety assessment procedures.

Product Safety and Quality

Providing Appropriate Information Through SDS

Our Group provides customers with information on the hazards and toxicity of chemical substances contained in products through Safety Data Sheets (SDS).

We collect information on chemicals contained in raw materials from suppliers and public information, and create SDS and GHS* labels incorporating product composition information for products we manufacture. When matters requiring reflection in the description arise, such as changes in applicable laws, allowable concentrations, toxicity, and quality information, we promptly revise them and also conduct periodic reviews (within a period not exceeding 5 years).

*GHS (Globally Harmonized System of Classification and Labelling of Chemicals): A system that harmonizes classification criteria and contents of labels and safety data sheets for each chemical hazard and provides them as globally unified rules

 Ministry of the Environment Health and Chemical Substance Measures GHS
<https://unece.org/about-ghs>

Quality Initiatives

Our Group has established a quality management system and works to ensure quality.

Quality audits

Head office quality audits

Our Group has established the Quality Management Regulations with the purpose of maintaining and continuously improving customer satisfaction and product safety by enhancing structures related to quality control and quality assurance. Based on

these regulations, the Environment Safety and Quality Committee conducts head office quality audits at least once a year to verify the effectiveness of site quality assurance and risk response operations.

The audit leader is the General Manager of the Safety, Health, Environment & Quality Assurance Dept., and the purpose is to improve our Company's quality assurance by confirming that managers and supervisors stipulated in the Quality Management Regulations and operations of each department are being conducted appropriately, or by identifying and improving inappropriate operations.

Internal audits and external assessments based on ISO 9001

At our Group sites with ISO 9001 certification, we conduct external assessments by ISO 9001 certification bodies once a year and internal audits based on ISO 9001 once a year to confirm the effectiveness and suitability of the quality management system. Internal auditors are competent auditors who have undergone training and other preparation, verify the necessity for improvements, and report results to the site manager.

Evaluation and selection of contract manufacturers and product suppliers

When outsourcing product manufacturing or purchasing products for resale, we ensure quality assurance by appropriately evaluating and selecting vendors. The Group Manager in charge of quality assurance managing the target products serves as the responsible party, with the Sales & Marketing Div. making the final decision. Even after contracting, we reevaluate quality control structures once or twice a year through self-scoring evaluations by contract manufacturers and product

suppliers and verification of their validity through interviews by our Company. When nonconformities occur, we request corrections and confirm that corrective actions are effective after correction.

Quality education

Our Group conducts quality education once a year using examples of quality incidents that have occurred at other companies. Participants are employees of ENEOS Materials, EMIX, LC, TMC, and NSR*, and the attendance rate in fiscal 2024 was 95%. Additionally, in job category education within our Company's human resource development program, completion of an introduction to quality management is required.

*Including EKE employees who operate jointly with our Kashima Plant

Response When Product Defects Occur

When product defects occur, we respond based on the Product Complaint Corrective and Preventive Action Procedures established at each plant. Information on defective products is consolidated at the Technical Dept., which conducts investigations of manufacturing processes and other aspects of the target product based on the defect occurrence, and examines and implements measures for root cause investigation and recurrence prevention. These are compiled as response documents to complaints and submitted to customers. We subsequently verify the effectiveness of implemented measures and connect them to preventing recurrence of similar defects.

Occupational Health and Safety

Policy

The ENEOS Materials Group is working to embed safety and compliance as the top priority of all business activities into our corporate culture, and to achieve zero accidents and zero work-related injuries, under the ENEOS Group Philosophy and the ENEOS Group Code of Conduct. Under top management’s leadership, our Company has established the Safety Philosophy and the Safety Policy (Basic Policy for Safety Management), and is committed to creating a workplace environment where everyone at all business sites and contractor companies can feel secure and work in good physical and mental health.

Safety Philosophy

We will give top priority to safety and compliance in all of our business activities.

Safety Policy (Basic Policy for Safety Management)

The ENEOS Materials Group and its employees will follow the basic policies outlined below so that “nobody gets hurt” and “to eliminate accidents.”

- (1) Thoroughly abide by all rules (compliance with specific requirements)**
- (2) Consistently implement all safety activities**
- (3) Enhance crisis management capabilities**
- (4) Continually enhance security management systems**

July 2023
 ENEOS Materials Corporation
 President and Representative Director

- 📄 **ENEOS Group Code of Conduct: Safety and security**
<https://www.hd.eneos.co.jp/english/about/conduct.html>
- 📄 **Safety Philosophy and Safety Policy**
<https://www.eneos-materials.com/english/sustainability/social/safety/>

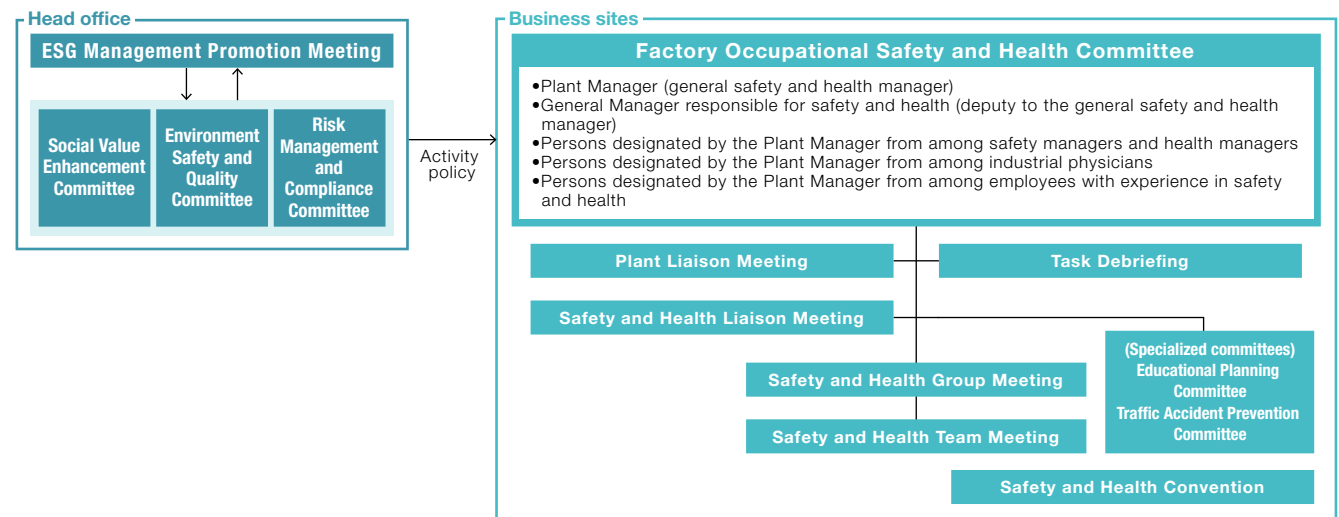
Structure

Our Group has set zero occupational accidents as the top target of safety and health management. Under the Environment Safety and Quality Committee, we have built a management system based on our basic philosophy, basic policy, and implementation

plans for safety, health, and security, and are actively driving company-wide activities toward achieving zero occupational accidents.

Our Company has established the Occupational Safety and Health Committee or the Occupational Health Committee at sites in accordance with the law to share company-wide and business site activities related to safety and health, and to incorporate employee input into these activities. Each committee consists of managers responsible for overseeing safety and health at business sites, safety managers, health managers, persons designated by the business site manager, industrial physicians, and labor union representatives,

Occupational health and safety system diagram



*The business site system diagram is a representative example using the Yokkaichi Plant

Occupational Health and Safety

and operates according to regulations established at each business site. The committees meet monthly to discuss and follow up on workplace risk assessment results, accident case studies, health issues, corrective guidance, and training plans.

Our Company has established safety management regulations, including the Occupational Safety and Health Manual and the Safety Management Manual, and work procedure manuals tailored to specific tasks. These regulations apply to everyone working at our Company's business sites (officers, employees, contract employees, temporary employees, contractor company employees, etc.). We also share information with contractor companies within business sites through the Safety and Health Convention.

We have adopted a common ENEOS Group risk assessment framework starting in fiscal 2025. Under this framework, when occupational accidents occur, we have a system in place for appropriate reporting and initial response based on crisis levels (1-3) determined by these standards. When occupational accidents occur at our Company's business sites, the site reports to the head office, and cases at crisis level 2 or higher must in principle be reported to ENEOS Holdings.

Within our Group, we share policies, targets, and various safety-related information through the Group Company Safety Liaison Meeting. We have also established a system for reporting occupational accidents at the group companies* other than our Company to our Company, with cases at crisis level 3 or higher being reported to ENEOS Holdings. Through these systems, we strengthen the effectiveness of

preventive governance against major disaster risks while promoting a safety culture and continuous improvement.

[Risk Management](#) ▶pp. 61-65

*Group companies: BEE, EMSR, EMIX, EMTR, TMC, NSR, LC, NCTI, ANCI, JBC, EKE

[Sustainability Promotion System](https://www.eneos-materials.com/english/sustainability/s_policy/)
https://www.eneos-materials.com/english/sustainability/s_policy/

Safety and Health Convention

Each of our business sites has established the Safety and Health Convention to work cooperatively with contractor companies to smoothly advance safety and health management and safety management in construction and other work.

The Safety and Health Convention consists of our Company and contractor companies that have entered into construction or work contracts with us. Through two-way information sharing and joint implementation of risk reduction activities, we work to improve safety levels. The Convention has an executive board at the upper level that sets policies and basic plans for operations. For actual activities, we establish subcommittees organized by the types of business of contractor companies to drive specific initiatives. The subcommittees formulate annual activity plans based on the basic policies set by the executive board and conduct various activities including patrols for work environment improvement, risk reduction activities, and horizontal deployment of accidents and occupational accidents.

Specific activity details

- Accident case education, safety education, patrols during periodic repair work, safety experience training, etc.

Fiscal 2024 activity enhancement items (example from our Yokkaichi Plant)

- To ensure reliable RAKY* execution, improve pre-work hazard prediction (KY: Kiken Yochi) levels and ensure thorough implementation of countermeasures against identified hazards before undertaking work
- Free provision of drinks and salt jelly during the June-September period
- Daily notification of the day's predicted maximum heat index (WBGT: Wet Bulb Globe Temperature) and time of occurrence across all work environments to strengthen heatstroke prevention activities

*RAKY: Activities that comprehensively encompass risk assessment (RA) and hazard prediction (KY: Kiken Yochi), along with countermeasures and point-and-call confirmation.

Conducting audits

Our Company conducts head office safety audits led by the president and high-pressure gas certified business site audits at each business site once a year to verify the effectiveness of safety and health management activities and safety activities at business sites. Audit results are incorporated into the following year's plans as we work toward continuous improvement.

Occupational Health and Safety

Targets (KPIs)

Our Group has set targets of zero lost-time accidents and zero equipment accidents (abnormal phenomena under the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities and high-pressure gas accidents of a certain grade or higher) to prevent occupational accidents, and sets annual KPIs to achieve these targets. In fiscal 2024, no major occupational accidents (fatal occupational accidents) occurred, and we achieved the following results against our targets.

We will continue to strengthen quantitative monitoring and preventive safety activities going forward to maintain zero accidents and zero disasters.

🔴 Fiscal 2024 ENEOS Materials Group KPI response status **KPI**

Evaluation: 😊 Achieved/Steady progress 🙄 Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 activity results and progress
Reduction in occupational injuries	Serious occupational injuries (occupational fatalities): zero		😊 0 cases
	TRIR*1: 1.0 or less	ENEOS Materials , BEE, EMSR, EMIX, TMC, NSR, LC, NCTI, ANCI	😊 0.88
	LTIR**2: 0.0 for employees, 0.3 or less for employees of contractor companies		0.44 for employees, 1.25 for employees of contractor companies 🙄

*1 TRIR: Number of occupational injuries per million working hours (non-lost-time occupational injuries + lost-time occupational injuries and fatalities)

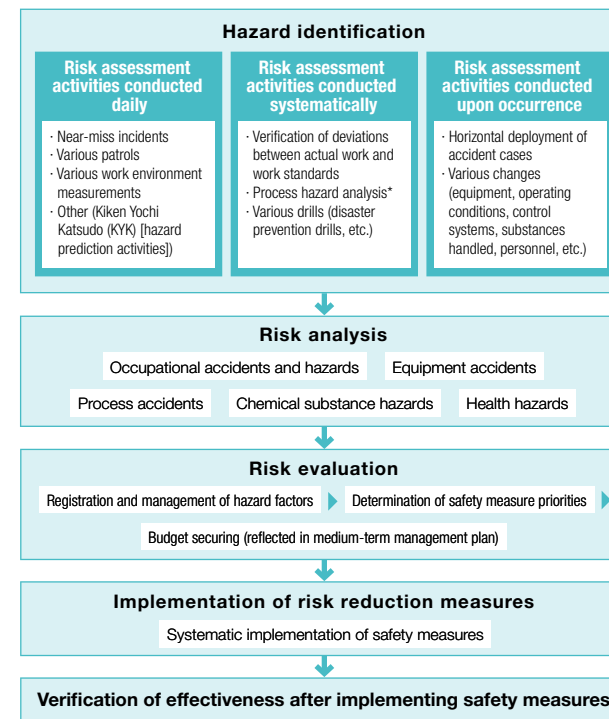
**2 LTIR: Number of lost time occupational injuries and fatalities per million working hours

Occupational safety risk assessment

Our Group conducts systematic risk assessments at all locations to minimize occupational accident risks for all employees and contractor company workers. We review the current state of manufacturing processes, facilities, operational work methods, substances handled, work environments, and other areas, and have established a system for continuously identifying hazard factors, ranking risks, and developing and implementing countermeasures based on priorities across all areas.

At our Group, 100% of business sites have conducted safety and health risk assessments for employees. We have also implemented a stress check system for employees to identify occupational health risks and improve workplace environments. Check results are compiled in a manner that protects personal information and shared with department heads as workplace-level trends. In departments with high psychological risks, we conduct individual follow-ups and implement environment improvements.

🔴 Risk assessment procedures



*HAZOP/LOPA is used as the main method for process hazard analysis

[Risk Management Initiatives](#) ▶pp. 61-65

Security management system

Our Company owns numerous high-pressure gas facilities. To prevent accidents and maintain and improve safety levels at business sites, we have established a safety management system that meets

Occupational Health and Safety

high-pressure gas certification notification requirements. We set business site policies and targets for safety management, formulate plans, and continuously conduct risk evaluation and improvement in accordance with risk assessment procedures to ensure safety.

The safety management system covers everyone working at business sites (employees, contract employees, temporary employees, contractor company employees). We have also established the Safety and Health Procedures, the Equipment Management Procedures, and other regulations on specific management methods and work methods to prevent accidents and disasters.

We take seriously the stern warning and administrative guidance related to the High Pressure Gas Safety Act that we received from the Ministry of Economy, Trade and Industry in October 2024, and are thoroughly implementing recurrence prevention measures and working to ensure safety.

Compliance: Corrective Action for Compliance Violations ▶p. 70

Measures against exposure to noise, hazardous substances, etc.

Our Company has implemented comprehensive exposure countermeasures to prevent health effects among employees and contractor company workers from hazardous substances and physical risk factors. Before starting to use new chemical substances or conducting construction work within plants, we determine the degree of impact based on safety procedures established for each plant, and then conduct

pre-safety assessments by evaluation teams (safety and health managers, equipment management supervisors, division heads, etc.). By establishing evaluators and approval authorities (for example, the Plant Manager for high-risk cases) in stages according to evaluation level, we achieve both management intensity appropriate to the risk and reliable assurance of safety.

- Before starting to use new chemical substances, conduct pre-assessment of hazards and physical properties based on MSDS (SDS)
- Mandate review of work processes, installation of local exhaust systems, and proper use of protective equipment to prevent exposure
- Thoroughly select and wear protective equipment according to risk type, including noise, electric shock, dust, radiation, and cuts

We also conduct periodic work environment measurements and health examinations for workers engaged in specified work in accordance with laws and regulations. The effectiveness of exposure reduction is reviewed by the Occupational Safety and Health Committee and through internal audits, with corrective measures taken as necessary.

Occupational accident status

In fiscal 2024, our Group (domestic and overseas employees and contractor company workers) recorded 5 lost-time accidents (including zero fatalities) and 10 non-lost-time accidents.

We conduct 4M analysis (a method of investigating causes from 4 perspectives: Management, Media, Machine, and Man) for each occupational accident and implement countermeasures based on the causal factors to prevent recurrence.

Our Company's 3 plants have medical offices staffed with resident nurses. In addition to responding to work-related injuries and illnesses, these offices handle periodic health examinations and health consultations, helping us create a workplace environment where people can work with peace of mind.

Occupational accident occurrences

(Unit: cases)

	Scope	Fiscal 2022	Fiscal 2023	Fiscal 2024
Non-lost-time accidents	ENEOS Materials	3	1	1
	Our Group's domestic companies	1	1	1*1
	Our Group's overseas companies	0	0	1*2
	Contractor companies	4	3	7
Total		8	5	10
Lost-time accidents (including fatalities)	ENEOS Materials	0 (0)	1 (0)	0
	Our Group's domestic companies	0 (0)	1 (0)	0*1
	Our Group's overseas companies	4 (0)	5 (0)	4*2
	Contractor companies	0 (0)	3 (0)	1
Total		4 (0)	10 (0)	5 (0)
Total occupational accidents		12	15	15

*1 Scope: TMC, LC, NSR, EMIX

*2 Scope: BEE, EMSR, NCTI, ANCI

Occupational Health and Safety

TRIR and LTIR

	Scope	Fiscal 2023	Fiscal 2024
TRIR*1	ENEOS Materials	0.85	0.41
	Contractor companies	3.96	4.42
LTIR*2	ENEOS Materials	0.43	0.00
	Contractor companies	0.99	0.55

*1 TRIR: Number of occupational injuries per million working hours (non-lost-time occupational injuries + lost-time occupational injuries and fatalities)

*2 LTIR: Number of lost time occupational injuries and fatalities per million working hours

philosophy, education policy, education system, and education promotion structure to facilitate employee education.

Participants acquire advanced safety knowledge through various types of education and apply it to safety activities at their plants. In fiscal 2024, the completion rate for safety-related lectures, including safety and environment training and process hazard scenario development education, was 96%.

[Human Resources Management](#) ▶pp. 48-50

Safety experience education

Occupational accidents at our Company's plants commonly involve falling from heights, slips and falls, getting caught in equipment, and entanglement. At our Company's 3 plants, we provide 14 types of safety experience training using equipment. Participants experience potential work-related hazards in a simulated environment to improve their ability to recognize, avoid, and respond to dangers. In fiscal 2024, the completion rate for safety experience education was 97%.

Safety education for contractor companies

Our Company requires all contractor company workers performing work at our plants to receive safety education. For training content, in addition to introductory safety education, we have distributed various manuals to all contractor companies that define the procedures of the safety management system and matters related to safety and health, disaster prevention, and other items that workers must comply with. We also recognize contractor company employees with excellent

safety records (once a year) to maintain and improve safety awareness.

Safety education initiatives

Conducting introductory safety education

Target

All contractor companies that have joined the Safety and Health Convention

Safety education

Our Group provides systematic and highly effective safety education for employees and contractor companies in order to prevent occupational accidents and process accidents. Our Company's education system has a multilayered structure that includes classroom lectures common to our entire Company, safety experience education where participants learn about on-site hazards through hands-on experience, and education for contractor companies.

Safety lectures

We provide safety-related education for all employees in our Company, including safety and environment training and process hazard scenario development education. At each plant, we have established an education

Process safety and disaster prevention

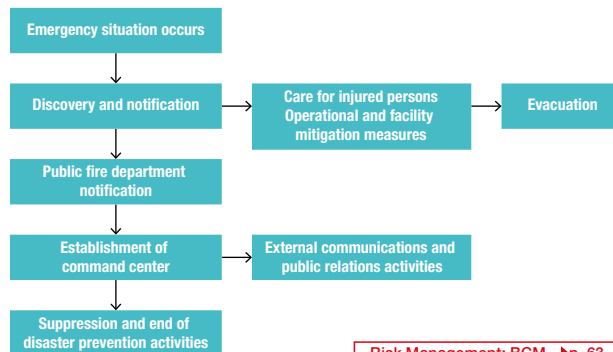
Our Company has positioned natural disasters, explosions, fires, chemical substance leaks, power outages, equipment accidents, and similar events as emergency situations to balance business continuity with regional safety, and has built an organizational safety and disaster prevention management system to prepare for their occurrence. As an emergency response framework, we have documented response procedures covering everything from advance preparation, initial response, transition to emergency systems, resolution, and recurrence prevention based on the Safety Management Manual and the Crisis Management Manual formulated at each business site, and have established a system that enables rapid command and control, notification, and on-site response in accordance with these procedures. When an emergency situation occurs, we implement phase-based responses in accordance with the manuals, and afterward conduct

Occupational Health and Safety

evaluation and correction (PDCA) based on training records and actual disaster records, incorporating improvements into procedures, equipment and materials, and systems.

For spherical tanks and high-pressure gas equipment critical to seismic design, we conduct seismic performance assessments based on national seismic design standards and implement seismic countermeasures.

Emergency response



Risk Management: BCM ▶p. 63

Conducting disaster prevention drills

Our Company conducts disaster prevention drills tailored to various situations to minimize human casualties and environmental impact in preparation for emergency situations. At our Company's 3 plants, we conduct practical drills at least once a year that cover everything from firefighting, evacuation, notification, command and control, to public relations, including comprehensive

disaster prevention drills that verify initial response systems when disasters occur. We also organize private fire brigades in accordance with the High Pressure Gas Safety Act, the Fire Service Act, and other applicable laws and regulations, and regularly conduct specialized training with special fire brigade units.

We also conduct independent disaster prevention drills by department (fire extinguisher operation, protective equipment donning drills, etc.), and have established an effective education and training system covering all employees and contractor companies in order to improve risk response capabilities during normal operations.

The implementation status of these drills and post-drill review content are reviewed by the Occupational Safety and Health Committee and the Safety and Health Convention at each plant, and we maintain thorough PDCA-based operations where improvements are incorporated into the following year's training plans.

Various disaster prevention drills

Drill name	Participants	Frequency	Drill details
Plant comprehensive disaster prevention drill	Business site employees, contractor company employees	At least once a year	Post-disaster notification, initial response, establishment of countermeasures headquarters (plant, the head office), evacuation activities, firefighting activities, public relations, etc.
Special fire brigade drill	Special fire brigade members	4 times a year	
Other response drills	Department members	Set by department	Fire extinguisher drills, protective equipment donning drills, etc.

Labor relations

ENEOS Materials and EMIX have concluded labor agreements with labor unions and maintain sincere and equal labor-management discussions centered on wages, labor standards, and system revisions. Through these efforts, we work to balance the development of a comfortable workplace environment that reflects employee voices with sustainable organizational operations. In fiscal 2024, all employees specified in the Collective Bargaining Agreement have joined the labor union, with a membership rate of 100%. While EMTR and TMC do not have labor unions, they have designated employee representatives and established systems for employees to engage in dialogue with the company regarding workplace environment and requests and opinions on internal systems.

Our Company holds labor-management discussions twice a year, with spring focused primarily on wage and labor standard revisions and fall focused primarily on system revisions. Management approves and responds to proposals from both our Company and union raised during discussions. For wage revisions, the President, the officer in charge of Human Resources, and the Human Resources Dept. attend discussions and communicate their respective positions.

Data: Occupational Health and Safety, BCM ▶p. 75

Logistics Safety

Basic approach to logistics safety

The ENEOS Materials Group aims to achieve zero accidents and zero disasters in all business activities under the ENEOS Group Safety Philosophy, the Safety Policy, and the ENEOS Group Code of Conduct. Our Company has also established the Safety Philosophy and the Safety Policy (Basic Policy for Safety Management). For logistics as well, we set annual policies, targets, and plans based on these principles and work together with logistics contractors.

[Occupational Health and Safety: Policy ▶p. 29](#)

[ENEOS Group Code of Safety and security
https://www.hd.eneos.co.jp/english/about/conduct.html](https://www.hd.eneos.co.jp/english/about/conduct.html)

Structure

Our Company outsources 100% of logistics operations to logistics companies, and our Company manages and supervises their activities. We hold monthly regular meetings and have established rules for receiving reports from logistics contractors on the progress against goals and plans as well as the status of complaints and accidents.

We have also established rules for regularly conducting on-site quality audits and operational audits of logistics contractors, and when issues are identified, our logistics management dept. monitors the status of responses until corrective actions are reliably implemented.

Targets

Our Company promotes safety activities in the logistics division and works to maintain and improve logistics quality. We also continue to cooperate with relevant parties and respond appropriately to recent logistics issues in Japan.

	Fiscal 2024 targets	Fiscal 2024 results
1	Through logistics contractors, promote integrated safety activities with contractor companies and aim for zero lost-time accidents.	Zero lost-time accidents
2	In cooperation with logistics contractors, promote improvement in logistics quality and work to reduce complaints and troubles. <ul style="list-style-type: none"> • 5 or fewer complaints • 3 or fewer incidents 	<ul style="list-style-type: none"> • 3 complaints • 1 incident
3	To address the 2024 logistics problem, work with customers to reduce long cargo waiting times and tasks not specified in transportation contracts.	Initiatives ongoing
4	Work to reduce environmental impact by consolidating orders and maintaining a high modal shift rate.*	Modal shift rate 85%

*Modal shift rate: The proportion of transportation volume carried by rail or marine transport (including ferries) when the transportation distance exceeds 500 km for domestic transportation of our products

Status of logistics-related accidents

As a result of various safety initiatives by our Company and logistics contractors, the status of logistics-related accidents in fiscal 2024 was as follows:

- **Logistics occupational accidents: 0**
- **At-fault traffic accidents: 0**

White Logistics Movement Voluntary action declaration for achieving sustainable logistics

In June 2023, our Company endorsed the purpose of the White Logistics Movement and made a voluntary action declaration. Recognizing that sustainable and stable securing of the logistics needed for business activities is a management priority, we will work to improve logistics through mutual understanding and cooperation with business partners, contractors, and other stakeholders in an effort to achieve highly productive logistics and work style reforms.

[“White Logistics” Movement: Voluntary Action Declaration for Achieving Sustainable Logistics \(In Japanese only\)](https://www.eneos-materials.com/sustainability/social/diversity/pdf/diversity_02.pdf)
https://www.eneos-materials.com/sustainability/social/diversity/pdf/diversity_02.pdf

Logistics Safety

Logistics safety initiatives

To ensure safety in logistics, our Company works with logistics contractors to implement the following initiatives to ensure that everything from work risk identification to education and training is properly conducted.

Identification and improvement of work risks

Through logistics contractors, our Company conducts regular manager patrols and other activities to identify logistics accident and occupational accident risks, covering both physical and procedural aspects such as hazardous operations and dangerous locations at work sites. Our Company then carries out improvement activities to enhance safety at logistics sites. The results of safety improvement activities and other matters are verified through the Safety and Health Convention. When logistics accidents or occupational accidents occur, we receive reports including countermeasures from logistics contractors and work to prevent recurrence.

Cultivating and instilling safety awareness

Our Company promotes the cultivation and instilling of safety awareness. Workers at logistics contractors (warehouse workers, drivers, etc.) undergo hazard prediction training (“Kiken Yochi Training,” or KYT) and other activities designed to help them recognize potential risks and maintain a high level of hazard awareness, even in routine and familiar tasks. We also widely solicit safety slogans from logistics contractors to cultivate and instill safety awareness in each individual worker.

Enhancing joint education and training with contractor companies

Through logistics contractors, our Company conducts joint education and training with logistics contractor companies. We conduct preventive education through horizontal deployment of logistics accidents and occupational accidents including cases from other companies, and various drills assuming crises such as large-scale disasters and logistics accidents, to improve crisis response capabilities and safety awareness. In fiscal 2024, logistics contractors and logistics contractor companies conducted 7 types of simulation drills. We work to enhance education and training by incorporating improvement measures identified after each drill into subsequent drills.

Maintaining environmental safety during transportation

Our Company provides safety education for drivers through logistics contractors and has them carry cards (yellow cards) listing emergency procedures and contact information at all times to ensure environmental safety by responding quickly when emergencies occur during transportation.

Strengthening coordination of safety and health activities with logistics contractor companies

Our Company holds council meetings quarterly centered on logistics contractors to share logistics issues related to quality, safety, and environmental aspects, and manages the progress of improvement activities. We also conduct audits of logistics contractors once a year

to verify, evaluate, and provide guidance on safety and health activities.

Health

Policy

The ENEOS Materials Group positions the physical and mental health of employees as the foundation of sustainable corporate growth and recognizes the promotion of health management as one of our management priorities. Our Group actively supports the maintenance and promotion of employee health in accordance with the ENEOS Group Code of Conduct and the ENEOS Group Health Declaration, which establish basic principles regarding employee health. In doing so, we focus on collecting and disseminating relevant information, as well as identifying and evaluating health hazard risks arising from our business activities, in order to implement appropriate and effective risk mitigation measures.

ENEOS Group Code of Conduct (Excerpt)

4. Health enhancement

- (1) Health is the core element of our business continuity and development. We take active measures to maintain and enhance the mental and physical health of individuals employed by our group companies.
- (2) We endeavor to identify and evaluate health disorders related to our business activities and promote measures to reduce such risks. We also collect and provide information to external sources in order to ensure the sustainable development of occupational health.

ENEOS Group Health Declaration

The ENEOS Group's mission is to contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources and materials. Health, safety and environment is one of our five core values in the ENEOS Group Philosophy.

We believe that focusing on the health of our employees and their families results in a vibrant, productive workforce, which is the source of our competitiveness, as well as the vitality of our organization, and is the driving force for the achievement of our growth strategies. Accordingly, we will actively promote health and productivity management, an initiative to maintain and improve the physical and mental health of our valued employees.

Structure

Our Company is focusing on building a more systematic promotion structure and strengthening related measures to further enhance the effectiveness of health maintenance and promotion initiatives led by the Human Resources Dept. Currently, we have established the Occupational Health Committee (the Environmental, Health and Safety (EHS) Committee at each plant) at domestic business sites consisting of human resource section staff, labor union representatives, industrial physicians, and public health nurses. We hold the Occupational Health Committee monthly and have established a system that enables us to take appropriate action when grasping employee work situations and when risks are identified. Meeting minutes are published on our Company intranet to enhance employee awareness.

In addition to building a promotion structure, we plan to consider and advance the upgrading of the Occupational Health Committee, strengthening the monitoring of work environments and conditions involving industrial physicians and other experts, and enhancing related systems.

Targets

The ENEOS Group has established KPIs for health enhancement among the 10 Material ESG Issues, and our Company is working toward targets related to ensuring employee health as a member of the ENEOS Group.

🔴 Fiscal 2024 Material ESG Issues of the ENEOS Group: Targets, Results, and Progress

Initiative	ENEOS Group		ENEOS Materials Group	
	Targets	Scope	Fiscal 2024 activity results and progress	
Ensuring health of employees	Percentage of employees maintaining an appropriate weight 70% or higher of employees with BMI under 25	ENEOS Materials	63.7%	
	Reduce the percentage of cigarette smokers Percentage of smokers: Reduce by at least 1.0% from the previous year	ENEOS Materials	Down 2.2%	

Health

Health maintenance and enhancement initiatives

Lifestyle disease prevention

Our Company focuses on initiatives related to maintaining appropriate weight and reducing percentage of smokers to achieve the Material ESG Issues targets and promote employee health maintenance and enhancement.

Maintaining an appropriate weight

Our Company is working to improve the rate of employees maintaining appropriate weight from the perspective of employee health maintenance and lifestyle disease prevention. We support the establishment of healthy lifestyle habits through health guidance based on health examination results and provision of information on exercise and diet.

Reducing the percentage of smokers

Our Company is working to reduce the percentage of employees with smoking habits to enhance employee health. We promote smoking cessation through the introduction of smoking cessation support systems and in-house awareness campaigns. From the perspective of preventing passive smoking, all our Company's business sites are completely smoke-free.

Indicator changes (Unit: %)

	Scope	Fiscal 2022	Fiscal 2023	Fiscal 2024
Percentage of employees with BMI under 25	ENEOS Materials	—	66.7	63.7
Percentage of smokers	ENEOS Materials	—	22.8	20.6

Periodic health examinations

Our Company conducts periodic health examinations at each business site annually and works on early detection of illnesses, conditions, and pre-disease states as well as raising health awareness. In addition to examination items stipulated by law and health examinations for specified chemical substances, we conduct examinations with additional test items at the expense of our Company and the health insurance association.

Additionally, we have established a system under which comprehensive medical examinations for employees aged 35 and older are recognized as periodic health examinations. We also provide subsidies of up to 40,000 yen, funded jointly by the health insurance association and our Company, for employees who undergo these examinations. In fiscal 2024, for those subject to the Industrial Safety and Health Act and local laws and regulations, the health examination completion rate at the principal domestic operating companies was 100%, and the special health examination completion rate at ENEOS Materials, EMIX, and TMC was 100%.

Conducting stress checks

Our Company conducts stress checks once a year for all employees. In fiscal 2024, the response rate for our Group's domestic companies was 96.5%.

At our Company, the Human Resources Dept. analyzes stress check responses and uses them to improve workplaces and environments based on the characteristics of each workplace. In addition, for employees identified as high-stress, we provide opportunities for consultations with industrial physicians.

We also provide employees with opportunities for consultations with industrial physicians, public health nurses, and nurses, as well as external consultation services, enabling them to consult on physical and mental health matters. These services are available not only to employees but also to their families.

Establishing clinics within plants

Among business sites, plants have relatively high health hazard risks, and we implement measures to protect employee health in accordance with the Ministry of Health, Labour and Welfare guidelines and other standards. In addition to legally mandated health measures, our Company has established medical offices at our Company's 3 plants, where nurses conduct periodic health examinations and health consultations. In research and development areas, in accordance with laws and regulations, we have installed emergency showers on each floor assuming exposure to liquids to minimize damage even when occupational accidents occur. We work to create a workplace environment where employees can work with peace of mind.

Occupational Health and Safety ▶pp. 29-34

Monitoring and managing overtime hours

Our Company has supervisors in each department monitor working hours under the guidance of the Human Resources Dept. to avoid employee overwork. Additionally, at monthly the Occupational Health Committee, we report employee overtime hours and other matters to industrial physicians, and when problems or potential risks exist, we implement

Health

countermeasures to prevent employees from falling into overwork or physical and mental health problems. Employees who work more than 45 hours of overtime are required to submit a health status report in the month following the month in which the overtime occurred, and those who work 80 hours or more are additionally required to have interviews with industrial physicians. Regarding whether employees can return to work after sick leave, when special consideration is necessary, our Company makes decisions based on the opinions of industrial physicians to enable employees to return without strain.

Work-Life Management: Thorough Work Efficiency and Appropriate Total Working Hours Management ▶p. 46

Support for overseas assignees

Our Company works on health management and support for overseas assignees who must live in places with different sanitary conditions from Japan. In addition to various vaccinations before assignment, we require health examinations before assignment, after returning to Japan, and in principle once a year during assignment (twice recommended). We also require stress checks as we do for domestic workers, and employees can undergo comprehensive medical examinations at our Company expense.

For medical treatment and consultations during assignment, which tend to be expensive, we have reformed the previous system where overseas assignees paid upfront and later settled accounts with our Company. We have introduced a system where overseas assignees can visit hospitals through our

Company's contracted medical expense advance payment service, eliminating the burden of paying upfront. As a result, cases of hesitation to seek medical care have decreased, which has been effective in maintaining the health of overseas assignees.

Initiatives to improve health literacy

The ENEOS Group conducts health-related training and seminars for the ENEOS Group employees, and our Company's employees also participate.

In fiscal 2024, we conducted e-learning on 12 themes for the ENEOS Group Health Insurance Association members.

Fiscal 2024 health literacy initiative results

Target	Implementation method	Content
Members of the ENEOS Group Health Insurance Association	E-learning	<ol style="list-style-type: none"> Women's health management Information devices and eye health To prevent periodontal disease Self-care for fall prevention Fall prevention self-care check How to cope well with stress What is stress management? Tips for broadening your thinking For comfortable sleep: Sleep's mechanisms and importance Points for comfortable sleep habits <ol style="list-style-type: none"> Maintaining a regular life rhythm Points for comfortable sleep habits <ol style="list-style-type: none"> Body temperature regulation Points for comfortable sleep habits <ol style="list-style-type: none"> Pre-bedtime behavior

Acknowledged under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)

Our Company jointly applied for and was acknowledged under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program* 2025 with ENEOS Holdings, Inc. and major business companies.

Our Company's main health-related initiatives in fiscal 2024 are as follows:

- Subsidies for comprehensive medical examination costs
- Expansion of cancer screening and other tests during health examinations at business sites
- Implementation of health-related seminars and e-learning
- Introduction of super flextime
- Subsidies for sports facility use
- Expansion of external mental health consultation services

*A system established by the Ministry of Economy, Trade and Industry that certifies companies that think about employee health management from a management perspective and engage in particularly excellent strategic practices



Respect for Human Rights

Human rights policy

The ENEOS Materials Group operates globally and recognizes that respecting the human rights of all stakeholders based on international norms, not just complying with laws and regulations in each country, is an important theme. Specifically, as the ENEOS Group, we support international norms including the UN Guiding Principles on Business and Human Rights, the fundamental labor rights of the International Labour Organization (ILO) (freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation), and the ILO Declaration on Fundamental Principles and Rights at Work. We have also established and communicated respect for human rights in the ENEOS Materials Corporate Ethics Guidelines, with the ENEOS Group Code of Conduct and the ENEOS Group Human Rights Policy as higher-level policies.

For suppliers, we request understanding and cooperation with the ENEOS Group Procurement Policy and the ENEOS Materials Procurement Guidelines for Business Partners of Principal Operating Companies, which incorporate human rights principles. When engaging temporary staffing companies and contractors, we verify the absence of corporate ethics violations and harassment through preliminary questionnaires.

[Supply Chain Management: Risk Assessment and Analysis](#) ▶ p. 52

[ENEOS Group Code of Conduct \(Excerpt\) / ENEOS Group Human Rights Policy](#)

<https://www.hd.eneos.co.jp/english/esgdb/social/rights.html>

[ENEOS Group Procurement Policy](#)

https://www.hd.eneos.co.jp/english/esgdb/social/supply_chain.html

ENEOS Materials Corporate Ethics Guidelines (Excerpt)

Code of conduct regarding respect for human rights

- We respect and protect fundamental human rights declared internationally, including the Universal Declaration of Human Rights, and guaranteed by the constitutions and judicial precedents of various countries, and do not violate fundamental human rights.
- We comply with labor-related laws and regulations both domestically and internationally, and respect fundamental labor rights including workers' right to organize and right to collective bargaining.
- We do not tolerate child labor or forced labor at all, including at ENEOS Materials as well as business partners and contractor companies.

Code of conduct regarding securing a comfortable workplace environment

- We respect individual human rights and dignity, and do not discriminate in employment or working conditions based on gender, age, nationality, ethnicity, race, origin, religion, creed, social status, physical disability, sexual orientation, or other factors.
- We do not force any religion or beliefs on others.
- We do not engage in acts that constitute power harassment using our position in work. We also do not engage in acts that constitute sexual harassment, which makes others uncomfortable through acts or statements with sexual connotations.

Code of conduct regarding fair and appropriate business transactions

- With regard to purchasing transactions, we conduct transparent and fair transactions based on economic rationality as a fundamental principle, and also consider social responsibilities such as legal compliance, resource protection, environmental conservation, safety, and human rights throughout the entire supply chain.

April 2023

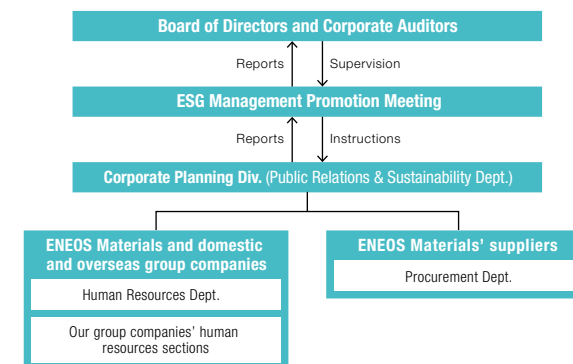
ENEOS Materials Corporation
President and Representative Director

Structure

Our Company's human rights respect initiatives are promoted by the Public Relations & Sustainability Dept., with the Division Director of the Corporate Planning Division as the person responsible, centered on the ESG Management Promotion Meeting. We advance human rights initiatives within our Group in cooperation with the General Affairs Dept. and the Human Resources Dept., and advance supplier human rights matters in cooperation with the Procurement Dept.

[ESG Management Promotion Structure](#) ▶ p. 7

▶ Promotion structure



Respect for Human Rights

Targets (KPIs)

The ENEOS Group has established KPIs for compliance with international principles on human rights among the 10 Material ESG Issues, and our Company is working toward targets related to human rights awareness as a member of the ENEOS Group. Our Group is also working on KPIs related to human rights awareness.

Fiscal 2024 ENEOS Materials Group KPI response status KPI

Evaluation: 😊 Achieved/Steady progress 🙄 Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 activity results and progress
Human rights awareness	Implement human rights training	Our Company, EMIX, TMC, NSR, EMTR, BEE, EMSR, NCTI, ANCI, EKE	Training not implemented at one company during the fiscal year 🙄

Human rights initiative roadmap

The ENEOS Group conducts human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights (UNGP) biennially. Our Group, working in coordination with other ENEOS Group companies, has established a roadmap for advancing human rights initiatives including human rights due diligence, proceeding with measures in stages. The percentage of business sites where assessments of human rights impacts or risks have been conducted is 100%. In fiscal 2024, our Company established the

Human Rights Consultation Contact Points for Suppliers.

Prevention of forced labor and child labor

Our Group prohibits all child labor and forced labor, including among employees and business partners, and ensures thorough implementation based on the ENEOS Group Human Rights Policy and the ENEOS Materials Corporate Ethics Guidelines.

At our Group's domestic companies, we request certificates of residence upon employment to verify age, and our work rules stipulate that employees under 18 years of age shall not be assigned to dangerous work, heavy object handling, or hazardous work as defined by law.

At overseas plants and business sites where there are concerns about human rights risks, we ensure thorough compliance with local laws and regulations, and have established and implemented internal rules to ensure that employees under 18 do not perform dangerous work.

As of the end of March 2025, our Group has no employees under 18 years of age.

Prevention of discrimination and harassment

Our Group prohibits discrimination and harassment

based on gender, age, nationality, ethnicity, race, origin, religion, creed, social status, physical disability, sexual orientation, or other factors. In April 2022, we established the Anti-Harassment Policy covering our Group and set forth specific measures for preventing and eliminating power harassment, sexual harassment, and harassment related to pregnancy, childbirth, childcare, family care, and other matters in the workplace. We also specify consultation services and investigation methods in the event of harassment, prohibition of disadvantageous treatment and confidentiality obligations, disciplinary action against harassment perpetrators, and recurrence prevention obligations.

We conduct training to promote understanding of the Anti-Harassment Policy and awareness of consultation services, and work to prevent discrimination and harassment.

Compliance: Corporate Ethics Hotline ▶ pp. 67-68

Remedies for human rights violations

Our Group has introduced the Corporate Ethics Hotline available to employees and the Human Rights Consultation Contact Points available to stakeholders such as suppliers as remedies when human rights violations occur.

Under both systems, we have specified in internal regulations that the privacy of whistleblowers be protected during reporting and consultation, that those

Respect for Human Rights

making reports not receive disadvantageous treatment, and that anonymous consultation be made available.

Corporate Ethics Hotline (whistleblowing system)

Our Group operates the Corporate Ethics Hotline (whistleblowing system) as an additional reporting channel, alongside the regular internal lines of authority, to handle issues related to violations of laws and internal regulations. The systems are available not only to officers and employees of our Company and its subsidiaries, but also to temporary workers and contractor company employees. The Corporate Ethics Hotline functioned effectively in fiscal 2024, with all reported matters receiving appropriate investigation and response based on internal regulations.

Compliance: Corporate Ethics Hotline ▶pp. 67-68

Human Rights Consultation Contact Points for Suppliers

In April 2024, our Company introduced the Human Rights Consultation Contact Points for Suppliers as a consultation service when suppliers with direct transactions with our Company become aware of human rights violations by our Company or its officers, employees, etc., and has created an environment accessible through our Company website.

We have established internal regulations that stipulate the protection of the privacy of those who seek consultation, prohibit any disadvantageous treatment related to consultation, and allow for anonymous consultation.

When a consultation is received, the Human Resources Dept. or the Legal Team investigates,

and when human rights violations or legal violations become clear, we report to the Board of Directors and immediately implement improvement activities and corrective measures. There were zero human rights consultations in fiscal 2024.

 **Human Rights Consultation Contact Points for Suppliers**
<https://www.eneos-materials.com/english/sustainability/social/diversity/>

Human rights awareness and training

Our Group believes that to curb human rights violations, it is important for each employee to understand human rights and create an environment that does not give rise to discrimination.

In fiscal 2024, our Company and 8 group companies conducted human rights training. Training content is tailored to the laws and cultures of each country. At our Company, we conducted training on themes including respect for human rights, DE&I, considerations for people with disabilities, and promoting understanding of sexual minorities, with a completion rate of 95%. Going forward, we will expand training coverage and work to raise human rights awareness throughout our Group. We also verify the occurrence of harassment through employee awareness surveys at each group company and promote measures to eliminate harassment.

Diversity, Equity, and Inclusion

Basic approach

The ENEOS Materials Group understands the importance of Diversity, Equity, and Inclusion (hereafter DE&I) and works to cultivate an organizational culture where people respect each other and can continue to grow, based on the ENEOS Group Code of Conduct. Through a series of initiatives to achieve these goals, we promote diversity within the organization while fostering a flexible mindset that embraces diverse values and ideas. By encouraging open and constructive dialogue based on mutual trust, we aim to enhance individual motivation and creativity and to maximize individual capabilities.

On April 1, 2025, the president sent a message to all our Group employees about the importance of DE&I, making clear top management's commitment.

Basic approach to promoting Diversity, Equity, and Inclusion

- We aim to increase the motivation and creativity of all employees and enable them to maximize their talents by fostering a corporate culture where each and every employee understands the importance of diversity, equity, and inclusion, and where employees respect each other, help each other, and grow together.
- Through the promotion of diversity, equity, and inclusion, we aim to ensure the diversity of the organization and employees and foster a culture that embraces different ways of thinking and ideas and encourages thorough discussion based on mutual trust. This will enable us to promptly and accurately meet the ever-changing needs of customers and society and create new social value.
- We will continue to contribute to the realization of a society in which all stakeholders, including employees, can actively participate by promoting diversity, equity, and inclusion in Japan and overseas.

ENEOS Group Code of Conduct: Respect for human rights, Establishment of a healthy work environment
<https://www.hd.eneos.co.jp/english/about/conduct.html>

Structure

At our Company, the Human Resources Dept. takes the lead in formulating initiative plans for each theme, and by appropriately reporting policies, systems, and measure details to management and receiving approval and supervision, we enhance effectiveness while promoting initiatives company-wide.

Targets (KPIs)

The ENEOS Group has established KPIs for promoting Diversity, Equity, and Inclusion (DE&I) among the 10 Material ESG Issues, and our Group, as a member of the ENEOS Group, is working on KPIs related to the advancement of women in the workplace and the advancement of employees with disabilities. Our Group is also working on KPIs related to Diversity, Equity, and Inclusion (DE&I).

🔴 Fiscal 2024 ENEOS Materials Group KPI response status KPI

Evaluation: 😊 Achieved/Steady progress 🙄 Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 activity results and progress
Advancement of women in the workplace	Maintain rate of women among newly hired university graduates at 25% or higher	ENEOS Materials	😊 25% (including technical college graduates)
Advancement of employees with disabilities	Maintain employment rate of people with disabilities at 2.5% or higher	ENEOS Materials, EMIX, EMTR	🙄 2.25% (as of April 1, 2025)

Our Company is also accelerating initiatives by setting targets to further promote DE&I. For the advancement of women in the workplace, which is one of our Company's major challenges, we have established specific numerical targets based on the ENEOS Materials Action Plan for Promoting Women's Participation and Advancement formulated in 2023. Additionally, for balancing childcare and work, which leads to promoting women's advancement, we have set targets in the ENEOS Materials Action Plan to Support Raising the Next Generation.

Diversity, Equity, and Inclusion

ENEOS Materials Action Plan for Promoting Women's Participation and Advancement

To promote women's advancement and create an environment where all employees can demonstrate their full capabilities, we formulate the following action plan.

- 1. Plan period: April 1, 2023 to March 31, 2026 (3 years)**
- 2. Targets**
 - (1) Achieve a female ratio of 50% or higher for administrative positions and 20% or higher for technical positions in university graduate management-track hiring each year.**
 - (2) Increase the ratio of female employees in managerial positions to 5% during this plan period.**

[Work-Life Management: ENEOS Materials Action Plan to Support Raising the Next Generation](#) ▶ p. 45

Advancement of women in the workplace

The female hiring ratio for university graduate management-track positions, which is the 1st target of the ENEOS Materials Action Plan for Promoting Women's Participation and Advancement, was 60% for administrative positions and 15% for technical positions in fiscal 2024. The ratio of female employees in managerial positions, which is the 2nd target, was 3.3% as of the end of March 2025.

To achieve the targets, we recognize that it is essential not only to implement initiatives that lead to career development for female employees, but also to create an environment where everyone can easily work on career development. In fiscal 2025, we will continue training and interviews to enhance systems and workplace environments, and work to cultivate an organizational culture that supports changes in awareness and individual growth so that not only female employees but everyone can think about their own careers and expand their opportunities to thrive.

Results of women's advancement initiatives (ENEOS Materials)

(Unit: %)

	Targets	Fiscal 2023	Fiscal 2024
Female ratio in university graduate management-track hiring	50% or higher for administrative positions 20% or higher for technical positions	100	60
Ratio of female employees in managerial positions	5%	3.1	3.3

Promoting the advancement of people with disabilities

The principal domestic operating companies focus on employing and promoting the advancement of people with disabilities so that opportunities to thrive are not closed off due to disabilities. For employment, we work to assign people to departments that consider individual personalities, aptitudes, and areas of expertise, and have established systems that enable them to work while fostering independence. Our Company's employment rate for people with disabilities as of the end of fiscal 2024 was 2.53%, and the employment rate for people with disabilities at our Company, EMIX, and EMTR as of April 1, 2025 was 2.25%, falling below the legally required employment rate of 2.3%. We will continue to promote employment and advancement and contribute to creating a society where everyone can work energetically regardless of disability.

Initiatives for sexual minorities

Our Company works to cultivate an organizational culture that shows proper understanding toward sexual minorities such as members of the LGBTQ community and accepts and respects their individuality and values, similar to the ENEOS Group.

Work-Life Management

Work-life management guidelines

The ENEOS Materials Group is based on the ENEOS Group Code of Conduct and the ENEOS Group’s “Work-Life Management Guidelines,” and strives to create a system in which each employee can choose diverse work styles and maximize their abilities.

Work-Life Management Guidelines

- Promote reductions in total working hours through productivity improvements and enhancements in operational efficiency, as well as encourage the use of paid leave, so that each employee can secure sufficient personal time through a balanced work style.
- Provide effective personnel systems and programs, and promote their utilization, so that employees with work constraints due to childcare, family care, or other reasons can achieve sustainable career development and sustained performance.
- Raise employee awareness to promote understanding and sharing of the importance of work-life management.

ENEOS Group Code of Conduct: Establishment of a healthy work environment

<https://www.hd.eneos.co.jp/english/about/conduct.html>

ENEOS Group Code of Conduct: Work-Life Management Guidelines

<https://www.hd.eneos.co.jp/english/esgdb/social/office.html>

Structure

Our Company’s various measures related to work-life management are formulated by having the Human Resources Dept. lead the selection of priority themes, such as women’s advancement and next-generation development, and by developing corresponding plans. The content and progress of plans are reported to senior management and receive approval and supervision.

Targets

Our Company established 2 action plans in April 2023 for next-generation development support and women’s advancement in the workplace so that employees can choose diverse work styles suited to their life stages. In accordance with these plans, we will work to develop an internal environment that enables employees to balance work and childcare and achieve work-life balance.

ENEOS Materials Action Plan to Support Raising the Next Generation

We establish the following action plan to enable employees to balance work and childcare and create a work environment where all employees can work comfortably, thereby allowing all employees to fully demonstrate their abilities.

1. Plan period: April 1, 2023, to March 31, 2026 (3 years)

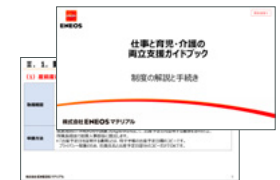
- 2. Targets**
- (1) Promote understanding of diverse work styles for employees during pregnancy and childcare periods and improve the workplace environment.**
 - (2) Provide support to enable employees during pregnancy and childcare periods to maximize their abilities.**

Diversity, Equity & Inclusion: ENEOS Materials Action Plan for Promoting Women’s Participation and Advancement ▶ p. 44

Progress on next-generation development support measures

Improved childcare leave utilization rate through increased awareness of available systems

Our Company has various systems related to childcare and family care, and to promote awareness and proper understanding of the systems, we have created the “Guidebook for Balancing Work with Childcare and Nursing Care” and posted it on our internal portal site. The guidebook introduces available systems by process (pregnancy, childbirth, childcare, nursing care and family care) to enable smooth acquisition of leave and time off when needed. Through system awareness and other efforts, the childcare leave utilization rate among male employees at our Company has improved, reaching 97.5% in fiscal 2024.



Extension of childcare leave period

In April 2024, our Company extended the childcare leave period to a maximum of 2 years, allowing employees to select their leave period according to their childcare needs.

Installation of lactation room

To support employees in balancing work and childcare, our Company installed a lactation room at the Yokkaichi Plant in June 2023. The medical office within the plant also has a nurse with obstetrics and gynecology experience, which provides particular reassurance to female employees.



Work-Life Management

Major work-life management promotion systems

Our Company has introduced various systems to develop a comfortable work environment.

Major work-life management systems

	System name	Description
Childbirth/childcare	Pre- and post-childbirth leave	Leave can be taken for 6 weeks before childbirth and 8 weeks after childbirth.
	Childcare leave	Leave can be taken for childcare up to 3 times until the child reaches age 2.
	Nursing leave	For accompanying family members living together for nursing, hospital visits, medical examinations, vaccinations, or for class closures due to infectious diseases and entrance (admission) and graduation ceremonies, unpaid nursing leave can be taken in half-day increments for a cumulative total of up to 10 days per year. Leave can also be taken in hourly increments.
	Interviews with employees taking childcare leave	To resolve anxieties and concerns of employees taking childcare leave and to support a smooth return to work, interviews with supervisors are provided upon request.
	Childcare leave reinstatement support benefits	Employees who take childbirth-related leave or childcare leave for 1 month or more, return to work, continue working for 6 months after returning, and continue working thereafter will receive a benefit of 200,000 yen per child.
	Babysitter benefits	When ENEOS Materials Mutual Aid Association members use a babysitter on workdays, half of the cost is provided as a subsidy.
Family care	Family care leave (long-term leave)	Employees caring for family members can take family care leave for a cumulative total of up to 24 months. Family care leave can be taken in up to 3 segments (cumulative total of up to 2 years).
	Family care leave (short-term leave)	Employees caring for family members can take unpaid family care leave in half-day increments for a cumulative total of 20 days. Leave can also be taken in hourly increments.
General	Reduced working hours	Employees caring for or raising family members, as well as employees who wish to reduce working hours due to fertility treatment, can reduce their work schedule to as few as 4 hours per day and 44 hours per month.
	Working from home	When improved productivity in one's work is anticipated, the frequency and duration of work from home can be set individually based on the division manager's judgment.
	Flextime system	For day-shift workers, we have introduced a flex work system with no core time or minimum daily working hours.
	Hourly annual leave	Annual leave can also be taken in hourly increments, with hourly annual leave available in 1-hour increments up to 40 hours per year.
	Super flextime system	Our Company has introduced a super flextime system without core time, establishing an environment where employees can autonomously select their working hours. We respect diverse work styles and aim to achieve both productivity and work-life balance.

Systems supporting comfort at work (In Japanese only) https://www.eneos-materials.com/recruit_top/environment/

Through operational efficiency and appropriate management of total working hours

Our Company believes that employee work-life balance can be achieved by promoting flexible work styles while improving productivity, and we are improving operational efficiency through an optimal mix of in-person and telework. We also recognize that long working hours can lead to various problems, including operational inefficiency and adverse effects on physical and mental health. To maintain appropriate working hours, we have introduced a system to manage working hours, and alerts are issued and supervisors are notified for employees working long hours.

Additionally, we hold the Environmental, Health and Safety (EHS) Committee monthly at plants and the Occupational Health Committee at the head office to monitor long working hours by department and by employee, and we mandate interviews and submission of reports for employees whose overtime work exceeds a certain level. This increases the effectiveness of understanding long working hour trends and implementing corrective guidance at the workplace level. In addition, the annual employee awareness survey confirms whether work volume is within a manageable range, and in fiscal 2024, 65% responded that it was within a manageable range. Results are fed back to each department and used for reviewing work allocation and organizational structures.

Our Company will continue to promote the creation of physically and mentally healthy, sustainable workplaces by balancing operational process efficiency with diversification of work styles.

Health: Monitoring and Managing Overtime Hours ▶p. 38 **Data** ▶pp. 72-78

Employee benefits system

Our Company introduces various systems tailored to employees' lifestyles and needs and also focuses on improving employees' quality of life.

Work-Life Management

Employee stock ownership plan

Our Company has introduced an employee stock ownership plan that allows regular employees, rehired employees, and contract employees (excluding part-time) to contribute a portion of their salary to acquire shares of ENEOS Holdings as an aid to asset formation. Contribution amounts can be freely set within prescribed limits. Additionally, our Company provides incentive payments when a portion of salary is contributed.

Cafeteria plan

Our Company has established a cafeteria plan as one of its employee benefits systems, granting a certain number of points that can be applied to children’s education expenses and other purposes. In addition to the categories in the table, there are Self-development, Travel and leisure, and Other categories, allowing employees to select options according to their lifestyles.

Cafeteria plan option examples

Category	Options
Childcare/Family care	Subsidy for childcare facility use
	Subsidy for childcare product purchases
	Subsidy for nursing care facility or service use
Health/Sports	Subsidy for smoking cessation programs
	Subsidy for health checkups and comprehensive medical checkup
	Subsidy for various vaccinations (for family members)
	Subsidy for use of sports facilities
Asset-building program	Subsidy for financial-planning consultations and advisory sessions

Living wage

At our Company, in addition to each country’s minimum wage, we work to provide compensation at levels that exceed the living wage so that employees can maintain a certain standard of living. In our annual wage survey, in addition to comparison with the minimum wage, we also conduct industry comparison surveys using compensation statistics for companies with 1,000 or more employees in the chemical industry and confirm that we do not fall below either. Furthermore, we conduct wage negotiations with the labor union in annual labor-management consultations and strive to secure wages that significantly exceed appropriate levels.

Human Resource Management

Policy

Our Company’s Talent Development Policy emphasizes autonomous growth through work, aiming to create a company where every individual can develop their capabilities and perform to their fullest potential. Under this policy, we respect employees’ desire for self-improvement and have built systematic, planned, and ongoing education programs from a long-term perspective to enable them to take ownership of their professional development and career growth.

We will revise our Talent Development Policy, based on the ENEOS Group Human Resource Vision - “People who support today’s normal and lead tomorrow’s normal perform at their best and maximize productivity”- while building on our existing Talent Development Policy. We will also further deepen our human resource development initiatives so that each employee can grow and connect their growth to our Company’s growth.

Talent Development Policy

To develop human resources aligned with the Company’s medium- to long-term management objectives and enable individual employees to enhance and fully demonstrate their capabilities, we establish the following Talent Development Policy.

- (1) We emphasize employees’ desire for self-improvement and provide robust support to those who take initiative in developing their capabilities and building their careers.
- (2) Employee development is positioned as the foundation of the Company. With growth through work as our primary principle, we implement systematic, planned, and continuous company-wide education initiatives from a long-term perspective to complement on-the-job development.

Targets (KPIs)

The ENEOS Group has established KPIs for retaining and developing human resources among the 10 Material ESG Issues and our Company is working toward these targets as a member of the ENEOS Group.

Fiscal 2024 Material ESG Issues of the ENEOS Group: Targets, Results, and Progress

ENEOS Group		ENEOS Materials Group	
Initiative	Target	Scope	Fiscal 2024 activity results and progress
Retaining human resources capable of enhancing corporate value	Set KPIs to ensure an environment where employees can work comfortably and with pride, conduct engagement surveys to identify issues and formulate measures	ENEOS Materials	Issues identified by division with countermeasures formulated and being implemented
Developing human resources capable of enhancing corporate value	Establish a system to strategically allocate and develop management personnel through visualization of human resources		Being implemented based on the Group human resource strategy

Securing and retaining human resources

Our Company develops recruitment plans aligned with business plans and conducts both new graduate and mid-career recruitment. In fiscal 2024, we hired 30 new graduates and 36 mid-career hires.

After employees join our Company, we maintain an environment that sustains high motivation through human resource development systems that enhance expertise and support employees in taking on new challenges, while operating a transparent personnel system. Regarding the workplace environment, we have established goals and are advancing initiatives to promote diversity, equity, and inclusion and improve work-life balance.

[Diversity, Equity, and Inclusion ▶pp. 43-44](#) [Work-Life Management ▶pp. 45-47](#) [Health ▶pp. 37-39](#)

Employee engagement

Our Company conducts an annual engagement survey of all employees. The response rate in fiscal 2024 was 96%. Survey results are analyzed to identify issues. In fiscal 2024, we held 2 meetings with all division directors participating to discuss countermeasures for company-wide issues. Additionally, each division identifies its own issues, develops countermeasures, and promotes improvement activities.

We define our engagement activities as efforts to improve employee job satisfaction,

Human Resource Management

and we will continue creating an environment that provides job satisfaction through ongoing monitoring and improvement activities.

As one initiative, we hold regular town hall meetings. In fiscal 2024, we held 4 meetings where we presented quarterly financial reports and engagement survey results, and management and employees exchanged views.

Personnel systems

Our Company believes that improving employee engagement, which contributes significantly to sustainable growth, requires appropriate assessment of individuals along with fair and equitable evaluation, treatment, and compensation. To remain a company trusted by employees and external talent where everyone can maximize their capabilities, our Company has established and operates highly transparent personnel systems covering both job grades and evaluations, with results linked to compensation.

We will revise our personnel systems to respond to changing times and diverse values, creating a distinctly company-style system that supports employee growth and challenges while enhancing engagement.

Grade system

Our Company has established a job capability qualification system that defines qualification grades according to job capabilities. This system clarifies the expected human resource profile and capability standards for each qualification based on job capability standards set for each qualification. Additionally, for employees in higher qualifications, we also operate a job grade system that

determines grades according to assigned duties, responsibilities, and performance accountability.

Evaluation system

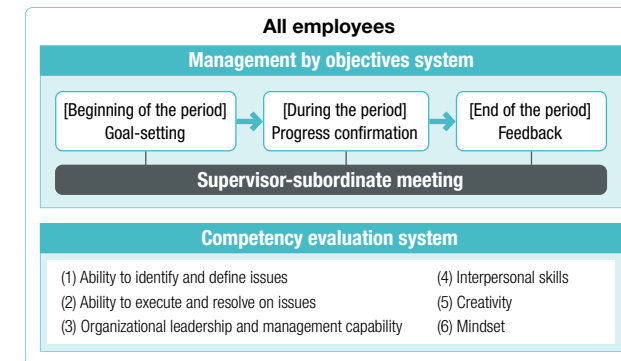
Our Company operates 2 types of evaluation systems for all permanent employees: a competency evaluation system and a management by objectives system. The competency evaluation system, which evaluates demonstrated capabilities, establishes 6 capability categories including issue formation capability and issue execution capability, and evaluates employees by adjusting weights based on differences in behavioral characteristic needs required by job category and qualification grade. Under the management by objectives system, individual objectives are clearly established at the beginning of the period in accordance with the goals of the employee's department, and evaluations are conducted at the end of the period based on the degree of achievement. Meetings between supervisors and subordinates are conducted at the beginning of each period to set individual objectives and at the end of the period to provide evaluation feedback.

Evaluations are conducted based on the Personnel Evaluation Guidelines, and supervisors who serve as evaluators regularly attend evaluator training to conduct fair evaluations. Additionally, we disclose evaluation periods, evaluation items, and evaluation weights to employees and strive for fair and transparent evaluations. At our Company, 100% of employees receive regular personnel evaluations.

In fiscal 2024, aiming to build consistent and convincing personnel evaluations throughout our Company, we conducted evaluation system training for all employees at the section manager level and above.

Through this training, we shared concepts and importance regarding evaluation and strengthened fairness in the evaluation system.

Evaluation system



Human resource development programs

Off-the-job training

Our Company operates over 50 human resource development programs with 3 pillars: training by level conducted according to job capability qualifications and career stages, including new employee training and management training; training by job category aimed at acquiring specialized knowledge and skills required by departments; and training by purpose tailored to individual needs such as document preparation and career design. These programs operate in a complementary manner with daily on-the-job training skill development and provide total support for mastering the knowledge and skills essential for individual growth and career development. In fiscal 2024, total annual training hours were 18,194 hours, with 13.1 training hours per employee.

Human Resource Management

Major human resource development programs

Required Recruitment (open recruitment/recommendation-based recruitment)

	Management	Chief (including leaders such as section chiefs)	General employees
Training by level	Mid-level management training Training for newly appointed managers	Mid-level chief training Training for newly appointed chiefs	Training by years of service Various training for new employees
Training by job category		Equipment management training (electrical, instrumentation, mechanical) (beginner - advanced) Miniature plant practical training (beginner - advanced)	Basic academic knowledge (chemistry, polymers, etc.) Introduction to plant operations (introductory - beginner) Control systems (beginner - intermediate) Quality control (overview - practical implementation) Safety and environmental training Process hazard scenario development education Management technology training
Training by purpose	Qualification acquisition support courses AutoCAD training Various business skills and human skills training Career and life support (career design, life planning, etc.)	Recommended courses for university graduate administrative staff	
Self-development support	Correspondence courses, etc. TOEIC IP test (online) Qualification support system for public certifications External training support system		
Personnel systems		CDP system MBA/MOT educational training program Overseas study/Short-term language study abroad program	

Talent development and training systems

Our Company has established various systems to enable employees to consider their own careers and achieve further growth.

System name	Description
CDP system	A medium- to long-term program to maximize capabilities by positioning the first 10 years after joining as the capability establishment period and experiencing multiple departments based on the individual's preferences. Employees in their 3rd, 6th, and 9th years conduct individual interviews with CDP committee members and have opportunities to think about their own careers. Additionally, CDP committee members plan and consider rotations to positions aligned with the individual's preferences and aptitudes at CDP plenary meetings, and rotations for course corrections as needed. During the CDP period, through collaborative work with diverse supervisors and colleagues, employees are exposed to various organizational members' values and work execution methods, aiming to enhance basic capabilities, broaden thinking, knowledge, and perspectives, and promote growth.
Self-reporting system	Once a year, individuals report their thoughts on the status of their current duties, duties and departments they wish to experience in the future, their own future vision, etc., and receive necessary advice through interviews with supervisors based on these reports. A system that provides opportunities to consider one's own career while deepening mutual understanding.
Various external training programs	Short-term language study abroad program Young employees attend language training at language schools in English-speaking countries to strengthen their language skills. Additionally, by living in different cultures, they aim to improve cross-cultural exchange and communication skills.
	Overseas research training program Employees stay at overseas research institutions for 2 years in principle, aiming to improve research capabilities and acquire challenging and innovative new technologies effective for future new business creation and technological innovation.
	Domestic MBA/MOT training program A curriculum where employees attend domestic graduate schools for 2 years in principle while continuing their regular duties, acquire practical management skills, and obtain degrees.

Supply Chain Management

Procurement policy

The ENEOS Materials Group aims to improve sustainability across our entire Group and is working to build a sustainable supply chain through procurement activities that take social, environmental, and ethical perspectives into consideration. To achieve this, based on the ENEOS Group Procurement Policy and the ENEOS Group Code of Conduct, as well as our Group's Purchasing Guidelines and the ENEOS Materials Corporate Ethics Guidelines, we emphasize the following matters.

- Respect for human rights, fair business practices, environmental conservation, and occupational health and safety in all procurement activities
- Building equal and reliable partnerships with suppliers
- Operating procurement processes based on transparency, fairness, and economic rationality
- Responding to international trends in responsible procurement (e.g., OECD Guidelines, RBA Code of Conduct)

Additionally, we established the ENEOS Materials Procurement Guidelines for Business Partners of Principal Operating Companies in September 2025 as requests to suppliers. These policies, codes of conduct, and guidelines are fundamentally applied to all business partners both inside and outside our Group, and we are facilitating awareness and dissemination of these. Through these efforts, we will strengthen

social responsibility and risk management capabilities throughout the supply chain.

- ☐ [ENEOS Group Procurement Policy and ENEOS Group Code of Conduct](https://www.hd.eneos.co.jp/english/esgdb/social/supply_chain.html)
https://www.hd.eneos.co.jp/english/esgdb/social/supply_chain.html
- ☐ [ENEOS Materials Procurement Guidelines for Business Partners of Principal Operating Companies \(In Japanese only\)](https://www.eneos-materials.com/company/purchase/pdf/guideline.pdf)
https://www.eneos-materials.com/company/purchase/pdf/guideline.pdf

ENEOS Materials Corporate Ethics Guidelines (Excerpt)

Code of conduct regarding fair and appropriate business transactions

- With regard to purchasing transactions, we conduct transparent and fair transactions based on economic rationality as a fundamental principle, and also consider social responsibilities such as legal compliance, resource protection, environmental conservation, safety, and human rights throughout the entire supply chain.

Structure

Procurement activities in our Group are centrally implemented by each company's procurement department. with the aim of securing sustainable procurement that ensures corporate ethics and transparency. Specifically, we have established a structure that separates ordering operations

from functions related to supplier selection and pricing decisions, and by building a system where organizational checks operate, we ensure independence and objectivity. This enhances transparency in the procurement process and promotes fair and responsible transactions. Additionally, our Group emphasizes strengthening two-way communication with business partners and has established a human rights consultation service for suppliers, preparing a system to receive concerns and reports regarding human rights and labor issues and procurement activities.

We will continue to strengthen internal control and monitoring functions for procurement activities both inside and outside our Group and continuously advance the development of structures that respond to social demands such as environmental protection, human rights, and compliance.

[Human Rights Consultation Contact Points for Suppliers](#) ▶ p. 42

Supplier overview

Our Group emphasizes addressing geographical dispersion of suppliers and diversity of risks, recognizing that supply chains span multiple stages and wide areas due to the characteristics of the materials industry. Suppliers are located both domestically and internationally, and to avoid supply risks that arise from concentration of procurement sources, we select and diversify our suppliers with consideration given to natural disasters, geopolitical risks, changes in political and legal

Supply Chain Management

systems, international certification acquisition status, and other factors.

Additionally, our Group’s supply chain includes suppliers in diverse categories such as chemical raw materials, metal resources, packaging materials, manufacturing equipment components, and logistics operations, each with unique risk characteristics. Therefore, we conduct procurement management according to supplier roles and attributes.

Among these, our Company has business relationships with approximately 600 suppliers. Procurement of raw materials, primarily petroleum-based materials essential for product manufacturing, accounts for the majority of these transactions.

New supplier selection process

When selecting new suppliers, our Group conducts multifaceted evaluations that emphasize ESG (environmental, social, and governance) perspectives in addition to traditional evaluation items such as quality, price, and supply stability.

Specifically, we evaluate candidate suppliers from the following perspectives and carefully determine whether to proceed with transactions.

- Quality of raw materials, price, supply capacity, and track record of delivery deadline compliance
- Status of acquisition of environmental certifications such as ISO 14001 and ISCC PLUS
- Status of initiatives regarding human rights and labor

practices and presence of grievance mechanisms

- Reputational risks, history of past legal violations, and corporate ethics concerns
- Assessment of political, legal, and geopolitical risks in the supplier’s country of operation (country risk)

As evaluation methods, in addition to document submission, interviews, and confirmation through proprietary checklists, we conduct on-site visits as necessary and verify risks in the field before commencing transactions.

Through these reviews, our policy is not to commence transactions when significant ESG risks or inappropriate trading practices are identified. Through fair and transparent evaluation, we are advancing the construction of a sustainable value chain.

Risk assessment and analysis

As part of company-wide risk management activities, our Group systematically identifies and analyzes critical risks in procurement activities. These activities determine targets not only based on procurement amounts, but also based on the importance of procured items and the difficulty of their substitution, as well as the level of social risks in the regions where suppliers are located. We are strengthening risk management from the perspective of overall optimization in the Group’s supply chain.

We will thoroughly implement improvement cycles (PDCA) based on evaluation results and advance the construction of a sustainable procurement structure.

Risk assessment and analysis process



Implementation of the CSR procurement survey

Our Company conducted a proprietary CSR procurement survey of major suppliers in fiscal 2023 to understand sustainability risks in procurement activities and drive continuous improvement. This survey is positioned as an important dialogue tool for promoting responsible transactions with suppliers based on the ENEOS Group Procurement Policy and various regulations including our Group’s Purchasing Guidelines.

Based on survey results, we analyzed overall trends and provided individual feedback to 16 companies with relatively low evaluations, sharing necessary points for improvement. We observed particularly many improvement requests related to information security, which we have designated as a priority support area going forward.

Supply Chain Management

Survey results (fiscal 2023)

Companies surveyed	37 major suppliers accounting for approximately 90% of raw material procurement amounts
Survey response rate	88%
Survey content (categories)	<ul style="list-style-type: none"> • CSR promotion structure • Fair business activities (ethics and compliance) • Human rights and labor practices • Environmental conservation (greenhouse gases, water use, waste management, etc.) • Occupational health and safety • Information security

From fiscal 2024 onward, we are promoting procurement activities in cooperation with ENEOS Holdings. Going forward, we are planning and promoting initiatives aimed at advancing CSR procurement throughout the ENEOS Group.

We will continue promoting the creation of a transparent and responsible supply chain through cycles consisting of improvement requests, support, and reassessment based on survey results (PDCA).

Initiative items for fiscal 2024 onward

- Joint implementation of CSR procurement survey with the ENEOS Group
- Holding supplier briefings (promoting understanding of response methods and evaluation perspectives)
- Training for procurement personnel (improving capabilities in human rights, environmental, and ethical response)

Response to conflict minerals

Our Group recognizes that responding to the issue of conflict minerals, which may be used to finance armed groups or are associated with human rights violations, is a corporate social responsibility, and we do not use raw materials containing these minerals.

Our Group conducts surveys of business partners regarding the use of so-called 3TG minerals, particularly tin (Sn), tantalum (Ta), tungsten (W), and gold (Au), using the Conflict Minerals Reporting Template (CMRT), a standard form provided by the Responsible Minerals Initiative (RMI).

In fiscal 2023, because some tin-derived raw materials were used, we requested CMRT submission from the relevant supplier and confirmed that all smelters had obtained Responsible Minerals Assurance Process (RMAP) certification.

We will continue periodic confirmation of smelter certification status and information sharing with business partners, and strive to eliminate conflict minerals originating from high-risk regions and ensure transparency throughout the supply chain.

Education for procurement department employees

Our Company provides education on the ENEOS Group Procurement Policy to the Procurement Dept.

employees and promotes awareness of the importance of sustainable procurement.

Declaration of Partnership Building

Our Group published the Declaration of Partnership Building in July 2023 (revised April 1, 2025) to pursue coexistence, mutual prosperity, and sustainable growth with business partners throughout the supply chain and all business operators who share our commitment to value creation.

In this declaration, we are advancing responsible collaboration with business partners based on the following priority policies.

1. Enhancement of value added throughout the supply chain and promotion of new collaboration

- We share value and improvement requests not only with direct business partners but throughout the supply chain (Tier N+1 and beyond) to strengthen and co-create the entire value chain.
- We support strengthening of business partners' management foundations, including support for BCP (business continuity plan) formulation and telework introduction, with consideration for business continuity during disasters and work style reform.
- We are advancing initiatives in cooperation with suppliers to work toward diversification of energy sources and the creation of a carbon-neutral society (2050 CN).

Supply Chain Management

2. Ensuring fair and appropriate business practices (compliance with promotion standards)

Our Company complies with promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises and strictly observes the following points.

- Price determination: Conduct fair price negotiations premised on appropriate transfer of labor costs, raw material costs, and so on through consultations with subcontractors at least once a year.
- Payment conditions: Make full cash payments to subcontractors.
- Protection of intellectual property and know-how: Do not abuse confidentiality agreements or request free transfer of intellectual property, and conduct technology transactions based on fair contracts.
- Prevention of burden shifting due to work style reform, etc.: Even during work style reform or disasters, avoid unilateral burden shifting such as sudden orders, specification changes, or termination of transactions, and emphasize continuation of business relationships as much as possible.

3. Promotion of co-creation through logistics reform

Our Company supports the White Logistics Movement and continues initiatives aimed at improving logistics efficiency throughout the supply chain and employee work style reform.

 **ENEOS Materials Group Declaration of Partnership Building (In Japanese only)**
<https://www.biz-partnership.jp/declaration/95785-05-08-tokyo.pdf>

Multi-Stakeholder Policy

Our Group recognizes that enhancing the sustainability of corporate activities requires appropriate collaboration and value co-creation with diverse stakeholders, including not only shareholders but also employees, business partners, customers, creditors, and local communities.

Based on this understanding, our Company has established the Multi-Stakeholder Policy and emphasizes sincere dialogue with stakeholders, fulfillment of accountability, appropriate distribution of value, and relationship building based on coexistence and mutual prosperity.

Specific initiatives are as follows.

1. Appropriate distribution of returns to employees and strengthening of human resource development

- Implement wage increases and treatment improvements according to business performance to enhance sustainable employment and job satisfaction
- Continue working on education, training, and human resource development to balance productivity improvement and individual growth through employee skill enhancement and career support

2. Fair and transparent relationship building with business partners

- Work to strengthen fair and appropriate transactions and co-creative relationships with suppliers based

- on the Declaration of Partnership Building
- Prioritize transaction stability and mutual trust by showing consideration for small- and medium-sized businesses and tax-exempt businesses in response to changes in legal systems such as the invoice system

Additionally, our Group approaches value co-creation and appropriate distribution of value with transparency to build sound relationships with stakeholders.

Our Group will continue building sustainable trust relationships with all stakeholders and continue initiatives that lead to long-term value creation.

 **Multi-Stakeholder Policy (In Japanese only)**
https://www.eneos-materials.com/sustainability/social/diversity/pdf/diversity_03.pdf

Social Contribution

Basic approach to social contribution

The ENEOS Materials Group believes that corporate sustainability is upheld by coexistence with local communities, and therefore we promote social contribution activities as part of our ESG management. We especially focus on being an integral part of the communities where we have business sites, stressing joint efforts with local governments, educational institutions, medical institutions, and community groups in varied domains such as education, healthcare, environmental protection, disaster mitigation, culture, and sports, as we develop our activities. These activities aim to contribute to solving social challenges and fostering sustainable local communities, building on voluntary initiatives at the plant and business site level.

ENEOS Group Code of Conduct (Excerpt)

13. Contribution to the development of civil society

- (1) We respect the environment, culture and customs in all of our business locations, and communicate, cooperate and collaborate with local communities, local governments, and civic groups, among others.
- (2) We contribute to the development of civil society through social contribution activities.

Structure

ENEOS Materials places social contribution activities as one of the matters overseen by the Social Value Enhancement Committee, and this committee reviews the policies of initiatives and the progress of activities.

At each plant and business site, bottom-up initiatives driven by employees' voluntary participation are underway, tailored to local needs and the characteristics of partner organizations. Through information sharing with the head office, we extend the results of these activities across our Company and continually improve them.

[ESG management promotion structure](#) ▶ p. 7

Social contribution initiatives

We are advancing social contribution activities in collaboration with stakeholders closely connected to the dispersed plants and business sites throughout Japan.

Contribution to primary and secondary education

The Yokkaichi Plant participates in a regular event hosted by the Yokkaichi City Board of Education called the “Yokkaichi Children’s Science Seminars” as a partner company. Focusing on the theme “The Manufacturing Town of Yokkaichi,” local companies and organizations headquartered in Yokkaichi conducting specialized experiments and interactive seminars that deepen the interest and curiosity of local children in science. We launched a seminar titled “Everyday Rubber Stories and

Chemistry Experiments” to give attendees the experience of a chemical reaction that turns liquids into solids. Many elementary school students were deeply interested and engaged. In addition, the Yokkaichi Plant invites local high school students for skills training, while the Chiba Plant offers mobile lessons to nearby high schools and welcomes elementary school students for plant tours. We will keep actively participating in initiatives that nurture children’s curiosity and sense of inquiry, and contribute to developing the next generation of skilled professionals.



Contribution to the development of engineers and R&D professionals

In Yokkaichi City, Mie Prefecture, the Mie Industry and Enterprise Support Center (MIESC), a public interest foundation, leads the annual “Basic Course on Chemical Process Industries” as part of the local government’s chemical and process industry human resources development program. Since 2011, ENEOS Materials has participated annually as a partner company, handling the curriculum related to safety hazards at chemical plants.

Social Contribution

Over the course of 2 days, our curriculum had staff from the Yokkaichi Training Center deliver lectures and hands-on practice, covering basic operation skills in a miniature plant, thereby supporting local companies in nurturing their talent.



Contribution to basic training in industrial medicine

Since 2020, we have been supporting the Industrial Medicine Basic Training, where companies showcase factory tours and their own occupational health activities, with the aim of encouraging doctors interested in industrial medicine to work in local cities in Ibaraki Prefecture. In particular, the city of Kamisu, where the Kashima Plant is located, has few medical facilities, so this initiative started with the goal of strengthening its healthcare system. The training sessions draw a large number of participants from other prefectures, and by sparking interest in working in Kamisu City, the number of general practitioners is gradually growing, which is strengthening the local health system. The training program includes tours of factories in an industrial complex, is extremely popular, and ENEOS Materials continues to cooperate.



Other social contribution activities
<https://www.eneos-materials.com/english/sustainability/social/contribution/>

Corporate Governance

Basic approach to corporate governance

Guided by the ENEOS Group’s “Basic Policy on Corporate Governance” and the “Basic Matters on the Establishment and Operation of Corporate Governance,” the ENEOS Materials Group prioritizes building trustful relationships and collaboration with all stakeholders. We are dedicated to sustainable, sound growth and the creation of long-term corporate value. In order to achieve this, our Group is advancing the establishment of governance structures and practical implementation that enhance transparency, agility, and soundness in management, through supervisory actions by the Board of Directors, oversight by the Corporate Auditors, strengthening internal controls and risk management systems, and elevating governance based on legal compliance, corporate ethics, and accountability.

We will continue to strengthen governance as the foundation of sustainable management, while striving to establish a management structure that upholds social trust.

[Basic Policy on Corporate Governance; Basic Matters on the Establishment and Operation of Corporate Governance](https://www.hd.eneos.co.jp/english/esgdb/governance/system.html)
<https://www.hd.eneos.co.jp/english/esgdb/governance/system.html>

Corporate governance structure

The ENEOS Materials Group has established a corporate governance structure that is effective, transparent,

fair, and allows for swift and decisive decision-making. Our corporate structure places the General Meeting of Shareholders as the highest decision-making body, with the Board of Directors, the Corporate Auditors, and Independent Auditors as the central governing bodies.

Board of Directors

Our Board of Directors consists of 3 members (as of September 1, 2025), and 2 Corporate Auditors (as of September 1, 2025) are also present. In addition to matters specified by law or the articles of incorporation, it deliberates and decides on significant matters related

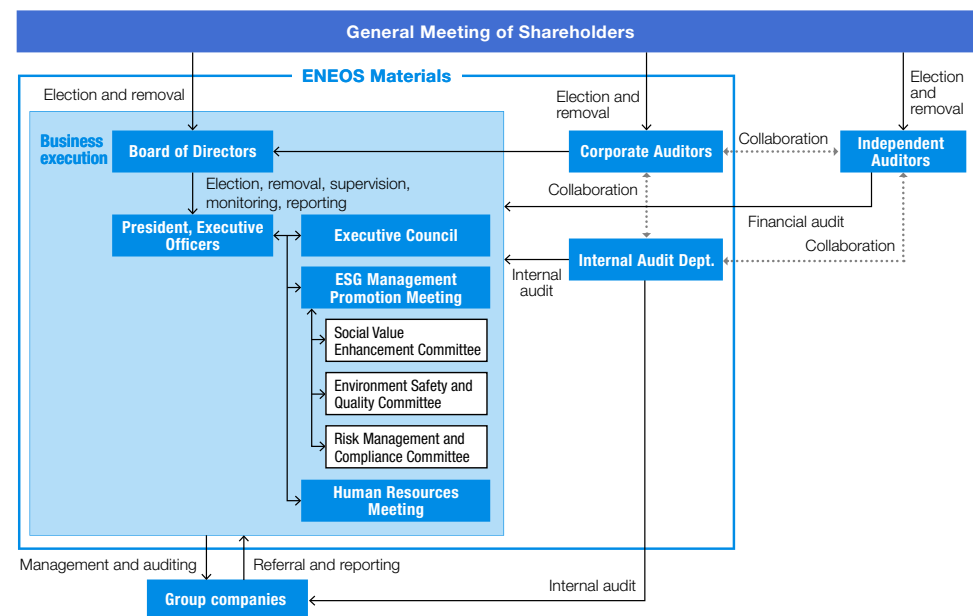
to business execution, and supervises the execution of duties by Directors and Executive Officers.

In addition, we have introduced an executive officer system that clearly separates the decision-making functions and business execution functions of management, thereby achieving agile business execution alongside a highly transparent supervisory structure.

Management audit structure

The Corporate Auditors actively conduct audits to assess whether Directors’ execution of duties complies with laws, statutes, and the articles of incorporation,

Corporate governance system structure (as of September 1, 2025)



Corporate Governance

and to determine whether their actions are improper. To ensure audit effectiveness, the members attend the Board of Directors and other significant meetings, and fulfill a control and advisory role in management by providing necessary opinions. In addition, they collaborate with the Independent Auditors to exchange information and carefully review received reports, while also conducting investigations into company assets and operations from an independent perspective.

Management of group companies

While respecting the independent operations of each group company, our Group is dedicated to increasing corporate value and bolstering governance by establishing a cohesive structure for supervising each company's business execution and decision-making. In particular, we engage in the decision-making process for our principal group companies by dispatching the Directors or the Corporate Auditors. Also, we receive reports on business execution to the Executive Committee on a quarterly basis, sharing progress and risk information across our entire Group. Under the "Regulations on ENEOS Materials Group Company Operation, we explicitly codify a pre-discussion and approval mechanism for critical issues, thereby safeguarding the quality and coherence of decision-making throughout our Group. The Corporate Auditors also engage in regular dialogue with group companies to provide feedback on the organization of the audit environment and improvement proposals, contributing to the continuous improvement of the governance structure.

Targets

The ENEOS Group has established KPIs for the Appropriate structuring and operation of corporate governance among the 10 Material ESG Issues, and the ENEOS Materials Group is working toward targets related to the Training for officers as a member of the ENEOS Group.

Fiscal 2024 Material ESG Issues of the ENEOS Group: Targets, Results, and Progress

ENEOS Group		ENEOS Materials Group	
Initiative	Target	Scope	Fiscal 2024 activity results and progress
Training for officers	Conduct training for officers	ENEOS Materials	2 Directors and 1 Corporate Auditor participated in the ENEOS Holdings training program (4 times/year) (the 1st session was also for 2 Executive Officers, bringing the total to 5 participants for that session).

Internal Control Systems

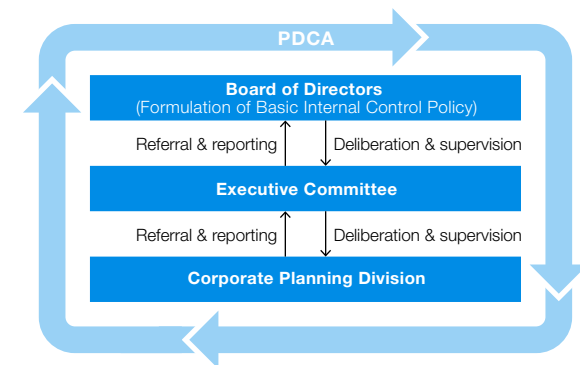
Based on the ENEOS Group's Basic Policy on Internal Control System, the ENEOS Materials Group has created an internal control structure aimed at ensuring compliance with laws, optimizing business operations, safeguarding assets, and detecting risks early and correcting them.

We continuously conduct autonomous internal control activities, such as self-checks, operational confirmations, and operational audits, for each department and principal group companies. The results are regularly

reported and shared at the Executive Committee and the Board of Directors. When an issue is identified, it is addressed through risk evaluation, corrective actions, and the formulation of improvement plans, then sustained improvement is pursued with a PDCA cycle.

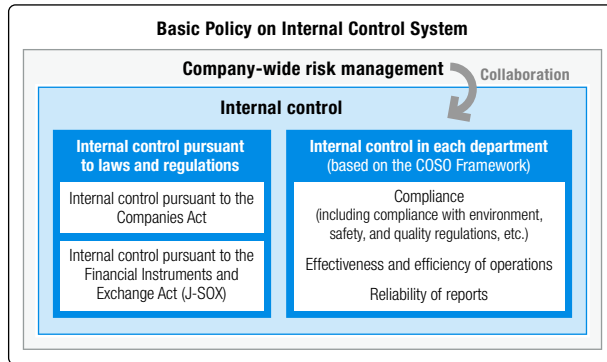
Starting in 2024, the ENEOS Group introduced a Chief Risk Officer (CRO) structure, which set up the integrated operation of internal control and compliance activities within the ENEOS Group. This has accelerated the standardization of initiatives and the strengthening of collaboration among companies. ENEOS Materials also adheres to this framework and, through internal initiatives aligned with the ENEOS Group's unified policy, continually works to elevate internal controls and enhance transparency.

Internal control structure (as of April 1, 2025)



Corporate Governance

Internal Control System diagram



Basic Policy on Internal Control System
https://www.eneos-materials.com/english/sustainability/governance/pdf/governance_02.pdf

Internal control activities

The ENEOS Materials Group’s specific internal control activities are structured and operated around the Corporate Planning Division as a system to ensure compliance with laws and regulations and the appropriateness of operations. Notably, in addition to control items required by the Companies Act and the Financial Instruments and Exchange Act, business controls at each department level are designed in accordance with the internationally recognized the COSO Framework*, enabling each department to operate autonomously in implementing internal control.

After introducing this Internal Control System in fiscal

2022, we began amplifying its integration with company-wide risk management beginning in fiscal 2023, thereby promoting a synergistic application of internal and risk controls. Through this approach, we continually refine and improve control activities so that they extend beyond the management level of individual divisions and operate as an integrated governance foundation for executive decision-making.

Under the Financial Instruments and Exchange Act, the Internal Audit Dept. carries out independent internal audits. Through feedback at the Executive Committee and the Board of Directors, works to preserve and enhance control standards across the organization.

* Committee of Sponsoring Organizations of the Treadway Commission (COSO): Internal control framework presented by the Committee of Sponsoring Organizations of the Treadway Commission. Widely adopted worldwide, it serves as an international standard for the design, operation, and evaluation of internal control.

Direct dialogue with leaders of each Group company

Our Group treats the creation of a robust control environment, which includes corporate culture, as both a core management goal and a corporate governance strategy to preempt unethical behavior and corporate misconduct. As part of that effort, we began initiating direct dialogues with the executive leaders of our group companies starting in fiscal 2023. This initiative had been led by the Audit & Internal Control Dept. until fiscal 2024, after which it has been spearheaded by the Corporate Planning Division since fiscal 2025. The purpose of these dialogues is not to conduct mere formal monitoring, but to verify the management team’s own understanding

and engagement with internal control and compliance, and to strengthen organizational culture through mutual exchanges of viewpoints. During these dialogues, we are simultaneously monitoring each company’s control activities and real-world risk responses, which helps to raise our Group’s overall governance standards and facilitate the spread of best practices across the organization. By fostering direct dialogues between executive leadership and supervision departments, we are nurturing a culture that positions top management as the core of internal control and establishing a solid groundwork for genuinely effective control practices beyond mere formality.

Conduct training for officers

Our Group attends the ENEOS Holdings-sponsored training for group officers, with the goal of bolstering corporate governance effectiveness and foster compliance awareness among officers. This training is planned and conducted with the aim of strengthening the sustainable management foundation by sharing a common sense of ethics and risk awareness among the officers of each company within the ENEOS Group, in accordance with ENEOS Group’s governance policy.

4 training sessions were held in fiscal 2024, and our full-time Directors and Corporate Auditors attended as participants (participants were selected based on training content). The training was primarily conducted in person, with options for online attendance or watching a recorded session later. From the 2nd session onward, course completion was verified by responding to a questionnaire. A group discussion was also held during the 4th session.

Corporate Governance

Within our Group, we place great importance on ensuring that officers are aware of their role as core actors in corporate ethics and governance, and that they persistently learn and transform their actions through cross-group educational initiatives. We will continue to work towards strengthening structures that foster shared values across the entire Group and earn social trust.

Overview of training for officers conducted in fiscal 2024

Session	Period	Theme	Main content
1st	April 2024	Compliance (harassment prevention)	Recent trends and practical actions for prevention
2nd	August 2024	Organization-building for taking ownership	Psychological roots of misconduct and cultivating risk sensitivity
3rd	November 2024	Learning from JAL's turnaround	Lessons on governance and the process of corporate failure and recovery
4th	February 2025	Moral imagination	Training including group discussions to strengthen ethical thinking skills

Implementation of internal control and risk education by level

The ENEOS Materials Group regards a robust organizational culture as the bedrock of internal control, and we aim to cement internal control and risk-management consciousness through training designed for each level.

We conduct annual training in April for new hires and in June for newly appointed managers. These programs cover fundamental concepts of internal controls, risk

perception, the importance of a healthy organizational culture, and misconduct prevention systems, while incorporating our own policies and past case studies.

Starting in fiscal 2025, ENEOS Holdings has introduced a group-wide basic risk management training program (e-learning), and each company in our Group is actively using it to enhance risk awareness and solidify a unified understanding. The training comprehensively explains concepts such as risk definitions and types, the differences between internal control and crisis management, and the role each employee plays, aiming to elevate risk awareness and foster behavioral change.

These measures seek to ensure an accurate understanding of the system and rules and to establish an organizational culture where risks can be autonomously identified and addressed. The goal is a PDCA-driven governance structure that covers both the mechanisms of internal control and the culture itself.

Risk Management

Basic approach to risk management

The ENEOS Materials Group considers the elevation of risk management to be one of its most important business objectives, as a responsible corporate group exerting wide-ranging impacts on society, the environment, and supply chains in the materials industry.

Our Group is advancing a strategic risk management approach that prepares for increasingly diverse and increasingly complex business interruption risks, such as natural disasters, geopolitical threats, cyberattacks, and human rights issues. We are also identifying business opportunities rooted in those risks and leveraging them to create value.

Furthermore, we regard these initiatives as a core element of ESG management. With the involvement of senior management, we have also established a system throughout our Group to continuously identify, assess, and address risks and opportunities. This approach simultaneously strengthens proactive responsiveness and fulfills accountability aimed at maintaining stakeholder trust.

Risk management structure

Our Group has established an integrated risk management system that accurately identifies common business risks across our entire Group and incorporates them into our management strategy. The central role is played by the ESG Management Promotion Meeting, chaired by the President. The

Meeting serves as the highest decision-making body for group-wide risk management, thereby acting as the epicenter of risk management.

Agenda items concerning risk management are deliberated by the Risk Management and Compliance Committee (Risk Subcommittee), which is positioned under the ESG Management Promotion Meeting. The Risk Management and BCM Administrative Office, which has been supervised by the Public Relations & Sustainability Dept. since fiscal 2025, serves as the secretariat responsible for administrative operations. The Risk Management and BCM Administrative Office works with each department to identify company-wide risks, consolidates evaluation results, and reports them to the committee and the ESG Management Promotion Meeting. Management then makes decisions and informs Group companies of the outcome.

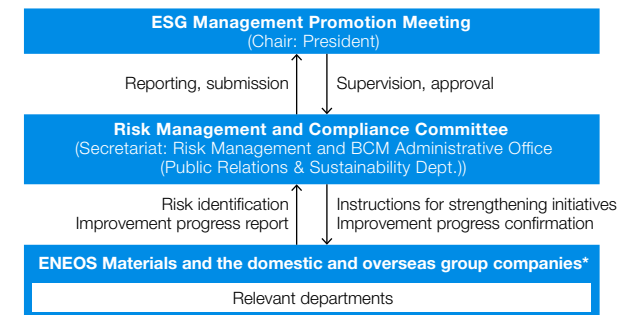
The ESG Management Promotion Meeting identifies and prioritizes material risks requiring response to changes in the business environment and ESG issues, based on discussions in the Risk Management and Compliance Committee (Risk Subcommittee). Decisions are disseminated to each responsible department through the Administrative Office, and their implementation status is tracked.

Progress on these activities is, in principle, formally reviewed twice a year (mid-year and year-end) to ensure continuous PDCA-driven improvements. Furthermore, activities aimed at risk mitigation are closely intertwined with productivity improvement activities, and they are addressed and deliberated upon at the weekly Executive Committee, thereby enabling practical monitoring throughout the year.

In addition, during the year-end review, we first consolidate and refine the reports presented at the Executive Committee for the year, then approach each department to verify, amend, or correct them. This process helps ensure both the comprehensiveness and effectiveness of our risk reduction measures.

Starting in fiscal 2025, ENEOS Holdings has begun full-scale operation of a group-wide risk management framework based on its Basic Policy on Internal Control System and other policies. This initiative is advancing the standardization of material risks, the unification of reduction strategies, and the sharing of best practices. We are also adhering to this policy as the ENEOS Materials Group, working in partnership with ENEOS Holdings to enhance the visualization of risk information and strengthen our agile response framework.

Risk management system diagram



* In principle, companies in which the ENEOS Materials Group's combined equity stake exceeds 50% are included.

[Basic Policy on Internal Control System](https://www.eneos-materials.com/english/sustainability/governance/pdf/governance_02.pdf)
https://www.eneos-materials.com/english/sustainability/governance/pdf/governance_02.pdf

Risk Management

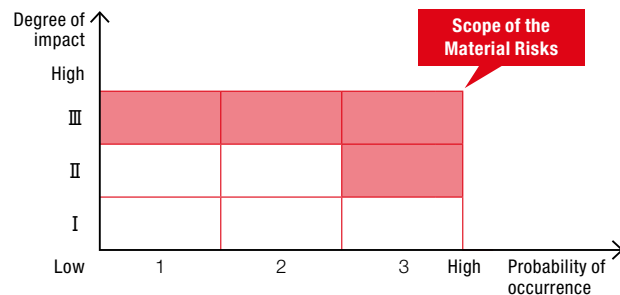
Risk management process

In the ENEOS Materials Group, we have institutionalized the identification of the Material Risks and the formulation of response strategies to integrate strategic risk management operations with management, thereby strengthening these processes.

Beginning in fiscal 2025, the ESG Management Promotion Meeting will implement an annual system for evaluating the Material Risks and for the decision-making processes of the responsible departments. The Material Risks are determined by considering changes in the business environment surrounding our Group, the frequency and degree of impact of risk occurrences, and ESG factors such as the environment and human rights.

Responsible departments, in collaboration with related departments, integrate appropriate measures for the Material Risks into each business process, and promote operations linked with the internal control PDCA cycle. In addition, responsible departments take on the responsibility of promoting risk reduction measures, regularly evaluate their progress and effectiveness, and secure a continuous improvement cycle by reporting to the ESG Management Promotion Meeting.

● Risk assessment matrix



Overview of material risks and countermeasures for fiscal 2024

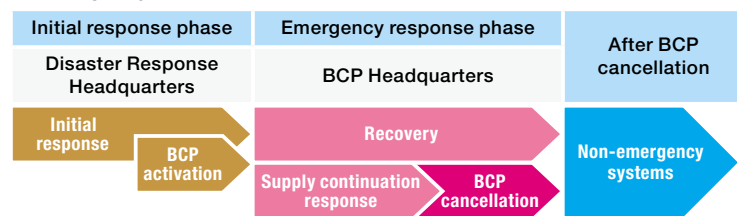
	Material Risks	Countermeasures
1	Demand fluctuations	<ul style="list-style-type: none"> • Diversification of business areas • Timely acquisition of information on the market, customers, and competitors, and reflection of that information in sales and production plans
2	Financing difficulties	<ul style="list-style-type: none"> • Activities to curb fixed costs and other expenses, continuous observation of the business climate and results, and reporting and sharing with senior management • Sharing with ENEOS Holdings
3	Risks related to climate change and decarbonization	<ul style="list-style-type: none"> • Continuous external information gathering from media, company websites, magazines, and interviews with energy supply companies, and sharing that information within the ENEOS Group • Acquisition and implementation of International Sustainability Carbon Certification (ISCC PLUS) to reduce environmental impact in production processes and avoid greenwashing
4	Country risk	<ul style="list-style-type: none"> • Information exchanges with customers, agencies, Japan-based companies, and public institutions. • Development of emergency response structure
5	Natural disasters (large-scale earthquakes, typhoons, heavy rain, and floods)	<ul style="list-style-type: none"> • Establishment of employee safety confirmation structure • Stocking and periodic replacement of supplies (food, water, first aid kits, emergency fuel for standby generators, etc.) • Regular comprehensive disaster prevention drills and emergency response training, along with ongoing corrective activities • Continuous review of the BCM structure
6	Fires and explosions (including fires and explosions at overseas sites)	<ul style="list-style-type: none"> • From the initial concept phase of factory facilities, execution of safety assessments and measures through design reviews and pre-implementation safety evaluations • Enforcement of work manuals related to operations and inspections, safety awareness education, and execution of disaster drills • Continuous review of the emergency response manual
7	Environmental accidents and environmental regulations	<ul style="list-style-type: none"> • Regular measurement of surrounding environment • Enforcement of work manuals related to operations and inspections, safety awareness education, and execution of disaster drills • Continuous review of the emergency response manual
8	Occupational accidents (employee injuries and fatalities and health damage caused by chemicals)	<ul style="list-style-type: none"> • Reliable execution of safety management based on a safety management system • Reductions of risk through education on basic operations and prohibited practices, and deepening risk assessments (5M) • Implementation of education to enhance safety awareness and hazard recognition
9	Impact of disasters on officers and employees during overseas assignments, business trips, etc.	<ul style="list-style-type: none"> • Travel restrictions (subject to director approval) and complete bans to high-risk countries • Creation of a safety manual for business trips abroad, and prohibited entry to dangerous areas • Confirmation of warning notices on the Foreign Ministry overseas security website
10	Pandemic outbreaks	<ul style="list-style-type: none"> • Thorough implementation of gargling and handwashing, establishment and maintenance of a hygienic workplace environment, and arrangement of vaccinations • Continuous review of the BCM structure
11	Product liability (including recalls and major quality issues)	<ul style="list-style-type: none"> • Reliable implementation of business design reviews • Maintenance of the quality management system through internal and external audits • Quality management through process and product analyses
12	Raw material procurement difficulties	<ul style="list-style-type: none"> • Thorough verification of supply stability when sourcing raw materials (including supplier capacity and alternative material feasibility) • Diversification of sourcing options, and regular evaluations, audits, and guidance • Setting and maintenance of standard inventory levels
13	Equipment breakdowns and downtime	<ul style="list-style-type: none"> • Routine inspections and spare parts management • Strengthening of the inspection management of aging equipment and further identification of uninspected areas for risk evaluation
14	False reporting and concealment (product performance falsification, accounting fraud, etc.)	<ul style="list-style-type: none"> • Implementation of an automated system for importing product inspection results and automatically determining pass/fail judgments, along with routine management such as double-checks • Establishment of accounting regulations, and clarification of procedures and approval structure • Implementation of corporate ethics education and internal audits
15	Serious legal violations	<ul style="list-style-type: none"> • Development and circulation of regulations, and implementation of training and internal education • Regular compliance inspections across our Company • Collection and dissemination of legislative amendments and incident data (real-time information gathering through system deployment) • Implementation of internal audits, as well as audits by public institutions

Risk Management

Business Continuity Management (BCM)

Our Company has developed the BCM (Business Continuity Management) Regulations aimed at limiting business disruption and enabling prompt business continuity, in order to fulfill our duty to supply vital social infrastructure and utilities, even during large-scale disasters, epidemics or acts of terror. These regulations set forth measures to reduce potential damage caused by disasters during normal times, the formulation of Business Continuity Plans (BCP) based on risk assumptions, the implementation of training, and the development and periodic review of crisis management manuals. On the other hand, procedures for the initial response prior to the activation of a BCP are outlined in the ENEOS Materials Group Crisis Management Manual, which defines Our Group-wide coordination structure and information sharing procedures during times of emergency. When an incident occurs, we categorize the response into an initial action phase and an emergency phase, following the time axis. The initial phase sees the activation of the Disaster Response Headquarters, while the continued response phase deploys the BCP Headquarters. Each phase is governed by a clear command structure to ensure rapid action. These arrangements aim to standardize operations across our Group, continuously improving these systems through annual BCP training and review cycles, while also strengthening our ability to ensure accountability to stakeholders in the event of an emergency.

Emergency response procedures



Information security

The ENEOS Materials Group recognizes the increasingly serious and sophisticated risks of cyberattacks and information leaks as a key management challenge directly linked to business continuity and maintaining social trust. In order to address these risks, we have established the Basic Policy on Information Security and are continuously promoting a strengthened preventive system for protecting information assets and preventing unauthorized access and internal misconduct across our Group. Based on the ENEOS Group Code of Conduct and this policy, our Company implements technical measures, such as system administration, access rights

Basic Policy on Information Security

The ENEOS Materials Group (the “Group”) is well aware that ensuring a high level of information security is a crucial management issue and implements necessary measures.

In line with this, we established the Basic Policy on Information Security and strive to properly handle, manage, protect, and maintain information, including our business partners and contractors.

1. Establishment of an information security management system

To protect and properly manage all of the Group’s information assets, we secure adequate resources including budget and personnel and established a system that can promptly implement information security countermeasures.

2. Establishment of internal rules

The Group establishes the internal rules necessary to protect and appropriately manage information assets and thoroughly informs personnel regarding matters that must be complied with.

3. Appropriate information security countermeasures

The Group identifies information security risks and implements necessary countermeasures to prevent unauthorized access, destruction, information leaks, falsification, and other such incidents relating to information assets before they take place. In addition, we establish a response and recovery system in the event that an incident occurs and formulate a plan for rapid recovery.

4. Improvement of information security literacy

The Group thoroughly informs all executives and employees regarding the need for information security and specific compliance matters and periodically conducts information security training to maintain and enhance the Group’s information management systems.

5. Compliance with laws and regulations

The Group complies with laws, regulations, guidelines established by the national government, and other social norms relating to information security.

6. Continuous improvement

The Group periodically assesses and reviews the initiatives described above and shares information in order to continuously improve information security management.

(Formulated in April 2024)

ENEOS Group Code of Conduct: Information management and disclosure
<https://www.hd.eneos.co.jp/english/about/conduct.html>

Risk Management

configuration, device management, and external communication controls, compliant with the ENEOS Group's information security standards. We also regularly carry out training and education (e-learning, reporting drills, etc.) for employees. Moreover, we have built a multi-tiered security system that spans organizational, physical, personnel, and technical domains. The system incorporates contingency response structures prepared for major incidents, reporting protocols for major incidents, and comprehensive information-management guidelines that also cover external contractors. We will continue to enhance effectiveness and pursue continuous improvement by regularly evaluating risks and reviewing policies and structures, taking into account legal regulations regarding information security, industry guidelines, and changes in the external environment.

Information security structure

The ENEOS Materials Group places protecting information assets and appropriately addressing cybersecurity risks among its top managerial concerns. To support this, our Group has instituted a clear delineation of duties and a robust management structure. The supervision of information security is carried out by the General Affairs Dept. within the Corporate Management Division, which is responsible for supervising our Group's information asset management and the development and operation of rules. On the other hand, the practical operations of cybersecurity are overseen by the Digital Direction Dept. within the Corporate Management Division, with the Platform

Security Group leading efforts to manage vulnerabilities of our Company's IT assets and to collect and analyze the latest threat intelligence. Starting in the 2nd half of fiscal 2023, we have created and operated an internal security report and report to senior management on a semi-annual basis, thereby ensuring that management can promptly address critical security matters. In addition, we continuously conduct weekly meetings with IT vendors to discuss responses to emerging security threats and preventive measures for incidents, and we maintain a structure that can implement swift actions as needed. Furthermore, we participate in the annual IT security monitoring conducted across the ENEOS Group. Through this participation, we promote the visualization and improvement of risks based on the group-wide evaluation criteria. In the event of a security incident, we maintain an immediate reporting and coordination system, enabling our Group to respond swiftly and minimize damage through ongoing improvements.

Information security countermeasures

Our Group implements comprehensive security measures, spanning technical, operational, and human layers, to counter the evolving sophistication of cyberattacks and the rising risk of data leaks. In 2024, our Company carried out a cyber-security status survey focused on the proprietary systems of our Company's 3 plants and research facilities, visualizing on-site risk factors and assessing the status of countermeasures. Additionally, we conducted targeted security incident response drills for certain departments based on

assumed incident scenarios to improve understanding of initial response, reporting procedures, and response processes. Moreover, our cyber security officer participates in the ENEOS Group-hosted training sessions as an observer, gathering insights into the response methods and organizational structures across the ENEOS Group, and we apply this knowledge to further strengthen our own structure. From fiscal 2025 onward, we will strengthen our security management based on the PDCA cycle by expanding training to align with our Group's actual conditions, deepening risk evaluations, and updating and reviewing response manuals.

Details of fiscal 2024 security measures

- Technical measures: Firewalls, and monitoring and control through EDR*
- Operational measures: Annual IT security monitoring, including of Group companies
- Human resource measures: Employee security education and suspicious email response training

* Endpoint Detection and Response (EDR): All endpoints on the network are constantly monitored for data, which is analyzed instantly; upon detecting cyber threats, the system auto-responds to stop threats before they materialize and limit harm.

Implementation of information security education

Our Group continuously implements security training for employees aimed at raising awareness of information security risks and ensuring the adoption of suitable actions.

We conduct biannual training sessions for all employees who use the information system, and

Risk Management

provide individualized training for mid-career hires and new employees when they join our Group. This ensures a unified knowledge base and consistent behavioral standards.

In fiscal 2024, our Group* conducted security training for employees and saw a 98% completion rate. We conduct personalized follow-up for those who have not taken the training and work to enhance the overall level of awareness across our Group.

We will continue to review our training content regularly according to changes in operational realities and the external environment, and work to continually improve and strengthen the entire information security structure in order to maintain and enhance the risk awareness level across our Group.

* Excludes ENEOS Materials Trading America, Inc. and ANCI SAS. Includes JBC and EKE.

Learn the characteristics of increasingly sophisticated fraud schemes, how to spot them, and the essential actions for preventing damage

➤ Overview of fiscal 2024 security education

- Examples of cyberattack incidents
Using the details of the damage and the response challenges as a basis, precisely grasp the reality of the threat and its effect on operations
- Education on information leakage risks
Discuss file management, access rights handling, and recognizing suspicious traffic
- Security considerations when using internal systems
Learn practical insights on password management, cloud environment precautions, and more
- Examples of support fraud and business email phishing

Compliance

Compliance policy

The ENEOS Materials Group considers strong ethical standards and compliance with laws and regulations to be the cornerstone of its corporate governance, viewing compliance as one of its most critical business priorities. In addition to complying with laws and internal regulations, we ensure that all officers and employees rigorously adhere to a code of conduct that aligns with societal expectations and corporate ethics. Through this, we aim to earn the trust of all stakeholders, leading to sustainable growth and enhancing medium- to long-term corporate value. We also recognize that creating an environment where each employee can work with confidence and pride is a key component of corporate social responsibility. Under this premise, our Group, based on the ENEOS Group's High ethical standards, the ENEOS Group Code of Conduct, and the ENEOS Materials Corporate Ethics Guidelines, is working to instill common values and behavioral standards within our Group and to operate compliance effectively.

ENEOS Group Code of Conduct (Excerpt)

1. Compliance

- (1) We ensure compliance with laws, contracts, and corporate regulations and follow social norms and customs in an appropriate manner.
- (2) We shall neither ignore nor participate in any compliance violations.

7. Equitable and fair transactions

- (1) We comply with domestic and international laws concerning competition and laws and regulations concerning security and trade, and conduct our business transactions in a fair and equitable manner.
- (2) We grow and develop along with our domestic and international customers, suppliers and business partners, and we build healthy relationships with them in order to contribute to society.
- (3) We respect the intellectual property rights of third parties.
- (4) We shall not receive cash, gifts or favors from our suppliers and clients nor give cash, gifts or favors to them in contradiction with our high level of ethics, embodied in our Group philosophy. Even in cases where we do give or receive gifts or favors within socially accepted limits, we maintain transparency and ensure that there is no inappropriate influence on business decisions.
- (5) We stand firm against antisocial forces and organizations and shall not have any relationships with them.

8. Appropriate relationships with governments and public administrations

- (1) We maintain transparent relationships with governments and public officials.
- (2) We shall obtain the necessary confirmation and approval from the appropriate person(s) with authority before we commence any political activities (including lobbying activities) as a company.
- (3) We shall not bribe or give anything of value to any domestic or foreign public officials (including parties legally regarded as public officials and individuals subject to other regulations).

9. Avoidance of conflicts of interest

- (1) We place priority on the interests of the Company, not on the interests of individuals, in all of our business activities.
- (2) We shall not engage in activities that contradict the interests of the Company without prior approval from the Company.

14. Actions for violations and measures to prevent recurrence

- (1) We seek to address violations or possible violations of this Code of Conduct by reporting to the relevant supervisors, consulting with the appropriate departments, or using the Corporate Ethics Hotline.
- (2) We shall not take any unfavorable action against individuals who report violations or possible violations of this Code of Conduct.
- (3) We shall conduct thorough investigations into the causes of any violations of this Code of Conduct when they occur, and determine and execute effective recurrence prevention measures.

Compliance

Compliance structure

We have set up the Risk Management and Compliance Committee as the core entity to build and strengthen our compliance framework under the ESG Management Promotion Meeting. Starting in August 2025, this committee will inherit the responsibilities of the former Corporate Ethics Committee. This committee undertakes a PDCA cycle of monitoring and improvement, alongside reviewing our Group’s compliance policy and key initiatives.

- At the start of the fiscal year, summarize the year’s performance, including compliance status, whistleblowing trends, and training completion rates, and formulate the plan for the upcoming year
- Based on reports on the operation status and trend analysis of the Corporate Ethics Hotline, as well as compliance inspection and audit findings, clarify the approach to address the identified issues
- If necessary, report key cases to the ESG Management Promotion Meeting and inform the Corporate Auditors, implementing unified policies and guidance under the direction of management

When serious compliance issues such as violations of law or ethics arise, we promptly convene the ESG Management Promotion Meeting to assess the impact, analyze root causes, determine corrective actions, and devise prevention measures. Under the leadership of management, we then implement the necessary responses.

In fiscal 2024, our Group developed guidelines and support systems to enable each department and member company to autonomously conduct compliance activities, working towards a high degree of transparency and effective corporate ethics.

In addition, we revised our Group’s compliance regulations and clarified the role of the “person responsible for compliance,” thereby strengthening our organizational responsibility framework. We will continue to foster a mature compliance culture across the organization by consistently educating and improving, so that all officers and employees remain guided by a strong sense of ethics in the future.

Targets (KPIs)

The ENEOS Group has established KPIs for the Appropriate structuring and operation of corporate governance among the 10 Material ESG Issues, and the ENEOS Materials Group is working toward targets related to the Compliance as a member of the ENEOS Group. In addition, we set KPIs for our Group and verify our progress toward achieving them.

🔴 **Fiscal 2024 ENEOS Materials Group KPI response status** KPI

Evaluation: 😊 Achieved/Steady progress 😞 Not achieved

Initiative	Target (KPI)	Scope	Fiscal 2024 activity results and progress
Strengthening compliance activities	Conduct legal compliance inspections	ENEOS Materials, BEE, EMSR, EMIX, overseas EMIX Group companies, EMTR, overseas EMTR Group companies, TMC, NSR, NCTI, ANCI, EKE	😊 Conducted inspections covering all departments of our Company and 25 group companies
Fostering compliance awareness	Implementation of compliance and legal training tailored to each company's business risks and internal issues	Our Group's domestic companies and ANCI	😊 Conducted various training programs through e-learning (3 times per year) and training by job level

🔴 **Fiscal 2024 Material ESG Issues of the ENEOS Group: Targets, Results, and Progress**

Initiative	ENEOS Group		ENEOS Materials Group	
	Target (KPI)	Scope	Fiscal 2024 activity results and progress	
Operation of whistleblower systems	<ul style="list-style-type: none"> • Respond to whistleblowing appropriately • Build an effective whistleblower system through measures including a review of the Group whistleblower system 	In principle, ENEOS Materials and its consolidated subsidiaries as of March 31, 2025	Implemented awareness activities regarding the system and appropriate investigations, incorporating the review of the Group reporting system	

Corporate Ethics Hotline (whistleblowing system)

Our Group has established and properly maintains the whistleblower system (the Corporate Ethics Hotline), in order to promptly detect, correct, and thoroughly prevent recurrence of any compliance violations.

Compliance

This system covers all employees, officers, retirees, and contractor company stakeholders of our Group, and provides both an internal contact point and an independent external 3rd-party contact point. Reports can be submitted anytime 365 days a year either online or by email, and the service is available in Japanese and the main languages of overseas sites, giving users a global-friendly environment.

We have also given considerable attention to safeguarding whistleblowers. Our system explicitly states that they will not face any disadvantageous treatment for making a report, and it allows anonymous reporting.

If a report is received, the internal legal or audit departments will promptly verify the facts in accordance with the relevant regulations and take necessary corrective actions, while also reporting the investigation results to the President, other officers, and the Corporate Auditors. To ensure fairness and transparency, we implement measures that exclude involved parties from the relevant processes when

conducting investigations and formulating or reporting preventive measures.

The scope of reporting covers all potential issues, including misconduct, violations, human rights violations, harassment, and legal transgressions. The system is fully disseminated to all officers and employees through our intranet and internal training. To ensure the reliability and effectiveness of the system, we regularly share information about the number of reports, summaries of report contents, and outcomes of responses within our Company.

Concrete examples of matters to be reported

- Human rights violations, including power harassment and discrimination, as well as labor management matters and related concerns
- Violations of laws and internal policies, including bribery and competition law, and related concerns
- Matters related to occupational safety and health and related concerns

When reports are received

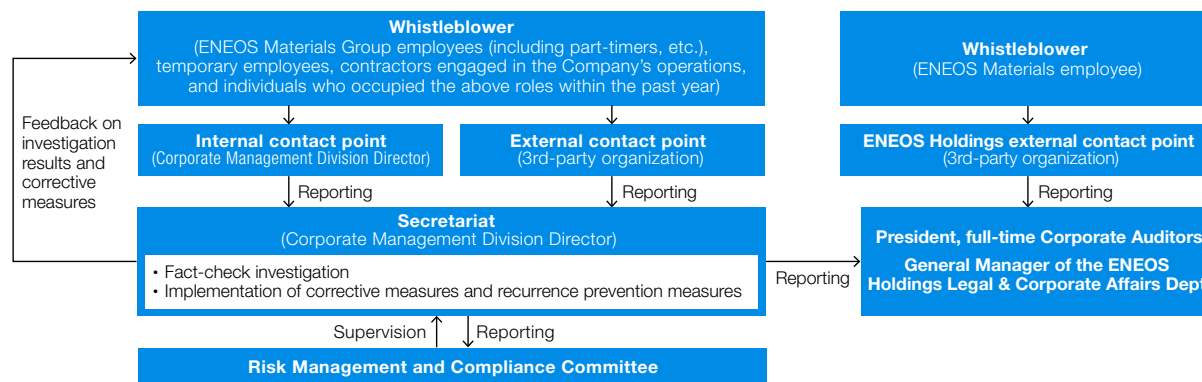
Our Group handled whistleblowing received in fiscal 2024 about harassment or questionable conduct by conducting investigations and responding appropriately. If a case cannot be clearly classified as a violation, we establish countermeasures to prevent recurrence when there is room for improvement. In addition, making the number of whistleblowing, a summary of their contents, and the handling status public within our Company demonstrates that the systems are functioning effectively.

Compliance with competition laws

As a member of the ENEOS Group, the ENEOS Materials Group place the safeguarding of fair and free competition at the heart of our corporate ethics and rigorously adhere to competition law in all of our business activities. The ENEOS Group as a whole has enacted the ENEOS Group Competition Law Compliance Policy, a clear statement of the basic principles of competition law in each country—banning private monopolies, prohibiting unlawful trade restrictions (such as cartel conduct), and forbidding unfair business practices. It affirms a zero-tolerance stance against any violations by all officers and employees.

Our Company has also established the Rules for Compliance with Competition Laws in line with this policy, clearly outlining the prohibitions and responses that apply in practice.

Whistleblowing workflow



Compliance

- Prohibition of improper information exchange or contact with competing businesses
- Recording and retention of records when contacting competitors on exceptional occasions
- Response when competition law violations are discovered

Employees also undergo regular education and e-learning on competition law, to enhance their understanding of practical decision criteria and specific prohibited actions.

In 2024, no violations of competition law were recorded within our Group. We will continue to strengthen our governance framework and educational activities to uphold fair market competition.

ENEOS Group Competition Law Compliance Policy
https://www.hd.eneos.co.jp/english/about/policy/competition_law/

Prevention of corruption and bribery

The ENEOS Group actively participates in the United Nations Global Compact, consistently working to apply the 10 principles for preventing corruption outlined within it. In addition, the ENEOS Group Anti-Corruption Policy has also been established as a common code of conduct for the ENEOS Group, clearly articulating a stance that we will not be involved in any form of bribery or corruption. The ENEOS Materials Group also adheres to this policy and has established the Basic Guideline of Anti-bribery. These guidelines sets out the President’s commitment to preventing bribery at the outset, while also codifying the

decision-making criteria, prohibited conduct, and practical guidelines to be followed in business.

We generally prohibit providing entertainment or gifts, covering travel expenses, and donating to public officials. The procedures set forth in our internal regulations must be followed if these actions are carried out, and where the risk is deemed high, prior notification and approval are mandatory. We also carry out strict accounting procedures and diligently maintain records.

These measures are designed to prevent corruption risks across our Group and promote transparent business operations. We have also established a structure to involve the legal and audit departments in pre-consultation and check processes as needed.

During fiscal 2024, there were zero instances of corruption or bribery within the ENEOS Materials Group. We will continue to enhance the practical effectiveness of our anti-corruption structure by conducting ongoing education and monitoring, while staying attuned to shifts in domestic and international regulations and industry guidelines.

ENEOS Group Anti-Corruption Policy
https://www.hd.eneos.co.jp/english/about/policy/anti_corruption.html

Implementation of compliance audits and inspections

Our Group treats the reliable compliance with laws and internal regulations as one of its core principles, aiming to achieve fair and transparent business operations.

To guarantee its effectiveness, we have established a monitoring system that combines 2 approaches, namely compliance inspections and internal audits, and operate a cycle of regular monitoring and corrective actions. This structure simultaneously enables early detection of risks in day-to-day operations (compliance inspections) and objective assessment from an independent 3rd-party perspective (internal audits). We have established a framework that verifies compliance with internal regulations and laws from diverse, multi-level viewpoints.

The structure ensures that any risks or deficiencies discovered during compliance inspections or internal audits are promptly addressed by the relevant departments, with supervisory departments overseeing monitoring of progress and necessary follow-ups. Through operating based on such a PDCA cycle, we aim to prevent regulatory violations in advance and continuously improve compliance standards.

Overview of audits and inspections

	Responsible department	Scope	Overview
Legal compliance inspections	General Affairs Dept.	ENEOS Materials and our group companies	Implemented once a year. Confirms applicable laws and regulations that each company and department must follow and identifies their compliance status and any associated risks. Shares any violations within our Company and develops corrective action plans for significant matters.
Internal audits	Internal Audit Dept.*	ENEOS Materials and our group companies	In fiscal 2024, conducted audits for 3 target areas (department audits, thematic audits, and group company audits) and will continue to do so annually. Investigates and analyzes whether there are any violations of laws, regulations, or company rules, and assesses the management status of compliance risks concerning target department regulations from an independent standpoint relative to business departments.

* Audit & Internal Control Dept. until fiscal 2024

Compliance

Response to violations

Our Group has established a system that, upon confirmation of any violations of laws, regulations, or internal policies, evaluates the seriousness, background, and impact before administering appropriate disciplinary actions in accordance with our work rules. When a violation occurs, we bring the matter before the Disciplinary Committee, conduct deliberations and decisions from an objective and fair standpoint, and commit to promptly advancing the examination and implementation of measures to prevent recurrence of the offense. Regardless of any disciplinary actions, we conduct thorough root-cause analyses by the relevant departments and implement corrective measures, including the revision of business procedures and training systems, to prevent recurrence of similar issues and strengthen compliance across the organization.

In addition, we continually follow up on the implementation status of our recurrence prevention measures, and when necessary, we adjust operations or provide additional training.

Corrective actions for compliance violations

The main corrective actions addressed by our Group for fiscal 2024 are as follows.

Response to administrative guidance regarding deficiencies in the High Pressure Gas Safety Act

In October 2024, our Company's 3 plants (Yokkaichi, Kashima, and Chiba) received administrative guidance

from the Ministry of Economy, Trade and Industry: the Yokkaichi and Kashima plants were issued a strict warning, while the Chiba Plant received a warning, due to deficiencies related to the High Pressure Gas Safety Act. The primary findings were regarding deficiencies in the duty to retain safety-management ledgers and partial failure to properly submit equipment notifications.

Our Company took this administrative guidance very seriously and immediately intensified our security operations and management, while also implementing measures to prevent recurrence. We consider this matter a company-wide risk and an impetus to further strengthen compliance awareness and safety standards.

We will continue to work towards preventing similar deficiencies in the future by strengthening our periodic inspection system, standardizing document management, and establishing a PDCA cycle through ongoing employee education.

Recurrence Prevention Measures

- Statement of top management's commitment to compliance and high safety management awareness
- Re-education of all employees on treating safety and compliance as top priorities
- Clear indication and reestablishment of legal requirements for security and compliance activities within internal regulations
- Thorough progress management of requirements and revamped approach for disseminating legislative amendment information

Strict warning and warning based on the High Pressure Gas Safety Act for our Company's 3 plants (In Japanese only)
https://www.eneos-materials.com/information/2024/pdf/20241025_01.pdf

Compliance training (legal training)

Our Group conducts training on general compliance matters. Based on employee awareness levels of compliance and the results of legal compliance inspections, we incorporate the themes that should be emphasized for the current fiscal year into our training.

In fiscal 2024, the e-learning courses covering compliance and general corporate ethics, competition law (mainly the Subcontract Act), and bribery, for our Group's domestic companies, all had completion rates of about 98%. We also conduct training by level for all other positions.

Fiscal 2024 compliance training results (e-learning; 3 times per year)

(Unit: %)

Training theme	Target	Completion rate
General compliance	Our Group's domestic companies	98
Competition Law (mainly Subcontract Act)	Our Group's domestic companies	98
Anti-Bribery	Our Group's domestic companies	98

Data

Reporting scope

The scope of data reported in this report is listed in the table below (as of the end of fiscal 2024). We explicitly indicate the scope individually when it differs.

Company name	Designation	Site		ENEOS Materials	ENEOS Materials Group	Our Group's domestic companies	Principal domestic operating companies	Our Group's production sites	Our Group's domestic production sites	Principal synthetic rubber production sites
ENEOS Materials Corporation	Our Company, ENEOS Materials	Head Office (Shiodome), Nagoya Office, Yokkaichi Plant, Chiba Plant, Kashima Plant, Yokohama Site, Kawasaki Site	Office, plant	●	●	●	●	●	●	●
BST ENEOS Elastomer Co., Ltd.	BEE	Thailand (Bangkok, Rayong)	Office, plant		●			●		●
ENEOS Materials Synthetic Rubber Hungary Ltd.	EMSR	Hungary (Budapest, Tiszaújváros)	Office, plant		●			●		●
ELASTOMIX CO., LTD.	EMIX	Head Office (Yokkaichi), Tokyo Sales Office, West Japan Sales Dept. (Osaka), Yokkaichi Plant, Tokyo Plant, Shiga Plant	Office, plant		●	●	●	●	●	
ELASTOMIX (THAILAND) CO., LTD.	EMIX Overseas	Thailand (Rayong)	Plant		●			●		
PT. ELASTOMIX INDONESIA	EMIX Overseas	Indonesia (Karawang)	Plant		●			●		
ELASTOMIX MEXICO S.A. de C.V.	EMIX Overseas	Mexico (Irapuato)	Plant		●			●		
ELASTOMIX (FOSHAN) CO., LTD.	EMIX Overseas	China (Foshan)	Plant		●			●		
Nippon Synthetic Resins Co., Ltd.	NSR	Kawasaki	Plant		●	●		●	●	
ENEOS Techno Materials Corporation	TMC	Head Office (Shiodome), Narita Plant, Yokohama Plant, Kawasaki Site	Office, plant		●	●	●	●	●	
ANCI Inc.	ANCI	United States (Dalton, Roanoke)	Plant		●			●		
ANCI SAS	—	France (Aix-en-Provence)	Office		●					
Nippon Chemical Texas Inc.	NCTI	United States (Pasadena)	Plant		●			●		
ENEOS LC COMPANY, LIMITED	LC	Kawasaki, Shiodome	Office		●	●				
ENEOS Materials Korea Co., Ltd.	—	South Korea (Seoul)	Office		●					
ENEOS Materials Europe GmbH	—	Germany (Düsseldorf)	Office		●					
ENEOS Materials Europe Belgium B.V.	—	Belgium (Leuven)	Office		●					
ENEOS Materials India Private Limited	—	India (Gurgaon)	Office		●					
ENEOS Materials America, Inc.	—	United States (Cincinnati)	Office		●					
ENEOS Materials Trading Co., Ltd.	EMTR	Main Office (Shiodome), Osaka Branch, Nagoya Branch, Yokkaichi Branch	Office		●	●	●			
Goko Trading Co., Ltd.	—	Head Office (Osaka), Nagoya Office, Hiroshima Office	Office		●	●				
ENEOS Materials Trading (Shanghai) Co., Ltd.	—	China (Shanghai, Guangzhou, Tianjin)	Office		●					
ENEOS Materials Trading Bangkok Co., Ltd.	—	Thailand (Bangkok)	Office		●					
ENEOS Materials Trading Mexico S.A. de C.V.	—	Mexico (Irapuato)	Office		●					
ENEOS Materials Trading Vietnam Co., Ltd.	—	Vietnam (Hanoi)	Office		●					
ENEOS Materials Trading America, Inc.	—	United States (Novi)	Office		●					
Coverage rate*				43%	100%	62%	59%	92%	56%	59%

* Coverage rate (based on employee count) of 26 group companies, including consolidated subsidiaries and simplified consolidated subsidiaries (excluding those with less than a 50% ownership stake) as of the end of fiscal 2024

3rd-party assurance

Data that has received 3rd-party assurance is marked with a .

E (Environment)

Environmental management							
Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024		
Environmental education (training by level)	New employees	Completion rate	ENEOS Materials	%	—	100	100
Environmental education (training by level/ job category)	High school graduates in their 4th year, university graduates in their 2nd year	Completion rate	ENEOS Materials	%	—	100	100
	High school graduates in their 9th–10th year, university graduates in their 5th–7th year	Completion rate	ENEOS Materials	%	—	100	92
	High school graduates in their 11th–14th year	Completion rate	ENEOS Materials	%	—	100	88
Environmental education (environmental law education)		Completion rate	Our Group's domestic companies*1	%	—	93	92
External environmental audit	Nonconformity		ENEOS Materials	Cases	—	0	0
ISO 14001 certified business sites*2	Number of certified companies/business sites	—	Business sites	—	12	15	
	Percentage of certified companies/business sites*3 relative to all manufacturing companies	ENEOS Materials Group	%	—	88	83	

*1 Includes joint ventures (JV) JBC, EKE, SPCC, and Shiohama Chemical Warehouse Co., Ltd.

*2 Certification status as of March 31, 2025

*3 ISO certification also obtained on a business-site (plant) basis

Item	Companies/business sites	
ISO 14001 certified companies/ business sites (number of certified business sites)	ENEOS Materials/Yokkaichi Plant, Chiba Plant, Kashima Plant (3)	PT. ELASTOMIX INDONESIA (1)
	BEE/Rayong (1)	ELASTOMIX (FOSHAN) CO., LTD.
	EMSR/Tiszaújváros (1)	TMC/Narita Plant (1)
	EMIX/Head Office, Yokkaichi Plant, Tokyo Plant, Shiga Plant (4)	NSR (1)
	ELASTOMIX (THAILAND) CO., LTD. (1)	ANCI (1)

Item	Emulsion polymerized Styrene-Butadiene Rubber (ESBR)	Butadiene Rubber (BR)	Solution Styrene Butadiene Rubber (SSBR)
ISCC PLUS certified products	ENEOS Materials (Yokkaichi Plant)	●	●
	ENEOS Materials (Chiba Plant)	●	
	EMSR		●
	BEE		●

Contributing to the formation of a decarbonized society					
Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Energy consumption	Our Group's production sites	TJ	13,351	13,377	15,847 ✓
		Thousand kL (crude oil equivalent)	344	345 ✓	409 ✓
	Of which ENEOS Materials' 3 plants	TJ	9,741	9,714	10,152 ✓
		Thousand kL (crude oil equivalent)	251	251 ✓	262 ✓
Of which renewable energy consumption	Our Group's production sites	TJ	—	—	136
		Thousand kL (crude oil equivalent)	—	—	3
	Of which ENEOS Materials' 3 plants	TJ	—	—	135
		Thousand kL (crude oil equivalent)	—	—	3
Percentage of electricity derived from renewable energy sources in purchased electricity	ENEOS Materials' 3 plants	%	—	—	11

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Scope 1	Our Group's production sites		404	403 ✓	468 ✓
	Of which ENEOS Materials' 3 plants	Thousand t-CO ₂ e	400	398 ✓	410 ✓
Scope 2 (Market-based method)	Our Group's production sites		409	436 ✓	463 ✓
	Of which ENEOS Materials' 3 plants	Thousand t-CO ₂ e	221	216 ✓	215 ✓
Scope 1+2 Total	Our Group's production sites		813	839 ✓	931 ✓
	Of which ENEOS Materials' 3 plants	Thousand t-CO ₂ e	621	614 ✓	625 ✓
Scope 1, 2 reduction rate (compared to fiscal 2013)	ENEOS Materials' 3 plants	%	—	14	12
Direct CO ₂ emissions from biomass combustion fuel	ENEOS Materials' 3 plants	Thousand t-CO ₂ e	—	—	0.2
GHG emissions from transportation	ENEOS Materials' 3 plants	Thousand t-CO ₂ e	5.90	5.22	5.09

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Packaging material reuse rate	ENEOS Materials' 3 plants	%	97	97	98

Data (Environment)

Contributing to the formation of a resource recycling society					
Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Product production volume	Our Group's production sites	t	785,156	732,265	878,031
	Of which ENEOS Materials' 3 plants	t	581,127	523,819	569,044
Industrial waste volume	Our Group's production sites	t	41,104	36,150	34,116
	Of which ENEOS Materials' 3 plants	t	36,182	32,448	30,288
Sludge	Our Group's production sites	t	23,273	20,923	18,024
	Of which ENEOS Materials' 3 plants	t	22,485	19,869	17,196
Soot	Our Group's production sites	t	10,379	9,294	10,707
	Of which ENEOS Materials' 3 plants	t	10,326	9,254	10,673
Industrial waste breakdown	Our Group's production sites	t	1,898	1,573	1,767
	Of which ENEOS Materials' 3 plants	t	1,001	756	838
Waste oil	Our Group's production sites	t	3,346	2,017	1,499
	Of which ENEOS Materials' 3 plants	t	1,360	1,427	773
Other	Our Group's production sites	t	2,208	2,344	2,119
	Of which ENEOS Materials' 3 plants	t	1,011	1,142	808
Internal volume reduction (incineration, dewatering, etc.)	Our Group's production sites	t	19,848	17,984	15,176
	Of which ENEOS Materials' 3 plants	t	19,848	17,984	15,176
Internal recycling volume	Our Group's production sites	t	915	823	434
	Of which ENEOS Materials' 3 plants	t	915	823	434
Internal on-site landfill disposal volume	Our Group's production sites	t	0	0	0
	Of which ENEOS Materials' 3 plants	t	0	0	0
Breakdown of treatment flow	Our Group's production sites	t	20,341	17,343	18,506
	Of which ENEOS Materials' 3 plants	t	15,419	13,640	14,678
External volume reduction	Our Group's production sites	t	979	1,176	381
	Of which ENEOS Materials' 3 plants	t	0	260	259
External recycling volume	Our Group's production sites	t	19,073	15,607	17,849
	Of which ENEOS Materials' 3 plants	t	15,419	13,380	14,419
External final landfill disposal volume	Our Group's production sites	t	289	559	275
	Of which ENEOS Materials' 3 plants	t	0	0	0

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Waste reduction rate (compared to fiscal 2013)	ENEOS Materials' 3 plants	%	28.6	35.9	40.2
Waste-to-landfill rate	Our Group's domestic production sites	%	0	0	0.17
	Of which ENEOS Materials' 3 plants	%	0	0	0.02

* Fiscal 2022 and fiscal 2023 is for direct landfill only, and fiscal 2024 includes landfill after intermediate treatment

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Material recycling	Our Group's production sites	t	193	153	234
	Of which ENEOS Materials' 3 plants	t	6	2	21
Chemical recycling	Our Group's production sites	t	1	0	46
	Of which ENEOS Materials' 3 plants	t	1	0	0
Thermal recycling	Our Group's production sites	t	1,703	1,413	1,447
	Of which ENEOS Materials' 3 plants	t	995	754	781
Waste plastics	Our Group's production sites	%	99.9	100	98
	Of which ENEOS Materials' 3 plants	%	100	100	96
Material recycling rate	Our Group's production sites	%	10.2	9.8	13.3
	Of which ENEOS Materials' 3 plants	%	0.6	0.3	2.6
Chemical recycling rate	Our Group's production sites	%	0	0	2.6
	Of which ENEOS Materials' 3 plants	%	0.1	0	0
Thermal recycling rate	Our Group's production sites	%	89.7	89.8	81.9
	Of which ENEOS Materials' 3 plants	%	99.4	99.7	93.2

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Coal ash recycling rate	ENEOS Materials	%	100	100	100

Data (Environment)

Environmental conservation

	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Air pollution	SOx emissions trend	Our Group's production sites	4.1	3.7	4.3
		Of which ENEOS Materials' 3 plants	3.8	3.5	3.8
	NOx emissions trend	Our Group's production sites	222	239	212
		Of which ENEOS Materials' 3 plants	222	238	210
	Soot emissions trend	Our Group's production sites	6.5	6.0	8.0
		Of which ENEOS Materials' 3 plants	6.0	5.6	6.1
VOC emissions trend	Our Group's production sites	407	490	498	
	Of which ENEOS Materials' 3 plants	384	458	466	

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Handling volume	Our Group's domestic production sites	t	580,305	525,775	568,188
	Of which ENEOS Materials' 3 plants		580,190	525,666	565,193
Emissions	Our Group's domestic production sites	t	101	377	442
	Of which ENEOS Materials' 3 plants		101	377	442
Air emissions	Our Group's domestic production sites	t	81	360	422
	Of which ENEOS Materials' 3 plants		81	360	421
Water emissions	Our Group's domestic production sites	t	20	17	21
	Of which ENEOS Materials' 3 plants		20	17	21
Soil emissions	Our Group's domestic production sites	t	0	0	0
	Of which ENEOS Materials' 3 plants		0	0	0
Transfer amount	Our Group's domestic production sites	t	143	241	107
	Of which ENEOS Materials' 3 plants		142	241	102

	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total	Our Group's production sites	Thousand m ³	65,913	65,743	71,579
	Of which ENEOS Materials' 3 plants		63,515	62,648	65,262
Seawater	Our Group's production sites	Thousand m ³	49,461	48,636	53,653
	Of which ENEOS Materials' 3 plants		49,461	48,636	50,716
Service water (municipal potable water, surface water, harvested rainwater)	Our Group's production sites	Thousand m ³	16,184	16,773	17,452
	Of which ENEOS Materials' 3 plants		13,786	13,677	14,227
Groundwater	Our Group's production sites	Thousand m ³	268	334	474
	Of which ENEOS Materials' 3 plants		268	334	320
Total volume of recycled and reused water	Our Group's production sites	Thousand m ³	—	—	4,535
	Of which ENEOS Materials' 3 plants		—	—	3,842

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total	Our Group's production sites	Thousand m ³	12,194	11,598	15,368
	Of which ENEOS Materials' 3 plants		10,634	10,062	10,541
Water discharge volume	Our Group's production sites	Thousand m ³	11,299	10,839	14,350
	Of which ENEOS Materials' 3 plants		9,738	9,304	9,653
Wastewater	Our Group's production sites	Thousand m ³	895	759	1,018
	Of which ENEOS Materials' 3 plants		895	759	889
COD emissions	Our Group's production sites	t	574	554	629
	Of which ENEOS Materials' 3 plants		418	366	395
Total phosphorus pollutants emissions	Our Group's production sites	t	1	1	0
	Of which ENEOS Materials' 3 plants		1	1	0
Total nitrogen emissions	Our Group's production sites	t	115	94	94
	Of which ENEOS Materials' 3 plants		115	94	94

S (Society)

Number of employees (regular employees)

Company name	Unit	Fiscal 2023	Fiscal 2024
ENEOS Materials Group	People	2,814	3,178
Principal domestic operating companies	Total	2,099*	1,881
	Men	1,748*	1,594
	Women	351*	287
	Rate of women	16.7*	15.3
ENEOS Materials	Total	1,259	1,379
	Men	1,102	1,192
	Women	157	187
	Rate of women	12.5	13.6

* Scope: ENEOS Materials, BEE, EMSR, EMIX, and EMTR

Product safety and quality

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
Quality training	Completion rate	ENEOS Materials*1, EMIX, TMC, NSR, LC, EKE	%	—	95*2	95
Percentage of ISO 9001 certified companies to all manufacturing companies*3		ENEOS Materials Group	%	—	88	85

Item	Companies/business sites
ISO 9001 certified business sites	Eneos Materials/Yokkaichi Plant, Chiba Plant, Kashima Plant, Head Office*4
	BEE/Rayong, Bangkok*4
	EMSR/Budapest, Tiszaújváros
	EMIX/Head Office, Tokyo Sales Office, Yokkaichi Plant, Tokyo Plant, Shiga Plant
	ELASTOMIX (THAILAND) CO., LTD., PT. ELASTOMIX INDONESIA
	ELASTOMIX MEXICO S.A. de C.V. ELASTOMIX (FOSHAN) CO., LTD. TMC/Narita Plant, Head Office NSR*5 LC NCTI

*1 Including EKE employees who work jointly with our Kashima Plant

*2 Scope: ENEOS Materials and EMIX

*3 Certification status is as of June 30, 2025

*4 Certification obtained as a related business site

*5 Included in certification for ENEOS Corporation

Occupational safety and health

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
Lost time injury	Total		4	10	5	
	ENEOS Materials		0	1	0	
	Our Group's domestic companies	ENEOS Materials Group	Cases	0	1	0*1
	Our Group's overseas companies			4	5	4*2
	Contractor companies			0	3	1
	Of which fatal accidents			0	0	0
Non lost time injury	Total		8	5	10	
ENEOS Materials		3	1	1		
Our Group's domestic companies	ENEOS Materials Group	Cases	1	1	1*1	
Our Group's overseas companies			0	0	1*2	
Contractor companies			4	3	7	
LTIR (number of lost-time occupational injuries and fatalities per million working hours)	Employees	ENEOS Materials	—	0.43	0.00	
	Contractor companies		—	0.99	0.55	
	Employees	9 ENEOS Materials group companies*3	—	—	0.44	
Contractor companies	—		—	1.25		
TRIR (number of non-lost-time occupational injuries per million working hours)	Employees	ENEOS Materials	—	0.85	0.41	
	Contractor companies		—	3.96	4.42	
	Employees	9 ENEOS Materials group companies*3	—	—	0.88	
Contractor companies	—		—	4.60		
Lost working days	ENEOS Materials	9 ENEOS Materials group companies*3	Days	—	—	28
	9 ENEOS Materials group companies*3			—	142	104
Percentage of business sites that have conducted safety and health risk assessments for employees		ENEOS Materials Group	%	—	100	100
Labor Union	Membership rate	ENEOS Materials, EMIX	%	—	100	100

*1 Scope: TMC, LC, NSR, and EMIX

*2 Scope: BEE, EMSR, NCTI, and ANCI

*3 Scope: ENEOS Materials, TMC, LC, NSR, EMIX, BEE, EMSR, NCTI, and ANCI

Data (Society)

Logistics safety

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Lost-time accidents	ENEOS Materials	Cases	—	0*	0
Logistics-related occupational accidents	ENEOS Materials	Cases	—	0*	0
Complaints	ENEOS Materials	Cases	—	3	3
Incidents	ENEOS Materials	Cases	—	1	1
At-fault traffic accidents	ENEOS Materials	Cases	—	0*	0
Modal shift rate	ENEOS Materials	%	—	82	85

*Scope: ENEOS Materials and EMTR

Health

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Health checkups Participation rate	Principal domestic operating companies	%	—	100*1	100
Special health checkups Participation rate	ENEOS Materials, EMIX, TMC	%	—	100*2	100

*1 Scope: ENS, BEE, EMSR, EMIX, and EMTR

*2 Scope: ENS and EMIX

Respect for human rights

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Human rights training (respect for human rights and DE&I) Completion rate	ENEOS Materials, BEE, EMIX, EMTR	%	—	90	—
	ENEOS Materials	%	—	—	95
Human rights impact and risk evaluation implementation rate Percentage	ENEOS Materials Group	%	—	100	100

Diversity, equity, and inclusion

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
Number of foreign national employees	ENEOS Materials	People	—	6	6	
Average age	ENEOS Materials	Age	—	39.4	40.4	
Average years of service	ENEOS Materials	Years	—	14.3	14.8	
Number of voluntary retirees	ENEOS Materials	People	—	42	45	
Voluntary retirement rate	ENEOS Materials	%	—	—	3.3	
Percentage of new hires retiring within 3 years	ENEOS Materials	%	—	—	4.2	
Number of employees (regular employees) Number of experienced hires	Women	People	—	—	6	
	Men		—	—	30	
Number of employees re-employed	Women	People	—	—	1	
	Men		—	—	7	
Number of employees (regular employees) Number of managerial staff	Women	Principal domestic operating companies	People	—	20*1	13
	Men		—	254*1	246	
	Rate of women		%	—	7.3	5.0
	Women	ENEOS Materials	People	—	5	5
	Men		—	157	148	
	Rate of women		%	—	3.1	3.3
Employment rate of people with disabilities	Principal domestic operating companies		—	—	2.27*1	
	ENEOS Materials, EMIX, EMTR		%	2.15	2.11	2.25*1
	ENEOS Materials			2.13	2.24	2.53
Number of employees (non-regular employees)	ENEOS Materials	People	—	50	59	

*1 As of April 1, 2025

Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024		
Gender wage gap*	All employees		—	—	72.4		
	Regular employees		ENEOS Materials	%	—	—	71.8
	Part-time and fixed-term employees			—	—	73.2	

* Calculated in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015)

Data (Society)

Work-life management					
Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of employees taking childcare leave	Total	Principal domestic operating companies	—	59*1	48
	Women		—	7*1	5
	Men		—	52*1	43
	Total	ENEOS Materials	51	52	44
	Women		2	4	5
	Men		49	48	39
Percentage of employees taking childcare leave	Total	Principal domestic operating companies	—	—	88.9
	Women		—	—	167
	Men		—	—	84.3
	Total	ENEOS Materials	96.2	91.2	102
	Women		100	100	167
	Men		96.1	90.6	97.5
Percentage of employees returning to work after taking childbirth or childcare leave	Women	ENEOS Materials	100	100	100
	Men		100	100	100
Number of employees taking family care leave	ENEOS Materials	People	—	—	1
Number of employees taking time off for family care	Principal domestic operating companies	People	—	—	10
	ENEOS Materials		1	1	2
Percentage of employees who responded in the employee awareness survey that their work volume is manageable	Percentage	ENEOS Materials	—	69	65
Average working hours per person	Principal domestic operating companies	Hours/person per month	—	—	166.2
	ENEOS Materials		—	171.8	170.5
Average overtime hours per person	Principal domestic operating companies	Hours/person per month	—	—	13.6
	ENEOS Materials		14.6*2	15.5*2	14.8
Paid leave per person	Number of days taken	Principal domestic operating companies	—	—	17.6
		ENEOS Materials	19	19	18.2
	Usage rate	Principal domestic operating companies	—	—	88.7
		ENEOS Materials	92.4	91.0	88.8

*1 Scope: ENEOS Materials, EMIX, and EMTR *2 Excludes managerial staff

Human resource management					
Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total annual training hours	ENEOS Materials	Hours/year	—	14,001	18,194
Training hours per person	ENEOS Materials	Hours/person per year	—	11.1	13.1
Percentage of employees who receive regular performance and career development evaluations		%	—	—	100

Supply chain management					
Item	Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Percentage of relevant suppliers	Rate of suppliers signing the CSR procurement policy or CSR procurement guidelines	ENEOS Materials	—	88	—
	Response rate for sustainability assessment (survey)	ENEOS Materials	%	—	88
	Implementation rate of on-site sustainability audits	ENEOS Materials			0
Number of suppliers that caused or were at risk of causing significant adverse impacts, and whose business was terminated	ENEOS Materials	Companies		0	0
Response rate for the conflict minerals survey	ENEOS Materials	%	—	100	100

Data (Governance)

G (Governance)

Risk management

Item		Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Information security education	Frequency		Times	2	2	2*
	Participants	ENEOS Materials Group	People	1st: 2,518	1st: 2,627	2,971*
				2nd: 2,562	2nd: 2,610	
Completion rate			%	98	98	98*

* Includes joint venture (JV) EKE and JBC employees. Excluding EMTR America and ANCI SAS.

Compliance

Item		Scope	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
Audits and inspections	Legal compliance inspections	ENEOS Materials Group*	Times	—	1	1	
	Internal audits		Locations	—	0	3*	
Competition law violations, etc.		ENEOS Materials Group	Cases	0	0	0	
Violations related to corruption and bribery		ENEOS Materials Group	Cases	0	0	0	
Serious legal violations		ENEOS Materials Group	Cases	0	1	0	
Compliance training	General compliance	Our Group's domestic companies	Completion rate	%	95	95	98
	Competition law (mainly the Subcontract Act)	Our Group's domestic companies	Completion rate	%	—	—	98
	Anti-Bribery	Our Group's domestic companies	Completion rate	%	—	—	98

* Including EKE

Independent Assurance Statement



Independent Assurance Statement

October 31, 2025

Mr. Shiga Satoru
 President and Representative Director
 ENEOS Materials Corporation

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by ENEOS Materials Corporation (“the Company”) to provide limited assurance on the following data of the fiscal year 2024: 409 thousand kl for energy consumption (crude oil equivalent), 15.8 PJ for energy consumption (caloric equivalent), 468 kt-CO₂e for Scope1, 463 kt-CO₂ for market-based Scope2 accounting for the Company group’s production sites; 262 thousand kl for energy consumption (crude oil equivalent), 10.2 PJ for energy consumption (caloric equivalent), 410 kt-CO₂e for Scope1, 215 kt-CO₂ for market-based Scope2 accounting for the Company’s 3 production plants* (collectively, “the Environmental Performance Indicators”). The purpose of this process is to express our conclusion on whether the Environmental Performance Indicators were calculated in accordance with the Company’s standards. The Company’s management is responsible for calculating the Environmental Performance Indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

*Yokkaichi Plant, Chiba Plant, Kashima Plant

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out included:

- Interviewing the Company’s responsible personnel to understand the Company’s standards
- Reviewing the Company’s standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental Performance Indicators were calculated in accordance with the Company’s standards
- On-site inspection

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental Performance Indicators have not been calculated in all material respects in accordance with the Company’s standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
 Representative Director
 Sustainability Accounting Co., Ltd.

