

# Sustainability Management

## Basic approach

Three basic policies were laid out in the artience2027 medium-term management plan which began in January of 2024: (1) transform existing business groups into highly profitable business groups, (2) create strategic, high priority business groups, and (3) transform the Company's management foundation. It also clearly specifies sustainability management issues that should be addressed to (3) transform the Company's management foundation, such as the reform of the personnel development program, the maximization of capital efficiency, innovation in production processes, digital transformation and the establishment of a technological foundation for the Company.

As a entire Group, we also address the many different issues on the path towards the establishment of a sustainable society, such as actions to address climate change, carbon neutrality and actions to help achieve the sustainable development goals (SDGs) with our asv2050/2030 Sustainability Vision that we established for conducting corporate activities from a medium- and long-term perspective.

For more than 120 years since its founding, the artience Group has continued to provide value demanded by customers and society by leveraging its unique core technologies. The Group seeks to implement sustainable management that ensures that diverse personnel can have job satisfaction and exert their potential in a workplace environment where they can work with peace of mind, that we will continue to provide products and services wanted by customers and society and that we will create new value in collaboration with customers. We will continue to promote sustainability management by implementing management strategies under the artience2027 medium-term management plan and steadily executing measures to address material issues, and the goals of asv2050/2030 that lie beyond.

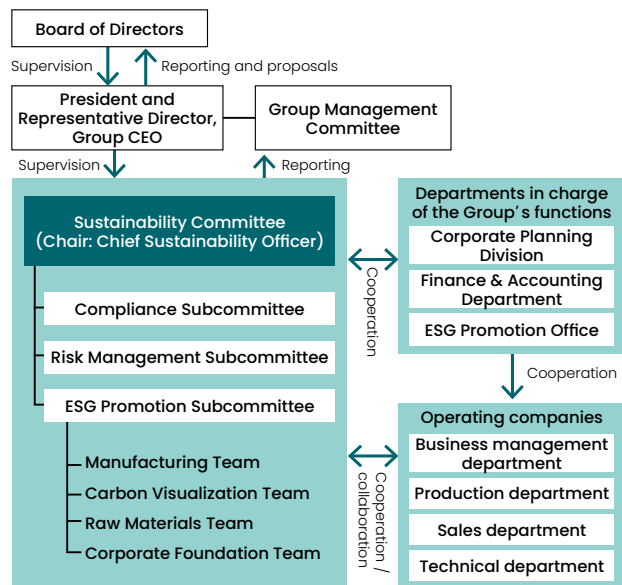
**WEB** Policies and guidelines relating to sustainability are posted on our website under Sustainability > Related policies and guidelines.

\* Related policies and guidelines are posted in Japanese, English, and Chinese.

## Promotion system

The Sustainability Committee is chaired by the Group's Chief Sustainability Officer, with the Group CEO as chief supervisor. The committee formulates plans, implements, evaluates, and follows up on all Group-wide sustainability-related activities. It also reports regularly to senior management at meetings of the Group Management Committee and the Board of Directors, and receives instructions on how to respond as necessary. The three subcommittees of the Sustainability Committee and the administrative departments of each domestic Group company play a central role in supporting the sustainability activities of the entire Group from their various perspectives, and are working to drive activities on a global scale.

### Sustainability promotion system (FY2024)



### Sustainability Committee's main activity themes, their achievements, and future activities (FY2023)

Main activity themes	Measures and achievements
<ul style="list-style-type: none"> <li>Instilling the sustainability concept in the Group</li> <li>Construction of a system for implementing ESG practices</li> <li>Establishment, revision and disclosure of policies regarding sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Holding of Sustainability Conference (Group-wide meeting) (September), appointment of ESG management promoters within individual operating companies and education to improve ESG activities</li> <li>Establishment of the ESG Promotion Office and a structure to enable the committee and divisions to collaborate</li> <li>Revision of the Sustainability Charter and policies relating to individual sustainability issues and the formulation of new policies (the Code of Ethical Conduct, policies on risk management, anti-corruption, tax, etc.)</li> </ul>
<ul style="list-style-type: none"> <li>Continuous promotion of compliance within the Group</li> <li>Actions to properly incorporate the cost of labor into prices</li> <li>Whistleblowing system</li> </ul>	<ul style="list-style-type: none"> <li>Meetings at bases in Japan and overseas (April to June and October) and the continued organization of workshops on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (April to September)</li> <li>Surveys of business partners on the proper incorporation of the cost of labor into prices</li> <li>Expanding the scope of descriptions for whistleblowing cases (human rights infringements, discrimination, harassment, breach of intellectual property rights and other issues), and establishing an internal whistleblower hotline exclusively for the base in South Korea (November)</li> </ul>
<ul style="list-style-type: none"> <li>BCP</li> <li>Cyber security</li> <li>Business risk management</li> </ul>	<ul style="list-style-type: none"> <li>Understanding the preparedness status of the BCPs at each Group company, sharing of information about good practices and improving the entire Group's BCP activities</li> <li>Establishment and start of use of the artience-CSIRT system</li> <li>Re-identification of business risks and reassessment using frequency-impact mapping</li> </ul>
<ul style="list-style-type: none"> <li>Responding to climate change</li> <li>Promoting sustainable procurement</li> <li>Human rights due diligence</li> <li>Improving information disclosure and communication</li> </ul>	<ul style="list-style-type: none"> <li>Formulating a roadmap for the reduction of CO<sub>2</sub> emissions per base (80% in Japan and 50% overseas) and the visualization of organizational CO<sub>2</sub> emissions (calculation of the emissions in each Scope)</li> <li>Expansion of the scope of target suppliers (addition of 248 raw materials suppliers for bases in Japan)</li> <li>Holding of gender diversity training for officers, managers of departments and employees wishing to receive it</li> <li>Expansion of disclosure of non-financial information in securities reports, continued publication of the Sustainability Data Book and enhancement of information disclosure</li> </ul>

## Sustainability Management

**As a chemical manufacturer, we will take the lead in working to improve the sustainability of the global environment and society**

The chemical manufacturing industry, which includes the artience Group have been aiding industrial development and enriching people's lives by creating all kinds of materials that help create the plastics, semiconductors and electronic components that are indispensable in people's daily lives. However, in the past, the consumption of huge amounts of petrochemical resources and energy in these activities has negatively impacted the environment, polluted the air and contaminated the oceans and rivers with hazardous substances. We, the chemical manufacturers understand that this is why we must work ahead of all of the other business sectors to improve the sustainability of the global environment and society to fulfill our corpo-



rate responsibilities to the present and the future. Our new medium-term management plan, artience2027, started this fiscal year. It is oriented towards sustainability management that helps improve the sustainability of the global environment and society by offering value that resonates with the senses through products and corporate activities. In a collaborative structure that includes the Sustainability Committee and the companies of the Group, we will endeavor to achieve the targets in the plan.

### Material issues

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

[link](#) For the material issues formulated, see pages 10 and 11.

#### Process of formulating the material issues



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

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

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

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

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

# Material Issues and Progress of Our Activities

In FY2021 to FY2023, we engaged in activities in line with KPIs and targets during SIC-II (FY2021 to FY2023,) matching the period of activities for the SIC-II, the previous medium-term management plan. In particular, the numerical environmental targets for Material Issue 2 (reducing of CO<sub>2</sub> emissions, information disclosure based on TCFD recommendation) and social targets for Material Issue 4 (promoting health and productivity management, increasing female manager ratio to 8%) are equivalent to "Promotion environmental management" and "Reform workstyles and per-

## Material issues and progress of our activities

Material issues		Ideal state	Relevant SDGs goals
Material Issue 1	Provide value that exceeds customer expectations and contribute to society	We provide value that contributes to innovations and the solution of issues in society, through creative products and services that exceed customers' expectations. Through these activities, we win the trust of a wide range of stakeholders and contribute to developing a sustainable society.	
Material Issue 2	Co-exist in harmony with the environment through innovative technologies	With innovative environmental technologies, we have become a leading company in society in the aspects of both products and services. In addition, we contribute greatly to harmonizing society with the environment and improving the sustainability of society through initiatives we take in overall business, from the upstream to the downstream.	
Material Issue 3	Co-exist and co-prosper with the supply chain and fulfill the trust of stakeholders	We have built a firm relationship of trust with the supply chain toward co-existence and co-prosperity, by respecting the supply chain on an equal footing and stimulating each other. Based on this relationship, we continue to take on further challenges through mutual cooperation with the supply chain.	
Material Issue 4	Value employees and pursue their happiness and job satisfaction	We have established a corporate climate where the personality of each employee and their diversity are respected and employees pursue job satisfaction and self-actualization. In addition, our open, family-like workplace environment serves as the base for creating innovations at home and abroad.	
Material Issue 5	Build a solid base that underpins trust	We have established a solid base that underpins the trust of stakeholders through compliance, communications, and other practices. In addition, this base serves as a secure foundation for the Group to survive until its 200th anniversary while maintaining its traditions.	

## Material Issues and Progress of Our Activities

sonnel systems” under Basic Policy 3 of SIC-II “Enhance the value of management resources for sustainable growth (change of the corporate structure,”) and we focused our efforts on them. Consequently, we achieved positive results regarding the reduction of CO<sub>2</sub> emissions, the improvement of the percentage of female managers, workstyle reform, the acceleration of DE&I and other efforts roughly as planned. In the future, we will review our material issues (targets and KPIs) in the new medium-term management plan to improve and accelerate our sustainability activities.

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

KPIs and targets during SIC-II (FY2021 - 2023)	Achievements in FY2023	Evaluation for FY2023
<ul style="list-style-type: none"> <li>Creation of products, services and technologies that contribute to provision value to society</li> <li>Initiatives to improve quality: Operation of the Quality Global Standard at all production bases around the world</li> </ul>	<ul style="list-style-type: none"> <li>Creation of new products and services with a view toward the creation of value (construction of networks for the mass production and supplying of LiB materials in North America, Europe, China and Japan with a view toward the establishment of a decarbonized society, the implementation of joint development projects for the establishment of a circular society leveraging high quality plastic recycling)</li> <li>Website renovation to improve the findability of product information and reinforcing information distribution</li> <li>Selection as an AAA website in the all markets category of the All Japanese Listed Companies' Website Ranking for 2023 by Nikko Investor Relations</li> </ul>	B
<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions (Japan): 67,500 t (down 12% from the FY2020 level)</li> <li>Improvement of specific energy consumption (overseas): 165.0 L/t (down 3% from the FY2020 level)</li> <li>Reduction of chemical substance emissions (Japan)*: 118.2 t (down 10% from the FY2020 level)</li> <li>Reduction of amount of waste treated off-site (Japan): 10,500 t (down 19% from the FY2020 level)</li> <li>Increasing of sales ratio of environmentally friendly products: 70.0% (up 4.0 percentage points from the FY2020 level)</li> <li>Conservation of forest and aquatic ecosystems: Tree-planting, ecological surveys, strengthening of water intake / drainage management at production bases with high water risks, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions (Japan): 59,669 t (down 22.4% from the FY2020 level)</li> <li>Improvement of specific energy consumption (overseas): 156.5 L/t (down 8.1% from the FY2020 level)</li> <li>Reduction of chemical substance emissions (Japan): 102.8 t (down 21.7% from the FY2020 level)</li> <li>Amount of waste treated off-site (Japan): 10,625 t (down 17.6% from the FY2020 level)</li> <li>Sales ratio of sustainability-enhancing products: 53.6%</li> <li>Sales ratio of environmentally friendly products: 60.2%</li> <li>Information disclosure based on the TCFD recommendations (expanding the range of information disclosed on our website)</li> </ul>	B
<ul style="list-style-type: none"> <li>Implementation of major supplier assessments based on Criteria for Selecting Suppliers: Continuation of 100% implementation rate</li> <li>Conducting a sustainability surveys for major suppliers: Implementation rate 100%</li> <li>Promoting efficiency and sustainability improvements through collaboration in logistics</li> <li>Continuation human rights education during overseas assignment training: Attendance rate 100%</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of major suppliers in Japan and dissemination of the Sustainable Supply Chain Guidelines: Implementation rate 100%</li> <li>Conducting a sustainability surveys for major suppliers: Implementation rate 100%</li> <li>Promoting efficiency and sustainability improvements through collaboration in logistics</li> <li>Number of employees who took human rights education during overseas assignment training: 20 employees (attendance rate 100%)</li> <li>Promotion of diversity (publication of a guidebook for understanding LGBTQ+ issues and support and sponsorship of various events)</li> <li>Distribution of human rights information in electronic in-house newsletters and activities to increase awareness of human rights</li> </ul>	B
<ul style="list-style-type: none"> <li>Continuing to be selected as White 500 company by promoting health and productivity management</li> <li>Continuing acquirement <i>Eruboshi</i> certification by promoting women's employment and active participation: Continuing 30% female recruitment ratio in Japan, and female manager ratio in Japan to be 8%</li> <li>Continuing acquirement <i>Kurumin</i> certification promoting childcare and nursing care support: Continuing 80% childcare leave acquisition (10 days or more) rate for male employees in Japan</li> <li>Zero serious accidents</li> </ul>	<ul style="list-style-type: none"> <li>Continued to be selected as a White 500 company, acquired <i>Eruboshi</i> certification.</li> <li>artience Co., Ltd. acquired <i>Platinum Kurumin</i> certification, a higher level of certification than <i>Kurumin</i>, for the first time. Three core operating companies newly acquired <i>Kurumin</i> certification.</li> <li>Maintenance of Gold certification in PRIDE Index 2023 for LGBTQ+ initiatives</li> <li>Percentage of female new graduates hired in Japan: 37.0%</li> <li>Percentage of female managers: 5.5% (as of January 2024)</li> <li>Percentage of male employees in Japan taking childcare leave for 10 days or more: 100%</li> <li>Continued zero serious accidents</li> </ul>	B
<ul style="list-style-type: none"> <li>Zero serious compliance violations</li> <li>Comprehensive implementation and content enhancement of compliance meetings in each site</li> <li>Formulation of the compliance seminars tailored to local circumstances of each site of the Group, and continuing implementation of education (Anti-monopoly Act, Subcontract Act, bribery prevention, privacy protection regulations, etc.)</li> <li>Promoting activities for communication with local communities</li> <li>Promoting educational / cultural activities in local communities</li> <li>Promoting social contribution activities: Volunteer activities or their support, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Zero serious compliance violations</li> <li>Held compliance meetings in each site (3,386 participants during the first half of the year; 3,479 participants during the Improvement Month)</li> <li>Held various compliance seminars (Anti-monopoly Act: 11 seminars with a total of 408 participants, Subcontract Act: 16 seminars with a total of 272 participants)</li> <li>Held compliance meetings in each site using Code of Business Ethics and its explanatory materials which are translated into local languages</li> <li>Responded appropriately to natural disasters (earthquakes, typhoons, heavy rain, etc.)</li> <li>Conducted risk assessments (100% of locations in Japan, 92% of locations overseas)</li> <li>Safe driving workshops and safety education leveraging e-learning programs at all production bases</li> <li>Risk communication activities (Toyochem Co., Ltd., Kawagoe Factory)</li> <li>Bases in Japan and overseas donating to research institutions and providing educational materials and equipment to local schools</li> <li>Social contribution through the volunteer leave system (One employee took volunteer leave)</li> <li>Donation of disaster relief supplies and money to southeastern Turkey which was struck by an earthquake</li> </ul>	B

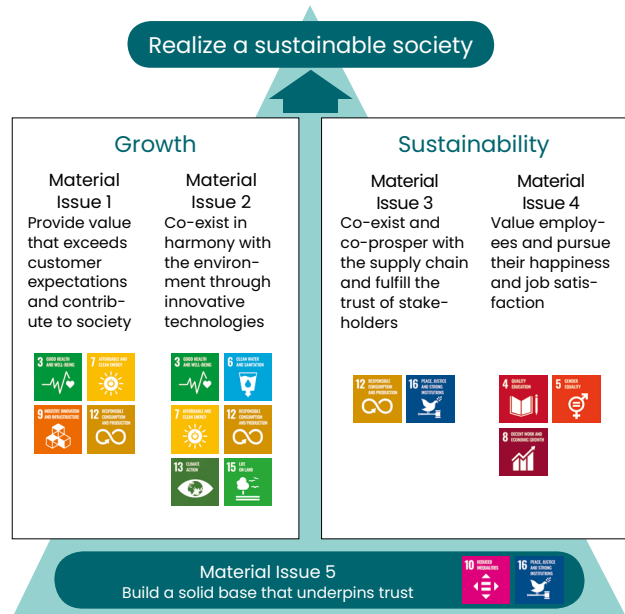
\* The KPIs and targets have been revised due to a revision in the operation of the data collection system and review of the chemical substances subject to collection.

# SDGs Initiatives

## Our five material issues and relevant SDGs

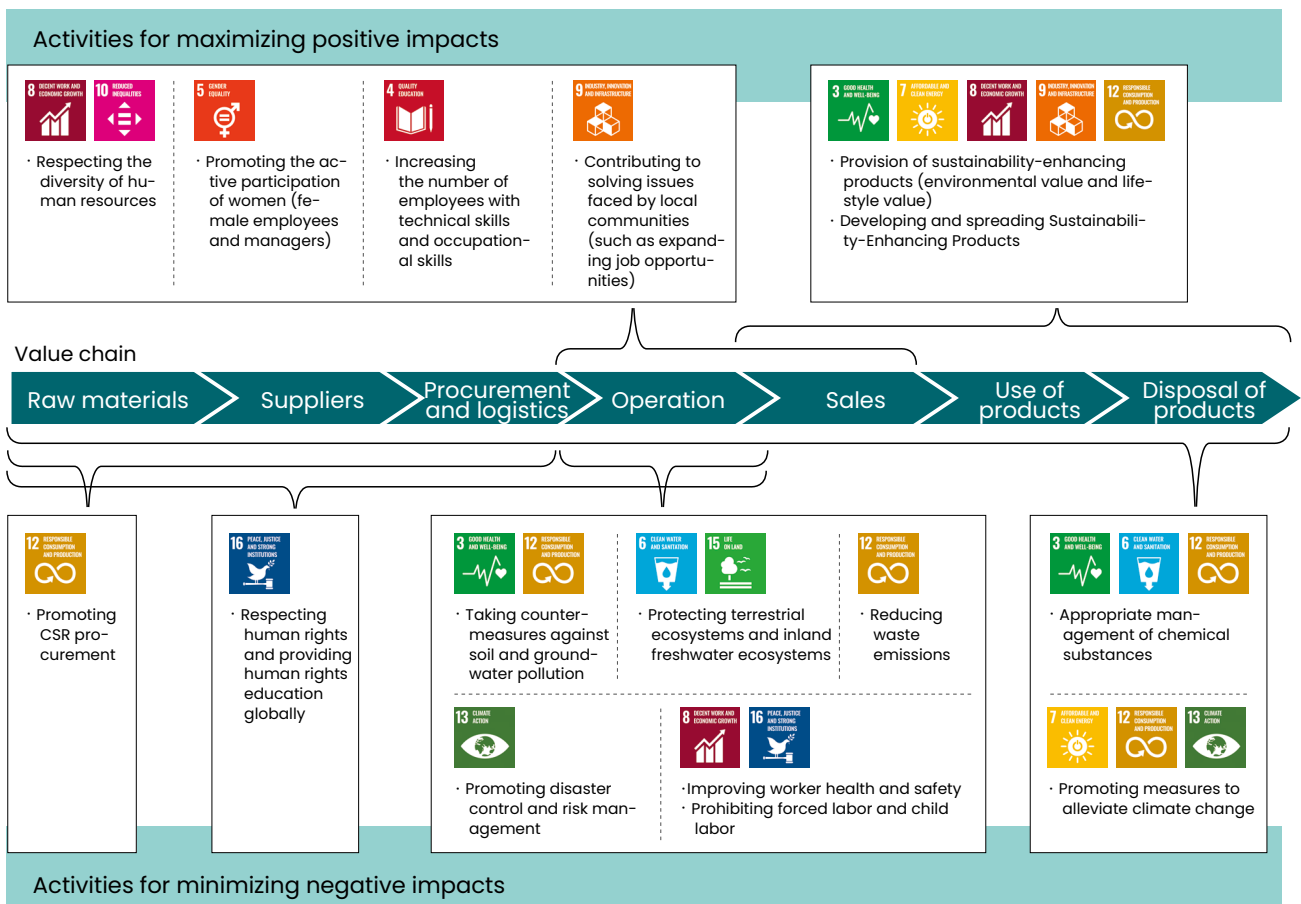
The Sustainable Development Goals (SDGs) are international goals for the period from 2016 to 2030. They are described in the Agenda 2030 for Sustainable Development that was adopted at the UN Sustainable Development Summit in September 2015. They are the shared goals of everyone on earth, including not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

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



## Our relationships with SDGs in its value chain

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










## SDGs Initiatives

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

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

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

# Relationship with Stakeholders

In January 2024, we changed our company name and established the Brand Promise – a promise to customers and other stakeholders—of “Creating value that resonates with the senses and building a future where all people can live enriched lives.” In addition, in the “Active communication and information disclosure” section of our Sustainability Charter (revised in January 2024), we state that “We will disclose information about the Group in a fair and timely manner, and

work to improve transparency in management. We will also communicate actively with various stakeholders around us, and work to build and develop trusting relationships and coexist with society.”

The artience Group clarifies its responsibilities to stakeholders, works to improve communication through various opportunities, and engages in measures to solve social issues in consideration of local communities and the global environment.



Stakeholders	Our responsibilities	Major forms of dialogue
Customers	<ul style="list-style-type: none"> <li>· Providing products and services that create value in terms of providing security and peace of mind</li> <li>· Enhancing customer satisfaction</li> <li>· Providing accurate, appropriate information about our products</li> <li>· Implementing appropriate management of customer data</li> </ul>	<ul style="list-style-type: none"> <li>· Dissemination of information via website, social media and mailing list</li> <li>· Holding of trade shows and online events</li> <li>· Response to customers by customer relations office</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>· Maintaining and enhancing our corporate value</li> <li>· Returning profits to shareholders in an appropriate manner</li> <li>· Implementing timely, appropriate disclosure of corporate information</li> <li>· Responding to the trend towards ESG investment</li> </ul>	<ul style="list-style-type: none"> <li>· General Shareholders' Meeting (held once a year, in March)</li> <li>· Individual investor briefings (held once in FY2023 and twice in FY2024)</li> <li>· Financial results briefings (held twice in FY2023 and four times in FY2024)</li> <li>· One-to-one meetings (held approx. 100 times)</li> <li>· Information disclosures using IR tools (e.g. Integrated Report, Sustainability Data Book, and Newsletters to Shareholders) and website.</li> <li>· Response to SRI surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>· Respecting human rights and diversity</li> <li>· Recruiting and cultivating human resources</li> <li>· Creating workplaces in which diverse human resources can thrive</li> <li>· Consideration for occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>· Distribution of information through internal newsletters and on the company intranet</li> <li>· Communication at each workplace</li> <li>· Labor-management council</li> <li>· Promotion of work-life balance and health and productivity management</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>· Engaging in fair, equitable transactions</li> <li>· Providing support for, and collaborating on, sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>· Communication through procurement activities</li> <li>· Factory inspections</li> <li>· Implementation and cooperation of questionnaire surveys and other surveys</li> </ul>
Governments and industry groups	<ul style="list-style-type: none"> <li>· Complying with regulatory requirements, administrative guidance, etc.</li> <li>· Fulfilling our duty to pay taxes</li> <li>· Collaborating on government policies aimed at addressing social problems</li> </ul>	<ul style="list-style-type: none"> <li>· Participating in and collaborating on seminars and other events organized by government agencies</li> <li>· Participating in a variety of industry committees</li> <li>· Communication via industry organizations</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>· Contributing to the development of local communities</li> <li>· Respecting local culture and customs</li> <li>· Preventing accidents and safeguarding the environment</li> <li>· Collaborating and partnering on efforts to solve environmental problems, etc.</li> </ul>	<ul style="list-style-type: none"> <li>· Participating in activities hosted by local communities</li> <li>· Risk communication activities</li> <li>· Factory visits and presentations for local residents</li> <li>· Cooperating in special classes providing hands-on experience in the real world</li> <li>· Having dialogues</li> <li>· Social contribution activities</li> </ul>
Global environment	<ul style="list-style-type: none"> <li>· Action on climate change</li> <li>· Promoting energy-saving and recycling</li> <li>· Reducing the volume of waste emissions, and reducing chemical substance emissions</li> <li>· Safeguarding the aquatic environment and helping to conserve biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>· Joint studies with research institutions including universities</li> <li>· Provision of environmental education</li> <li>· Publishing of various reports and other documents</li> <li>· Responding to questionnaires related to the environment</li> </ul>

# External Recognition

2024 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX

## MSCI Nihonkabu ESG Select Leaders Index

This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their score of MSCI ESG rating controlled for imbalances in industrial types. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)

2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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

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



**FTSE Blossom  
Japan Index**

## FTSE Blossom Japan Index

This is an investment index designed by the global index and data provider FTSE Russell. It is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)



**FTSE Blossom  
Japan Sector  
Relative Index**

## FTSE Blossom Japan Sector Relative Index

This is an investment index designed by FTSE Russell. It reflects the performance of Japanese companies which are excellent in environmental, social, and governance (ESG) initiatives in their respective sectors, while minimizing bias toward specific sectors. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)



## S&P / JPX Carbon Efficient Index

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

2024



Sompo Sustainability Index

## SOMPO Sustainability Index

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



## EcoVadis Sustainability Rating Bronze status achieved

EcoVadis is a company which certifies sustainable supply chains. It evaluates companies' policies, measures, and performance in the four fields of the environment, labor & human rights, ethics, and sustainable procurement. The Bronze rating is awarded to companies ranked in the top 26% to 50% of approx. 100,000 evaluated companies.



## 2024 Health and Productivity Management Outstanding Organizations (White 500) certification

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



## Pride Index 2023 Gold Award

The Pride Index is an index formulated by work with Pride in 2016, to recognize initiatives in support of sexual minorities in the workplace. We have been certified as Gold in recognition of our efforts to promote diversity and increase understanding among employees such as by publishing in-house handbook "Understanding and Responding to LGBTQ+," supporting for "Business for Marriage Equality" which promotes marriage equality, sponsorship of "Rainbow Festa 2023" in Osaka.

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\* FTSE Russell confirms that artience Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.