

Ensuring Quality and Safety

Basic approach

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

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

WEB The Basic Policy on Product Safety and Quality Assurance is posted on our website under Sustainability > Society > Ensuring Quality and Safety.

link [Page 80: ESG Data Collection > Environmental Management](#)
[Acquisition status of ISO 9001 certification](#)

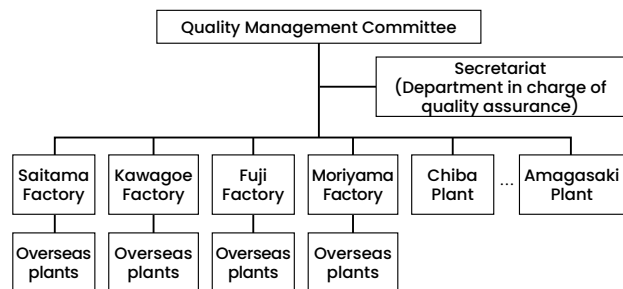
Promotion system

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

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

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

Quality management promotion system (FY2024)



Ensuring Quality and Safety

Initiatives

[Management and provision of product information]

At the artience Group, employees distribute SDSs (Safety Data Sheets). SDSs are provided also on "Sommelier," the Group's portal site for customer. We are building a system where we provide products information to customers more quickly and support them. In the event of a serious product-related incident, we have established a risk management system to ascertain the facts and identify the scope of impact in accordance with internal regulations, promptly report the situation to management and to the relevant authorities in accordance with laws and regulations, disclose information via our website, etc., and take prompt and appropriate measures.

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

■ Number of serious product accidents (Unit: cases)

	FY2021	FY2022	FY2023
Number of serious product accidents	0	0	0

[Providing product safety information and complying with laws and regulations globally]

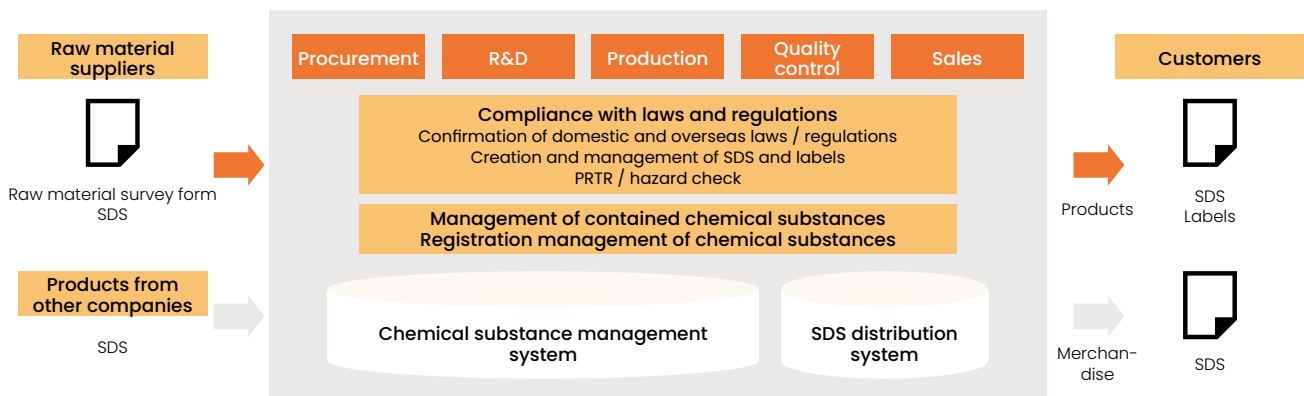
To provide product safety information globally to customers in different countries, the artience Group operates the Chemical Substance Management System that is a unique and has a SDS creation system that conforms to laws and regulations and languages used in countries to which the Group exports and can manage information on laws and regulations on chemical substances in different countries and regions. The Group companies in Japan and overseas operate this system and provide SDSs that comply with laws and regulations in different countries, and product labels that follow the GHS-compliant "Label Guidelines," thereby supporting customers' risk assessment.

In addition to complying with existing laws and regulations, in December 2023, we updated the specifications of our Chemical Substance Control System, with the aim of further strengthening care and consideration for environmental conservation and restoration and people's health, safety, and peace of mind. Through this change in specifications, we will seek to further improve labeling of hazard information, etc., in SDS and product labels for use Japan.

[Handling of product risk information]

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

■ Process flow of management and provision of product information



Pursuit of Customer Satisfaction (CS)

Basic approach

The artience Group believes that its customers are important stakeholders. In our Brand Promise, we pledge our commitment to "Creating value that resonates with the senses and building a future where all people can live enriched lives." We put product and service quality first, and aim to be a brand that will be chosen by customers and society. We actively listen to market opinions and respond sincerely to them to build trust- ing relationships.

Initiatives

[Communications with customers]

The Group has established a contact point on its web- site with forms in Japanese, English, and Chinese to respond to inquiries about products and services and corporate activities (including questions, opinions, and requests, etc.) According to their contents, inquiries received are forwarded to the relevant department. A system is in place to respond promptly, and correc- tive and recurrence prevention measures are taken for cases that need to be handled or resolved (including measures to protect personal information.)

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

In addition, we strive to enhance communication with our customers by sending direct mail to inform them of products, services, and events, and by exhibit- ing at trade expos both in Japan and overseas.

[Website renewal]

On January 1, 2024, in conjunction with the change of the company name, our website was renewed to make it easier for stakeholders to view details of the Group's activities.

In this renewal, to convey details of the Group's activities and initiatives to investors and other stake- holders in an easy-to-understand manner, sites that had been separated among operating companies and affiliated companies have been integrated into a single Group site, and the site's design and page structure have been significantly revised. On the Sus- tainability page, we have been working to enhance the information we disclose, and improve searchability.




Human Resource Management

Basic approach

The artience Group's Corporate Philosophy is *People-oriented management* (management with respect for human rights.) We respect the diverse values and career aspirations of our employees and strive for the development of human resources with a challenging spirit and the ability to produce work of a high quality. Also, we aim to create workplaces where diverse human resources can fully demonstrate their capabilities and have job satisfaction regardless of gender, nationality, age, and disabilities to take advantage of the Group's strengths to contribute to society.

To achieve management with respect for human rights, we have established a policy on human resources management, and are implementing various personnel measures throughout the Group.

 The Basic Policy on Human Resources Management is posted on our website under Sustainability > Society > Human Resources Management.

Ideal form of human resources management

The artience Group's Corporate Philosophy is *People-oriented management*. People are the management resources that the Group considers to be of paramount importance. As a direction for human resource management, three pillars for employee growth have been defined. On the basis of these, diverse personnel in the Group address their respective missions to support the Group's value creation. We will ensure that every single staff member is able to display their potential to the fullest degree to achieve growth together with the Group with the aim of offering sustainable value.

Three pillars of human resources management (Established in 2015, revised in January 2024)

Fostering a culture that empowers diverse human resources

We will create a corporate culture in which diverse personnel can play an active role in the company based on the belief that we will be able to provide the world with new value by respecting the human rights of our employees who come from different backgrounds as well as their diverse values, views and ideas and by helping them fulfill their duties.

Building a system that allows independent career choices

We will build and implement a personnel development system based on the belief that as a corporation we bear a responsibility to hire personnel that are capable of designing their own careers and that are orientated toward growth and to continually provide them with opportunities to train and grow with a view toward the development of their careers.

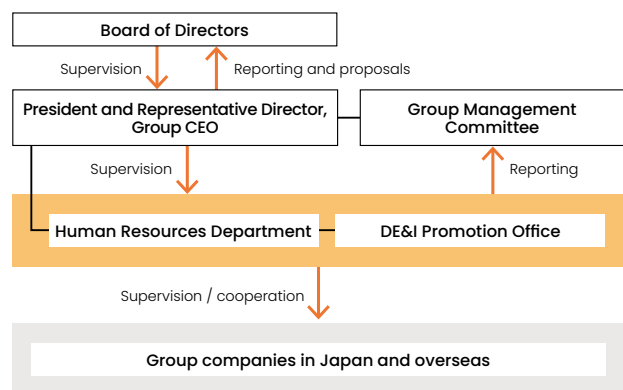
Creating a work environment where employees can work with peace of mind

We believe that workplace safety and health, labor management and evaluation and employee health and welfare are essential for employees to work with peace of mind and maximize their capabilities. Based on this, we will develop and continuously improve our workplace environment.

Promotion system

The Human Resources Department of artience Co., Ltd. takes the central role in driving a variety of initiatives for human resources strategies, including the planning and implementation of group-wide human resources policies, planning for human resource development and career development, planning and implementation of training, promotion of DE&I, and health and productivity management. In compliance with labor-related laws, regulations and practices in different regions and countries, we implement different measures for personnel development in collaboration with separate bases in Japan and overseas.

Human resource management promotion system (FY2024)



Human Resource Management

Employment and labor practices

[Risk management related to labor issues]

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

As part of our risk assessments for overwork, for the purpose of controlling and monitoring work-related risks, we encourage employees to use their annual paid leave, and monitor working hours using a work management system. In addition, Safety and Health Committees — which meet monthly at each site in Japan — confirm and supervise the state of overwork and report it to upper management. There were no Labor Standards Act violations in Japan in FY2023.

[Dissemination of the labor standard policy]

Our policies for personnel and labor management raise three key-points: establishment of work rules, building labor-management relations, and compliance with laws and regulations and prevention of labor risks. Materials are posted on the Global Human Resources Network website, a site for standardization of management operations at Group companies, so that they are available for reference at all times. In Japan, we have set up a website for information on personnel affairs, covering areas such as regulations and programs for personnel affairs and welfare.

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

[Fair evaluation and treatment]

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

Our wage rules stipulate appropriate wages, allowances, and other conditions such as salaries to be paid on an ad hoc basis, in accordance with the labor laws and regulations of each country and region. Our Basic Policy on Human Resources Management also stipulates that labor management rules and systems shall be established in accordance with the laws, regulations, and labor practices of each country.

[Appropriate working hours]

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

[Labor-management discussion]

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

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Human resources development

[Human resource rotation system]

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

The overseas workshop programs are aimed at developing globally competitive human resources. Those who participate in the programs experience working for overseas Group companies as interns and acquire cross-cultural communication skills and the capability to adapt to overseas business. Although temporarily suspended due to the COVID-19 pandemic, recruitment resumed in FY2023, and 31 people took the course between FY2012 and FY2023. Since returning to Japan, many employees have gained further experience in departments related to overseas operations, and have since gone on to work in posts overseas.

■ Number of voluntary career development measures adopted (Unit: person)

	FY2021	FY2022	FY2023
In-house recruitment system / Career challenge system	8	11	12

[DX human resources]

To respond to changes in the environment and the market and drive business reforms from a future perspective, we are currently working to develop DX human resources with expertise in the field of digital transformation. In FY2022, we introduced Aidemy for all employees, and a total of 1,219 employees have since taken courses in IT literacy, AI, and machine learning curriculums. We also launched RPA training in FY2023, and 44 employees (160 in total as of August 2024) have participated, achieving results in improving operational efficiency. Going forward, we plan to conduct training in

Human Resource Management

the use of generative AI, including senior management, to improve the digital skills of every employee.

[Human resources development through "artience growth field"]

In 2007, we established Toyo Ink Academy with the aim of developing human resources and reforming our corporate culture, and have since been engaged in human resources and career development efforts. In 2024, we made a fresh start after renaming the school "artience growth field." We implement various training programs and personal development activities under the basic policies of increasing the skill level of human resources and fostering future executives, with four pillars of job-class-specific training programs, job-type-specific training programs, training programs for developing globally competitive human resources, and personal development. The total number of training days was 417, and the total number of employees who participated in training was 1,774 in FY2023.

Since FY2020, when the COVID-19 pandemic began, we expanded online training in an effort to provide education to a wider spectrum of staff members. We currently conduct online training in various formats (including face-to-face, online, and hybrid formats) depending on the purpose and content of each training unit.

	FY2021	FY2022	FY2023
Training costs per person (thousand JPY)	30	30	33
Number of participants in DX training and re-skilling (persons)	409	1,143	1,305

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[In-house commendation system]

We present the Group President Award to recognize business activities that produced excellent results every year. In FY2023, in recognition of results that have made a significant contribution to our business, such as in the development and commercialization of new products, as well as the future potential for business expansion, six awardees were chosen for the Group Special Award (1), the Group Social Contribution Award (1), the Excellence Award (1), the Toyochem President's Award (1), the Toyocolor President's Award (1), and the Toyo Ink President's Award. Out of them, one was awarded the Group President's Award (1) for particularly outstanding activities.

[Business Idea Competition]

The third Business Idea Competition was held in 2023. There were a total of 131 entries (127 entries in Japan and four entries overseas,) from which a Grand Prize winner (1) and four other prize winners (4) were selected.

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

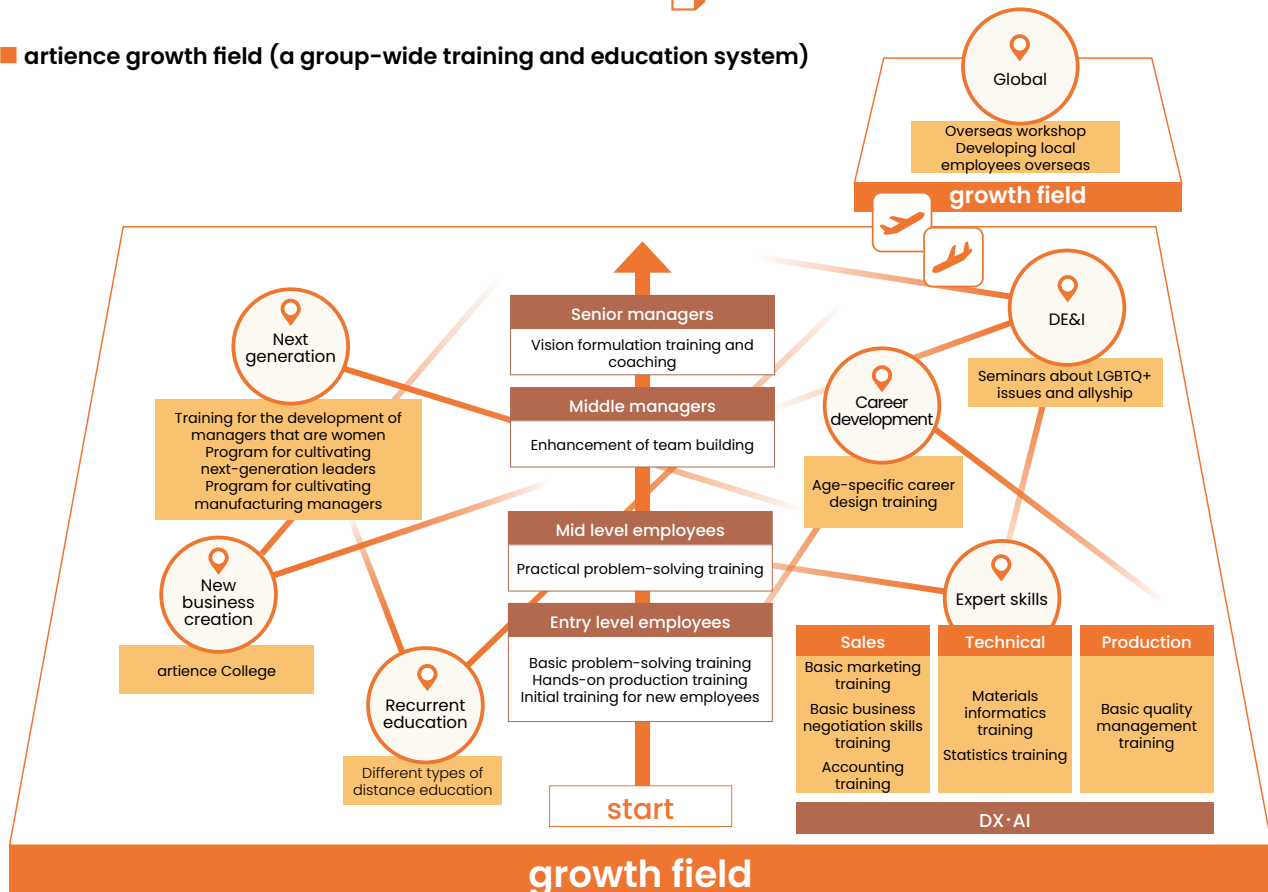
(Unit: cases)

	FY2021	FY2022	FY2023
Number of cases eligible for in-house commendation	4	2	6
Number of applications for Business Idea Competition*	122	63	131

* The competition was started in FY2021.

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artience growth field (a group-wide training and education system)



Promoting Diversity, Equity and Inclusion

Basic approach

Based on the “Respecting human rights and diversity throughout the supply chain” stated in the Sustainability Charter, the artience Group considers diversity, equity and inclusion to be one of its priorities. We strive to respect diverse values, thoughts, and ideas regardless of the employee’s gender, nationality, age, and disabilities and aim to create workplaces where employees can have job satisfaction.

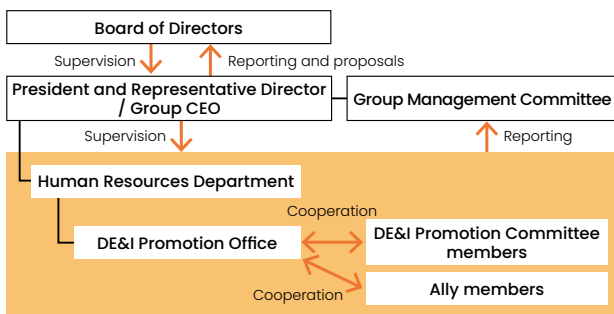
WEB The Sustainability Charter, Basic Policy on Human Resources Management, and DE&I (Diversity, Equity, and Inclusion) Promotion Policy are posted on our website under Sustainability > Society > Human Resources Management.

Promotion system

Stemming from activities led by the artience Group Human Resources Department, via a diversity promotion project in September 2021 operated by members from multiple departments, the D&I Promotion Office was established directly under the Group Human Resources Department in January 2023. In January 2024, the name of the office was changed to the DE&I Promotion Office, and activities are now being conducted with a greater emphasis on equity. We believe that the essence of DE&I is to eliminate structural (or institutional) discrimination. Based on this, we will consider systems and mechanisms that lead to the active participation of a diverse range of employees, plan and implement education and training, communicate information both inside and outside the company, and work to foster a corporate culture of diversity, equity, and inclusion, through the provision of necessary support as required on an individual basis (rather than a uniform approach.)

In addition, the DE&I Promotion Committee – which considers and implements DE&I promotion methods suitable for each site and conducts promotion activities (Promotion Month) – and LGBTQ+ Ally members (who agree with the Ally movement) also work in cooperation with the DE&I Promotion Office.

DE&I promotion system (FY2024)



Initiatives

[Promotion of women’s participation and advancement]

In the SIC-II previous medium-term management

plan, we have set the target to increase the ratio of female managers in Japan from 4% in FY2020 to 8% in January 2024, and we were moving forward with initiatives. As of January 2024, the ratio of female employees in managerial positions (in Japan) is 5.5%.

In 2023, we interviewed female employees who are active in our company to coincide with International Women’s Day on March 8. We interviewed them about their careers so far, the changes they feel as women’s empowerment progresses, and their messages to women who are working to build their careers – and published them globally in an electronic in-house newsletter.

In August, we held a lunch meeting or young female employees working at head office with Dr. Tomoko Adachi, a female Outside Director. On the day of the meeting, we shared the status of activities to promote women’s empowerment, and frankly exchanged opinions about the concerns and barriers that female employees themselves feel with regard to building their careers in the future.

In September, we held a seminar for executives and department heads to improve health literacy in relation to women’s health within the Group, with the title Understanding Menopause and Menopausal Disorders and Supporting Women’s Empowerment. Director Adachi, who is also Honorary Director of Aiiku Hospital, took to the stage and gave a lecture from a medical perspective. Female employees commented that they now had a deeper understanding of the menopause that they would have to face themselves, while male employees commented that they would like more people to hear the lecture, which contained knowledge that is useful both at work and at home.

In 2022, We introduced a team system for different levels in the organization. We will upgrade the management capabilities of the overall Group by creating opportunities for early management at small units.

Formulation of action plan promoting women’s participation and advancement

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

Social goals of SIC-II (FY2021 - 2023)

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

	FY2019	FY2020	FY2021	FY2022	FY2023
Rate of hiring female graduates (Japan) *1	30	32	32	33	37
Rate of female managers (Japan) *2	3.6	3.9	4.5	4.5	5.5

*1 Rate of hiring female graduates joining the company each year in April.
*2 As of the following January of each fiscal year

Promoting Diversity, Equity and Inclusion

Eruboshi Company certification

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



Gender wage gap initiatives

In Japan*, the Group applies a wage system according to the role (job) in which employees are engaged, and there is no difference in treatment due to gender differences in the same role. However, when the difference in wages between men and women was calculated after eliminating the effects of age, educational background, and years of service using statistical analysis methods, although no statistically significant difference was found for managerial employees, a difference of 85.6% was found for non-managerial employees (general employees.) In light of this situation, we are also analyzing the factors that cause this difference and implementing various measures.

* Scope of consolidated and non-consolidated subsidiaries

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Seminars on childcare leave for male employees

Since 2022, we have been promoting mandatory childcare leave for male employees. In September 2023, we held a seminar on male childcare leave inviting former TV presenter Hasen Kuniyama to help foster an atmosphere in the workplace where it is easy for male employees to take childcare leave, and to promote greater understanding among the generation of employees who are about to take childcare leave.

After a lecture based on Mr. Kuniyama's own actual experiences of childcare leave, a panel discussion was held with three employees who have taken childcare leave at our company, with a focus on their impressions and feelings of taking childcare leave, also facilitated by Mr. Kuniyama.

We are also working continuously to foster a corporate culture that encourages employees to take childcare leave, such as by posting messages from employees who have taken childcare leave on our internal portal site.

[Diversity education and awareness activities]

In FY2023, the first year of the establishment of the D&I Promotion Office, members of the Office visited sites around Japan to present details of the Group's diversity-related initiatives to date, and to hear about actual issues and the voices of employees at each site. This enabled DE&I Promotion Office members to hear first-hand opinions, such as issues unique to each site that had not been seen until now, and issues felt by employees while working, and became a stepping stone for promoting DE&I in cooperation with promotion committee members for each site in the future.

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Understanding and Responding to LGBTQ (SOGI)

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

During Pride Month in June 2023, we distributed Group PowerPoint and web page templates with Pride specifications to employees, to help expand the circle of LGBTQ+ Allies. In October, we made significant revisions to our *Understanding and Responding to LGBTQ+ Issues* guidebook (released in 2020,) and released a new guidebook that summarizes basic knowledge on sexuality and LGBTQ+ issues to promote greater understanding of the LGBTQ+ community, as well as the Group's systems and initiatives.

In November 2023, in recognition of our ongoing efforts in support of the LGBTQ+ community, such as our sponsorship of Kansai Rainbow Pride, we were continuously certified with a Gold rating in the Pride index, an index that evaluates initiatives to support sexual minorities in the workplace.

work with Pride



[Creating a workplace where diverse employees can play active roles]

Promotion of active participation of people with disabilities

The artience Co., Ltd. regularly offer internship programs to those studying at special support schools in an effort to enable the long-term employment of people with disabilities. Since 2019, we have been supporting people with intellectual disabilities and other people with disabilities, handling mainly office support work, such as creating business cards, collecting and delivering mail, digitizing documents, data entry, and disinfecting common spaces such as conference rooms at the Clover Support Center, in the Group General Affairs Department's Jujo Center. In 2023, with a view to expanding workplaces for people with disabilities beyond the Jujo Center, we began accepting interns for the first time at our head office. In FY2023, the employment rate for people with disabilities in Japan was 2.74%.

In January 2024, we established Clover Biz Co., Ltd.* with the aim of creating a special subsidiary to further promote the employment of people with disabilities. In April, two of the interns we accepted in 2023 joined the company. Going forward, we will continue working to expand employment and create opportunities for diverse human resources to play active roles.

* The word "clover" in the name of the new company Clover Biz is based on the image of a four-leaf clover that carries happiness. The name was chosen at the suggestion of an employee when the support center was established.

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Promoting Diversity, Equity and Inclusion

Promoting senior employees' active participation

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

Promoting active roles for employees of foreign nationality

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

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Consideration of local religions

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

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

TOPICS

Support for the Business for Marriage Equality campaign

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

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


*As of July 27, 2024, 533 companies and organizations had announced their support for equality in marriage, or the legalization of same-sex marriage.



Promoting a Healthy Work-Life Balance

Basic approach

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

 The Basic Policy on Human Resources Management is posted on our website under Sustainability > Society > Human Resources Management.

Promotion system

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

Initiatives

[Main measures to promote work-life balance]

In 2021, based on our basic welfare philosophy of supporting each and every employee so that they can work with peace of mind and live fulfilling lives, we established four pillars of welfare programs to support the life stages required by each generation, to respond to rapid changes in society and the diversification of lifestyles and individual preferences.

The four pillars of welfare

- Health
Support for long-term, energetic, healthy work
- Diversity
Expanding options that lead to the happiness of diverse employees and their families
- New normal
Supporting work-life balance in the new normal era
- Engagement
Improving our image as an attractive company that is chosen by employees

Examples of initiatives in line with the four pillars of welfare include (1) measures to promote diverse work styles in cafeteria plans, and (2) development of systems to support a balance between work and private life.

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

In terms of systems to support the balance between work and private life, we have established a system that gives consideration for employees involved in childcare and nursing care. We introduced a remote working program in 2021, aiming to improve labor productivity, create innovation and enhance the work-life balance. Through this, we are promoting new ways of working, including working from home, flexible working hours, and commuting outside of rush hours depending on duties, alongside business reforms.

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

<Support for achieving a balance between work and childcare or caregiving>

- Childcare and nursing care leave
- Shorter working hours for childcare and nursing care
- Use of cumulative paid leave for childcare
- Child nursing care leave
- Nursing care leave
- Flexible working hours for childcare and nursing care (The hours from 10 a.m. to 3 p.m. are core time. Total working hours in a month are managed.)

<Support for balancing flexible work styles>

- Remote work (working from home)
- Half-day leave system (Employees may take a half day (first half or second half of the day) off. Twice half day off are treated as once annual paid leave.)
- Re-employment of former employees

Promoting a Healthy Work-Life Balance

Childcare support

In August 2023, the artience Co., Ltd. obtained "Platinum Kurumin" certification, and in November, the core operating companies of the artience Group – Toyocolor Co., Ltd., Toyochem Co., Ltd. and Toyo Ink Co., Ltd. obtained "Kurumin" certification. We introduced the Childcare Leave Interview Sheet, an initiative to support the development of the next generation. This sheet includes questions about handovers and considerations for people's physical condition. Intended for use as a tool for communicating with superiors, the goal of this sheet is to enable employees to begin leave and return to work smoothly.

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



"Kurumin" logomark

Use of programs related to childcare support

	FY2021	FY2022	FY2023
Ratio of female employees returning to work after childcare leave (%)	100	100	100
Ratio of taking childcare leave (%)	Female: 100 Male: 25.8	Female: 100 Male: 92.7	Female: 100 Male: 100
Shorter working hours for childcare (number of users)	41	36	34

* Employees who belong to artience Co., Ltd.

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VOICE

Voice of a male employee who took childcare leave

I took childcare leave for around five months, from the first month after the birth of our first child. After taking childcare leave, I began to work with a greater sense of balance, in order to enrich both my family and work life. In particular, I think I have become much more conscious of taking a planned approach than I was before taking childcare leave.

Taking childcare leave make it possible for me to closely observe my child growing up during the first few months after birth, and also enabled me to feel firsthand how difficult it is to raise children — which gave me a greater sense of care and compassion around the home and deepened my bond with my family.



Employee at Toyochem Co., Ltd.

Comment from partner

By working together through trial and error, we were able to match our level of eagerness toward childcare. It was good because we were able to share our worries and our feelings of joy with each other each time.

Nursing care support

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



Support for balancing work and nursing care

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

Promoting a Healthy Work-Life Balance

[Promotion of appropriate labor management]

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

There were no labor standards violations due to overwork in FY2023. To prevent harm to health caused by overwork, we encourage departments who have employees working excessive overtime to improve their operations and request such employees to consult with industrial physicians as needed. We will continue to take steps to make improvements.

[link](#) Page 94: ESG Data Collection > Promoting a Healthy Work-Life Balance

[Streamlining operations through the application of DX]

The Group is driving digital transformation (DX) as a management strategy, and has identified DX and maximum utilization of SAP as part of Basic Policies (3) Transformation of the management foundation under its artience2027 medium-term management plan. Under this plan, we aim to improve productivity and create value through the use of digital technologies and AI.

In 2021, we established the DX Promotion Group within the Information Systems Department of artience Co., Ltd., as a dedicated DX promotion organization. The DX Promotion Group selects themes that should be prioritized, deploys cross-organizational activities, and advances initiatives while verifying their effectiveness.

Example initiatives

① Improving operational efficiency through the use of DX

We are engaged in the Group-wide activities to improve operational efficiency through the use of digital technologies, such as business automation and paperless operation (digitization of business forms), and have achieved results in reducing costs, time taken, and paper usage. In FY2024, we will continue to focus on improving efficiency through business automation, and will drive business transformation by establishing digital points of contact with business partners and customers.

② Increased sophistication of business management through the construction of data collection infrastructure and data utilization

The aim of the Group's DX activities is to make maximum effective use of important internal and external data and the latest IT, and link this to transformation and value creation in an increasingly complex business environment. To make prompt decisions at a high level, we are working toward sustainable growth and risk avoidance for the Group based on 1) data collection and infrastructure development, 2) creating data visualization mechanisms, 3) simulations and AI predictions, and 4) action taken based on predictions. By uti-

lizing and linking a range of external resources, we are conducting trials to build infrastructure for data-driven management using the latest AI technologies.

③ Improving IT literacy and training DX human resources

Digitally oriented human resources are indispensable for driving DX, but the skills and expertise required differ at each level and for each issue to be solved. We are therefore working together with the Global Human Resources Department to strengthen and develop DX human resources, by developing specialized human resources in areas such as RPA, generative AI, machine learning, and data analysis, etc., while at the same time raising the level of IT literacy for all employees.

TOPICS

Streamlining operations through the introduction of automated guided Evs

In August 2023, Saitama Factory of Toyo Ink Co., Ltd. launched the Automated Guided EV Introduction Project, to transport materials and products on site using unmanned EVs. The project aims to improve the productivity of logistics operations by transforming on-site conveyance processes — from manufacture to shipment — through the introduction of IoT technologies, transporting raw materials and products more quickly and efficiently than by conventional manual work methods, and automating repetitive tasks.

From October 2023, we started actual operation of automated guided EVs, conveying products back and forth between Zones A and B in the Factory.



Transport by an automated guided EV

[Activating employee communication]

Utilization of "Incentive Plus"

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

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

Health and Productivity Management

Basic approach

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

WEB The Basic Policy on Health and Productivity Management is posted on our website under Sustainability > Society > Health and Productivity Management.

Activity policy and strategy for health and productivity management

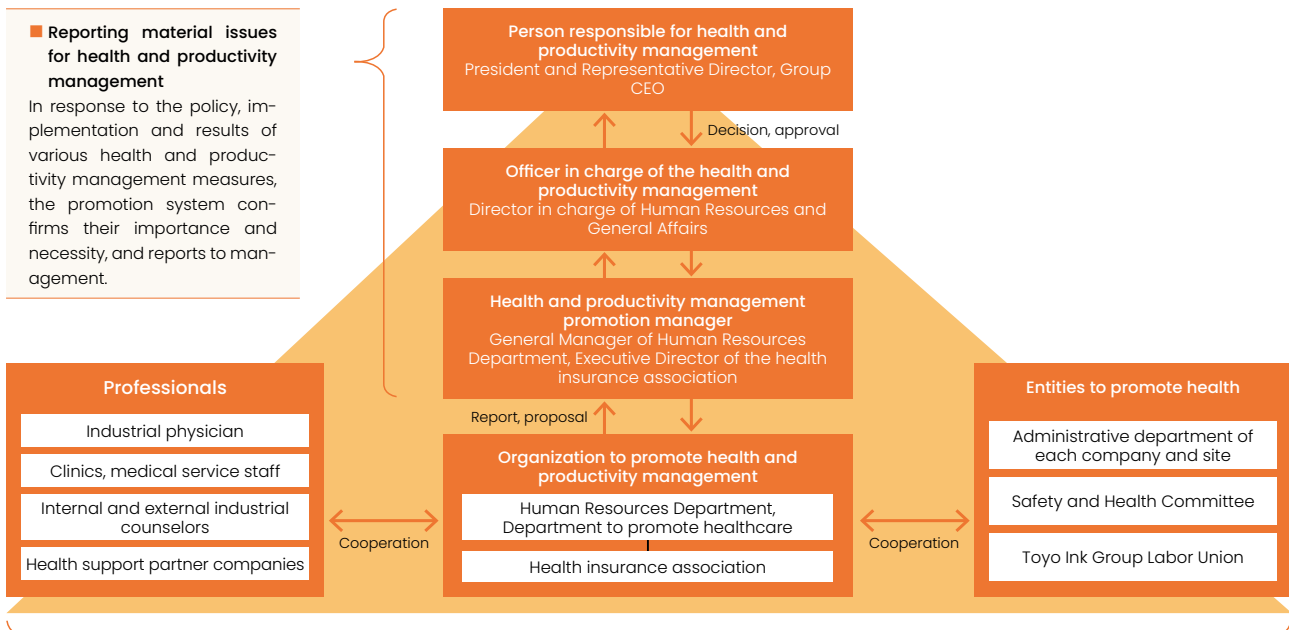
To promote health and productivity management, we have defined the health management issues that we want to solve as "improving corporate value through the development of an environment in which each and every employee can maximize their abilities." We are working to achieve this while monitoring various indicators in three key directions: support for the development of an environment where employee can work healthily, support for personal health improvement (cost subsidies,) and support for the prevention of mental disorders. We will also support the health of our employees by identifying health and productivity management that will lead to the resolution of management issues, creating and utilizing a health management strategy map that incorporates measures and specific initiatives to solve them, while implementing a PDCA cycle.

WEB The Health and Productivity Management Strategy Map is shown on page 46 of the Sustainability Data Book 2023.

Promotion system

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

Organization to promote health and productivity management



Reporting material issues for health and productivity management

In response to the policy, implementation and results of various health and productivity management measures, the promotion system confirms their importance and necessity, and reports to management.

Strengthening cooperation with the health insurance association

Cooperate with the health insurance association in a timely manner and discuss issues (medical checkups, implementation of health promotion initiatives, etc.)

Implementing health and productivity management initiatives and holding training sessions

Each business site appoints Health and Productivity Management Leaders and Healthcare Promotion Committee Members, implements health and productivity management initiatives in cooperation with professionals, and holds training sessions regularly in cooperation with professionals.

Active discussion between labor and management about health and productivity management and the benefit system

Labor and management discuss health and productivity management linked to the benefit system to create better workplace environments for employees.

Capacity building in the system to promote health and productivity management

Help increase qualified internal counselors and health supervisors

link For occupational safety and health, see Occupational Safety and Health, Process Safety and Disaster Prevention on pages 53 to 55.

Health and Productivity Management

Targets and achievements

Targets and achievements of health and productivity management

Index	Achievement in 2021	Achievement in 2022	Achievement in 2023	Targets		Statistical figure (in Japan)	
				2025	2030		
Lifestyle-related diseases	Obesity risk Ratio of employees with a BMI figure of 25 or more	27.8%	28.2%	27.5%	22.3%	21.3%	26.3%* ¹
	Risk of hypertension Ratio of employees with a systolic blood pressure of 140 mmHg or more or a diastolic blood pressure of 90 mmHg or higher	11.1%	9.6%	9.9%	10.1%	9.7%	17.9%* ²
	Risk of diabetes Ratio of employees with a fasting blood sugar level of 110 mg/dL or higher or a HbA1c of 6.0% or more	11.3%	11.2%	11.7%	9.5%	9.1%	12.1%* ²
	Risk of hyperlipidemia Ratio of employees with natural fat of 200 mg/dL or more, a HDL cholesterol level of 39 mg/dL or less or an LDL cholesterol level of 140 mg/dL or more	30.8%	30.2%	30.3%	35.0%	31.0%	33.3%* ²
	Ratio of family members (dependents aged 35 or older) undergoing specific health checkups	81.2%	81.9%	80.0%	88.0%	95.0%	43.1%* ³
Cancer	Ratio of employees undergoing gynecologic cancer checkups (regarding breast cancer and uterine cancer)	79.5%	81.9%	83.5%	80.0%	82.5%	Breast cancer: 47.4% Uterine cancer: 43.7%* ⁴
Work-life balance	Average number of days of paid leave taken in a year	11.5 days	12.5 days	13.8 days	13.0 days	14.0 days	11.3 days* ⁵

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

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

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

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

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

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

Rate of participation in health promotion activities / Rate of receiving health examinations or vaccinations

	FY2021	FY2022	FY2023
Rate of receiving health examinations (%)	100	100	100
Health examinations for dependents (%)	81.2	81.9	80.0
Rate of conducting stress checks (%)	92.5	90.9	92.3
Influenza vaccinations (%)	60	64	59

[Internal health survey results]

We have been conducting questionnaire-based employee surveys since FY2022, for the purposes of understanding the current state of employee health, presenteeism* and engagement, and clarifying the relationship between them.

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

Indicators	FY2022 results	FY2023 results
Ratio of productivity impairment due to presenteeism* ¹	11.7	10.5
Details of presenteeism* ²	1.Sleep problems (16.1%) 2.Backache (12.3%) 3.Stiff shoulders (11.3%)	1.Sleep problems (11.5%) 2.Backache (10.1%) 3.Stiff shoulders (7.9%)
Ratio of employees with high work engagement* ³	63.7%	60.7%
Ratio of employees who are highly satisfied with health measures	87.6%	-

* The survey was conducted with 3,037 persons in FY2022 (of whom 2,226 responded) and 2,989 persons in FY2023 (of whom 2,063 responded.)

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

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

*³ Calculated from the ratios of positive responses to the three indicators specified below in the internal survey in FY2023: (1) Would you recommend the company to your friends and acquaintances? (48.6%)(2) Do you have strong motivation towards work? (65.8%)(3) Are you happy with your job? (67.8%)

Health and Productivity Management

Initiatives

[Regular health checks]

The periodic health checkups that we conduct every year are more detailed and thorough than those stipulated by law. The percentage of employees receiving health checks is 100% every year.

To prevent the aggravation of diseases, we collaborate with the TOPPAN Group Health Insurance Society — of which artience Group is a member — to continuously inform employees and their families and raise their awareness about the importance of hospital visits and treatment.

For employees who are at high risk, we provide continuous health guidance through our in-house clinics.

[Health measures by business site]

In response to the health checkup results reports issued by each business site, we appoint a dedicated health promoter at each site and implement measures to match health conditions and work styles at each site.

We held 24 seminars in FY2021, 24 in FY2022, and 18 in FY2023, including seminars on topics such as stretching, improving back pain, and quitting smoking, and events relating to dental diagnosis and women's health support.

[Improving the selectable welfare program]

The selectable welfare program (Cafeteria Plan) offers a full range of health-related options.

A variety of options are available, including subsidies for sports expenses (such as fitness, swimming, and golf), vaccination costs, medical check expenses, smoking cessation expenses, expenses not covered by insurance, differences in bed costs when hospitalized, and purchase of healthy foods.

[Mental health measures]

- Stress checks: Stress checks are conducted at all business sites in Japan, including those with fewer than 50 employees. The percentage of employees undergoing checks was 92.5% in FY2021, 90.9% in FY2022, and 92.3% in FY2023.
- Self-management: We offer self-care learning through e-learning for new employees.
- In-house counselor system: This is a system in which professional counselors from both inside and outside the company visit consultation rooms at business sites to consult with employees about their concerns. Consultation rooms operate as independent institutions.

In addition to the above, we have also established multiple consultation contact points, including line care, health consultations by industrial health staff, and consultation services outside the workplace established by the health insurance society.

[Forest therapy]

Forest therapy is therapeutic "forest bathing" (spending time in a forest,) backed by scientific evidence. The aim is to maintain and improve mental and physical health and prevent disease while enjoying the forest environment.

It is recommended by the TOPPAN Group Health Insurance Society, of which artience is a member, and we also utilize it in training new employees.



Forest therapy conducted as part of training for new employees

[Promoting measures to help quit smoking]

We are engaged in a variety of initiatives to help employees quit smoking, including holding a Quit Smoking Day, smoking cessation expense subsidies as part of the selectable welfare program, and support for treatment to quit smoking treatment at on-site clinics.

The smoking rate among employees was 26.9% in FY2021, 25.6% in FY2022, and 22.0% in FY2023.

[Initiatives to control infectious diseases]

As a measure against infectious diseases, influenza vaccinations are conducted in-house at major business sites every year. There are various advantages, such as being able to receive medical examinations during working hours. The percentage of employees undergoing vaccinations was 60.0% in FY2021, 64.0% in FY2022, and 59.0% in FY2023.

In FY2021 and FY2022, we conducted workplace vaccinations for COVID-19 at head office for those wishing to be vaccinated.

[Smart Meal certification]

We have received Smart Meal* certification — a certification system for healthy meals and eating environments — for employee cafeterias at some of our business sites.

Eight out of our 13 cafeterias throughout Japan have obtained certification (mainly our head office and major manufacturing sites,) and are supporting the health of our employees with nutritionally balanced meals.

* The Consortium for Healthy Meal and Food Environment — which consists of several academic societies — operates the system, and screens and certifies sites.

Certified as Health and Productivity Management Organization

In 2024, the Group has also been certified by the Ministry of Economy, Trade and Industry (METI) for the eighth consecutive year as a Certified Health & Productivity Management Organization (Large Enterprise Category / White 500) — an enterprise that engages in business management



with consideration for the health of its employees. The Large Enterprise Category / White 500 consists of the top 500 large-scale enterprises (based on the results of a survey under the Certified Health & Productivity Management Organizations Recognition Program) engaging in particularly outstanding health and productivity management activities, based on initiatives implemented to address local health-related issues and activities led by the Nippon Kenko Kaigi to improve health. The program recognizes enterprises that practice excellent health and productivity management in cooperation with insurers.

Occupational Safety and Health, Process Safety and Disaster Prevention

Basic approach

In the Basic Policy on Occupational Safety and Health (revised in January 2024), the artience Group states that it will “endeavor to engage in safe operation, safety and disaster prevention, and hygiene management based on the assumption of compliance with laws and regulations and respect for international norms” to “sustainably improve occupational safety and health in the workplace.” We are taking safety measures for buildings and facilities in line with this policy. The Group has also built an occupational safety and health management system in line with the content of the business activities at each of its business locations, and actively conducts safety activities based on risk management, in order to maintain compliance with its Basic Policy on Occupational Health and Safety – the basis for safety – at a high level.

WEB The Basic Policy on Occupational Safety and Health is posted on our website under Sustainability > Society > Occupational Safety and Health, Process Safety and Disaster Prevention.

Promotion system

The Production Planning Office of artience Co., Ltd. conducts the audits regarding the prevention of occupational disaster/accidents in the entire Group, the risk assessments, and the accident investigations / confirmations. The section has the function of promotion to prevent, or prevent the recurrence of, industrial accidents and accidents related to processes for safety and disaster prevention. It disseminates important information on occupational safety and health through safety network meetings in Japan and overseas and gives instructions about proper actions to take globally in the entire Group.

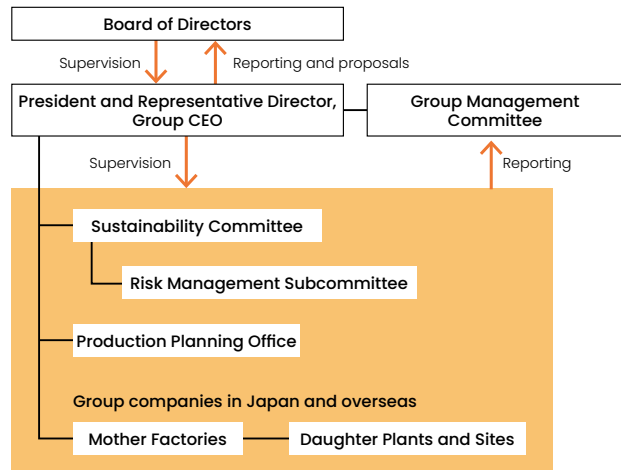
Furthermore, in order to prevent occupational accidents and process safety and disaster prevention accidents from occurring and reoccurring, we regularly hold “Repeated Safety Training.” Every month, we distribute the “Calendar for Reviewing Past Accidents” in Japan and overseas, summarizing occupational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

In responding to natural disasters such as large-scale earthquakes, fires, and accidents, we work together with the Risk Management Subcommittee to consider measures to prevent disasters and accidents and minimize damage when they do occur, and to develop our emergency contact network.

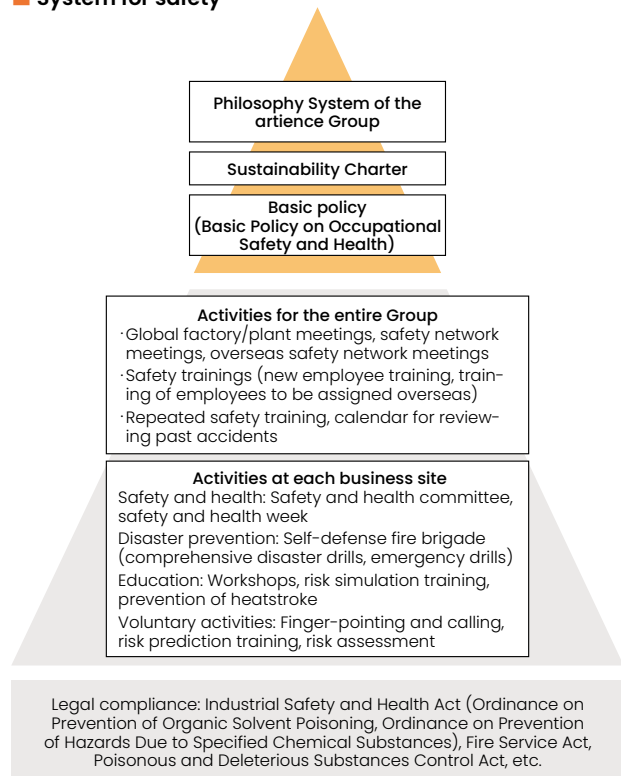
We regularly hold management councils, where the labor union and the company discuss issues, to improve work styles, including safety and health. In addition, the safety and health committee meetings are held at each business site every month. The committee consists of persons in charge, managers and

members of the labor union. At the meetings, they report and discuss occupational safety and health issues including accidents/disasters. The minutes committee meetings are also posted on our internal intranet and shared with employees.

Organizational structure for occupational safety and health (FY2024)



System for safety



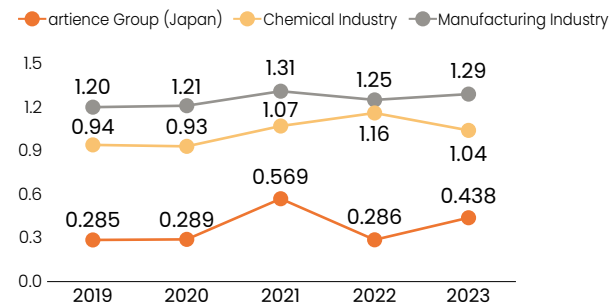
Occupational Safety and Health, Process Safety and Disaster Prevention

Initiatives

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

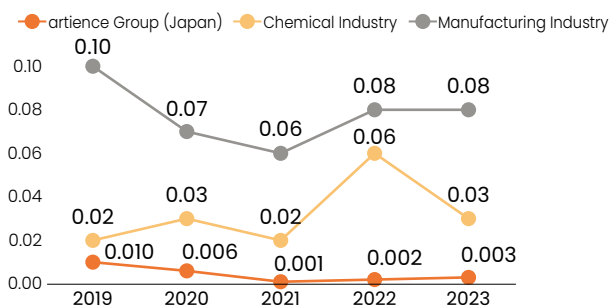
In the artience Group (in Japan), the number of lost-workday injuries increased by one from 2022, and the frequency rate of lost-workday injuries rose. The number of lost days increased by 13, and the lost-workday-injury severity rate rose. The frequency rate of lost-workday injuries stood at 0.438, and the lost-workday-injury severity rate came to 0.003. Those figures were lower than the entire manufacturing industry and chemicals industry. The artience Group works to make clear causes of accidents and injuries, including lost-workday injuries, and measures to take in response to them to prevent recurrence.

Changes in the lost-workday injury frequency rate*1



*1 Lost-workday injury frequency rate: Number of lost-workday injuries or fatalities per million work hours, which indicates the frequency of lost-workday injuries. The outside data are cited from the Ministry of Health, Labour and Welfare's Summary on Industrial Accidents (surveys of business establishments) issued in 2022.

Changes in the Lost-workday injury severity rate*2



*2 Lost-workday injury severity rate: Number of lost-workday per thousand work hours, which indicates the severity of accidents. The outside data are cited from the Ministry of Health, Labour and Welfare's Summary on Industrial Accidents (surveys of business establishments) issued in 2022.

Number of workplace injuries (Unit: cases)

	2019	2020	2021	2022	2023
artience Group (in companies* in Japan)	2	2	4	2	3

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

[Hazard identification, risk assessment, and incident investigation]

1. Hazard identification and risk assessment

At the artience Group, the safety management department confirms the status of basic safety activities, including activities to prevent workplace injuries and the implementation of measures, at each business site. If there are any inadequacies, the section requests business sites to make improvements.

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

2. Survey of workplace injuries

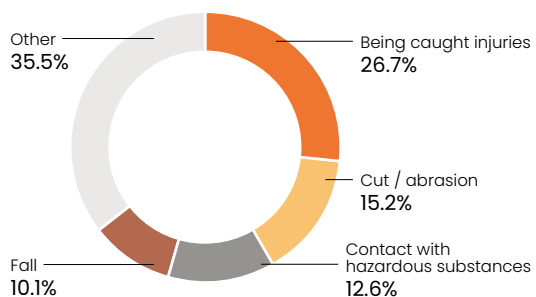
When workplace injuries occur, the sites will be investigated and meetings for actions will be held. The facts and the circumstances behind the injuries will be made clear, and the cause will be investigated. We will then hammer out and implement measures. Accidents are made known in the entire Group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

3. Actions to reduce prioritized risks

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

Breakdown of workplace injuries by type

Data in Japan and overseas from 1997 to 2023 (including minor injuries)



Occupational Safety and Health, Process Safety and Disaster Prevention

[Training for occupational safety and health]

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

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



VR Risk Simulation Training

[Network meetings in Japan and overseas]

The artience Group holds safety network meetings every year. In FY2023, these meetings were held in May and October at our sites in Japan, and introduced safety rules, new rules on chemical substances and examples of low-frequency work, while carrying out on-site checks. Overseas meetings included mutual safety checks involving safety managers in China, South Korea and in the English-speaking region (at all 27 locations) regarding the prevention of being caught injuries, and action against static electricity and electrical fire. We will continue to hold safety network meetings at locations in Japan and overseas to share safety information in the Group and improve the safety level.

[Initiatives for safety and disaster prevention]

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

No serious fire or accidents involving loss of life in FY2023.

[link](#) Page 95: ESG Data Collection > Occupational Safety and Health, Process Safety and Disaster Prevention

■ Number of participants in company-wide safety training (FY2023)

(Unit: persons)

Type of training		Theme	Number of participants
Repeated safety training	e-learning	Prevention of fall-type accidents	2,104
Repeated safety training	e-learning	Infrequent work	2,101
Safety training for new hires	on-line training	Things to do for safety	57
Training for overseas assignees	on-line training	Overseas safety	20
VR Risk Simulation	Simulation	Pinch-point injuries, falls, the forklift	512

Respect for Human Rights

Basic approach

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

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

In addition, based on our belief that negative impacts of our business activities on human rights should be identified and reduced, in March 2023, we established the "Basic Policy on Respect for Human Rights" (revised in January 2024.)

Human rights policy

The Group has a global business presence with approximately 60 Group companies operating in around 20 countries and regions around the world. With the globalization of business, supply chains are expanding and becoming more complex, and companies are required to fulfill their social responsibilities, including their supply chains.

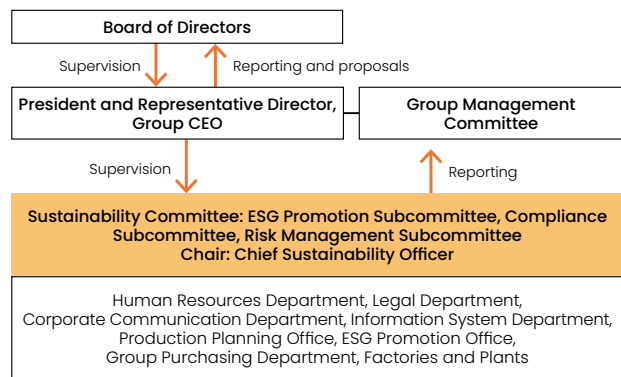
In our efforts to respect human rights throughout the supply chain as a company that operates globally, we communicate our "Basic Policy on Respect for Human Rights," as well as our "Basic Policy on Procurement" (revised in January 2024) and "Sustainable Supply Chain Guidelines" (revised in January 2024) to our overseas group companies and suppliers.

WEB The Basic Policy on Respect for Human Rights is posted on our website under Sustainability > Society > Respect for Human Rights. The Basic Policy on Procurement and the Sustainable Supply Chain Guidelines are posted on our website under Sustainability > Society > Supply Chain Management.

Promotion system

In the artience Group, the Human Resources Department is responsible for regulations and policies on human rights. The Compliance Committee takes a leading role in addressing human rights issues and providing human rights education by each subject. The Risk Management Subcommittee, exhaustively and comprehensively manages and checks the human rights risks of the entire Group under the operating officer in charge of risk management (the head of the Risk Management Subcommittee.)

■ Respecting human rights related system (FY2024)



Respect for Human Rights

Human rights due diligence

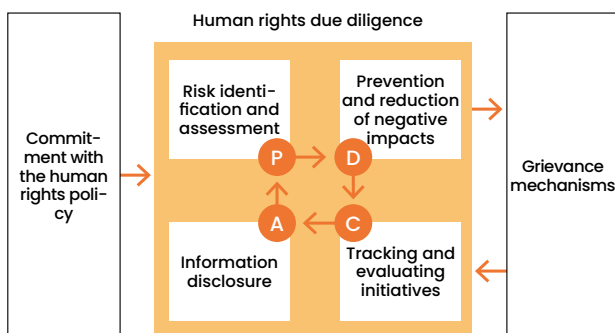
Businesses and their supply chains are required to fulfill their social responsibility. We therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities. Based on the idea that it is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

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

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

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

Human rights due diligence processes



Overview of human rights initiatives



Respect for Human Rights

Latent human rights risks involved in business activities

(□: Japan, ■: Overseas)

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

Human rights education and awareness-raising activities

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

In line with the global expansion of our business, since FY2013 we have been introducing human rights education into our training for overseas assignments. We give lectures about the risk of violating human rights when working overseas including actual cases. At the same time, we provide education about personnel management, including respect for local cultures and customs and harmony with local communities, which are necessary when working with foreign nationals. In FY2023, 20 employees received human rights education in training before working overseas.

[link](#) Page 93: ESG Data Collection > Promoting Diversity, Equity and Inclusion

Establishing respect for human rights

At the artience Group, we believe it important to take initiatives to ensure that the human rights of our employees and a wide range of our stakeholders are respected. The Basic Policy on Respect for Human Rights expressly states the prohibition of any form of "prohibition of child labor and forced labor," "elimination of discrimination and harassment," "respect for freedom of association, the right to collective bargaining and privacy," "consideration of occupational safety and health, working hours and wages," and "promoting responsible procurement." To raise awareness of these guidelines, we actively undertake internal activities such as holding compliance meetings in each site. We also distribute a booklet showing a collection of specific model cases of compliance (revised on April 1, 2020) and use it for internal trainings related to human rights issues.

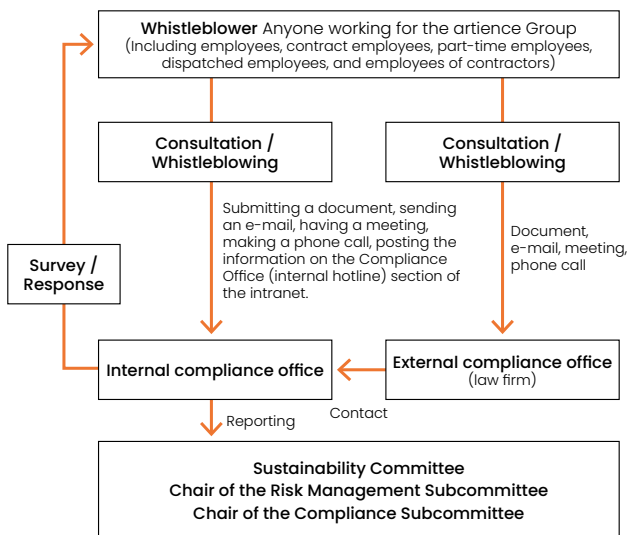
We have established the "Basic Policy on Procurement" (revised in January 2024) and the "Sustainable Supply Chain Guidelines." These policy and guidelines include provisions for following local laws in supply chains, regarding prohibitions on child labor, forced labor and discrimination, the right to act collectively, compliance with the minimum wage and statutory working hours, ensuring industrial safety and health for employees and offering a proper working environment.

Respect for Human Rights

Office providing consultations on human rights violations

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

In FY2023, there was no whistleblowing that led to serious risks of human rights violations.



Preventing harassment

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

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

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

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

Respect for workers' rights

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

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

Child labor, forced labor

The artience Group has set forth rules on respect for human rights, including the prohibition of child labor and forced labor, in its Basic Policy on Respect for Human Rights and makes the rules known to the Group companies overseas by providing training to employees assigned overseas and applying guidelines to Group companies overseas.


In addition, we established the Basic Policy on Procurement (revised in January 2024) and the Sustainable Supply Chain Guidelines. Not only will we work to comply with these rules, to achieve compliance throughout the whole supply chain, we are asking our suppliers for understanding and observance.

Supply Chain Management

Basic approach

The artience Group has been developing its business globally, with about 60 companies in over 20 countries and regions around the world. This global expansion has made the Group's supply chains more complex. Companies has required to fulfill their social responsibilities covering their supply chains. The Group therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities.

Specifically, we established the Raw Materials Purchasing Regulations in June 1990 (revised in January 2024) and are promoting CSR procurement based on our Basic Policy on Procurement (established in April 2005 and revised in January 2024.) With the aim of raising the level of CSR of each supplier and improving sustainability in the upstream portion of our supply chain, we have established the Sustainable Supply Chain Guidelines (established in October 2022 and revised in January 2024.) The basic policy and guidelines are based on our basic stance of complying with and respecting the laws and regulations of the countries and regions in which the Group operates, international codes of conduct by the United Nations, the ILO, and OECD, etc., and industry standards such as RBA and AIAG. They cover a wide range of sustainability issues, including human rights, labor practices, health and safety, the environment, product safety, compliance, and information security. The policy and guidelines have been prepared in Japanese, English, and Chinese (Simplified) language versions, and made available to Group companies and suppliers both in Japan and overseas.

 The Basic Policy on Procurement and Sustainable Supply Chain Guidelines are posted on our website under Sustainability > Society > Supply Chain Management.

Promotion system

The Group Purchasing Department of artience Co. Ltd. plays a central role in taking actions for suppliers and engages in CSR procurement activities based on the Basic Policy on Procurement and the Sustainable Supply Chain Guidelines.

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

Promotion of CSR procurement

To this end, we implement measures for (1) distributing our Basic Policy on Procurement and Sustainable Supply Chain Guidelines, (2) investigations and audits against suppliers and remedial activities for them, and (3) deepening the level of understanding among employees. We also carry out activities to make the Procurement Principles known to overseas sites.

Since FY2021 we have been preparing for full-scale procurement due diligence, and since FY2022 we have been sequentially conducting sustainability surveys of domestic suppliers and feeding the results of our analyses back into our procurement activities.

The Group itself is also working to improve the sustainability of the entire supply chain together with customers by checking efforts to ensure respect for human rights in procurement activities, conducting supply chain sustainability assessments through EcoVadis, and responding to CSR procurement questionnaires from customers.

[CSR procurement survey]

Since FY2022, as part of our CSR procurement survey, we have been conducting questionnaire surveys to confirm the agreement of suppliers in Japan with the Sustainable Supply Chain Guidelines, and to confirm the state of CSR initiatives.

The confirmation of agreement with the Guidelines requires the submission of a signed confirmation form with five levels of agreement, and the guideline agreement rate is defined as the percentage of suppliers with Agreement Level 3 (those who already comply with a CSR code of conduct established by their company or an industry association, or agree to comply with the Guidelines.) The questionnaire was conducted using the GCNJ (Global Compact Network Japan) CSR Procurement Self-Assessment Questionnaire v1.1. The CSR procurement rate is defined as the percentage of suppliers who scored 75/100 or higher overall in the questionnaire. Since business size and transaction amount with the Group vary from supplier to supplier, calculations were based on transaction value rather than the number of companies. The guideline agreement rate and the CSR procurement rate are used as KPIs to indicate the Group's level of CSR procurement performance. They are continuously monitored (surveyed every three years for existing suppliers and surveyed at the time of contracting for new suppliers,) and results are fed back into our improvement activities.

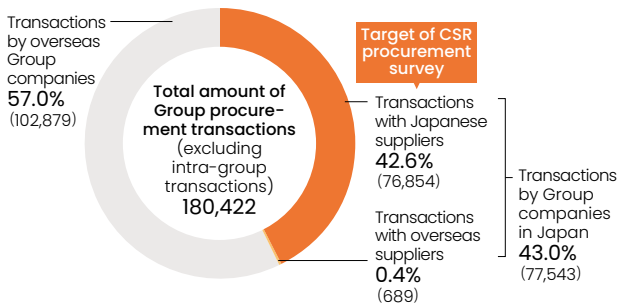
In FY2023, we surveyed of a total of 522 suppliers (transaction value of 76,854 million JPY = 42.6% of the Group's total transaction amount), including 274 suppliers under the authority of the Group Purchasing Department, which were the subject of the previous year's survey, and suppliers under the authority of production sites in Japan. As a result, the guideline agreement rate was found to be 76.7% (379 suppliers) and the CSR procurement rate was found to be 71.1% (274 suppliers.) We are also working to improve our level of CSR performance by designating suppliers with large transaction amounts and insufficient CSR performance levels (transaction value of 100 million JPY or more, total score of less than 60/100 points in questionnaires) as "suppliers requiring care." In FY2023, we identified 12 companies as suppliers requiring care, and held discussions with one of them.

Going forward, we will expand our survey activities to include suppliers that engage in transactions with overseas Group subsidiaries and work to promote sustainability in the global supply chain, in particular, to improve respect for human rights.

Supply Chain Management

Scope of the CSR procurement survey (FY2023)

(Unit: million JPY)



	Number of companies (company)	Transaction amount ratio (%)
Suppliers surveyed	522	—
Suppliers who have submitted consent confirmation	397	91.4
Among them, companies that have expressed agreement with the guidelines (Guideline consent rate)	379	76.7
Answer the questionnaire	392	91.3
Among them, companies with a score of 75/100 or more (CSR procurement rate)	274	71.1

* As of March 2024

[Dealing with new suppliers]

We evaluate potential suppliers based on the Standard for Selecting Suppliers in article 6 of Basic Policy on Procurement, and do not deal with any suppliers that do not meet a certain standard. We start to deal with suppliers that meet a certain standard on the assumption that they accept our Basic Policy and Sustainable Supply Chain Guidelines. We also regularly reassess suppliers to reduce procurement risk.

[Response to conflict minerals and avoidance of complicity in human rights violations in procurement]

We are engaged in initiatives to eliminate the use of conflict minerals (gold, tin, tantalum, and tungsten), that are mined, refined, and processed by illegitimate means that involve human rights violations in conflict-affected areas and other high-risk areas, which may become a source of funding for groups and forces complicit in the mining, refining and processing of such minerals. We have checked whether each raw material that we have procured directly or indirectly included any conflict minerals or not and have taken appropriate steps when we found and confirmed any use of conflict minerals. We will continue to investigate and check newly adopted raw materials, and also strengthen our measures to prevent the use of minerals from regions of conflict. We are also making some efforts to inform suppliers regarding cobalt and mica, which have been designated as "extended conflict minerals," through our Sustainable Supply Chain Guidelines, and by conducting questionnaire surveys. With regard to possible violations of the United States Uyghur Forced Labor Prevention Act (UFLPA,) we have confirmed that the list of primary suppliers from which our purchasing


department directly purchases raw materials does not include companies on the UFLPA Entity List. Going forward, we will continue to survey, check, and respond to these responsible procurement activities.

[Sustainability rating by EcoVadis]

EcoVadis is an international organization engaging in rating of supply chain sustainability. artience Co., Ltd. was awarded a bronze medal (total score 52/100) in the 2023 sustainability evaluation.

Initiatives for solving logistics issues

In 2020, artience Co., Ltd. announced its voluntary action declaration in support for the White Logistics Movement launched by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries. As one initiative in support of this movement, we will work to improve and relocate relay bases to optimize delivery and receiving. With the understanding and cooperation of our customers, we will also work together as a united supply chain to reduce the burden on logistics operators, and strive to maintain and improve logistics, which is an important part of social infrastructure, by easing delivery lead times, shortening waiting times at delivery destinations, and reducing the workload of incidental operations.

 The details of our participation in the White Logistics Movement are posted on our website under Sustainability > Society > Supply Chain Management.

TOPICS

Revision of the Partnership Building Declaration

On May 27, 2024, artience Co., Ltd. revised its Partnership Building Declaration. The original Partnership Building Declaration was announced on October 31, 2022. This revision is based on the Guidelines for Price Negotiations to Appropriately Pass Through Labor Costs (issued by the Cabinet Secretariat and the Fair Trade Commission in November 2023.) In terms of the content of the revision, the following wording has been used in the declaration.

"We will not make unreasonable demands for cost reductions. We will hold discussions with subcontractors at least once a year when determining transaction considerations, and strive to ensure full discussions with subcontractors to enable them to improve their working conditions, including their appropriate profits."

Going forward, we will continue to engage in dialogues and collaboration with our suppliers, with the aim of achieving further mutual prosperity.



Social Contribution Activities

Basic approach

In its Sustainability Charter, the artience Group emphasizes creating and providing value to customers and consumers through products and services as a manufacturer, coexisting with society, gaining the trust of stakeholders, and fulfilling its responsibilities as a corporate citizen.

Based on our philosophy of contributing to society through our business as a good corporate citizen and fostering a corporate culture that values social contribution, we provide education for the next generation, such as social experience classes and factory tours to stimulate students' interest in chemistry; environmental conservation through tree planting and community cleanup activities; and community contribution through cooperation and support for local communities and activities aimed at solving problems with residents and local communities. By continuing to work in these three areas, we seek to fulfill our social responsibilities as a member of the communities in which we conduct our corporate activities and achieve coexistence and co-prosperity.

WEB The Sustainability Charter is posted on our website under Sustainability > Society > Social Contribution Activities.

Promotion system

At individual sites, their general affairs and administrative departments play a leading role in carrying out the activities. In Japan, we launched a volunteer leave system for supporting employees' voluntary activities.

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

Initiatives

[Introduction of a volunteer leave system]

The artience Group (in Japan) introduced a volunteer leave system in July 2021 so that employees can actively participate in volunteer activities. In addition to supporting activities outside the Group, leveraging the expertise that we have developed in our business, we encourage employees to get involved in volunteer activities and support their activities. We thereby foster a corporate culture where social contribution activities are emphasized. An employee took volunteer leave in FY2023.

[Collection and recycling of used clear folders]

The artience Group (Kyobashi Head Office, Jujo Center, and Saitama Factory) joined the ASKUL Resource Circulation Platform* in FY2022 for the purpose of cutting plastic waste and making circular use of plastic resources. It then embarked on activities of collecting and recycling used clear folders. In FY2023, we collected 41.05 kg of clear folders at Saitama Factory, and 22.4kg at Kyobashi Head Office and Jujo Center.

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

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

■ Major activities in FY2023

Type	Activities
Education for the next generation	<ul style="list-style-type: none"> · Sponsorship for the Scrum Japan Program, an initiative for spreading and cultivating rugby (artience Co., Ltd.) · artience sponsored the Try with Children Environment Festival, an event held at an elementary school in Chuo-ku, Tokyo, where children can learn about the environment through hands-on experiences (artience Co., Ltd.) · Saitama Factory and Seishin Factory held a summer open company for technical students to learn through work experience (42 participants in total) (artience Co., Ltd.) · Donation and contribution according to the CSR program launched in FY2021 for donating to research institutions and offering computers and other learning equipment, bookshelves, chairs and other supplies for use by schoolchildren to local schools (Toyo Ink India Pvt. Ltd.)
Environmental conservation	<ul style="list-style-type: none"> · Continued to participate in environmental beautification activities on July 1 (Lake Biwa Day) (Moriyama Factory of Toyo Visual Solutions Co., Ltd.) · Continued to participate in environmental beautification activities, Nakanoshima West Cleanup Activities (Kansai Branch Office, Toyo Ink Co., Ltd.) · Participation in activities of collecting and recycling used clear folders (Kyobashi Head Office, Jujo Center and Saitama Factory of Toyo Ink Co., Ltd.) · Tree-planting activities on the premises on World Environment Day (June 5) (Toyo Ink India Pvt. Ltd.) · On March 29, Toyo Ink (Philippines) and other companies in the same industrial park conducted a joint beach cleanup in the Las Piñas-Parañaque Critical Habitat and Ecotourism Area (LPPCHEA.) Aiming to raise awareness of the importance of keeping coastlines clean and free of trash, the participants collected trash with a total weight of 449kg (Toyo Ink (Philippines) Co., Inc.)
Contribution to local communities	<ul style="list-style-type: none"> · Sales of crops at direct sales places and promotions in collaboration with local tourism associations and communities in agribusiness (Toyo B-Net Co., Ltd.) · Donation of disinfecting alcohol and other items to neighboring kindergartens (artience Co., Ltd.) · Donation of used stamps and Bell-marks to the local Council of Social Welfare, and donation of foods to the children's cafeterias (artience Co., Ltd.) · Cooperation in employees' blood donation activities on plant premises (Toyo Ink (Philippines) Co., Inc. and Toyo Ink India Pvt. Ltd.)
Others (supporting / donations, etc.)	<ul style="list-style-type: none"> · Continued donation to the Chuo-ku-no-Mori forest conservation project run by the Chuo City Government in Tokyo as a measure against global warming · Donation of research grants to universities and organizations for the purpose of supporting research · We donated relief supplies such as 400 winter vests and 100 blankets, and 10 million JPY in relief funds through the Japanese Red Cross Society to support earthquake-stricken areas in southeastern Turkey.