# Responsible Care (RC)

**Related Materiality**

- Preserve the global environment

## Environment Basic approach

In protecting the environment, the Hodogaya Chemical Group continuously reduces the emission volumes of all chemical substances released into the air, water, and soil, and the volume of waste discharged in the course of its business operations. As its implementation structure, under the Basic Philosophy of Responsible Care (RC) the Group obtained integrated certification for the ISO 14001 environmental management system covering all Hodogaya Chemical offices and Group company offices located in Japan.

**ISO 14001: 2015 Environmental management systems**

**Certification body**
Japan Chemical Quality Assurance

**Registration No.** JCQA-E-0330

**Compatible standards**
JIS Q 14001:2015/ISO 14001:2015

**Date of acquisition** December 25, 1996



### Initiatives to Reduce Greenhouse Gas (GHG) Emissions

The Hodogaya Chemical Group considers responding to climate change to be a crucial management challenge. We have been actively promoting initiatives to reduce greenhouse gas (GHG) emissions, in order to fulfill our responsibilities toward realizing an environmentally conscious society as set forth in our Management Philosophy.

Most of the GHG emitted by Hodogaya Chemical is $CO_2$. The energy-related GHG emissions for FY2025 are 19,400 t-$CO_2$*1.

We will continue to work on reducing emissions through the introduction of energy-saving equipment and switching to renewable energy sources based on long-term decarbonization investments to reduce energy intensity. Regarding Scope 3, we are currently at the stage of gathering information on other companies' initiatives.

Details on Responsible Care can be found on our website.
https://www.hodogaya.co.jp/english/csr/eco/safety_responsible/

Responsible Care®

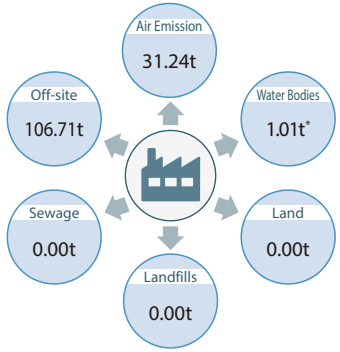
# Responsible Care (RC)



## Initiatives to Lower Environmental Impacts

- **Prevention of air pollution**: Hodogaya Chemical is committed to reducing emissions of SOx (sulfur oxides), NOx (nitrogen oxides), and dust associated with chemical production at its plants. Following the switch to city gas as fuel, which was completed in FY2011, the Company has maintained zero SOx emissions since FY2012. In addition, the introduction of dust collectors, scrubbing towers, and the use of catalyzers has resulted in a significant reduction in the emissions of NOx and dust.
- **Protection of water resources and prevention of water pollution**: In FY2025, Hodogaya Chemical used 9,992 kilotons of water at its plants, 99% of which was drawn from rivers. The use of potable tap water was minimal, and no water was drawn from other sources. According to an assessment of plant locations using AQUEDUCT, the World Resources Institute's water risk evaluation tool, none of the Company's water intake sites were located in areas classified as having high water risk.

  Wastewater from manufacturing processes is treated at on-site facilities using advanced methods before being discharged into public water bodies, in compliance with regulatory standards for water pollutants. In FY2025, there were no violations related to water usage or water quality, and we will continue to maintain thorough management of our wastewater treatment facilities to reduce environmental risks to oceans and rivers.
- **Industrial waste reduction**: The Hodogaya Chemical Group promotes the 3R+Renewable initiative (reduce, reuse, recycle, renewable). For FY2025, the industrial waste reduction target was set at no more than the volume generated in the previous fiscal year. In FY2025, both total emissions and final disposal volume decreased year on year. We will continue striving to reduce industrial waste.
- **PRTR**: Based on the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act), which is the legal regulation of chemical substances, Hodogaya Chemical manages the release and transfer of PRTR-listed substances that are manufactured or used and reports them to the national authorities. From the perspective of environmental conservation, we will ascertain the actual status of chemical substance emissions and transfers as waste, while continuing to strive to work to reduce the amounts of such substances released and transferred.




* Of which 1.00 tons have been sent to the adjacent wastewater treatment facility and released into the public water bodies after being treated.

Details on PRTR can be found on our website.
https://www.hodogaya.co.jp/english/csr/eco/environmental_data/#a21

## Workplace Safety and Health, Security and Disaster Prevention — Basic approach

**The Hodogaya Chemical Group places the highest priority on ensuring workplace safety and health as the basis of its production activities, and ensures thorough compliance with laws and regulations related to safety and health, to achieve disaster-free operation. In order to promote workplace safety and health, and security and disaster prevention, we spell out the basic rules on actions to be taken by the Hodogaya Chemical Group based on relevant laws and regulations in the Safety and Health Management Rules, the Disaster Prevention Rules, and the Logistic Safety Management Rules.**

## Initiatives for Workplace Safety and Health

The Safety and Health Management Rules set forth the basic requirements for safety and health management to prevent occupational accidents and health problems among all personnel. Through cooperation between labor and management, we seek to create a more comfortable work environment, facilitate smooth operations, and improve productivity.

Furthermore, the Group has designated February 3 as its annual Safety Day to ensure that the lessons learned from the fire at the Yokohama Plant on February 3, 2012 are never forgotten, to strengthen its safety culture, and to foster a shared commitment among all Group personnel to building a safe operational framework.



In FY2025, a lost-time injury occurred at a Group company for the first time since FY2020. We take this incident seriously and will continue to strengthen the implementation of each measure.

## Initiatives for Disaster Prevention

The Group conducts its activities in accordance with its basic principle to deliver security and safety, including environmental conservation, to local communities and society. The Disaster Prevention Rules stipulate that education and training be carried out on a regular basis in preparation for an accident or other emergency.

Through near-miss activities, KYT (Kiken Yochi Training, risk prediction training), PYT (process error prediction training), and various patrols at business sites, we strive to instill an awareness of safety and disaster prevention among all personnel and enhance their ability to sense danger.

The effectiveness of safety and environmental conservation initiatives at each business site is also verified based on the "5-Gen" (5-Actuals) principle (actual place, actual thing, actual situation, principles, and rules) during internal RC audits conducted by members of the RC/QM Subcommittee.

For more information on workplace safety and health and security and disaster prevention, please visit our website
https://www.hodogaya.co.jp/english/csr/eco/safety_health_logistics/

# Responsible Care (RC)

**Related Materiality**
- Ensure product and chemical safety
- Improve product value and reliability

For more information on chemical and product safety, please visit our website
https://www.hodogaya.co.jp/english/csr/eco/chemical_product_safety/

## Chemicals and Product Safety Basic approach

**Based on the Basic Philosophy of Responsible Care (RC), which calls for environmental conservation and the assurance of safety, health, and quality as a foundation of management, the Hodogaya Chemical Group has established internal rules for chemical substance management.**

**These rules are intended to voluntarily manage chemical substances that may affect human health or the global environment throughout all processes from development to disposal, thereby reducing associated risks.**

### Chemical Substance Management

From the perspectives of environmental conservation, security and disaster prevention, workplace safety and health, and product safety, the Hodogaya Chemical Group manages chemical substances at every stage, from development and raw material procurement to manufacturing, use, and disposal.

The chemical substances subject to management include those regulated under Japanese laws and regulations, as well as substances that customers require us to manage under the RoHS Directive, REACH, green procurement policies, and other requirements.

The substances are classified into three categories: prohibited substances, the manufacture, import, and use of which are prohibited in principle under Japanese law; release-restricted substances, for which limits on releases into the environment or reductions in environmental impact are required; and controlled substances in products, which customers require to be excluded from products or managed for content levels. Information on all products, raw materials, and chemical substances handled by the Hodogaya Chemical Group is centrally managed in a database.

We also promote confirmation of compliance with laws and regulations in Japan and overseas, automation of multilingual safety data sheets (SDSs) and product labels, and preparation of safety information on chemical substances contained in products. Through these initiatives, we provide customers with information promptly and reliably in standardized formats.

### Compliance with Global Laws and Regulations

In recent years, in addition to TSCA in the United States and REACH in Europe, Asian countries and regions including South Korea, China, and Taiwan have been actively introducing and enforcing chemical substance regulations.

As the Hodogaya Chemical Group expands its business globally, it works closely with overseas subsidiaries and representative offices and actively participates in industry activities to quickly identify the latest regulatory developments in each country and region.

This enables us to respond to global regulations in a timely manner. We also ensure that regulatory information and response measures obtained from each country and region are shared throughout the Group, strengthening our global chemical substance management framework and ensuring rigorous compliance.

### Risk Assessment of Chemicals

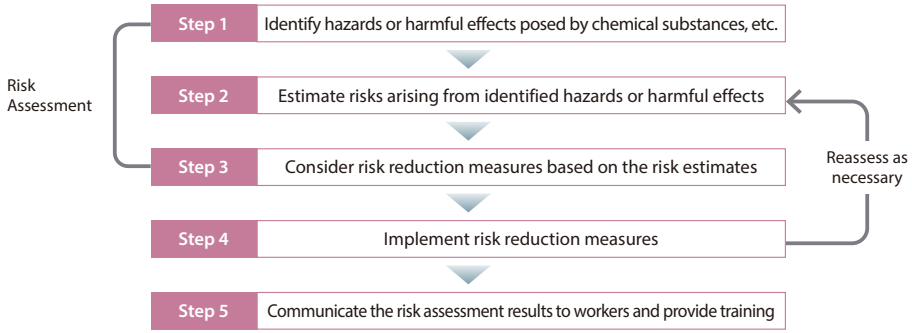
The Hodogaya Chemical Group has established Risk Assessment Procedures to prevent accidents and disasters and is implementing appropriate measures.

Assessment targets are divided into two categories: general operations and operations involving chemical substances, to clarify the risks involved.

In addition, in response to revisions to the Industrial Safety and Health Act, we are working to prevent occupational accidents by strengthening our autonomous chemical substance management framework, enhancing the communication of information, and thoroughly conducting risk assessments.

As part of our chemical risk assessment initiatives, we have opened an SDS download page on our website to strengthen the provision of information to customers.

We will continue to contribute to safe and reliable chemical substance management and to safety throughout the supply chain through appropriate information disclosure and risk reduction measures.




### Hygiene Management Incorporating HACCP Principles for Certain Products

HACCP is an international standard for food hygiene management.

In addition to consistently implementing general hygiene management, a hygiene management plan must be prepared based on the raw materials used and manufacturing methods. The plan identifies hazards such as contamination by foodborne bacteria and foreign matter and eliminates or reduces them to levels that do not pose food hygiene concerns.

At the Koriyama Plant, hydrogen peroxide and peracetic acid for use as food additives are manufactured under a hygiene management system that complies with HACCP requirements. The plant obtained certification in FY2021.

We will further enhance the reliability of our hygiene management, increase the added value of our product lineup, and meet customer needs.

# Responsible Care (RC)

**Related Materiality**

- Ensure product and chemical safety
- Improve product value and reliability

For more information on quality assurance, please visit our website
https://www.hodogaya.co.jp/english/csr/eco/quality_assurance/

## Quality Assurance Basic approach

In accordance with the "RC Basic Philosophy" and the "RC Basic Policy," the Hodogaya Chemical Group practices quality assurance activities with a commitment to "customer-oriented quality."
Across all products and services, we practice quality control based on the quality management system (QMS) with a high level of expertise and responsibility to meet customer expectations. The Hodogaya Chemical Group in Japan and HODOGAYA CHEMICAL KOREA have obtained certification to ISO 9001, the international standard for quality management systems, while SFC has obtained certification independently.
We will continue to promote continuous improvement and enhance customer satisfaction, thereby strengthening reliability and brand value and increasing corporate value.

**ISO 9001: 2015 Quality management systems**
Certification body
Japan Chemical Quality Assurance
Registration No. JCQA-0184
Compatible standards
JIS Q 9001:2015/ISO 9001:2015
Date of acquisition December 25, 1996



### Initiatives for Quality Assurance

We will continue to promote company-wide quality assurance activities with a focus on preventing complaints and defective products. To ensure that all employees involved in our products and services maintain a high awareness of quality, we foster an environment where both experienced and younger staff can learn from daily operations and drive improvement. This is achieved through sharing lessons learned from quality-related incidents at other sites and conducting quality near-miss activities, and exchanging information in the Quality Management Committee and QM representative meetings. At the same time, challenges remain in our efforts to eliminate customer complaints. By returning to the fundamentals, reinforcing feedback loops with each workplace, and providing education to raise quality awareness, we aim to identify quality issues at an early stage and establish effective countermeasures. Guided by our commitment to "customer-oriented quality," we will continue to provide high-performance, high-value-added products and services that earn our customers' trust and satisfaction.

**Four quality assurance activity systems**

1. Quality assurance activity system from the planning stage to stable production of products
2. Quality assurance activity system for the steady production operation of products
3. Quality assurance activity system for commercial goods and OEM products
4. Activity system to review the quality assurance activities

### Quality Assurance Targets

| Materiality | Indicator | Results | | |
|---|---|---|---|---|
| | | FY2023 | FY2024 | FY2025 |
| Improving product value and reliability | Zero major quality complaints | 1 | 0 | 0 |

### Initiatives during Quality Month

The Hodogaya Chemical Group conducts initiatives to raise awareness of quality management in November, which is designated as Quality Month. Since 2020, we have designated the third Friday of November as Quality Day, when all officers and employees gather at each site and a representative from each site recites the Quality Pledge. In addition, through a company-wide QC circle presentation meeting, employees work with colleagues to develop and implement measures to resolve issues in their workplaces. These initiatives provide an opportunity to share our commitment to maintaining and enhancing quality, as well as to reinforce the importance of compliance. They also raise each employee's awareness of preventing quality complaints, thereby contributing to greater customer satisfaction.

### Improving Supplier Quality

With the cooperation of our suppliers, the Hodogaya Chemical Group conducts regular surveys and audits, helping us provide high-performance, high-value-added products that earn our customers' trust and satisfaction.

When issues are identified through document reviews or on-site audits, we propose improvement measures tailored to actual operating conditions and provide technical follow-up as necessary. We believe that building relationships in which we work with suppliers as partners to improve quality together, rather than simply managing them, is essential to improving quality throughout the supply chain, including ensuring stable supply. In recent years, we have also established a shared understanding with suppliers of the need to meet social expectations, including reducing environmental impacts and respecting human rights, in addition to ensuring quality. Going forward, based on strong partnerships with our suppliers, we will continue to improve quality, ensure the stable delivery of safe and reliable products, and contribute to the development of a sustainable society.

# Responsible Care (RC)

**Related Materiality**

- Improve product value and reliability
- Put the philosophy of respect for human rights into practice

## Procurement Activities Basic approach

**The Hodogaya Chemical Group implements the activities of procurement based on the Compliance Action Policy and the Procurement Policy. We conduct fair, equitable, and good-faith transactions with all partner companies when purchasing raw materials, and facilities/equipment. We regard them as our good business partners in jointly addressing social issues.**

### Procurement Policies

The Hodogaya Chemical Group has established the Procurement Policy and Procurement Guidelines. In addition to committing to fair and equitable transactions, the concept of sustainable procurement, that is, giving consideration to the environment while deepening mutual communication was incorporated into the Procurement Policy. The Hodogaya Chemical Group conducts procurement in line with this policy.

In the basic purchasing contract concluded when doing business with the Hodogaya Chemical Group, there is a clause that covers compliance with the Procurement Guidelines. By encouraging adherence to these guidelines, we collaborate with our partner companies to meet environmental, social, and governance (ESG) requirements to conform with environmental, social, and governance needs, such as reducing the environmental impacts from raw material quality and the management and manufacture of chemical substances as well as respecting human rights throughout the supply chain, health and safety management, and ethics. Thus, the Hodogaya Chemical Group promotes compliance together with its partner companies.

**Procurement Policy**

1. Compliance with Laws and Regulations and Social Norms
2. Implementation of Environmentally Conscious Procurement Activities
3. Provision of Fair Transaction Opportunities
4. Deepening of Communications with Supply Chain

Details on the Procurement Policy can be found on our website.
**https://www.hodogaya.co.jp/english/company/philosophy/#a8**

### Promotion of Sustainable Procurement

When procuring raw materials, facilities and equipment as well as other items, we endeavor to establish robust supply chains. From a global perspective, we search for financially sound partner companies that are capable of maintaining ongoing business relationships, including those that respect human rights and meet social expectations regarding environmental, social, and governance matters. In particular, amid uncertainty in the international environment and geopolitical risks, we are working to strengthen supply chain resilience by securing multiple suppliers for each raw material and diversifying the countries from which we procure.

For those business partner companies whose purchasing transactions exceed a certain amount, we regularly use a Procurement Guidelines Implementation Status Survey Sheet to confirm whether the compliance items listed in the Procurement Guidelines are being properly implemented. In parallel with confirmation by means of the survey sheet, we also conduct visiting audits of business partner companies based on document reviews, and work to deepen mutual understanding and establish relationships of trust with them while conducting improvement activities.

The personnel of the Purchasing Department are provided with the training necessary to put sustainable procurement activities into practice.

In April 2024, we obtained RSPO certification.

Details on Procurement Guidelines can be found on our website.
**https://www.hodogaya.co.jp/english/wp/wp-content/uploads/2024/09/Procurement-Guidelines_ENG_20241001.pdf**

### Declaration on Partnership Building

Hodogaya Chemical is committed to promoting collaboration and mutual prosperity with our supply chain partners and other stakeholders involved in value creation, as well as implementing initiatives focused on building new partnerships.

Aiming to establish a sustainable supply chain, we will advance business activities that consider environmental and social aspects, based on constructive dialogue with our partners.

Details on the Declaration on Partnership Building can be found on our website. (Japanese only)
**https://www.hodogaya.co.jp/wp/wp-content/uploads/2024/01/partnership2024.pdf**

### Responsible Mineral Resource Procurement

The Hodogaya Chemical Group promotes responsible mineral resource procurement and has established provisions for addressing conflict minerals in its Procurement Guidelines. We do not procure conflict minerals such as tin, tantalum, gold, and tungsten from conflict-affected areas. If the use of conflict minerals is identified, we will request corrective action from the relevant business partner and suspend the use of the raw material concerned until the corrective action has been completed.