

# Creating Workplaces that Support Activities by Diverse Individuals

Earth Corporation views employees as highly valuable sources of corporate development, and as such we see them as being “assets” rather than “resources.” In the belief that workplaces where employees can grow and feel motivated are the very thing that leads to long-term value creation, based on our core Earth Value of “Diversity,” the Earth Group is committed to “Building a workplace that empowers diverse talent who share the Earth Policy and Earth Value.”

Materiality (Key Issues)	Key topics and main measures	KPI	FY2023 Results	FY2023 Evaluation
Creating workplaces that support activities by diverse individuals	• Support female empowerment by raising the share of women in management-level positions	• Female manager ratio: At least 30% (2030)	11.4%	○
	• Encourage employees to take annual paid leave entitlements	• Paid leave usage rate: Maintain at a level of at least 70% (2030)	84.9%	

\* ○: In line with plans    △: Presence of delay

## Basic Approach and Human Asset Management

To clearly document the measures, we take with regard to our human assets to realize our management philosophy and business goals, we formulated Earth’s human resources philosophy and Earth’s human resources management policy based on our Human Rights Policy and Labor Practices Policy. Having extracted

four human asset materiality issues from both long-term and short- to medium-term perspectives, we formulated a human asset strategy to serve as the pillar of our human asset management and are promoting the supply and dynamic engagement of the human assets required by companies and businesses.

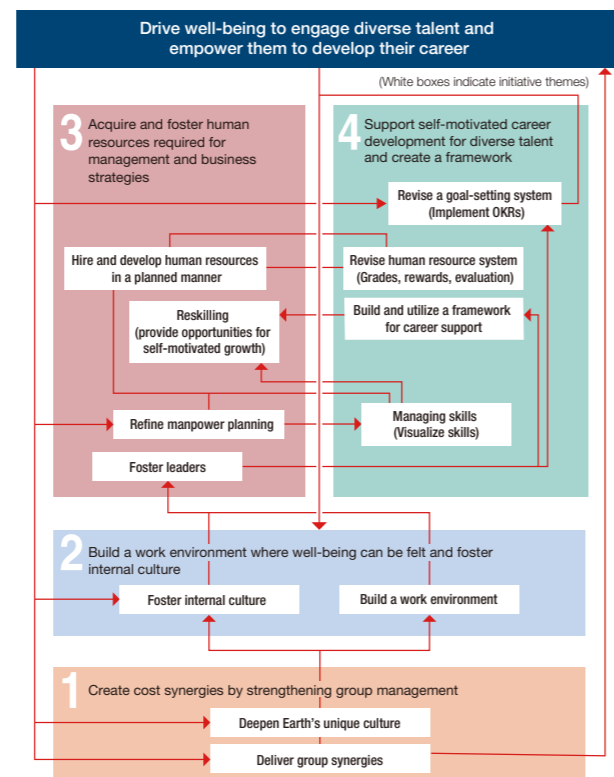
**Earth HR Philosophy**  
Growing together with employees  
=Challenge to Grow=  
WE VALUE ALL OF OUR COLLEAGUES, AND TAKE ON CHALLENGES TOGETHER

**Earth HR Policy**

- Look for people who understand our corporate policy
- Foster people who can independently carry through on our group policy
- Provide people who are willing to take on challenges with meaningful work and opportunities
- Richly reward people who achieve results
- Create workplaces where people can work with peace of mind
- Achieve diverse workstyles

**Human Resources Materiality**

1. Create cost synergies by strengthening Group management
2. Build a work environment where well-being can be felt and foster internal culture
3. Acquire and foster talent required for management and business strategies
4. Support self-motivated career development for diverse talent and create a framework



## Driving Human Capital Management

With the aim of achieving well-being that enables diverse human assets to develop their careers with a high level of engagement, the Company will realize three themes adopted in its Mid-term Business Plan dubbed Act For SMILE COMPASS 2026:

Reduce fixed costs by the consolidation of various functions through initiatives addressing human asset materiality; pooling of human assets toward overseas expansion; and enhance oversight of overseas/Group companies.

## Acquisition/Fostering of Diverse Human Assets and Support for Self-motivated Career Development

### Human Asset Development Policy

In the belief that continuous individual growth is essential to achieving sustainable business growth, at Earth Corporation we expect all employees—regardless of their nationality, age or other personal details—to empathize with the Group’s Earth Policy and Earth Value. At the same time, we support employees in developing their careers independently and endeavor to provide development opportunities that will enable them to take on challenges in a changing business environment.

### Promotion of DE&I

Based on our shared Earth Value of “Diversity,” we respect the human rights and diversity of our coworkers as well as their individual abilities and experiences while promoting the creation of motivating workplaces. We believe that diversity includes a variety of elements, such as gender, race, nationality, disability, age, sexual orientation/gender identity, religion/beliefs, values, career and experience, and work style.

### Promoting Further Dynamic Engagement of Female Employees and Supporting Their Work-life Balance

Toward our target of having women account for 30% or more of employees in management-level positions in 2030, we are continuing to implement initiatives such as providing training to help management candidates plan their careers. Also focusing on measures designed to support work-life balance, we are endeavoring to create workplace environments that facilitate working even at times of change in women’s lives. Having also encouraged employees to take childcare leave, in fiscal 2023 we achieved a 100% childcare leave uptake rate for both men and women.



## Building of Workplace Environments

### Workplace Environment Improvement Policy

For each and every employee to fully utilize their unique strengths and be dynamically engaged/thrive, the Company recognizes that it is important for them to be healthy both physically and mentally. We are thus actively working to build workplace environments in which employees can thrive while feeling highly engaged and a sense of well-being.

### Level of Employee Satisfaction

We have been conducting employee satisfaction surveys since 2020 to confirm the effectiveness of each measure and the status of our human assets and organization. The overall satisfaction level in 2023 (average score of overall satisfaction with current job, workplace, supervisor, and company) was 3.38/5 (3.48 in 2022), confirming that while there are employees who are highly satisfied, there are also employees who are not with some survey items. Going forward, we will conduct engagement surveys and enhance measures to improve employee motivation to increase the number of highly motivated employees.

### Development and Pooling of Human Assets

With the aim of developing self-directed human assets, we systematically provide grade-specific training and training for specific purposes to motivate employees, help them develop their careers, and enhance their knowledge and capabilities. Going forward, we will place even more emphasis on accepting and developing global human assets, aiming not only to contribute to the business but also to the continued growth of talented individuals and to remain a company chosen by them as a place to work. To successfully “expand sales overseas,” one of the three focused policies in our Mid-term Business Plan, we will systematically hire and develop personnel, refine our personnel planning, and pool human assets to expand our overseas business.



Scene from an English-language training session conducted through team learning

### System to Encourage Taking on Challenges and Support for Career Development

When evaluating employees, we place great importance on communication between managers and members. By ensuring transparency in evaluations and clarifying the accountability of managers, we are creating a satisfying working environment that leads to support for employee growth. We have also been implementing an in-house recruitment system since 2019 with the aim of providing motivated employees with opportunities to take on new challenges, placing the right people in the right positions, and revitalizing the Company. Applications had been accepted in approximately 20 business units by the end of December 2023.

### Promotion of Health Management®

Based on our awareness of employee health as an important management theme, we established an Earth Health Declaration as a message from our President & Representative Director in 2019. In the belief that a company has no future if its employees are not healthy, and to ensure that employees and their families can stay healthy for as long as possible, we organized a Committee for Promoting the Health of Employees and Their Family Members, a cross-departmental team headed by a senior executive officer, to promote health management in a specific manner and carry out practical work. Each initiative is implemented based on a strategy map and KPI verification. Having supplied information on, for example, a variety of health seminars and hygiene lectures, provided opportunities for exercise, and encouraged employees to quit smoking and take paid leave (with a goal of maintaining a 70% or higher paid leave rate by 2030), these activities have been recognized, and the Company has been a Certified Health & Productivity Management Outstanding Organization (White 500) for four consecutive years since 2021.



# Providing Products and Services that Contribute to Safe and Comfortable Living

For Earth Corporation, our most important responsibility to society is to continue providing high-quality, safe and reliable products and services from our customers' perspectives. We recognize that the steady fulfillment of this social responsibility is a precondition for safeguarding and enhancing corporate value, and constitutes the foundation for our creation of corporate value.

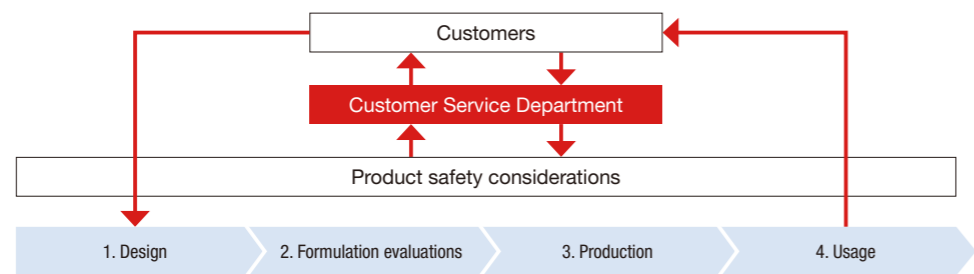
Materiality (Key Issues)	Key topics and main measures	KPI	FY2023 Results	FY2023 Evaluation
Providing products and services that contribute to safe and comfortable living	<ul style="list-style-type: none"> <li>Reduce the number of major quality incidents that negatively impact customer satisfaction and trust to zero by raising the periodic quality inspection implementation rate both at own plants and at contractors' factories</li> </ul>	<b>Periodic quality inspection implementation rate:</b> Maintain at 100% (2023, 2026, and 2030)	100%	○
	<ul style="list-style-type: none"> <li>Ensure compliance with relevant laws and reduce the incidence of major violations to zero by enhancing the implementation rate for the annual education and training plan.</li> </ul>	<b>Education and training implementation rate:</b> Maintain at 100% (2023, 2026, and 2030)	100%	○

\* ○: In line with plans    △: Presence of delay

## Basic Approach and Promotion Framework

At Earth Corporation, we guarantee quality from our customers' perspectives to improve customer satisfaction and maintain their trust. Besides maintaining compliance with all legal requirements, to provide safe and secure products and services we gather information on quality from each country and region based on Earth Corporation's unique Quality Management System and strive to

enhance the quality of our products. In line with our corporate philosophy, we at the Earth Group strive, in every stage of the value chain—including product development, materials procurement, production, logistics, sales, and customer communication—to provide customers with safe, reliable products and services.



1. Design	2. Formulation evaluations	3. Production	4. Usage
<p>By assuming the actual conditions under which our products will be used by our customers and independently measuring concentrations in the air, we are able to design products that use the right ingredients in exactly the right amounts to ensure efficacy and safety.</p>	<p>We conduct many types of toxicity tests to ensure safety. We also comply with various laws*, such as the Pharmaceutical and Medical Devices Act and the Poisonous and Deleterious Substances Control Law.</p>	<p>We set process standards based on design quality. Conducting tests against those standards, we guarantee safety and quality by shipping only products that have met those standards.</p>	<p>We pay special attention to safety by providing easily understandable product descriptions and features to prevent misuse. We also build in design features to prevent product misuse by children in the home.</p>

\* Pharmaceutical and Medical Devices Act (formerly the Pharmaceutical Affairs Act), Poisonous and Deleterious Substances Control Act, Chemical Substances Control Law, Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act), High Pressure Gas Safety Act, etc.

## Earth Corporation R&D

### R&D Policy

At Earth Corporation, we place importance on customers' perspectives and conduct research on and the development of useful technologies and materials with a focus on for whom and on how they will be used. Discovering problems and dissatisfactions in daily life that our customers themselves may not even be aware of, we will continue to bring about changes in their lifestyles through our innovative products and create products that are of benefit to society.

Customer insights sent from the Customer Service Department provide valuable clues for development and improvements. The

relevant departments are promoting the widespread use of a text mining system so that they can research and utilize those insights from their own departmental perspectives.

### Joint Development Initiatives

With the aim of combatting pests, Earth Corporation conducts R&D in collaboration with each of its companies. Aiming to create products with added functionality, the Company applies the technologies cultivated thus far in aiming to work together with various companies to create a better environment and more effective products.

### Policy regarding Intellectual Property

We endeavor to secure a competitive advantage by proactively obtaining the rights for the findings obtained through our R&D. Also working to maintain and utilize rights such as patents and designs that are beneficial to our Company, in fiscal 2023 we had 44 patent registrations.

### Number of patent registrations (2019-2023)

Registration fiscal year	2019	2020	2021	2022	2023
Number of registrations	23	33	34	46	44

\* Registration date of record, Japan only

## Quality Assurance System

We conduct tests in accordance with legally required test items and product functions. With regard to the simultaneous handling of large quantities of test samples with organic solvents and reagents, we are aiming to automate the processing work to ensure the reliability of testing, work efficiency, and the safety of testing personnel.

As far as plant hygiene management is concerned, we implement insect and rodent control measures utilizing Group company Earth Environmental Service know-how. In addition to precautions

that include the wearing of net hats, the use of adhesive sheets, and changing into clothing appropriate for each location, use is made of visual inspections, camera inspection systems, metal detectors and other means to check for foreign objects on production lines.

We are also redoubling our efforts to improve quality by having plants and quality assurance departments work together through, for example, quality control (QC) study sessions and quality audit report meetings.

## Contributing to Society through Collaborations with Local Communities

### Promotion of Insect-borne Infectious Disease Prevention

Due to the globalization of logistics and the movement of people, the risk of infectious diseases from tropical regions spreading worldwide is growing. We are proactively utilizing our knowledge, technologies, and products to prevent insect-borne infectious diseases, such as malaria and dengue fever, which are global health and hygiene issues.

our support to those affected at times of disaster by the supply of Company-developed, phase-free products that can be safely used even at such times, we work to resolve social issues and contribute to the sustainable and healthy development of people and society in individual regions.

### Comprehensive Alliance Agreements and Use of Phase-free Products

Having signed a total of 17 collaborative agreements, including with 11 prefectures, two special wards, and four cities (as of April 1, 2024), we provide local governments with know-how on, for example, insect-borne infectious disease countermeasures, oral hygiene, sterilization and deodorization, as well as the latest technologies, to help them resolve local issues. Through the lending of

### Provision of Insects to Educational Institutions

By providing the more than 100 species of insects raised in our research departments as teaching materials to research institutions and school educational programs, we contribute to the advancement of science and the development of human assets. Every year, we provide a large number of insects, mainly sanitary insect pests such as the smokybrown cockroach, the German cockroach, and the Asian tiger mosquito, to university laboratories, junior high and high school biology departments for multipurpose use, including research, experiments, classes, exhibitions, and photography. In fiscal 2023, we transferred 5,123 insects to 23 institutions.

### Voice Employee Comment

#### Using customer feedback in quality improvements

The Customer Service Department serves as the point of contact for engagement with end-user customers. Of the approximately 90,000 inquiries we receive each year, about 65% are about insects. This department undertakes the internal dissemination of the problems we hear directly from customers in the form of customer feedback sections in annual and monthly reports and via our internal website. Through our interactions with customers, we often become aware of product usability issues, and at meetings such as the Customer Insights Discussion Meeting\* liaise directly with the relevant departments to propose and implement improvement plans. Recently, to assist management in understanding how difficult it was to use the Gokiburi Hoi Hoi cockroach trap, our department approached them and had them actually assemble one, which prompted the decision to redesign the product.

One customer insight sent out by our department leads to employees at a wide range of levels becoming more aware of "customers' perspectives," thereby making significant contributions toward "creating a market with customers."

\* This is a meeting attended by senior managers, the holding of which is recommended by the Association of Consumer Affairs Professionals.



**Nobuko Kawahito**  
Assistant General Manager,  
Customer Service Department

# Special Feature Evolving Into a Total Care Company for Infectious Diseases by Promoting Business for the MA-T System<sup>®</sup>, an Innovative Oxidation Control Technology Developed in Japan

Earth Corporation aspires to a total care company for infectious diseases with the ability to provide better solutions. Leveraging our experience and knowledge, we aim to contribute to the fight against infectious diseases, which have become an urgent problem across the globe, by promoting the widespread use of the MA-T System<sup>®</sup>, an innovative technology developed in Japan.

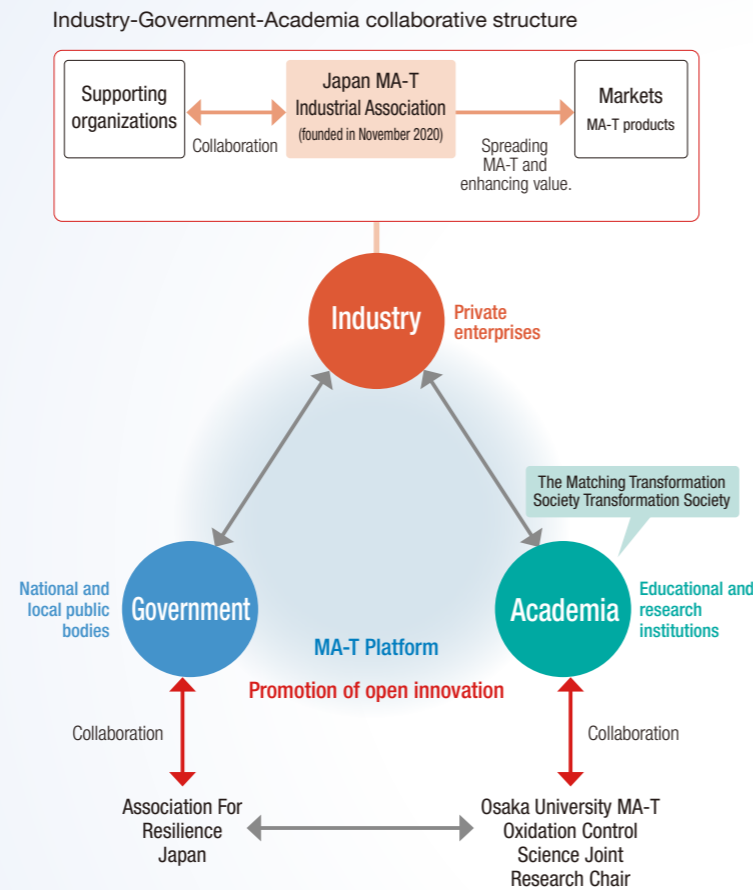
## The MA-T System<sup>®</sup> and Its Wide Range of Anticipated Applications

### What is the MA-T System<sup>®</sup>?

Standing for Matching Transformation System<sup>®</sup>, the MA-T System<sup>®</sup> is an oxidation control system based on an innovative technology developed in Japan. Controlling the strength of activation allows this technology to be applied to a wide range of applications, including neutralizing viruses and sterilizing various types of bacteria. Moreover, by controlling the degree of activation, we anticipate its broad application in areas ranging from pioneering extremely difficult chemical reactions to providing advanced functionalization to polymers, application to devices, and use with agricultural chemicals and pharmaceuticals. The mission of Earth Corporation as we see it is to enhance the level of credibility society places on the MA-T System<sup>®</sup>, and to broadly communicate its means of functioning to society.

### Activities of the Japan MA-T Industrial Association

The Japan MA-T Industrial Association serves as an open innovation platform with the aim of exploring the economic benefits of creating an industry from the MA-T System<sup>®</sup>, as well as its potential for solving the challenges faced by society. The participating members of the Japan MA-T Industrial Association include 104 enterprises, several of which are leading companies in their respective fields, and 12 endorsing organizations (as of the end of March 2024). Leveraging our experience and knowledge in activities around the world intended to spread a proper understanding of insecticides, as well as to reduce the number of people infected by insect-borne infectious diseases, Earth Corporation is striving to strengthen the credibility society places on the MA-T System<sup>®</sup> through the activities of this Association. Similarly, we are contributing through these activities to the fight against infectious diseases as an urgent global-scale issue.



## Applications for the MA-T System<sup>®</sup> based on differences in activation level

Enabling a wide range of applications through the control of activation strength



## Future initiatives for utilizing the MA-T System<sup>®</sup>

The MA-T System<sup>®</sup> offers various potential applications depending on the difference in activation level, and is therefore expected to find use in various fields, ranging from infection control to energy. Currently, applications in the field of infection control are leading the way, where Earth Corporation has developed and sells the Aqua Create Deo disinfectant and deodorant, as well as the MA-T Mouth Clean Gel and N.act Oral Removal Gel oral care products, all of which utilize the MA-T System<sup>®</sup>. The MA-T System<sup>®</sup> relies on the reaction of aqueous radicals that are in a nearly complete aqueous state. Only reacting the required amount at the required time, this system functions to attack and decompose viruses and bacteria by changing their form only when they exist. Achieving both safety and high effectiveness is the greatest feature of the MA-T System<sup>®</sup>, where products that utilize this mechanism have already been employed by domestic airlines, hospitals, dentists, nursing homes, local governments, professional baseball teams, theaters, theme parks, hotels, and golf courses, for example.

Moreover, the MA-T System<sup>®</sup> holds the potential for developing anti-cancer drugs and various other pharmaceuticals, where

HOIST Co., Ltd., a venture company launched by Osaka University, aims to use the system in exploring a treatment for bladder cancer. In the field of surface oxidation, the system's use and application is anticipated in a broad scope of industries, including the electronics, drug discovery, and the life sciences industries. The MA-T System<sup>®</sup> has been proven to exhibit a greater level of activation when combined with light, and the Osaka University MA-T Oxidation Control Science Joint Research Chair is currently engaged in initiatives using this effect. In the energy field, the MA-T System<sup>®</sup> has been successfully employed to synthesize methanol from air and methane. Given that this reaction does not generate any CO<sub>2</sub>, efforts are underway to commercialize the concept at the earliest possible time with the goal of realizing a post-carbon society. As the holder of the basic patents involved in the MA-T System<sup>®</sup>, Earth Corporation is advancing open innovation initiatives with a wide range of industries and companies towards its real-world application.

For details, please see the Japan MA-T Industrial Association website. <https://matjapan.jp/en/>

### TOPICS Winner of the Prime Minister's Award at the Cabinet Office's 6th Japan Open Innovation Prize

During the 6th Japan Open Innovation Prize organized by the Cabinet Office, Earth Corporation received the Prime Minister's Award for the MA-T System<sup>®</sup> initiatives we are advancing in concert with the Japan MA-T Industrial Association, Osaka University, and others. Specifically, we received this award in recognition of our efforts to promote open innovation and industry-academia collaboration through the MA-T System<sup>®</sup> oxidation control technology, for which broad real-world application is anticipated. Playing a leading role in this effort, Earth Corporation is promoting efforts to construct a license platform together with the Japan MA-T Industrial Association in aims of facilitating the system's real-world application and commercialization.

Group photograph of the award winners during the award ceremony held on February 14, 2024. The winners included Katsunori Kawabata, Earth Corporation Representative Director, President & CEO (front row, third from left) and Sanae Takaichi, Member of Japan's House of Representatives and Cabinet Office Minister of State for Special Missions (front row, fourth from left)

# Responding to Climate Change

Mitigating and adapting to climate change, the most serious environmental problem worldwide, could have a medium- to long-term impact on the continuation and expansion of the Company's business as well as on its overall value chain. We recognize that the addressing of increases in average temperatures and the intensification of extreme weather events due to climate change is a management issue that will affect our corporate value over the medium to long term.

Materiality (Key Issues)	Key topics and main measures	KPI	FY2023 Results	FY2023 Evaluation
Responding to climate change	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions</li> </ul>	<b>Reduce CO<sub>2</sub> emissions:</b> Compared to 2020 (Scope 1, 2) <ul style="list-style-type: none"> <li>14% reduction (2023)</li> <li>28% reduction (2026)</li> <li>46% reduction (2030)</li> </ul>	29.8% reduction	○
	<ul style="list-style-type: none"> <li>Promote a transition to renewable energy for electric power</li> </ul>	<b>Transition to renewable energy:</b> <ul style="list-style-type: none"> <li>Renewable energy at plants (renewable energy rate: 60%) (2023)</li> <li>Renewable energy at R&amp;D Center (renewable energy rate: 90%) (2026)</li> <li>Renewable energy at offices* (renewable energy rate: 95%) (2030)</li> </ul>	<b>Complete the transition to renewable energy at plants (renewable energy rate: 56.3%)</b>	○(△)

\* Excluding tenant offices

○: In line with plans △: Presence of delay

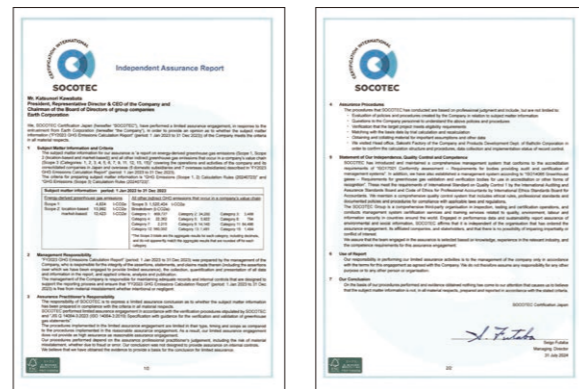
## Basic Approach and Promotion Framework

As an enterprise whose corporate philosophy is "We act to live in harmony with the Earth," we carry out our business activities in accordance with the global environment. The Representative Director, President & CEO serves as the chairperson of the CSR and Sustainability Committee, bearing direct responsibility for aspects that include the creation of policies and strategies for

responding to climate change as well as managing and supervising progress. The content of the Committee's discussions and the status of its activities are reported on regularly to senior management, and important matters requiring examination and decision-making by senior management are reported to and discussed by the Board of Directors.

## Third-party Verification

We understand how important it is to calculate greenhouse gas (GHG) emissions across the entire supply chain for the Earth Group to work toward achieving carbon neutrality in society. In fiscal 2023, we visualized GHG emissions (Scopes 1, 2, and 3) for the entire Earth Group and also had third-party verification performed to ensure accuracy. Going forward, we will increase our response to climate change, calculate our carbon footprint, disclose the Earth Group's GHG emissions and take measures to reduce those emissions.



## Information Disclosure Based on TCFD Recommendations

Climate change represents a risk for Earth Corporation but at the same time is also an important management issue that could lead to new profit opportunities. Believing that constructively and actively addressing climate change will lead to increased corporate value over the medium to long term, we aim to work appropriately with stakeholders to benefit not only our Company but society as a whole. Having recognized the importance of disclosing financial information relating to climate change, we expressed our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2022 and are disclosing climate change-related information in line with the TCFD framework.



### ■ Governance

The Representative Director, President & CEO reports important climate change-related issues to the Board of Directors, which takes climate change-related issues into consideration when reviewing and issuing instructions on the Company's strategies, business plans, risk management policies, etc., after having consulted with the Corporate Governance Committee. The Representative Director, President & CEO also reports to the Board of Directors on the progress of indicators and targets for addressing climate change-related matters, enabling the Board of Directors to exercise appropriate oversight.

### ■ Strategy

Having analyzed both the 1.5°C scenario in which progress is being made with efforts toward decarbonization, and the current (4°C) scenario in which society continues to progress as is, we conducted assessments of the business impact in

2030. With regard to the opportunities and risks extracted by means of the scenario analyses, we determined the financial impact, risk countermeasures, measures to realize opportunities, and direction of action.

Risks and opportunities, financial impact (major factors that could have a "significant" level of impact on our business and responses)

Category	Scenario	Content	Indicator	Period of impact	Responses
Opportunity	4°C	<b>Rising temperatures</b> Increased demand for insecticides, the Company's main business, and an expansion in market size associated with longer sales periods.	Sales increase	Short term, Medium term, Long term	<b>Insecticides and Repellants</b> (Activities) <ul style="list-style-type: none"> <li>Establish an appropriate inventory management system that reduces lost sales opportunities and improves capital efficiency</li> <li>Advance development of new suppliers both domestically and internationally to ensure stable procurement of raw materials and packaging materials, establish multiple purchasing system</li> </ul>
	4°C	<b>Rising temperatures</b> If an infectious disease caused by an increase in germs or bacteria becomes serious in an area where public health is not well maintained, products using our MA-T System® technology can be effective in eliminating the risk of infectious diseases.	Sales increase	Short term, Medium term, Long term	<b>MA-T System®-applicable products</b> <ul style="list-style-type: none"> <li>In Japan, promote social implementation while working to raise brand and product recognition in the sterilization market</li> </ul>
Risk	1.5°C	<b>Consumer awareness of decarbonization</b> As our products become more widely recognized as an environmentally friendly and sustainable brand, our brand value will increase and sales will grow.	Sales increase	Short term, Medium term, Long term	<b>Through the following activities, increase of our brand value as an environmentally friendly and sustainable company</b> (Activities) <ul style="list-style-type: none"> <li>Support the circular economy</li> <li>Accelerate procurement of sustainable plant-based and other raw materials</li> <li>Transition to reusable or recyclable containers to reduce CO<sub>2</sub> emissions</li> <li>Promote initiatives designed to reduce water footprint</li> </ul>
	1.5°C	<b>Palm oil supply and demand balance</b> Increased cost of sales due to rising prices of palm oil-derived raw materials and supply shortages of our products due to raw material shortages.	Sales decrease Cost increase	Short term, Medium term, Long term	<b>Plastics</b> <ul style="list-style-type: none"> <li>Reduce the amount of plastic used per product, such as containers and packaging materials</li> <li>Consider recycling plastics such as product bottles as part of supply chain initiatives</li> </ul>

(Our assumptions for scenario analysis) Subject of analysis: Earth Corporation, non-consolidated  
 Scope of analysis: Entire supply chain, including raw material procurement  
 Time periods: Short term = 1 year (same period as single-year plan); Medium term = 3 years (same period as medium-term management plan); Long term = 2030 (same period as in Japan's medium-term NDC target)

For more details, please visit our corporate website to learn more about our scenario analysis. (Only available in Japanese)  
<https://corp.earth.jp/jp/sustainability/materiality-climate-change/tcfd/index.html>

### ■ Risk Management

In formulating response methods and priorities for identified climate change-related risks and opportunities, the CSR & Sustainability Promotion Department works with the relevant departments to consider responses such as mitigation, transfer, acceptance, and control. The results of this review are then reported by the Corporate Planning Headquarters to the Representative Director, President & CEO, who then makes the final decision at a Board of Directors' meeting.

### ■ Indicators and Targets

To reduce greenhouse gas emissions, we have set the following targets for CO<sub>2</sub> emissions and renewable energy ratios for 2030.

#### Indicators and targets

	Indicator	Target	Target Year
Target 1	Scope 1 and 2 emissions (from energy-related sources)	Compared with FY2020: 46% decrease	2030
Target 2	Renewable energy ratio	95% of total electricity usage	2030

# Concern for Issues Affecting the Global Environment

Global environmental pollution and the lack of resources are barriers to the formation of sustainable Earth Corporation businesses. For Earth Corporation, attention to environmental issues throughout the entire value chain is directly tied to the sustainability of the Company's business. We are aware that our initiatives aimed at effectively using resources and reducing waste not only mitigate business risks by reducing environmental impact at every stage, from raw material procurement to product design and manufacture, use and disposal; they also contribute to maintaining and improving the Company's brand and corporate value and creating a resource-circulating society.

Materiality (Key Issues)	Key topics and main measures	KPI	FY2023 Results	FY2023 Evaluation
Attention to global environmental problems	<ul style="list-style-type: none"> <li>Increase the efficiency of water usage in relation to production (from R&amp;D to production)</li> </ul>	<b>Increase water usage efficiency:</b> Compared to 2020 <ul style="list-style-type: none"> <li>3% increase (2023)</li> <li>6% increase (2026)</li> <li>10% increase (2030)</li> </ul>	Increased water usage efficiency 3%	○
	<ul style="list-style-type: none"> <li>Use resources effectively, striving for a recycling-oriented society</li> </ul>	<b>Zero emission of industrial waste and other materials from plants and R&amp;D Center:</b> Compared to 2020 <ul style="list-style-type: none"> <li>Investigate and review status at waste treatment subcontractors (2023)</li> <li>Zero emissions at plants and R&amp;D Center (2026)</li> <li>Continue zero emissions at plants and R&amp;D Center (2030)</li> </ul>	Conducted investigations and reviews Final disposal rate: 1.1%	○
	<ul style="list-style-type: none"> <li>Stipulate Earth ECO Standards, and expand the scope of environment-friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Establish Earth ECO Standards (2023)</li> <li>Expand the scope of products compatible with Earth ECO standards and promote information disclosure (2026 and 2030)</li> </ul>	Established Earth ECO Standards	○

\* ○: In line with plans    △: Presence of delay

## Basic Approach and Promotion Framework

In order to demonstrate concern for global environmental issues and contribute toward reducing the impact on the environment in all its business activities, Earth Corporation practices the reduction, recycling, and effective use of water and other resources, stipulates Earth ECO standards, and expands the scope of environment-friendly products.

In line with Earth Corporation Basic Environmental Policy and in order to reduce environmental impact and create a

resource-circulating society, Earth Corporation strives, in every stage of the value chain—including product development, materials procurement, production, logistics, and sales—to prevent global warming, conserve resources, reduce waste, and reduce and properly manage chemical substances. In addition, all of our domestic worksites are certified under Eco-Action 21, an environmental management system formulated by Japan's Ministry of the Environment.

## Reduce Environmental Impact throughout the Value Chain

### ■ Cross-team Project Teams Research Environmentally Friendly Materials

In Research Laboratories, members of various research teams such as insecticides and repellents, bath salts, oral hygiene, and overseas products have come together to form a project team on environmentally conscious packaging materials. We actively share information and develop new products by gathering information on environmentally conscious packaging materials and evaluating prototypes.

### ■ Environmentally Friendly Product Development

Earth Corporation is committed to product development from the perspective of the 3Rs—reduce, reuse, and recycle—with an awareness of the need to reduce environmental impact throughout the life cycle of its products. To date, the use of plastic in containers has been reduced for 90 items through ingenious container shapes for a total reduction of approximately 346 tons in 2023. We also promote the development of refillable products and the use of recycled plastic and paper.

Example product



Sukki-ri! Air Freshener for Toilet

### ■ Formulating Earth ECO Standards

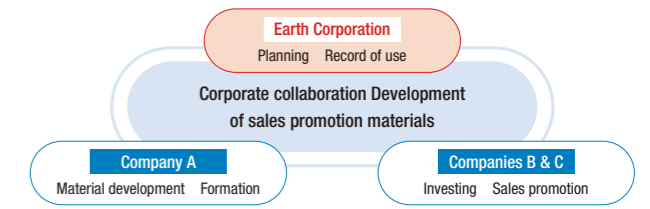
With the aim of establishing measures that help to create a sustainable environment, we have formulated the Earth ECO Standards, our own unique environmental standards to promote the creation of environmentally friendly products. The Earth ECO Standards are designed to help achieve the six goals out of 17 SDGs that relate to the environment or manufacturing. Products that conform to the Earth ECO Standards bear the Act For ECO Mark, indicating that they are environmentally friendly.

Earth ECO Standards <https://corp.earth.jp/en/sustainability/materiality-environmental-issue/eco/index.html>

### ■ Sustainable Sales Promotion Materials Developed through Collaboration with Other Companies

We are making efforts to reduce the amount of plastic used in hanger display hooks, which are used to hang merchandise. Enhancing paper hook strength is an issue, while reducing the amount of plastic and maintaining strength is a challenge. We work with a company (Company A) that has developed the "free blend method," a technology for developing plastic hooks made with 51% scallop shell powder. We also work with two other partners

(Company B and C) that support us in marketing these products to a broader audience. Through collaboration, we have been able to launch a new type of strong, environmentally friendly hook made from scallop shell powder. We believe that by having other companies also using environmentally friendly material, we can create a ripple effect leading to society-wide efforts to reduce plastic usage volume, conserve resources, utilize resources efficiently, sort and reduce waste, and improve transportation efficiency.



## Reduction of water usage and recycling

We use water as a raw material for our Mondahmin Mouthwash, Sukki-ri! Air Freshener, and other products. We also use water for cleaning equipment during product changeovers on many production lines. A thorough cleaning of the production line during a product changeover is essential for sanitizing equipment and preventing cross-contamination, but we are working to reduce water consumption through ongoing research and improvement efforts. We are also taking measures to increase water usage efficiency through air jet cleaning and reducing the number of washing cycles by optimizing our production schedule to reduce the number of equipment washings.

### Water usage volumes by water source

Facility name	Target range	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Clean water	Plant, Research Facilities, Head Office	1,000 m <sup>3</sup>	93.2	103.4	97.5	101.6	98.0
Ground water	Plant, Research Facilities, Head Office	1,000 m <sup>3</sup>	0.0	0.0	0.0	0.0	0.0
Industrial water	Plant, Research Facilities, Head Office	1,000 m <sup>3</sup>	0.0	0.0	0.0	0.0	0.0
Total	Plant, Research Facilities, Head Office	1,000 m <sup>3</sup>	93.2	103.4	97.5	101.6	98.0

### ■ Wastewater Purification

Wastewater generated at our main production bases, the Ako Plant and Sakoshi Plant, as well as at our adjacent research facilities, is purified at our on-site wastewater treatment facilities and discharged into the sea. Before discharging the treated wastewater, we strive to reduce the environmental impact by setting voluntary standards that are even stricter than those required by law, and adhering to those standards. We periodically report to Ako City, where our main facilities are located, on the amount and water quality of the released effluent.

## Biodiversity

Earth Corporation formulated its biodiversity policy in November 2023 and recognizes that biodiversity is an important managerial issue and that preserving biodiversity is vital to the long-term interests of the planet, society as a whole, as well as our Company. To prevent the loss of biodiversity, we are committed to implementing various initiatives together with our stakeholders based on our management philosophy. We will strive to protect biodiversity and promote the sustainable use of nature throughout our Company and our supply chain, while protecting the natural environment, dealing with non-native species and conserving insect species.

### ■ Participating Organizations

The Third National Biodiversity Strategy of Japan calls for corporate participation. We have joined related initiatives as a company that actively works to protect biodiversity, contributing to biodiversity conservation in Japan and abroad.



For more details on biodiversity conservation, please visit the Earth Corporation website. (Only available in Japanese) <https://corp.earth.jp/en/sustainability/environment/biodiversity/index.html>

### ■ Endorsing the TNFD Recommendations

We endorse the concept of Taskforce on Nature-related Financial Disclosures (TNFD) and have participated in the TNFD Forum. The TNFD Forum is an international organization that shares and supports the vision and mission of the TNFD, creating a framework for assessing and disclosing risks and opportunities in natural capital and biodiversity. By participating in the TNFD Forum, we will contribute to the conservation of biodiversity, which is a global issue.

# Promoting Sustainable Procurement

Earth Corporation believes that building partnerships with all of its business partners, maintaining ethical relationships that are fair and equitable, and promoting procurement that takes into account human rights, health and safety, and the environment, will not only lead to corporate value creation for the Company, but also contribute toward the sustainable development of society as a whole. By collaborating with our business partners, we will put sustainable procurement into practice.

Materiality (Key Issues)	Key topics and main measures	KPI	FY2023 Results	FY2023 Evaluation
Promoting sustainable procurement	<ul style="list-style-type: none"> <li>Promote procurement of environment-friendly packaging materials</li> </ul>	<b>Forest certified paper usage rate (by weight):</b> <ul style="list-style-type: none"> <li>Usage rate: 10% or more (2023)</li> <li>Usage rate: 30% or more (2026)</li> <li>Usage rate: 70% or more (2030)</li> </ul>	11.45%	○

\* ○: In line with plans    △: Presence of delay

## Basic Approach and Promotion Framework

Together with its business partners, Earth Corporation is committed to sustainable procurement under the Earth Group Global Code of Conduct with the aim of contributing to the sustainable development of society as a whole. In response to recent trends regarding CSR and calls from international society, the Earth CSR Procurement Guidelines, established in 2017, were amended in August 2020 and subsequently renamed as the Sustainable

Procurement Guidelines. In August 2023, we established a Supplier Code of Conduct and reached out to all of our suppliers with a request to abide by the new code.

A request to suppliers (Only available in Japanese)  
[https://corp.earth.jp/jp/sustainability/society/supply\\_chain/pdf/code.pdf](https://corp.earth.jp/jp/sustainability/society/supply_chain/pdf/code.pdf)

### Procurement Policies

- Earth Corporation promotes procurement with attention to human rights, safety and health, and the environment while maintaining fair, equitable, and ethical relationships with all of its business partners.
- Earth Corporation builds partnerships based on trust with its business partners, and strives to achieve mutual and continuous growth while coexisting with society.

### Sustainable Procurement Guidelines

- Purchasing: Compliance with Laws, Regulations and Norms** We are committed to complying with domestic and international laws and regulations, international treaties and social norms, and to conducting procurement activities based on corporate ethics.
- Purchasing: Product Safety and Quality** We are committed to purchasing raw materials that fulfill our quality requirements to ensure product safety and quality.
- Purchasing: Fair Trade** We are committed to providing an equal opportunity to all of our business partners and to ensuring fair and impartial procurement practices.
- Information Security** We are committed to strictly managing confidential and personal information related to our procurement activities.
- Sustainability Initiatives** We are committed to working with our business partners to protect human rights (including prohibiting discrimination and eliminating long working hours) and promote occupational health and safety and environmental conservation.
- Building Trust with Clients** We are committed to building relationships of trust with our clients, aiming for mutual growth through sustainable initiatives.

## Human Rights Initiatives

### Support for the United Nations Global Compact

Earth Corporation became a signatory to the United Nations Global Compact (UNGC) in May 2021 and was registered as a participating company. By having each company and organization demonstrate responsible and creative leadership, the UNGC serves as a global framework for acting as a good member of society and achieving sustainable growth. Supporting the 10 principles across four areas (human rights, labor, environment, anti-corruption) stipulated by the UNGC, the Company is continuing its efforts toward their fulfillment.

### Human Rights Policy

To respect basic human rights and promote related efforts, we established the Earth Group Human Rights Policy in December 2023. Respect for human rights is essential in conducting business activities and is a responsibility that all companies must fulfill. We will strive to ensure that this is a code of conduct to which all

executives and employees must adhere. To reduce human rights risks for all people involved in our business activities, including in our supply chain, we will continue to promote efforts to respect human rights based on the United Nations Guiding Principles on Business and Human Rights. Furthermore, by acting in accordance with the Earth Group Global Code of Conduct, we will fulfill our responsibility to respect human rights by ensuring that we do not commit any human rights violations ourselves or contribute to human rights violations by our stakeholders that may arise in the course of our business activities.

In the years to come, we will strive to formulate and implement effective processes, such as human rights due diligence, to identify, assess, prevent, and mitigate any adverse human rights impacts, including potential impacts, that may arise in the course of our business activities.

Earth Group Human Rights Policy (Only available in Japanese)  
[https://corp.earth.jp/jp/sustainability/materiality-human-capital/pdf/human\\_rights\\_policy.pdf](https://corp.earth.jp/jp/sustainability/materiality-human-capital/pdf/human_rights_policy.pdf)

## Building a Robust Value Chain

To continually provide high-quality products and services to our customers, it is essential to work in close collaboration with the various business partners involved in the value chain. Building partnerships based on relationships of trust with our business partners, Earth Corporation establishes value chains that give consideration to the environment and society while achieving sustainable mutual growth by providing safe, reliable products and services.

### Ensuring Stable Logistics

As a response to social issues that include a shortage of truck drivers and reduced transportation capacity due to what is known as the 2024 logistics problem, we are participating in Group company Otsuka Warehouse Co., Ltd.'s common platform that has been designed to streamline logistics. We are achieving stable

operations by warehouse, vehicle, and driver commonality, reducing inconsistencies, in terms of in delivery times and weights by combining compatible products, and making more efficient use of vehicle loading and warehouse storage space, and driver personnel.

### Value Chain



## Awareness-raising Activities for Business Partners

So that they re-evaluate the status of and continually improve and enhance their own efforts, we ask our business partners to complete a CSR Self-assessment Questionnaire. This activity has been implemented since 2017, and as of December 2023, we had received completed questionnaires from 182 out of 202 raw materials producers and contracted manufacturers.

Based on the results and collated responses to the CSR

Self-assessment Questionnaire, we share the results with business partners through individual meetings, etc., in line with our belief that we need to contribute toward the sustainable development of society as a whole. Going forward, in addition to continuing to implement this activity with respect to new business partners, with regard to indirect transactions, we will carry out raw materials procurement in accordance with the key points of our guidelines.

### Collated Results of Responses to the CSR Self-assessment Questionnaire (As of December 2023)

Item	Grading Distribution				
	A (100-80 points)	B (79-60 points)	C (59-40 points)	D (39-20 points)	E (19-0 points)
Corporate governance	59%	24%	11%	6%	0%
Human rights	53%	25%	13%	10%	0%
Labor	73%	17%	7%	3%	0%
Environment	66%	17%	9%	8%	1%
Fair corporate activities	60%	23%	11%	5%	0%
Quality and safety	78%	16%	3%	3%	0%
Information security	71%	19%	7%	3%	0%
Supply chain	45%	32%	11%	11%	0%
Regional society	58%	25%	9%	7%	1%

## Environment-friendly Procurement

We develop and procure products, including containers and packaging materials, that show consideration for the external environment and conserve resources. In terms of procurement, under the materiality of promoting sustainable procurement, Earth Corporation sets goals for increasing the usage rate of Forest Stewardship Council® (FSC®)-certified paper. Having switched over to using FSC®-certified paper (paper made from wood produced in forests that are deemed to be appropriately managed, or from other materials linked to the appropriate use of forest resources) for the paper tubes used in our Bath Roman products, we are

continuing to expand its use to other paper-based wrapping materials. Additionally, at production sites, we are changing the packaging specifications of various raw materials to reduce waste from packaging materials received. For example, we reconsidered the packaging of the pillow film\* for Black Cap cockroach bait, and by using single-layer sheets (for the bottom and around the outside), styrene sheets, and stretch film on a tray, we were able to significantly reduce the amount of cardboard used for packaging.

\* Pillow film: The material of the bags covering the product inside a case of Black Cap cockroach bait.