

Participating Initiatives

 WE SUPPORT United Nations Global Compact (UNGC)	 TCFD Consortium	 TNFD Forum
 JAPAN CLIMATE INITIATIVE Japan Climate Initiative (JCI)	 Water Project	 30 by 30
 Sedex	 Japan Clean Ocean Material Alliance (CLOMA)	

External Assessments

 2023 Sompo Sustainability Index SOMPO Sustainability Index	 CSR TOYOKEIZAI Toyo Keizai CSR Ranking	 FTSE Blossom Japan Index FTSE Blossom Japan Index	 FTSE Blossom Japan Sector Relative Index FTSE Blossom Japan Sector Relative Index
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Hoping that all employees will work on sustainability as their own issue and proudly move on to a new stage

▶ Accelerating sustainability activities

Since formulating our Basic Policy on Sustainability in 2021, we have been accelerating our sustainability initiatives. When we looked back at our corporate activities, we realized that we had often unconsciously engaged in actions that would contribute to sustainability. Accordingly, believing that we need to first share this fact both within and outside the company, we began by clarifying what we had been able to do. As a next step, we established the CSR and Sustainability Promotion Department in 2022, putting in place a system to more widely disseminate our sustainability initiatives.

We are currently working on the challenge of how to involve the entire company and encourage all employees to take the lead in sustainability initiatives. However, it is up to each and every employee to actually take action. I think that it would be quite difficult to take such action because sustainability activities are not directly related to our business or daily work. However, I want all employees to understand these are important activities that affect our way of life and the survival of the company and to work on sustainability as their own issue.

▶ From “killing insects” to “insect control” with a perspective unique to Earth Corporation

Based on our corporate philosophy of “We act to live in harmony with the Earth and realize our coexistence with the Earth,” we

address various issues relating to sustainability, using a perspective unique to Earth Corporation. For example, as part of our efforts, we were the first in the industry to shift our thinking from “killing insects” to “insect control.” Every creature exists for a reason and plays an important role in the ecosystem. Insects are merely a nuisance to human life and culture, and when we think about them from the perspective of the Earth, is it really right to kill them? Wouldn't it be enough if they just left the place? I believe that this kind of thinking is extremely important.

We will continue to impart correct knowledge through advocating “insect control.” We will create chemical-free products that are kind to both people and the environment. As a manufacturer that has a deep understanding of hygiene, beneficial insects, and harmful insects, I feel that it is our mission to pursue these efforts, which are requirements of the times.

In collaboration with Kao Corporation, we have commercialized a mosquito repellent spray that does not contain chemical insecticides, but instead prevents mosquitoes from flying by wetting their wings and bodies. We believe that another important mission of ours is to contribute to healthy and comfortable living by providing insect control products with new value.

▶ Creating a free, open, and challenging culture

The values of “Diversity” are at the core of the Group’s management, and we believe that the power of employees is of utmost importance. Values and lifestyles are diverse, and what makes someone satisfied varies from person to person. However, we are striving to put in place systems and environments that will make employees feel happy to work at this company. The cafe space at the Head Office is one example of our efforts. It has been created so that employees can use it freely according to their daily work and working style, and it has become a place where various employees from different departments and generations can gather.

Along with creating such a free and lively workplace, we also place importance on a proactive approach to taking on new challenges.

In terms of technological advancement, I think that smartphones have had the biggest impact in the last 30 years, while I feel that the emergence of ChatGPT is a technological innovation that is comparable to that. We are therefore promoting the early adoption of this technology throughout the company to verify its usefulness. Although there are some things that suit our business and some that don't, I believe that the first step is to adapt to change and take on challenges, and then move forward, which will lead to evolution and growth.

▶ Proudly heading toward the next stage, the next 100 years

In 2025, our company will celebrate its 100th anniversary.

Actually, until now, I have never really paid much attention to the milestone of anniversaries in a good way. Although I thought that it was great that our company had built up such a long history, I only had the impression that it had come a long way. However, I still feel that the 100th anniversary is an important milestone. I would like to take this opportunity to express our gratitude to all of our stakeholders who have supported us to date, including our customers, employees and their families, suppliers, shareholders and investors, and local communities, and to share our aspirations for the next 100 years.

Katsunori Kawabata 川端克宜
President & Representative Director



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Earth Corporation's Sustainability

Basic Policy on Sustainability

We formulated our Basic Policy on Sustainability in 2021.

When drawing up this policy, we brought together representatives of every department involved in business promotion and engaged in repeated discussions regarding the elements and phrases needed to effectively disseminate the concept of sustainability while respecting Earth Corporation's essential aspects. We are making it clear, both within and outside the company, that we will be promoting initiatives aimed at realizing sustainable business based on this policy.

Earth Corporation's Basic Policy on Sustainability

In line with our corporate philosophy
—“We act to live in harmony with the Earth”—
we will collaborate with our stakeholders to
address issues relating to sustainability,
and will contribute toward the sustainable
enhancement of corporate value
and toward the building of a sustainable society.

(Formulated in 2021)

Sustainability promotion framework

We have established the CSR and Sustainability Promotion Department under the Group Management Headquarters (currently Corporate Planning Headquarters) to promote the smooth, effective implementation of sustainability activities in line with the company's Basic Policy on Sustainability while maintaining a bird's-eye view of the three key areas of the environment (E), society (S), and corporate governance (G). We have also established the CSR and Sustainability Committee, chaired by the company president, as a permanent body to promote sustainability activities. This committee works together with the CSR and Sustainability Promotion Department to formulate activity plans, set targets and key performance indicators (KPIs), share targets and KPIs throughout the company, promote initiatives aimed at target achievement, monitor progress status, and share activity content within the company. It also compiles the Sustainability Report and ESG Data Book to undertake appropriate disclosure of information in line with stakeholders' expectations. The content of the committee's discussions and the status of 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.

Earth Corporation's stakeholders

Earth Corporation's business activities are supported by various stakeholders, including customers, employees and their families, suppliers, shareholders and investors, and local communities. To embody our slogan—“Making the Earth a home that feels good”—we believe that it is important to communicate with those various stakeholders and to create an environment that promotes dialogue rather than unilateral transmission of information.

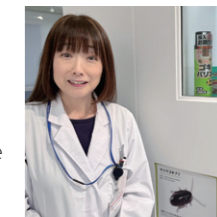


VOICE

A wide variety of insect breeding techniques and research that support our business foundation

At the R&D Center, where I work, we breed and manage insects necessary for product development and ecological research. Our most important mission is to breed insects of the same size in the same conditions throughout the year in order to obtain accurate experimental results. The number and variety of insects that we breed are among the largest of any pest research institute in Japan or abroad. To accommodate the habits of each insect, we create many small rooms for each type of insect, and we also breed insects that are resistant to chemicals. Thus, we help develop products that can deal with each type of insect. The knowledge and data accumulated in this way not only supports our business foundation but is also useful for presenting research to external educational institutions and other organizations.

Moreover, with the hope of spreading interest in the environment and biodiversity through insects, we accept visitors to our facilities and deliver visiting lectures at schools. I myself have written a book titled “An Illustrated Guide to Pest Insects That You Cannot Hate” (in Japanese). I will continue to conduct research and disseminate information with the aim of creating a comfortable symbiosis between humans and insects.



Ritsu Ariyoshi
Meister,
Academic Promotion Division
of the Business Promotion Office,
Research Laboratories, Research &
Development Headquarters

Identification of Materiality

To meet the expectations of stakeholders and continually develop the Group over the long term, Earth Corporation believes that it is important to check and evaluate the impact of various social issues on corporate activities and to clarify issues that are important to management. Based on this approach, in 2021, we identified key issues (materiality) that are important in relation to sustainability.

In order to undertake sustainability initiatives in the future that effectively utilize both the unique characteristics of the Group's business and its management resources toward the realization of a sustainable society, we have decided on key topics and have formulated targets and KPIs that are connected to these topics.

[Earth Corporation's materiality]

Materiality (key issues)	Key topics and main measures	Targets and KPIs	FY2023 results
Responding to Climate Change	We are reducing our CO ₂ emissions.	CO ₂ emission reduction compared to 2020 (Scope 1 + 2): ● 14% reduction (by 2023) ● 28% reduction (by 2026) ● 46% reduction (by 2030)	29.8% reduction
	We are proceeding with the adoption of electric power generated using renewable energy.	Switching to renewable energy: ● Adoption of renewable energy at our plants (renewable energy rate: 60%) (by 2023) ● Adoption of renewable energy at our research facilities (renewable energy rate: 90%) (by 2026) ● Adoption of renewable energy at our offices* (renewable energy rate: 95%) (by 2030) * Excluding rented offices	Switching to renewable energy at plants completed (renewable energy rate: 56.3%)
Concern for the Issues Affecting the Global Environment	We are enhancing the efficiency of water usage relating to manufacturing (from R&D through to production).	Enhancement of water usage efficiency compared to 2020: ● 3% enhancement (by 2023) ● 6% enhancement (by 2026) ● 10% enhancement (by 2030)	3.5% enhancement
	We are making effective use of resources with the aim of helping to realize the resource-circulating society.	Reducing emission of industrial waste, etc. from plants and research facilities to zero: ● Survey of the current status of waste processing contractors, and adjustments (by 2023) ● Realize zero waste emissions from plants and research facilities (by 2026) ● Maintain zero waste emissions from plants and research facilities (by 2030)	We are continuing to review the processing methods and landfill disposal status of waste processing contractors after hearing their opinions.
	Having stipulated Earth ECO Standards, we are expanding the scope of environment-friendly products.	Overview of the Earth ECO Standards: ● Establishment of the Earth ECO Standards (2023) ● Expand the scope of products compatible with Earth ECO Standards and promote information disclosure (by 2026 and 2030)	Achieved
Promoting Sustainable Procurement	We are promoting procurement of environment-friendly packaging materials.	Forest Stewardship Council® (FSC®)-certified paper usage rate (by weight): ● Usage rate: 10% or more (by 2023) ● Usage rate: 30% or more (by 2026) ● Usage rate: 70% or more (by 2030)	11.45%
Provision of Products and Services That Contribute toward Safe and Comfortable Lifestyles	To reduce the number of major quality incidents that negatively impact customer satisfaction and trust to zero, we are raising the periodic quality inspection implementation rate both at our own plants and at contractors' factories.	Periodic quality inspection implementation rate: Maintain at 100% (2023, 2026, and 2030)	100%
	To ensure compliance with relevant laws and reduce the incidence of major violations to zero, we are enhancing the implementation rate for the annual education and training plan.	Education and training implementation rate: Maintain at 100% (2023, 2026, and 2030)	100%
Creating Workplaces That Support Activities by Diverse Individuals	We are encouraging employees to take their annual paid leave entitlement.	Paid leave usage rate: Maintain at a level of at least 70% (2023, 2026, and 2030)	84.9%
	To support female empowerment, we are raising the share of women in management-level positions.	Female manager ratio: ● At least 10% (by 2023) ● At least 18% (by 2026) ● At least 30% (by 2030)	11.4%
Strengthening the Management Infrastructure	—	—	—

[Materiality identification process]

STEP 1 Selection of issues

Selection of issues, taking into account international frameworks and guidelines, etc., in the area of sustainability

STEP 2 Identification of materiality

Evaluation of the importance of each issue to our business, and formulation of draft materiality by the CSR and Sustainability Committee and relevant department heads, based on our company's overall strategic direction

STEP 3 Evaluation of importance

Approval of five materiality items following meetings with senior management and outside directors and following review by the Board of Directors

Toward further dissemination and progress of sustainability

▶ How do you evaluate the extent to which the Basic Policy on Sustainability has spread within the company?

I think that awareness of the term “sustainability” itself has increased significantly, and the CSR and Sustainability Promotion Department proactively holds study sessions and other events on sustainability, so I feel that understanding of its essence and meaning is gradually deepening. However, enthusiasm varies from department to department, and each individual has yet to see sustainability as their own issue. To be honest, we are still only halfway to our goal.

▶ Could you please tell us about the CSR and Sustainability Committee?

Let me start by explaining its background. The CSR and Sustainability Committee began as a cross-departmental working group for creating CSR reports. The collaboration between various members across departmental boundaries enabled us to respond quickly to information gathering and other issues, which was a very positive aspect. However, the decision-making process was not clearly defined, and the hard work of members was not always rewarded.

Therefore, we have recently undergone a major overhaul of our organization, taking into account our original role of promoting

sustainability activities. We aim to visualize the decision-making flow by putting a system that combines top-down and bottom-up approaches in place, which consists of executive members and practical members. Going forward, we would like to focus on how we can identify risks and opportunities and incorporate them into our activities and how we will roll them out throughout the entire Group.

▶ How is progress being made regarding materiality?

In 2021, we identified five material items - “Responding to Climate Change,” “Concern for the Issues Affecting the Global Environment,” “Promoting Sustainable Procurement,” “Provision of Products and Services That Contribute toward Safe and Comfortable Lifestyles,” and “Creating Workplaces That Support Activities by Diverse Individuals” - as well as “Strengthening the Management Infrastructure” as our key issues.

We have set the years of 2023, 2026, and 2030 as short-, medium-, and long-term target years and are checking our progress annually. At this stage, we are able to address all items properly, and we have largely achieved our targets for 2023. Our initiatives have gone well so far. However, since the external environment will likely change in the future, we will need to flexibly review them, including our KPIs (key performance indicators).

▶ What are your thoughts on biodiversity?

Because we are a manufacturer of insect control products, we are inevitably associated with the negative image of manufacturing and selling chemicals to exterminate creatures. However, as we were one of the first to propose the term and concept of “insect control,” our goal is not to kill insects indiscriminately, but to control and repel

insects that enter our living spaces using the minimum amount of chemicals necessary. In this sense, we have naturally raised awareness of biodiversity through our corporate activities up to now. I feel that it is also necessary to incorporate our approach into the framework of the current era, where sustainability is touted.

We are currently engaged in activities such as protecting the natural environment, taking measures against invasive species, and preserving insect species. We would like to expand these efforts toward conserving biodiversity and making sustainable use of ecosystem services throughout the entire supply chain.

* In March 2024, the green space within the Sakoshi Plant, our production base, was newly registered as a Nationally Certified Sustainably Managed Natural Site (certified by the Ministry of the Environment), one of the 30 by 30 initiatives.

▶ What do you value in the move toward stakeholder capitalism?

What is clear in the Group is that we put our employees and their families first. On this basis, we place great importance on deepening mutual trust with our diverse stakeholders, including customers, business partners, shareholders and investors, and local communities, and strive to proactively disclose information and communicate with them.

As part of our initiatives related to business partners, we formulated and publicized the Sustainable Procurement Guidelines in January of this year. We believe that our future challenges include further strengthening our response to human rights due diligence and supply chain management. We have approximately 200 business partners and are in a position to lead them. However, the reality is that it is difficult for one company alone to lead all of them. We are currently exploring ways to build a sustainable supply chain, including joining an industry association that shares the same goal.

▶ What do you think about your employees and what do you expect from them?

Having established the three values of “One Earth, Open communication, and Diversity” as “Earth Values,” which all employees share, the Group always thinks and moves forward with human resources at the core. Since we are also actively engaged in measures to manage physical and mental health as well as various training programs, we hope that employees will take advantage of this environment and work independently to develop their career while fully understanding the Group’s policies and values. I believe that it is important that each individual realizes their own well-being and that everyone grows together toward the same goal.



Jun Hiramatsu
General Manager,
CSR & Sustainability
Promotion Dept.
Executive Officer,
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Environmental Management

Basic approach

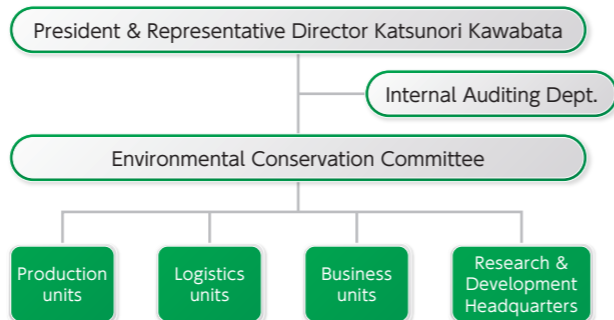
Environmental pollution and resource scarcity on a global scale are today's most pressing issues. Earth Corporation regards environmental problems across the entire value chain as issues that directly affect the sustainability of not only the company's business but also of the Earth. Our basic stance is that based on this recognition, we will steadily promote initiatives aimed at reducing environmental impact.

Environmental Declaration

In accordance with our corporate philosophy of "We act to live in harmony with the Earth," we at Earth Corporation strive to take the protection of the global environment into account in all our business activities and to make a positive contribution toward the lives of the people of the world.

Environmental management structure

While encouraging each Group company to actively pursue environmental protection activities, Earth Corporation is working to strengthen cooperation between Group companies. As part of such efforts, we have established the Earth Group Environmental Meeting to enable the persons in charge of environmental management at Group companies to promote specific activities at their respective companies while sharing information and deepening mutual understanding, thereby creating synergy effects.



Strengthening the environmental management system

In May 2007, Earth Corporation established a company-wide environmental management structure and started environmental conservation activities. In January 2009, our head office and plants obtained EcoAction 21 certification, an environmental management system developed by Japan's Ministry of the Environment. In April 2010, the scope of certification was expanded to include all business sites in Japan.

EcoAction 21 is a certification and registration program that integrates an environmental management system, environmental performance evaluation, and environmental reporting into one. We are actively implementing environmental initiatives and publish their results in environmental management reports in accordance with the EcoAction 21 guidelines.

In this way, by operating an environmental management system across the entire company and by undergoing audits by external organizations, we ensure that environmental activities are effectively implemented and take root in the company.

Thorough legal compliance by strengthening internal audits

There are many environment-related laws and regulations that apply to our business activities. Each year, internal environmental audits are conducted at the head office, plants, branches, and other operation sites to regularly evaluate their status of compliance. In 2023, no serious incidents, such as legal violations, were found in the internal audits. Also, there have been no compliance issues pointed out by the relevant authorities for over the past 10 years.

However, legal compliance is a minimum requirement. Aiming to go beyond merely following laws and regulations, in internal audits, we conduct evaluation based on our own checklist and promote improvement while also listening to the opinions of frontline workers. We will continue to improve the effectiveness of audits and the training of auditors, thereby strengthening our environmental management structure.

VOICE

Ecosystem conservation efforts to protect forests, water, and people's safe and secure lifestyles

In recent years, oak wilt—an infectious disease caused by a pathogenic fungus transmitted by the oak ambrosia beetle (*Platypus quercivorus*)—has been spreading, and oak trees have been withering and dying en masse. When oak wilt occurs, the water retention capacity of forests decreases, leading to increased damage from natural disasters. Oak wilt has also had a serious impact on our daily lives, such as deaths and injuries from fallen trees and agricultural damage caused by wild animals that come down to human settlements due to lack of food.

To address oak wilt, Earth Corporation has developed and commercialized "Kashinaga Hoi-Hoi" (oak ambrosia beetle trap) by applying the adhesive technology of the "Gokiburi Hoi-Hoi" cockroach trap. We have also developed "Kashinaga Block," an oak ambrosia beetle killer spray. Both products use no insecticidal or pesticide ingredients, so they do not adversely affect other insects, animals, or plants. In keeping with our mission of preserving the natural environment, we will widely communicate the effectiveness and value of Kashinaga Hoi-Hoi both in Japan and overseas. However, oak ambrosia beetles are also creatures living on Earth. As a researcher, I think we must not forget to look at the ecosystem from a bird's-eye view.



Matsutaro Ueda
 Manager,
 Technology Development Office,
 Research Laboratory, Research &
 Development Headquarters

Reduction of environmental impact

Earth Corporation quantitatively monitors and properly manages raw materials, energy and other resources (inputs) used in its business activities, as well as the products and environmental impact (outputs) that arise from these activities, while at the same time working to reduce environmental impact.

Initiatives throughout the value chain

With the aim of reducing environmental impact and realizing a recycling-oriented society, Earth Corporation is working to address climate change, conserve resources, reduce waste, and reduce and properly manage chemical substances throughout its entire value chain of product development, material procurement, production, logistics, and sales.



- **Product development**

Lightweight containers and packaging materials, compact, long-lasting products, and refillable products not only contribute to reducing raw material consumption and household waste but also help reduce energy consumption and CO₂ emissions during transportation.

- **Material procurement**

We promote responsible raw material procurement that takes the environment into account. For example, we work to save resources through the use of lightweight containers and packaging materials and the adoption of recycled materials.

- **Production**

At our plants, recognizing environmental activities such as energy and water saving and waste reduction as part of “kaizen proposal activities” aimed at eliminating waste at the production site, production staff members are engaged in various activities while sharing various ideas and opinions.

- **Logistics**

To reduce CO₂ emissions during transportation and delivery, we are working with logistics subcontractors to improve transportation and delivery efficiency by increasing loading efficiency, expanding delivery lots, and expanding modal shifts.

- **Sales**

We strive to reduce CO₂ emissions from our vehicles by adopting fuel-efficient, low-emission vehicles for company vehicles and by encouraging employees to practice eco-driving and efficient route selection when driving for sales activities.

Responding to Climate Change

Basic approach

As a company whose corporate philosophy is “We act to live in harmony with the Earth,” we carry out business activities in harmony with the global environment. We recognize that response to climate change is an important managerial issue, and we are committed to proactively working to resolve climate change issues in all of our businesses.

To contribute to the transition to a decarbonized society, we will take the following actions:

- Reducing CO₂ emissions
- Promoting the greater use of electricity generated from renewable sources

Structure

The President and Representative Director serves as Chairman of the CSR and Sustainability Committee and is directly responsible for the formulation of policies and strategies for responding to climate change, establishment of a risk management system, development of targets and indicators, and management and supervision of progress. We have established a structure for responding to climate change under the supervision of the Board of Directors. Specifically, after prior deliberation at the Strategy Council,* the CSR and Sustainability Committee determines and

reviews climate change-related policies and strategies and reports to the Board of Directors on the status of achievement of targets.

*Strategy Council
A body established to conduct preliminary deliberations on important matters, including matters to be presented to the Board of Directors and matters requiring decisions by the President.
Chairman: President & Representative Director Members: Executive officers nominated by the President
Frequency of meetings: As necessary

Response to climate change

We recognize that climate change is a risk to our business, but at the same time, it is an important management issue that can lead to new revenue opportunities. We believe that actively and proactively addressing climate change will lead to increased corporate value over the medium to long term. Under this belief, we aim to benefit not only our company but society as a whole through appropriate collaboration with stakeholders. Through these efforts, we aim to contribute to the achievement of achieving the goals set out in the SDGs and the Paris Agreement.

We recognize the importance of disclosing climate change-related financial information and have expressed our support for the TCFD* recommendations. We will disclose information in accordance with the TCFD recommendations.

* TCFD: Task Force on Climate-related Financial Disclosures established by the Financial Stability Board. In June 2017, the TCFD released its recommendations, calling for disclosure of the impacts of climate change in the financial reports of financial institutions, companies, governments, and other organizations.



Initiatives related to climate change

We are implementing initiatives to mitigate or adapt to climate change.

• Transition to renewable energy

Starting April 1, 2023, electricity used in the production building at our Sakoshi Plant in Ako City, Hyogo Prefecture, has been switched to electricity derived from renewable energy sources that emit virtually no CO₂. This has enabled us to achieve zero CO₂ emissions from the electricity used to produce products at our main plant.



Sakoshi Plant, which has introduced renewable electricity, Ako City, Hyogo Prefecture

• Energy conservation initiatives

The majority of energy used by our company is used at our plants and research facilities. Considering that detailed monitoring of energy usage enables efficient and effective energy conservation activities, from 2013 through 2016 we installed electricity visualization systems at all plants and research facilities. Furthermore, to promote and entrench employee-participatory energy conservation activities using those systems, we also established an Energy Conservation Promotion Committee in 2015, comprising members with extensive knowledge of equipment and facilities, selected from each department of our plants and research facilities. Improvement measures considered and implemented by individual departments are shared at monthly Committee meetings and rolled out across the entire company to achieve greater results. In addition, to create synergy effects for the entire Earth Group, subcommittees have been established in each department of the production division, and "Earth Group Production Division Meetings" are held to exchange information on various themes. Successful cases of improvement of Group companies are shared and deployed through the subcommittees, thereby leading to improved energy conservation activities across the Group.



Effective Use of Water and Reduction of Its Use

Basic approach

It is said that freshwater in rivers and lakes that is readily available for human consumption makes up only 0.008% of Earth's water. We recognize that the effective use of water resources is an important issue in addressing global environmental problems. We have set the improvement of water usage efficiency as a materiality target (a 10% improvement from 2020 to 2030), and we are working to achieve it.

Wastewater purification

Wastewater generated at our main production bases, the Ako Plant and Sakoshi Plant, as well as at the adjacent research facilities, is purified at on-site wastewater treatment facilities and discharged into the sea. In discharging wastewater, we take measures to reduce environmental impact. We also ensure thorough compliance with laws and regulations by setting voluntary standards stricter than the wastewater standards specified in laws and regulations. We regularly report to Ako City, where the Ako and Sakoshi Plants are located, on the quantity and quality of wastewater discharged.

Furthermore, we have concluded an "Environmental Protection Agreement" with Ako City and have been registered as an "Ako City Environmental Partnership Workplace." Through

these initiatives, we are actively implementing various activities to reduce environmental impact in collaboration with Ako City.



Sakoshi Plant wastewater treatment facility



Ako Plant wastewater treatment facility

• Reducing water consumption on production lines

We use water as a raw material for various products, such as Mondahmin Mouthwash and Sukki-ri! Air Freshener. We also use water for cleaning at the time of product changeover on many production lines. Thorough cleaning of the production lines is essential to maintain hygiene and prevent cross-contamination. We are working to reduce water consumption through daily research and improvement efforts. Since 2019, we have reviewed the line cleaning method for our ONPO tablet-type bath salts. In the past, we cleaned the equipment using hot water at every product changeover. However, we have switched to air jet cleaning instead of hot water, depending on the presence of color and turbidity components before and after the changeover. As a result, the amount of water used for cleaning was reduced by 68% over a three-year period. In addition, by optimizing production plans to reduce the amount of production line cleaning, we have been able to reduce water consumption on production lines while improving water-usage and production efficiency.

Sustainable Product Development

Based on our corporate philosophy of “We act to live in harmony with the Earth,” we are committed to creating products that contribute to the realization of a sustainable society.

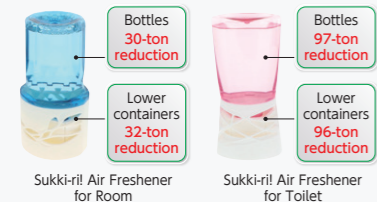
• Development of environmentally friendly products

As a part of our corporate responsibility and in response to our customers’ heightened environmental awareness in recent years, we are actively working to develop environmentally friendly products. We are pursuing product development from the perspective of the 3Rs—reduce, reuse, and recycle—with an awareness of reducing environmental impact throughout the product lifecycle.

1. The perspective of “Reduce”

For the 90 items that fall under this category, we have reduced the amount of plastic used for containers by approximately 346 tons compared to the amount of plastic used before the change. In this initiative, we aim to reduce plastic usage while maintaining product functionality. (FY2023 results)

<Examples>



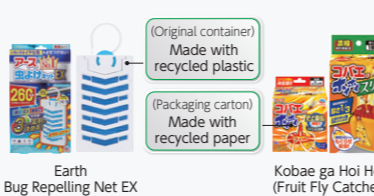
2. The perspective of “Reuse”

We offer 25 refill products, and “Mondahmin Large Pouch” is one of them. Refill products use less plastic material and are lighter than the original bottled products, resulting in a reduction in plastic usage of about 374 tons. In this initiative, we aim to reduce plastic usage by developing refill products that are easy for customers to use. (FY2023 results)



3. The perspective of “Recycle”

We use recycled plastic for the Earth Bug Repelling Net EX container. Recycled plastic is used for 102 items, with a total annual usage of around 842 tons. Of the products that use paper packaging, 193 items use recycled paper. In this initiative, we aim to actively use recycled materials while maintaining product functionality. (FY2023 results)



Developing products that are useful during normal times and emergencies

We have developed many phase-free* products that not only enrich daily life but can also be used with peace of mind in times of disaster. Mouthwash, which is convenient for oral care when running water is unavailable, deodorizers to eliminate the odor of excrement in portable toilets, sterilization and hygiene products, and insecticides are all useful not only in everyday life but also when living in an evacuation shelter or at home during a disaster.

Our Mondahmin mouthwash won the Audience Award at Phase Free Awards 2023, which aim to promote awareness and use of Phase Free products and bring new awareness to the public.

* “Phase Free” is a concept about making everyday products and services free from the phases (social conditions) of “ordinary” and “emergency” to protect the lives and lifestyles of people.

Examples of phase-free products



(Deodorizers) (Sterilization and hygiene products) (Insecticides and repellents)



Redefining zero liquid residue, and sustainable design

The liquid-type “Sukki-ri! Air Freshener” is designed to contribute to achieving a sustainable society, with the liquid bottle containing the fragrance placed on top so that the liquid falls from the top to the bottom, allowing every last drop to be used up. The design of ordinary air fresheners is such that the liquid is sucked up from the bottom to the top, making it difficult for the air freshener to absorb the liquid when it runs low. So it is recommended to shake the bottle to allow the liquid to soak into the core. “Sukki-ri!” is designed so that the liquid falls from the top to the bottom even when the amount of liquid runs low, so there is no need to shake the bottle. The liquid will soak into the volatilization mat until the very end, continuing to give off a fragrance.



Development of sales promotion materials through collaboration with other companies

Starting in the autumn of 2023, some of the hanger display (HDP) hooks, which are used to hang products, have been replaced with newly developed plastic hooks made with 51% scallop shell powder. Since paper hooks are not strong enough to hold heavier items, we collaborated with Company A, which has developed the free blend method, to develop a more eco-friendly yet strong hook. We also worked with Companies B and C, which support sales promotion. Thanks to such collaboration, we have been able to bring to market a hook made from scallop shell powder, which uses less plastic while maintaining enough strength. We believe that by encouraging other companies to use our new eco-friendly promotional material, we can create a ripple effect that benefits society as a whole because they can contribute to reduced plastic use, resource conservation, more effective use of resources, less waste, better waste sorting, and improved transportation efficiency.



Biodiversity Conservation

Basic approach

Earth Corporation recognizes that biodiversity is an important managerial issue and that conserving biodiversity is in the long-term interests of the planet (society at large) and our company. In order to prevent the loss of biodiversity, based on our corporate philosophy of "We act to live in harmony with the Earth," we will implement the following initiatives in cooperation with our stakeholders for the conservation of biodiversity and its sustainable use throughout our company and supply chain.

Major initiatives

- Compliance with biodiversity-related laws and regulations
- Assessing the impact of business activities on biodiversity and making efforts to reduce it
- Business activities that consider the local ecosystem
- Restoration efforts for biodiversity at high risk of loss
- Monitoring the invasion of invasive alien species to contribute to their eradication
- Continuous improvement of initiatives through dialogue and collaboration with stakeholders
- Contributing to improving and accumulating knowledge on biodiversity through collaboration with experts
- Proactive disclosure of information on biodiversity

• Protection of the natural environment

In order to protect the Earth's biodiversity, it is necessary to understand the current situation well. Knowing what kind of creatures live in what numbers and where is essential to protecting biodiversity.

We not only protect forests where various creatures inhabit but are putting effort into research to investigate what creatures inhabit those forests.

• Measures against non-native species

Non-native species, also known as invasive alien species, are living things that have been relocated by humans from their native habitat to another location. Non-native species are said to have a variety of impacts on ecosystems, biodiversity, agriculture, forestry, fisheries, human health, and more. We are working to contribute to the fight against non-native species by utilizing our unique knowledge and expertise.

• Conservation of insect species

Millions of species live on the Earth, creating diverse ecosystems. However, once a species becomes extinct, it will never return. Rare species (endangered species) are few in number, have very limited habitats, and are vulnerable to environmental changes, so we need to work hard to prevent their populations from declining further and to prevent the environment from deteriorating further.

We are working to preserve endangered insect species.

Social

Provision of Products and Services That Contribute toward Safe and Comfortable Lifestyles

Basic approach

In line with our corporate philosophy, we 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. By listening attentively to customers' insights, and providing safe, reliable products and services, we create new value.
2. By striving to ensure high quality right up to the point at which the product is used, we will build a brand that customers can trust.
3. Besides maintaining compliance with all legal requirements, in line with our unique Quality Management System we obtain quality-related information from countries and regions around the world, and strive to enhance the quality of the safe, reliable products that we provide.

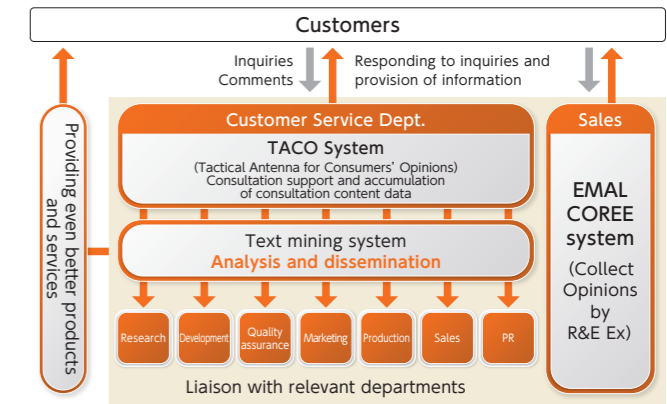
Framework for utilizing customers' insights

The Customer Service Department undertakes the internal dissemination of customers' insights in annual, monthly, and other reports, and in the "Voice of Customers" internal website, and also works to expand usage of a text mining system that enables relevant departments to research and utilize customers' insights from their own perspective. In addition, it liaises directly with relevant departments regarding the presentation and implementation of suggestions for improvement raised based on

customers' insights at meetings such as the Customers' Insights Discussion Meeting*, the Meeting to Discuss Points of Interest, and the Voice of Customers Meeting.

In particular, the Customers' Insights Discussion Meeting is recognized by all participants as a place for decision-making, with the participation of President and Representative Director Kawabata and other senior managers. Rather than using traditional methods and approaches to find solutions to shared problems, the discussions use the customer-focused perspective to "review, approve, and implement."

*A meeting attended by senior managers, the holding of which is recommended by the Association of Consumer Affairs Professionals



Initiatives adopted from a customer-focused perspective

• R&D

Earth Lice Removing Lotion, an insecticide-free, safe, reliable and socially beneficial product

Launched in August 2021, Earth Lice Removing Lotion is the first new lice control product approved in Japan in 40 years. It was developed for the purpose of benefiting society by treating children who are suffering from head lice.

In Okinawa, head lice have been a serious problem, with many children suffering for a long time. Insecticide-free lice control products have been developed and used in the United States and Europe to combat head lice that are resistant to pyrethroid insecticides, which have become a worldwide problem. Focusing on the active ingredient dimethicone, we have developed Earth Lice Removing Lotion, which combines excellent extermination effects with safety and ease of use without stickiness.

We received happy feedback from children infected with head lice who had been unable to enter swimming pools for classes, who said that after using the product, the head lice were gone and they were able to use pools.



Earth Lice Removing Lotion, developed from a customer-focused perspective

Basic approach to intellectual property

By adopting a proactive approach to securing intellectual property right for the results of our R&D efforts, we strive to maintain our competitiveness. We also work to maintain and effectively utilize those patents and design rights that can provide benefits for our company.

No. of patents and registered designs owned by Earth Corporation

	Number
Patents	322
Design rights	176

(As of April 1, 2024)

No. of patents registered over the past five years

Fiscal year of registration	2019	2020	2021	2022	2023
No. of patents registered	23	33	34	46	44

• Quality assurance

Initiatives for quality improvement at plants

For hygiene management at our plants, we are implementing insect and rodent control measures by leveraging the strength of the hygiene management business of Earth Environmental Service Co., Ltd. Various other efforts include wearing hairnet caps, utilizing adhesive sheets, and changing into workwear appropriate for the location.

In order to provide safe, reliable, and better products to our customers, the production line is inspected for foreign objects using camera inspection equipment and metal detectors in addition to visual inspection. Health and safety patrols by supervisors and occupational physicians are also conducted on a regular basis.

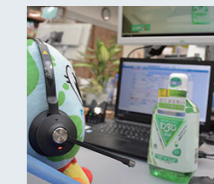


Air shower to remove dust all over the body

Name change of the Customer Service Department

In April 2021, the Japanese name of the Customer Service Department was changed to mean "Customer Service Department for Utilizing Customers' Insights." Our goal is to make our customers' lives as comfortable as possible by incorporating their opinions into product development to address the challenges they face in their daily lives.

We often receive harsh feedback from our customers, but we take such feedback seriously as customers' insights and use it to develop new products and improve existing ones.



Scene from the Customer Service Department

VOICE

Good work and good products are created from the contact point where customers' voices are heard

The Customer Service Department receives 90,000 inquiries a year, many of which are related to the use of our products. We hold regular briefing sessions to communicate customer feedback to senior managers, including the President. Employees involved in branding, R&D, and quality assurance also attend these sessions to discuss improvements and report on the results of those improvements. The operators who respond to inquiries are partially outsourced, and we focus on creating an environment in which they can work comfortably. We feel that they are inspired to do good work when they feel valued, and that they are motivated when they know that their daily work is being used for management and product improvement.

Customers' insights reveal customers' expectations, the challenges our company faces, and what we need to do for the future. We would like to emphasize heart-to-heart communication with customers so that they will become fans of our company as a result of their inquiries.



Takeshi Ito/
Nobuko Kawahito
Customer Service Dept.

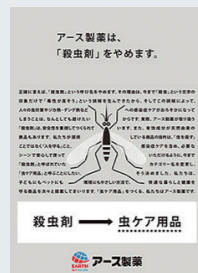
Initiatives to provide protection from danger

• Initiatives in Japan

Name change from insecticides to insect control products

Sales of products called insecticides are increasing due to the effects of global warming and the increase in invasive alien species, even as the human population continues to decline. Under such circumstances, we found that consumers strongly perceive these products as highly toxic. In fact, they are extremely safe, so we decided to change the name to insect control products as a first step to dispel misconceptions caused by a negative image and promote proper infection control.

In changing the name, we focused on correctly communicating the safety of the products, creating a name that is easy to visualize and call, and expressing that this is one of the most important product groups for infection control. Thus, we are disseminating information to consumers so that they can use the products with peace of mind, and promoting awareness among retailers and other parties through a video that explains the background and benefits of the name change.



Mosquito Repellent Spots

With growing awareness throughout Japan of the need to be alert for mosquito and tick-borne infectious diseases—for example, in 2023 the number of people affected by Severe Fever with Thrombocytopenia Syndrome, an infectious disease which is spread by ticks, was the highest on record—as part of our insect bite prevention awareness-raising activities, we are organizing Mosquito Repellent Spots at the venues for outdoor gatherings and sporting events. Mosquito Repellent Spots are provided by Earth Corporation to disseminate the risks of mosquito and tick-borne infectious diseases and make proposals for their prevention through the effective use of insect repellents.

To date, they have been organized at outdoor events in places such as Shizukuishi Town, Iwate Prefecture; Izu City, Shizuoka Prefecture; and Kunigami Village, Okinawa Prefecture, to raise awareness and prevent disease among participants. We will further expand awareness-raising activities through the Mosquito Repellent Spots.



Visiting classes for insect control

It is very important to have correct knowledge about various dangerous insects, such as those that carry infectious diseases, and to learn about countermeasures. Therefore, we hold visiting classes mainly for children at science museums and other facilities.

In the classes, while mentioning that dangerous insects are also important creatures as part of the ecosystem, we explain the ecology of dangerous insects and the correct way to apply insect repellent as a countermeasure. We aim to protect children's health and contribute to safe and secure outdoor activities and daily life through the classes.



• Initiatives overseas

Business development in ASEAN countries

When we first expanded our business in Thailand, a member of ASEAN, there were many accidents related to accidental ingestion of agrochemicals because insecticides and agrochemicals are the same word in the Thai language, and this sometimes created a negative image of our insect control products. However, over the past 40 years, we have continued to promote the fact that insecticides, unlike agrochemicals, are made safe for household use, saying that they are safe and reliable products. As a result, we have become the second largest insecticide manufacturer in Thailand.

In recent years, the number of people affected by dengue fever has been increasing not only in Thailand but also in other Southeast Asian countries. Including imported infections from Southeast Asia, dengue fever cases have been reported in more than 120 countries worldwide, including Japan, the United States, and France.

Earth (Thailand) Co., Ltd. has set Goal 3 of the SDGs, "Ensure healthy lives and promote well-being for all at all ages," as a common goal. Together with the local Department of Public Health and the Ministry of Education, we will spread the correct knowledge for the prevention of mosquito-borne infectious diseases through our sales and social contribution activities.

Initiatives to eliminate dengue fever in Thailand

Earth (Thailand) Co., Ltd. is engaged in social contribution activities as Earth CSR Project under the slogan of "Achieving safe and comfortable lives for people around the world as a total care company for infectious diseases." The company focuses on the elimination of dengue fever as its main activity, conducting sampling of insect control products and distributing educational leaflets on dengue fever prevention to spread the fear of infection and the importance of prevention. In addition to the sampling at hospitals, schools, blood donation centers, markets and retail outlets, dengue fever prevention workshops are held in schools.



Promoting Sustainable Procurement

Basic approach

We have put forward the corporate philosophy that Earth Corporation will “act to live in harmony with the Earth,” and we believe that the implementation of sustainable practices is exactly what it will take to achieve this goal. In this regard, procurement activities cannot be undertaken successfully without seeking to maintain harmony with the planet, and we believe that sustainable procurement, with the cooperation of our business partners, is a vital effort that contributes toward the sustainable development of society.

• Sustainable Procurement Guidelines

In support of the United Nations Global Compact, and following the Earth CSR Procurement Guidelines that we put forward in 2017, all employees involved in procurement have been practicing CSR-based procurement. In response to recent trends regarding CSR and calls from international society, in August 2020 we amended those guidelines, and subsequently renamed them the Sustainable Procurement Guidelines.

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.

• Supplier Code of Conduct

In August 2023, we established a Supplier Code of Conduct and made it known to all our suppliers as “A Request to Suppliers.”

We are committed to responsible procurement and aim to achieve a sustainable society as we build partnerships with our suppliers and the companies they work with based on relationships of trust. Therefore, we request our business partners to conduct on-site inspections and audits, to comply with items in “A Request to Suppliers,” making them known within their companies, and to encourage their own business partners to comply with them.

• Response to human rights issues at supply chains

We recognize that child labor, forced labor, and human trafficking at supply chains are internationally unacceptable human rights violations. We have established a Procurement Code of Conduct and Earth Corporation’s Sustainable Procurement Guidelines and a Supplier Code of Conduct in consideration of human rights, including respect for basic human rights such as prohibition of child labor, prohibition of discrimination in employment and recruitment, consideration for human rights of employees, and elimination of use of conflict minerals and raw materials that may cause social problems related to human rights and the environment. We have made these known to all our suppliers as “A Request to Suppliers.”

A Request to Suppliers (partial)

- I. Regulatory Compliance; Human Rights; Occupational Safety and Health**
 1. Compliance with domestic and international laws and regulations, international treaties, and social norms
 2. Consideration for basic human rights, including prohibitions against child labor
...
- II. The Environment; Society**
 1. Compliance with international treaties and environment-related laws in each country or region where business is conducted
 2. Establishment of business processes that take into account reducing environmental impact and environmental risks in business activities
...
- III. Product Quality; Safety; Stable Supply**
 1. Provision of raw materials that meet quality requirements to ensure product safety and quality
 2. Cooperation in disclosing information regarding stable supply
...
- IV. Fair Trade**
 1. Compliance with laws and regulations governing commercial transactions in the countries and regions in which business is conducted
 2. Elimination of transactions with antisocial forces, corruption and bribery
...
- V. Information Security**
 1. Strict control of confidential and personal information regarding procurement activities to prevent leaks
 2. Measures to protect against threats to computer networks
...
- VI. Product Development**
 1. Propose new technologies and new materials that lead to the development of new products
 2. Propose new technologies and new materials that lead to improvements to existing products, cost improvements and reduced lead times
...

• Awareness-raising activities for business partners

We carry out the following activities to familiarize business partners with our Procurement Code of Conduct and with the Earth Corporation’s Sustainable Procurement Guidelines, and to enable them to implement the content of the policy and guidelines together with us.

So as to enhance business partners’ awareness of their own CSR initiatives and encourage them to continue to strengthen these initiatives, we ask them to fill out 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 collated results of the responses to the CSR Self-assessment Questionnaire obtained thanks to business partners’ collaboration, 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, we will continue to implement this activity with respect to new business partners, and with regard to indirect transactions also, we will carry out raw materials procurement in accordance with the key points of our guidelines.

CSR Self-assessment response results

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%

(December 2023)

• Initiatives through the value chain

We promote the procurement of environmentally friendly raw materials by reducing the volume of containers and packaging materials to save resources and by using recycled materials. We also work to save resources and improve transportation efficiency by changing the delivery form of raw materials. In doing so, it is important to cooperate with our business partners. We make sure that they understand our approach to the environment and other aspects of sustainable procurement as we move forward.

• Reduction of environmental impact during procurement

In procurement, we are changing the specifications of various raw material packages with the aim of reducing packaging material waste at production sites. For example, in the past, the procurement of Black Cap products used a large amount of corrugated cardboard because each roll of pillow film* was wrapped in corrugated cardboard. Therefore, we decided to use single-faced corrugated cardboard (bottom and perimeter), styrene sheets, and stretch film on pallets, which enabled a significant reduction in waste.

*Pillow film: Material of the bag covering the product inside the Black Cap box

• FSC® certification

Earth Corporation sets the goal of increasing the rate of Forest Stewardship Council® (FSC®) certified paper use in its sustainability materiality (promoting sustainable procurement).

In 2020, we 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 appropriate use of forest resources) for the paper tubes used in our Bath Roman products, and continue to expand the use to other paper-based wrapping materials.



Bath Roman Warm Yuzu Fragrance Quasi-drug

• Procurement measures for palm oil

We have procured palm oil and palm kernel-derived materials to manufacture products. However, we have recognized various issues related to palm oil production, such as the impact on the natural environment and climate change, human rights violations, and labor environment issues. Therefore, we carefully select suppliers of palm oil and palm kernel-derived materials, and continue to discuss shifting to alternative materials that satisfy our quality standards.



Earth Jet 450 mL Pesticide quasi-drug

Example of products using palm oil-derived ingredients

Occupational Health and Safety

Workplace Environment Improvement Policy

Earth Corporation recognizes the importance of physical and mental health in order for each employee to fully demonstrate his or her unique strengths and to play an active role, and actively works to create a workplace environment in which employees can play an active role with a high level of engagement and a sense of well-being.

We will also ensure compliance with laws, regulations and rules related to occupational health and safety necessary for this purpose.

Health and safety initiatives

In order to realize a healthy, safe workplace environment, we have established the following committees and subcommittees and implemented related activities.

- Safety and Hygiene Committee and Hygiene Committee
- Health and Safety Measures Subcommittee
- Safe Driving Management Activities
- Compliance Committee (including the internal reporting [whistleblower] contact windows)

Received the FDMA Commissioner's "Excellence Award for Hazardous Materials Handling Sites"

In recognition of its efforts in hazardous materials-related operations, our Sakoshi Plant received from the FDMA the Commissioner's "Excellence Award for Hazardous Materials Handling Sites"* for fiscal 2024. Since its establishment as a place of business to handle hazardous materials, there have been no accidents or violations, and we have made every effort to ensure safety management preventing disasters caused by hazardous materials. We also focus on education and training for our employees, making ongoing efforts for safety management and the creation of a safe and secure workplace environment, and promoting various systems and measures.



*FDMA Commissioner's "Excellence Award for Hazardous Materials Handling Sites"

The award is presented to business establishments that have made outstanding achievements in ensuring the safety of people's lives by cooperating in the promotion of hazardous material safety administration through the voluntary and active promotion of safety measures for hazardous material facilities and for the handling of hazardous materials, and by providing thorough education on the safety management of hazardous materials.

Health and Productivity Management

Earth Corporation Health Management Declaration

"Making the Earth a home that feels good."

Earth Corporation has grown with society by continually contributing to the realization of healthy and comfortable lifestyles and providing high-quality products. To continue meeting our responsibility as a caring company for employees and their families, and to fulfill our commitment to being a good corporate citizen in the society we serve, the entire Earth Group declares that it will continue to promote the health of all employees to ensure that each and every member of the Earth Group family is able to enjoy physical and mental health at work.

Katsunori Kawabata
President & Representative Director

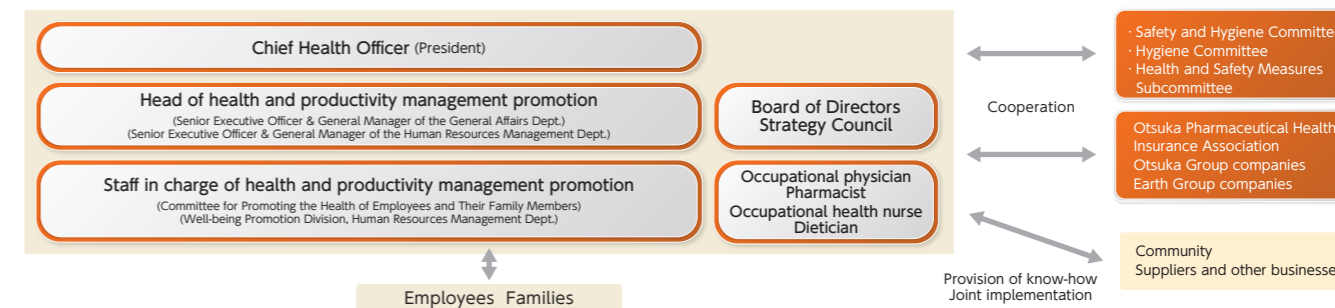
Initiatives for health and productivity management*

We regard employee health management as an important management issue and have established the Earth Corporation Health Management Declaration as a message from the top management. We have also organized the Committee for Promoting the Health of Employees and Their Family Members chaired by a senior executive officer in charge to specifically promote health and productivity management. Each measure was implemented based on a strategic map and verification of KPIs, and included follow-up on health management for employees and their family members, implementation of measures to improve health literacy, development of offices where employees can work with peace of mind, and introduction of a system that allows flexible working styles. As a result, Earth Corporation has been recognized as Certified Health and Productivity Management Outstanding Organization (White 500) for four consecutive years since 2021.



*Note: The term kenkokeiei, which means health and productivity management, is a registered trademark of the Nonprofit Organization Kenkokeiei.

Health and productivity management promotion system



Human Rights and Diversity

The Earth Group Global Code of Conduct specifies the need to prevent violation of human rights, accept diversity (individualities) and exert autonomy. These are rules that all Earth Group corporate officers and employees are expected to abide by when conducting business activities in countries with different lifestyles, habits, culture, laws and rules. To this end, we have established the Earth Group Human Rights Policy, Earth Group Labor Practices Policy, Earth Group DE&I Policy, etc., and disclose them internally and externally.

Promotion of diversity & inclusion

Based on the employees' shared value of "Diversity," we promote the creation of a workplace where employees respect human rights, diversity, abilities and experiences, recognize each other, help each other, and feel fulfilled in their work. We view diversity as including differences in origin, culture, age, experience, preferences, sexual orientation, and gender identity, as well as differences in each life stage.

- **Promotion of employment and advancement of persons with disabilities**

We have made our plants, research facility, and other locations accessible to create a comfortable workplace environment for everyone so that they can maximize their abilities in fields in which they excel. 2.73% of our employees are persons with disabilities, which is in compliance with the statutory requirement.

- **Promotion of further advancement of female employees**

Around 40% of Earth Corporation employees are women. With the goal of raising the female manager ratio to 30% by 2030, Earth Corporation is continuously implementing measures to create an employee-friendly working environment so that employees can continue to work with enthusiasm regardless of which life stage they have reached.

Promoting flexible workstyles and work-life balance

To enable employees to work flexibly according to individual circumstances while maintaining a balance between life and work, we have a telecommuting system, a staggered working hours system, and a staggered/shortened working hours system available for childcare, nursing care, and injury or illness. In addition to annual paid leave, we have also introduced childcare and nursing care leave, menstrual leave, accumulated paid leave that can be used for infertility treatment or menopausal reasons, and family life support leave. Other programs include a job return system and a sabbatical leave system.

- **Support for balancing work and childcare**

We are also committed to encouraging employees to take childcare leave. Through programs such as 28 days of paid leave from the start of childcare leave and a maternity gift of 100,000 yen for taking 15 or more days of childcare leave, we support our employees to balance work and childcare regardless of their gender.



Human Asset Cultivation, Evaluation and Recruitment

Human Asset Cultivation Policy

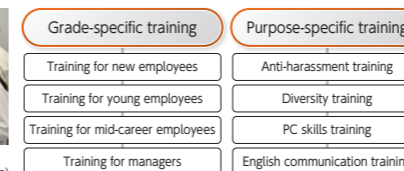
We believe that continuous individual growth is essential to achieving sustainable business growth. We therefore strive to support the autonomous career development of all employees, regardless of nationality or age, while sharing the Earth Group's Earth Policy and Values, and to provide development opportunities that enable them to take on challenges in a changing business environment.

Initiatives relating to human asset cultivation

With the aim of cultivating self-directed human assets, we systematically implement grade-specific training and purpose-specific training, so as to stimulate employees' motivation, help them develop their careers, and enhance their knowledge and capabilities.



Training for new employees (lecture introducing our products) in progress



Fair evaluation and treatment system

Evaluation is implemented in accordance with employees' employment management category. With regard to human asset management, we make effective use of evaluation results when deciding on the treatment

of employees in terms of roles, salaries, etc., and in the cultivation of self-directed human assets capable of taking on challenges. Depending on the employee's role, performance is evaluated from various perspectives, including performance based on goal management, actions in the process of creating results, ability to perform duties in carrying out assigned duties, and passion as a member of a team.

- **Employee satisfaction level**

In order to confirm the effectiveness of each measure and the state of our human assets and organization, we have been conducting employee satisfaction surveys since 2020. The result for overall satisfaction in 2023 was 3.38* (3.48 in the previous year), confirming that while some employees are highly satisfied, others are not satisfied with some items. Going forward, we will conduct engagement surveys to increase the number of highly motivated employees and deepen measures to improve employee motivation.

*Average score of overall satisfaction with current job, workplace, supervisor, and company based on employee satisfaction survey / 5-point scale

Recruitment activities in line with the times

New graduate recruitment is conducted in a hybrid format, both online and offline. In addition to company information sessions via YouTube and small-group online roundtable discussions, we also held a one-day face-to-face internship as the COVID-19 infection situation has stabilized. As a result, we have been able to raise the aspirational level of individual students, which has led to an increase in the number of applicants and a decrease in the attrition rate of job offers compared to past recruiting efforts.

Social Contribution Activities

Social Contribution Activity Policy

Based on the corporate philosophy to “act to live in harmony with the Earth,” the Earth Group aims to create value by linking its business activities with activities to solve social issues. Based on this concept, we will proactively implement social contribution activities, focusing on areas closely related to our business and the regions and communities in which we operate.

Educational activities

• Social studies tours

In addition to our business partners, we also offer social studies tours for elementary, junior high, high school, and university students at our head office and plants, providing learning opportunities for the next generation of students. Recently, we have received visits not only from neighboring areas but also from all over the country.

We offer a variety of programs. For example, visitors to our Tokyo Head Office can take a virtual tour of our plants in Hyogo Prefecture, interact with our researchers online, participate in roundtable discussions, and tour and experience our facilities.

Number of visitors accepted

Head Office (Tokyo)	17 schools, 133 students
Plants (Hyogo)	112 people

(FY2023)



Collaboration with local communities

• Comprehensive collaboration agreements with local governments

Toward achieving the SDGs by 2030, Earth Corporation signed its first collaboration agreement on the safe, secure, and healthy living in the community with Chiyoda City in 2020, and has expanded the initiative to local governments nationwide. As a total care company for infectious diseases, we are helping to solve a broad range of regional issues, such as health and hygiene, welfare, environment, disaster risk reduction, and community building by providing local governments with our know-how and the most updated technologies on insect-borne infection control, oral hygiene, sterilization and deodorization, etc.



Signing an agreement with Osaka Prefecture

• Environmental initiatives in cooperation with local communities

Our main plants, the Sakoshi Plant and the Ako Plant, as well as our research facility (in the Sakoshi Plant), are located in Ako City, Hyogo Prefecture. We have signed an Environmental Protection Agreement with Ako City, and we comply with the standards for released effluent, etc., report on the status of performance, and disclose the information to the public. In addition, as a business operator that has concluded the Ako City Environmental Partnership, we are working with Ako City to reduce greenhouse gas emissions and other environmental burdens.

Corporate Governance

Basic approach

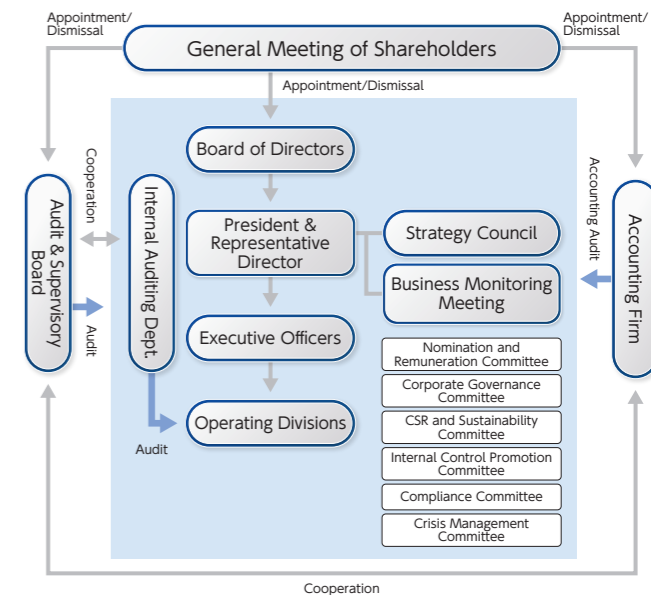
By acting on our corporate philosophy “We act to live in harmony with the Earth,” we at Earth Corporation aim to earn the trust of stakeholders as a valuable company. To this end, we work to create and revitalize markets by providing products and services that deliver value to customers while ensuring prompt management decision-making, effective monitoring and supervision of business execution, thorough compliance, and timely and appropriate information disclosure.

Corporate governance structure

To ensure speedy and appropriate management decision-making by the Board of Directors, Earth Corporation has established a Strategy Council (which is chaired by the Representative Director and is comprised of Executive Officers appointed by the President) to conduct preliminary deliberations on matters to be presented to the Board of Directors meetings. In addition, various measures are taken to strengthen the monitoring and oversight functions of the Board of Directors, such as having outside directors and auditors provide appropriate advice and opinions from a third-party perspective at Board of Directors meetings and other important meetings. In addition, we adopt an executive officer system to clarify roles and responsibilities in management and speed up business execution.

We have a system in place where independent outside directors are appointed to make up at least one-third of the total number of

directors. Independent outside directors provide advice from an independent standpoint, which will contribute to the enhancement of corporate value over the medium to long term, supervise management, and monitor conflicts of interest based on objective judgment. In addition, the effectiveness of corporate governance is fully ensured through cooperation between the Audit & Supervisory Board, the Internal Auditing Department, and accounting auditors.



Compliance and Risk Management

Compliance system

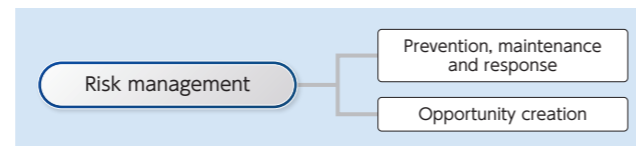
In order to maintain high ethical standards and comply with all applicable laws and regulations, we distribute booklets that outline the expected behavior of all company members--"Earth Corporation Conduct Guidelines" and "Explanation of Guidelines"--to all executives and employees (including contract, temporary and part-time employees).

Anti-harassment measures

We do not tolerate any form of harassment, such as power harassment, sexual harassment, and harassment related to gender, pregnancy, childbirth, childcare leave, nursing care leave, etc. We have stipulated this in our work regulations and regularly conduct anti-harassment training for all employees. In 2023, we explained communication methods to address the gap in values that arises from the change of the times and gave lectures on basic knowledge of harassment in labor management training for managers. We have also set up a Harassment and Human Relations Hotline to enable employees to report or consult on any concerns with peace of mind, with the aim of creating a lively and comfortable work environment free from harassment.

Risk management

In our sustainability management, we recognize various risks surrounding our business from an ESG perspective. We recognize the importance of risk management from the perspective of preventing risks before they occur, responding appropriately to crises, and creating business opportunities from risks, and we will work to further strengthen our management foundation.



Information security policy

Earth Corporation recognizes the need to protect useful information assets received from stakeholders, manage personal information in a way that provides customers and employees with a full sense of security, and disclose information in a timely and accurate manner. We meet these requirements by implementing an Information Security Management System (ISMS), which constitutes our internal control and crisis management system for information assets (ISO 27001 certified).

• Editorial Policy

Earth Corporation has published a CSR Report annually since 2018. The report has been renamed the "Sustainability Report" and published since 2022. "Sustainability Report 2024" is a digest report on sustainability information for a wide range of stakeholders. More detailed information is available on our website, so please take a look at it as well.

• Period covered

January to December 2023 (Some parts include information about the activities carried out in FY2024.)

• Date of publication

August 2024 (next issue scheduled for August 2025)

• Scope of coverage

Earth Corporation (Information on its Group companies is also included.)

• Supplemental information

The term "employees" refer to all employees, including managers, general employees and part-time employees.

• Department responsible for publishing this report

CSR and Sustainability Promotion Department

 For more information on Sustainability, please visit our official website.  Japanese only	 For company information, please visit our official website. 
 For IR information, please visit our official website. 	 For ESG data, please visit our official website. 

Editor's Postscript

In place of its previous "CSR Report," Earth Corporation has published a Sustainability Report since 2022. Our Sustainability Report is targeted at a diverse range of stakeholders, and you are advised to read it in conjunction with the sustainability section of our website.

We still have a way to go, but we would like to make this report one that reflects employees' dedicated efforts to enhance corporate value while enhancing internal communication and dialogue within the company via various channels, such as the Web and reports. We appreciate your honest opinions and thoughts.

Thank you to everyone who was involved in creating this report and to everyone who read it until the end.