

Responsible Care (Environment and Safety)

Chemical Safety Initiatives

Materiality

③ Promote responsible care activities

Policy (our fundamental view)

The NOF Group positions chemical safety as a key responsibility and places priority on the following initiatives.

① Assessment of product hazards and environmental impact

We conduct thorough chemical substances risk assessments, collecting and organizing information on environmental impacts and hazards from the product development stage. This enables us to classify and grade hazards, clarify applicable regulatory requirements, and ensure safety throughout all processes, from manufacturing, handling, storage, and distribution to disposal.

② Identification of potential hazards and implementation of countermeasures

At each stage, such as planning and pilot produc-

tion, we carry out chemical substances risk assessments and organize quantified information on potential hazards in products. In particular, for ingredients with significant potential risks, we implement effective measures such as requiring appropriate protective equipment and monitoring workplace environments, based on the results of risk assessments.

③ Updating product information and verifying legal compliance

To ensure product safety, we confirm legal compliance through testing and evaluation before sales begin. Furthermore, after products are launched, we continue to collect and update hazard information and reflect the latest findings.

④ Establishing emergency response systems

We have built systems that enable prompt

response in the event of unforeseen product accidents or situations requiring urgent re-assessment.

⑤ Ensuring safety during transportation

During transport, we strictly enforce the carrying of “Yellow Cards” containing chemical hazard information to ensure safety in transit.

Through these initiatives, the NOF Group is strengthening safety management of chemical substances and striving to enhance chemical safety toward the realization of a sustainable society.

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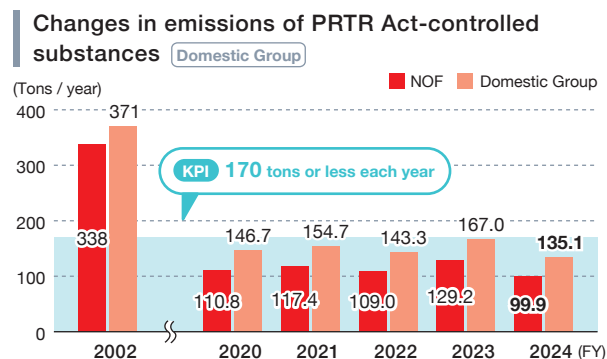
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Measures to reduce emissions of PRTR Act^{*1}-controlled substances

NOF has set a KPI of reducing emissions of PRTR Act-controlled substances to 170 tons or less each year. In particular, we are examining manufacturing methods in which PRTR Act-controlled substances are not used in order to reduce the amount of substances with high environmental emissions. We aim to reduce emissions through the adoption of alternative substances and environmentally friendly manufacturing methods.

In addition, the operating conditions of recovery equipment are optimized to improve the recovery rate of emissions. Regular maintenance and proper operation and management ensure effective recovery and lead to reduced emissions.

NOF will continue its efforts to reduce emissions



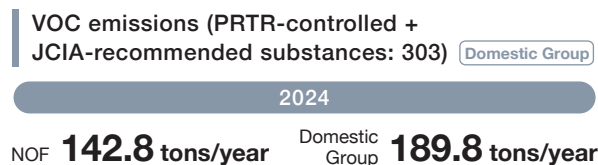
of PRTR Act-controlled substances and promote more environmentally friendly manufacturing activities. In this way, we will contribute to the achievement of a sustainable society and work to protect the global environment.

VOC^{*2} emissions reduction measures

VOCs are substances that contribute to air pollution and photochemical smog. NOF believes that controlling VOC emissions is part of our social responsibility.

We monitor and work to reduce VOC emissions. In fiscal 2024, the total VOC emissions from the NOF Group amounted to 190 tons.

As part of our environmental protection activities aimed at realizing a sustainable society, NOF positions VOC emission reduction as one of our important issues. We are actively implementing process improvements and introducing new equipment. In addition, through technological innovation and research and development, we are exploring new reduction methods and contributing



to the realization of a sustainable society.

Hazardous air pollutant emissions reduction measures

Hazardous air pollutants are chemical substances that may pose risks to human health through long-term exposure even at low concentrations. Based on the list of chemical substances revised in the October 2010 report (9th report) of the Central Environment Council, we are working to monitor and reduce emissions of 15 designated substances.

The NOF Group's emissions of these substances in fiscal 2024 amounted to 89 tons. As with VOCs, we position the reduction of emissions as one of our important issues, and we are actively working on process improvements and equipment installation. In addition, through technological innovation and research and development, we are exploring new reduction methods and contributing to the realization of a sustainable society.

Emissions of hazardous air pollutants (15 substances overlapping with VOCs from the 23 priority substances) Domestic Group



^{*1} In this report, we have used the notation "PRTR Act" to denote the system under which business operators notify the government of release amounts and transfer amounts of specific chemical substances in the environment, and the government publicly releases this information (PRTR system), based on the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

^{*2} Acronym for volatile organic compounds

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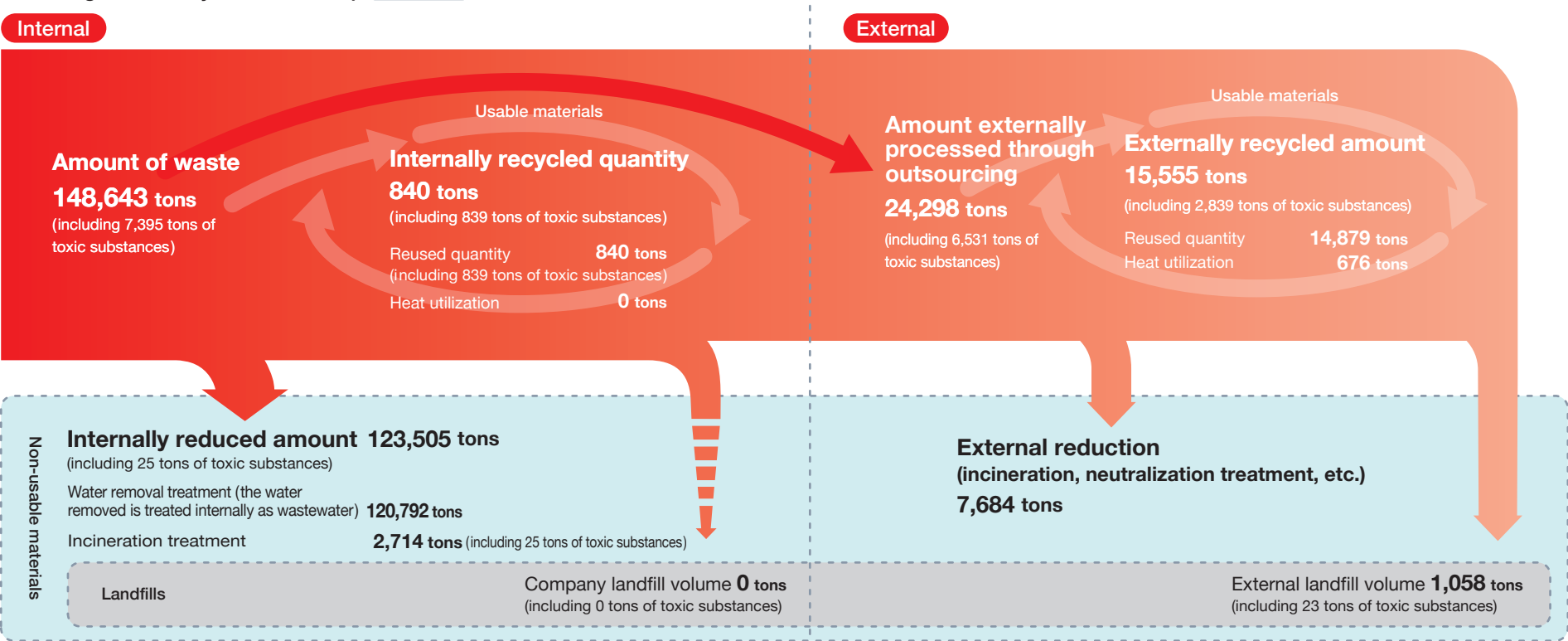
About disposal and recycling

In fiscal 2024, the NOF Group generated 148,643 tons of waste, of which 83.1% was reduced through internal weight reduction measures and 16.3% was outsourced for external processing. As for the break-down of the waste externally processed via outsource-

ing, 10.5% was recycled externally, 5.2% was reduced externally, and 0.7% was disposed via landfills, for a recycling rate of 11.0% of the total waste generated. As part of our resource circulation efforts, we are improving processes to increase yield and reduce the amount of waste generated, promoting the sale of valuable waste and internal processing, recycling

existing waste for landfill reduction, maintaining separate disposal and reducing waste generated, and continuously searching for plastic waste recycling and disposal contractors and advancing processing by them. We will continue to actively work to promote resource circulation, reduce waste, and lessen our environmental impact.

Waste generated by the NOF Group



Meeting laws and regulations

In Japan, prior notification of new chemical substances is mandatory, pursuant to the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substance Control Law) and the Industrial Safety and Health Act. At the NOF Group, in order to make proper notifications, when beginning production of a new chemical substance, the Responsible Care & Production Engineering Department confirms compliance with laws, and such substances remain under strict control as internal audits are conducted to ensure that there are no excesses beyond the volume that has been authorized for manufacture or import. NOF also trains its responsible personnel regarding related regulatory matters in order to keep them up-to-date with the latest information. We also properly store and manage polychlorinated biphenyl waste in accordance with the Law Concerning Special Measures Against PCB Waste, and dispose of such waste by commissioning disposal operators as prescribed by laws and regulations. All treatment of high-concentration PCB was completed as of the end of March 2023, the final deadline for treatment. Meanwhile, with regard to



low-concentration PCBs, we have completed all surveys of equipment containing PCBs, including

PCB components contained in paint coatings, and are systematically replacing the equipment and changing the coatings to meet the treatment deadline of the end of March 2027. We also participate in the Japan Initiative of Product Stewardship, which is the chemical industry's institution for voluntary activities for the control of chemicals, as well as the Long-Range Research Initiative (LRI) implemented through the Japan Chemical Industry Association (JCIA). There has been increasing legislation in recent years overseas for stricter controls over chemical substances not only in western countries but also in Asian countries and regions such as South Korea, China, and Taiwan. We are gathering the latest information regarding exports to such countries, and practicing appropriate compliance when the situation arises. For example, there is response to REACH,* a comprehensive system of registration, evaluation, authorization, and restriction of chemical substances within the EU. The NOF Group actively engages in exporting to the EU region and complies with REACH for the export volume of the chemical substance involved.

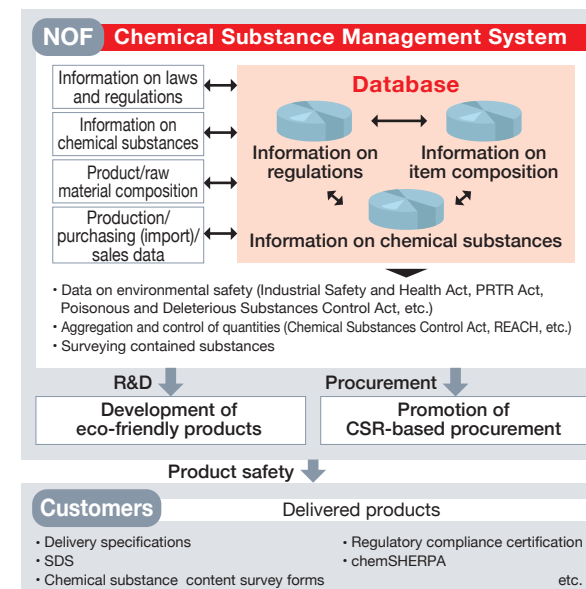
There continued to be no violations of environmental laws and regulations in the current fiscal year.

Initiatives to improve information accuracy in chemical substance management

In fiscal 2020, NOF introduced and constructed a company-wide SDS creation support system, and has centralized

management of SDS throughout the Company. This system enables us to manage all chemical substances used in our products on a company-wide server, and to provide our customers with the latest information on chemical substances in our products through timely updating of SDS and GHS labels issued by each business unit to reflect changes in the laws and regulations of major countries. While we have fully responded to the revisions to the PRTR Act from FY2023, we are also working to expand the functions of the system to track and manage important information such as usage and handling history of chemical substances, in order to improve transparency and visibility.

Image of composition of chemical substance database



* Abbreviation of Registration, Evaluation, Authorisation, and Restriction of Chemicals. REACH represents the EU's quality control regulations on chemicals and is applied to the registration, evaluation, authorization, and restriction of chemicals.