



Biodiversity conservation

GRI 304-3

NOF's initiatives to protect biodiversity

The NOF Group places great importance on proactively working to protect and restore biodiversity. To this end, we have formulated the following policies.

- In order to minimize the impact of our business activities on biodiversity, we conduct environmental impact assessments, identify risks, and implement countermeasures.
- We require our employees to comply with international guidelines, laws, and regulations

related to biodiversity protection and to work for environmental conservation.

- We assess supply chain risks that may cause biodiversity loss and promote sustainable procurement through cooperation with our suppliers.
- We provide educational programs to raise environmental awareness and educate employees and relevant people on the importance of biodiversity protection.
- We cooperate with local communities to partici-

pate in local ecosystem protection activities and various projects for restoring biodiversity.

Through these initiatives, we will contribute to ensuring biodiversity and realize a more sustainable future.





Biodiversity Conservation | Conservation Activities

GRI 304-1,2,3,4

Biodiversity conservation activities visualized with a map

In addition to “forest planting” through creation of green areas alongside roads as well as thinning and pruning company-owned forests, we are implementing plans that contribute to biodiversity at our sites across Japan through protection activities mainly for endangered species, extermination of invasive non-native plants, and donation activities.

Clicking on an initiative written in green will take you to the page with details.

Company-wide



Going paperless

Company-wide



Recycling of plastic waste

Oita



Modal shifting

Amagasaki

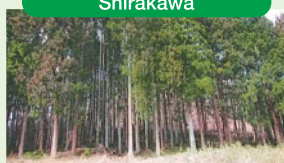


Introduction of alternative methods to animal testing in the evaluation of cosmetics materials (animal welfare)



Participation in “Amagasaki Forest Central Green Space Forest Planting” volunteer activities

Shirakawa



Forest maintenance (Nippon Koki Co., Ltd.)

Kawagoe



Solar panels (NIGK Corporation)

Aichi



Taketoyo community tree planting festival (seedling purchase and sponsorship)



Weeding of the Designated Invasive Alien Species “lanceleaf tickseed”

Bibai



Protection of Japanese swamp lantern clusters (Nippon Koki Co., Ltd.)

Head Office



Donations aimed at protecting the global environment (WWF, Green Fund, Keidanren Nature Conservation Fund, etc.)



Use of FSC-certified paper



Green procurement



RSPO membership, participation in the Japan Business and Biodiversity Partnership, endorsement of the Keidanren Initiative for Biodiversity Conservation, participation in JaSPON

Kawasaki



Purchase of electricity certified to come from non-fossil fuel sources



Food waste reduction (functional foods)



Modal shifting, joint deliveries



Participation in the Kawasaki City Green Office Promotion Council Creation of rooftop greenery, green walls, and greenery on our grounds



Participation in the Forest Restoration Partner System (NOF METAL COATINGS ASIA PACIFIC CO., LTD.)



Biodiversity Conservation | Conservation Activities

GRI 304-2,3,4

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UP



**NOF METAL
COATINGS
ASIA PACIFIC
CO., LTD.**

**Participation in the Forest
Restoration Partner System
under the Kanagawa Forest
Restoration 50-Year Project**

The Kanagawa Forest Restoration 50-Year Project is an initiative to revitalize forests measuring about 95,000 hectares, or about 40% of the prefecture's land, from the prefecture's Mount Oyama and Hakone mountains to forest land in satoyama areas and urban areas. The objective is to prevent the devastation and erosion caused by lack of care and to pass on the rich blessings of the forests to the next generation. NOF METAL COATINGS supports forest maintenance on an area of about 10 hectares (equivalent to about two Tokyo Domes). The forest areas absorb about 247 tons of CO₂ over 5 years. In addition, it has been decided to name a portion of the forest designated by the prefecture as "NOF METAL COATINGS Forest." Going forward, as a partner company, we will conduct events for forest maintenance, nature observation, and more. The forest will be used as a place to promote health and deepen friendship with employees and their families, thereby contributing to the protection of nature and environmental preservation.

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**Amagasaki
Plants**

**Participation in "Amagasaki
Forest Central Green Space
Forest Planting" volunteer
activities (from 2017)**

Fukushima Prefecture, where Nippon Koki Co., Ltd.'s Shirakawa Plant is located, has established the Fukushima Prefecture Carbon Dioxide Absorption Certification System by Forest Maintenance Activities to certify the effectiveness of forest maintenance activities such as planting, weeding, and thinning conducted by companies and organizations in the prefecture in terms of carbon dioxide absorption as a numerical value. This certification aims to promote participation in forest maintenance activities by companies and organizations, thereby contributing to the continued demonstration of the multifaceted functions of forests, such as the prevention of global warming, and the revitalization of communities in mountain villages. Nippon Koki Co., Ltd., which owns approximately 149 hectares of forest in Nishigomura, Shirakawa-gun, Fukushima Prefecture, has been certified to have absorbed 282 tons of carbon dioxide (2012 to 2013) through its forest maintenance activities.

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**Nippon
Koki
Co., Ltd.**

**Forest
maintenance
activities**

In fiscal 2023, a total of seven employees from the Amagasaki Plant participated in the "Amagasaki Forest Central Green Space Forest Planting," one of the initiatives of the "Amagasaki 21st Century Forest Project" promoted by Hyogo Prefecture. Together with general volunteers and the secretariat, the employees worked hard on tree planting and weeding. Through this reforestation activity, we will contribute to improving the environment of the waterfront area and ensuring the diversity of biological ecosystems.



Biodiversity Conservation | Conservation Activities

GRI 304-2,3,4



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Nippon Koki Co., Ltd. | Activities to protect Japanese swamp lantern clusters

The Japanese swamp lantern, which is known in Japan from the children's song "A Memory from Summer," is an alpine plant that grows near water. On the grounds of Nippon Koki's Bibai Plant (Bibai City, Hokkaido Prefecture), which covers an area of about 43 hectares, or 9.2 times the size of the Tokyo Dome, there are clusters of Japanese swamp lanterns in a wetland where sunlight filters through the trees. Surrounded by Japanese white birch and other trees and water, this rich ecosystem is carefully protected with the continuous observation of employees.

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Head Office | Use of FSC-certified paper

FSC certification is an international system that certifies "responsible forest management" for the purpose of sustainable forest utilization and conservation. NOF uses FSC-certified paper for its Integrated Report, notice of General Meeting of Shareholders, company profile, and internal newsletters, and cooperates in activities to protect forests.

The perennial plant "lanceleaf tickseed," a member of the Asteraceae family native to North America, was introduced from overseas as an ornamental and greening plant. However, in 2006 it was designated as a "Designated Invasive Alien Species" under the Act on the Prevention of Adverse Ecological Impacts Caused by Designated Invasive Alien Species because of its strong reproductive capacity and potential to seriously impact the ecosystem in Japan. Cultivation, transport, sale, and release into the wild are prohibited. Local governments throughout Japan are calling for extermination of lanceleaf tickseed through their websites and other means. At NOF's Aichi Works, lanceleaf tickseed grows in various parts of the grounds, and has increased dramatically in recent years. Therefore, the entire plant is conducting extermination activities.

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**Head
Office**

**CSR
Procurement**

From fiscal 2010, we took up "Promoting conservation of biodiversity" as one of the targets of our RC activities. From October 2012, NOF joined the Round-table on Sustainable Palm Oil (RSPO*) as "Palm Oil Processors and Traders" to contribute to the healthy development of the palm oil industry. Since 2014, the NOF Group has participated in the Japan Business and Biodiversity Partnership, which promotes initiatives for biodiversity by business operators. NOF currently endorses the Declaration of Biodiversity and Action Policy by Keidanren (2018 revised edition). Furthermore, in April 2019, NOF became a founding member of the Japan Sustainable Palm Oil Network (JaSPON), which comprises 18 companies and organizations including manufacturers, retailers, and non-governmental organizations, and also engages in activities to encourage the entire industry to procure and use RSPO certified palm oil.

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**Aichi
Works**

**Weeding of specified
invasive non-native
plants**

* Acronym for "Roundtable on Sustainable Palm Oil". The RSPO was established in 2004 with an eye to promoting sustainable production and profitability of palm oil through the formulation of globally creditable authentication standards and participation of stakeholders. The RSPO is headquartered in Zurich, Switzerland.



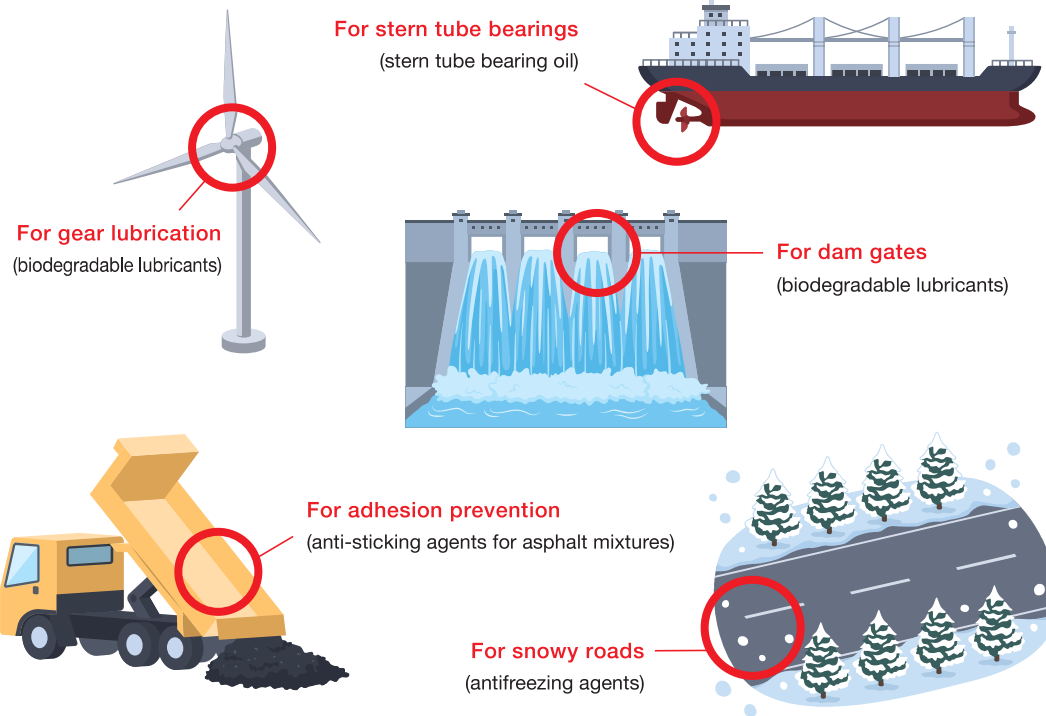
Prevention of soil and water pollution

Functional Materials business

Explosives & Propulsion business

Conventional lubricants and stern tube bearing oils used in construction equipment, dam gates, wind power generation, and other applications, as well as anti-sticking agents for asphalt mixtures used in road construction, pollute the environment when exposed to nature. The NOF Group provides products that are highly biodegradable and thereby contributes to preventing soil and water pollution. In addition, KAMAGU® is an eco-friendly antifreezing agent that does not cause salt damage to concrete sections of tunnels, bridges, etc., and also has minimal impact on plants. AUTOKAMAGU® JET automatic antifreezing agent spraying device works using 100% natural energy (solar energy), and thus contributes to climate change mitigation.

End uses of the NOF Group's products



Climate change mitigation

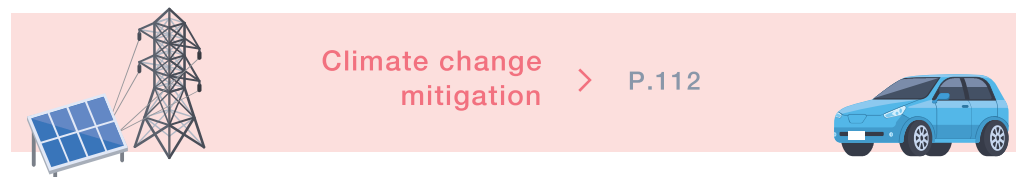
Functional Materials business

Functional Foods business

Metal Coatings business

It is believed that global warming will cause imbalances in ecosystems due to forest thinning, forest fires, and acidification of seawater, leading to an increased risk of extinction of plants and animals. We have various products related to climate change mitigation that also contribute to biodiversity.

End uses of the NOF Group's products





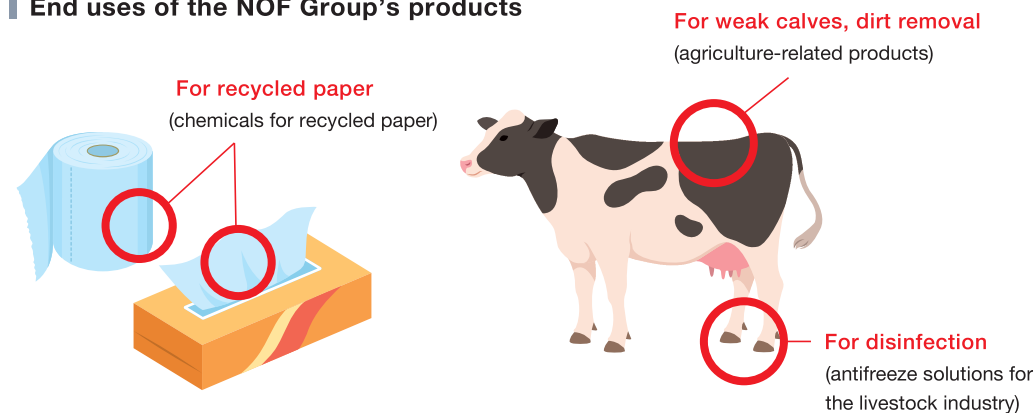
Protection of forests and animals

Functional Materials business

Explosives & Propulsion business

Recycled paper contributes not only to proper waste disposal but also to global environmental conservation by protecting forest resources. The NOF Group contributes to forest protection with chemicals for recycled paper (pitch control agents, removing agents, etc.), which are indispensable for recycled paper. In addition, Viva Frostir® is an antifreeze solution for the livestock industry that is gentle to animals and humans during winter disinfection. NEODRINK® maintains the physical strength of weak calves, and Za Yoroi-Otoshi helps reduce stress in cows by quickly removing dirt.

End uses of the NOF Group's products



Environmental information

Explosives & Propulsion business

In addition to seawater and atmospheric observations, satellite surveys of vegetation and coastal zone changes and behavioral tracking of rare creatures are used as basic data for ecosystem conservation. Our marine equipment and rocket fuel also contribute to biodiversity.

End uses of the NOF Group's products





Analysis according to the LEAP approach*

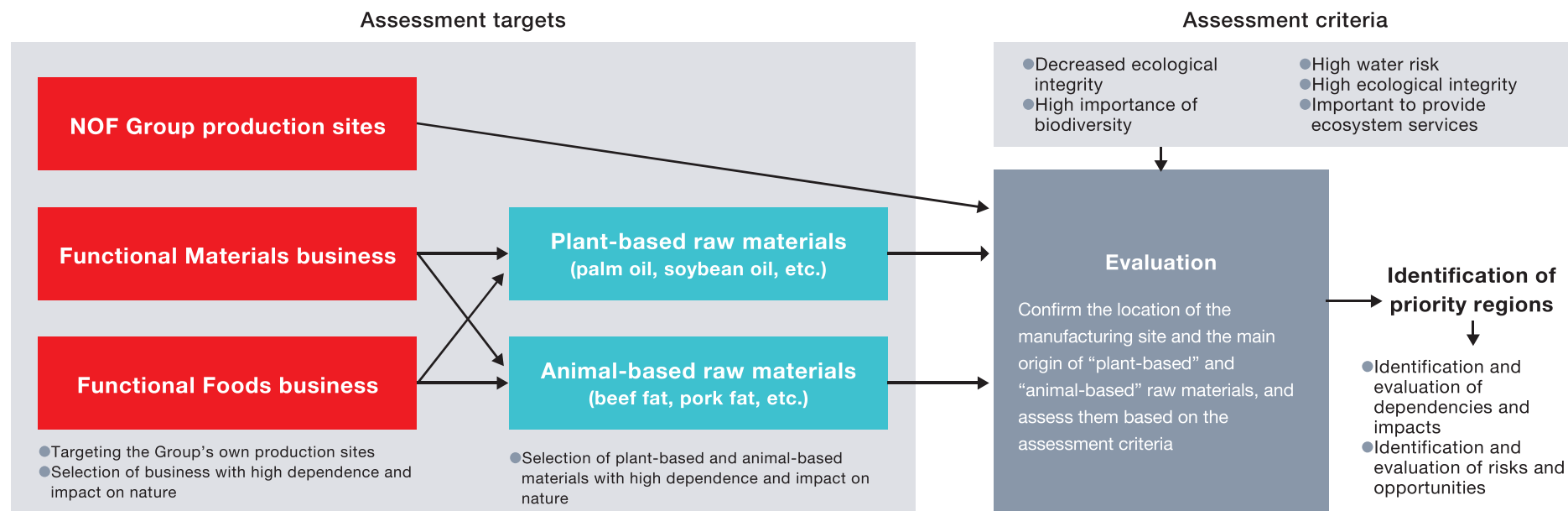
In recent years, biodiversity loss has become a new global risk attracting concern. The Task Force on Nature-related Financial Disclosure (TNFD) requires companies to disclose risks and opportunities related to the natural environment and biodiversity.

The NOF Group uses palm oil and other naturally-derived raw materials. Therefore, we have recognized loss of biodiversity as an important risk. We have established a policy on biodiversity

protection and have been proactively working on it.

Since fiscal 2023, we have been conducting analysis in accordance with the LEAP approach required by the TNFD to identify and assess risks and opportunities related to biodiversity. Specifically, production sites that are important nature-related locations for the NOF Group will be assessed through various tools provided by the WWF and other organizations based on the TNFD assessment criteria to identify high-priority regions for biodiversity initiatives.

For “plant-based” and “animal-based” raw materials among those in the Functional Materials and Functional Foods businesses, which have high degrees of dependence and impact on nature, based on the TNFD assessment criteria, we will evaluate the main origins to identify priority regions, and work on identifying and evaluating dependence and impact, along with identifying and evaluating risks and opportunities.



* A process for systematic, science-based assessment of nature-related risks and opportunities put forward by the TNFD. LEAP is an acronym of the four phases of Locate, Evaluate, Assess, and Prepare.