

Initiatives for Society

In order to grow in a sustainable manner, Kumiai will proactively take the initiative to establish systems and a corporate culture where diverse human resources can each demonstrate their capabilities.

Basic Policy on Human Resource Management

1. Establishing rewarding workplaces

Kumiai Group considers "human resources" to be the key to achieving sustainable growth, and is actively endeavoring to create a workplace where everyone is able to find satisfaction through work-life balance. We will continue to promote a "sense of existence," "sense of accomplishment," and "hope for the future" as we strive to improve the happiness of our employees by creating an environment that allows them to find fulfillment in their work.

2. Establishing a safe and healthy work environment

Kumiai Group will proceed with establishing a safe and healthy work environment by reflecting discussions from the Health & Safety Committee which are attended by representative employees to ensure that all employees understand legal requirements related to safety and health, as well as mitigation measures, in addition to preventing occupational accidents and disease.

3. Ensuring fair work conditions

Kumiai Group will respect fundamental labor rights including freedom of association and the right to collective bargaining, and observe laws and regulations on labor such as minimum wage regulations and working hour regulations through constructive dialogue between employees and management at councils with labor unions, and will endeavor to improve conditions including maintaining fair personnel systems to ensure fair labor conditions.

4. Fair and impartial human resource management

Kumiai Group will cultivate human resources who are capable or acting in harmony with our corporate philosophy from an ethical perspective, and who have expertise with a global perspective.

5. Promoting diversity

Kumiai Group aims to achieve diversity and inclusion so that diverse human resources are able to work to their potential and have a sense of value.

Promotion of Work-Life Balance

Preventing Overwork and Promoting Work-Life Balance

We have implemented a staggered working hours system and remote work system to encourage employee's

work-life balance. We also are making efforts to prepare environments such as a remote work and use of satellite offices so that various employees are able to fully use their abilities while having peace of mind.

KPI	FY2022 results	FY2026 targets	FY2030 targets
Average usage rate for annual paid leave	60.6%	70.0%	80.0%
Average monthly hours of overtime work	13.8 hours	Less than 10 hours	Less than 10 hours

Support System for Parents Raising Children

Kumiai has various working systems to support employees who are raising children. The short-time working hour system can be used until a child enters junior high school. The staggered working hours system can be used on a single-day basis. Many employees use a remote work system that was introduced during the COVID-19 pandemic for preventing infection.

In recent years, the number of male employees taking childcare leave is increasing. We will continue making efforts to create a comfortable work environment.

KPI	FY2022 results	FY2026 targets	FY2030 targets
Rate of male employees who take childcare leave	24.1%	100%	100%
"To receive Kurumin Certification" based on the Act on Advancement of Measures to Support Raising Next-Generation Children	—	To receive "Platinum Kurumin" Certification	Maintaining "Platinum Kurumin" Certification

Promoting Diversity and Inclusion

We are endeavoring to promote diversity because we recognize that having a variety of perspectives and values is essential for ensuring sustainable growth. We train women, non-Japanese workers, and mid-career hires as managers and specialists based on personnel evaluations that are fair according to the person's abilities and achievements without discriminating according to age, nationality, gender, or other characteristics. As a result of our efforts to promote diversity in hiring, women accounted for 31.3% of new graduate hires, and mid-career workers accounted for 27.3% of annual hires in FY2022.

We are also formulating ways for supporting the success of women in the workplace, and will set and achieved each KPI. We will provide training on diversity in order to create a corporate culture where diverse

human resources are able to use their abilities to the full with confidence.

Ratio of female hires to new graduate hires

Year joined the Company	2020	2021	2022
Males (People)	28	22	11
Females (People)	7	12	5
Total (People)	35	34	16
Percentage of females	20.0%	35.3%	31.3%

Ratio of mid-career hires to annual hires

Year joined the Company	2020	2021	2022
New graduate hires (People)	35	34	16
Mid-career hires (People)	6	8	6
Total hires (People)	41	42	22
Percentage of mid-career hires	14.6%	19.0%	27.3%

KPIs for promoting diversity

KPI	FY2022 results	FY2026 targets	FY2030 targets
Percentage of female managers (Section Manager or higher)	1.6%	4.9%	8.2%
Rate of female employees	16.8%	19.0%	20.0%
Diversity training	—	At least once a year	At least once a year

Human Resource Development

Kumiai provides training for all departments according to the year when an employee joins us including training for new employees, training for mid-career employees, and life plan seminars in addition to training for each position such as assessment training and personnel evaluator training. Each department also provides practical training related to work including language training and sales training. In research and development departments, effort is also made to foster researchers through joint research where researchers are dispatched to other research institutes (such as the National Institute of Advanced Industrial Science and Technology).

Respect for Human Rights

Kumiai has established its "Basic Policy on Human Rights," and we endeavor to respect basic human rights without discrimination in our corporate activities. We also avoid contributing in any way to infringement on human rights such as child labor and forced labor in our businesses outside Japan, and support international initiatives for eliminating these problems.

KPI	FY2022 results	FY2026 targets	FY2030 targets
Implementation of human rights education and training	Held for all Managers: once	Employee coverage rate: 100% At least once a year for each employee	Employee coverage rate: 100% At least once a year for each employee

Basic Policy on Human Rights

1. Respect for human rights

Kumiai Group respects international standards on human rights including the United Nations International Bill of Human Rights and the "Declaration on Fundamental Principles and Rights at Work" by the International Labor Organization (ILO). We also consider the intent of the United Nations Guiding Principles on Business and Human Rights, and promote initiatives for respecting human rights

2. Prohibiting discrimination and harassment

Kumiai Group prohibits discrimination based on gender, age, nationality, race, ethnicity, religion, creed, educational background, social status, disability status, sexual orientation, or gender identity, and prohibits harassment that robs a person of their dignity such as sexual harassment, power harassment, and maternity harassment in all business activities. We also are promoting measures for avoiding even indirect complicity in human rights violations based on business activities and for avoiding contributing in any way to human rights violations.

3. Prohibiting child labor and forced labor

Kumiai Group is determined to avoid forced labor, child labor, slave labor, or human trafficking either directly or indirectly in business activities in all countries and regions of the world.

4. Privacy protection

Kumiai Group respects privacy and works to protect personal information.

5. Engaging in human rights due diligence

Kumiai Group endeavors to recognize any potential negative impacts on human rights and seeks to prevent or mitigate these through remediation processes.

Promotion of Industrial Health and Safety

Kumiai believe that industrial health and safety is an important matter that takes precedence over everything else. We conduct our health and safety activities in two main ways, one lead by manufacturing sites and the other by Head Office. At each office, the Health & Safety Committee takes the lead to implement various measures. The Head Office includes the introduction of VR danger experience training, contracts with occupational safety consultants, and joint research on safety with human error researchers and the National Institute of Advanced Industrial Science and Technology (AIST). In this way, we are promoting company-wide industrial health and safety activities through collaboration inside and outside Kumiai.

Health and Safety Management System

In Kumiai, a General Health and Safety Manager is appointed at each office to oversee the following matters.

- 1) Matters related to measures for preventing dangers or health hazards to employees
- 2) Matters related to implementing education for the safety or health of employees
- 3) Matters related to implementing health checkups and other matters related to health management
- 4) Matters related to investigating the cause of occupational accidents and measures for preventing recurrence
- 5) Other matters related to health and safety management

We also established a Health & Safety Committee for increasing the awareness of employees on health and safety, for reflecting feedback from employees, and for promoting activities to improve occupational accident prevention measures and promote health. People are appointed at each office as needed to handle matters related to health and safety including managers, responsible individuals, and industrial physicians.

Initiatives for Preventing Occupational Accidents

Reports on the status of accidents and on measures

Number of occupational accidents (New)

Fiscal Year	Commuting accident	Work accident	Total	Accidents requiring time off from work
2019	1	5	6	1
2020	4	10	14	1
2021	5	5	10	0
2022	4	15	19	1
Total	14	35	49	3

* Kumiai only

for preventing recurrence are created and managed within Kumiai.

Examples of New Health and Safety Initiatives

In 2018, a construction project for the new plant for water-dispersible granules at our Tatsuno Factory got underway with collaboration between the manufacturing site and Head Office. The design was repeatedly examined taking safety and the environmental friendliness into consideration. On October 4, 2022, a completion ceremony was held, and a safety diagnosis was conducted the same month prior to the start of operation.

The new plant design was based on the following concepts.

- 1) Saving energy, reducing labor, unmanned operation
- 2) Flexible cleaning of the whole plant
- 3) Smart factory and digital factory
- 4) Streamlining and optimization

Safety measures and risk mitigation were implemented based on these.

To reduce risk exposure for operators during conventional switching work, we made all equipment for the whole process washable. In addition, the spread of dust was reduced while equipment is operating for reducing exposure to operators, and safety measures were implemented to prevent dust explosion. With regard to risk assessment of equipment and operations, a safety diagnosis (including risk assessment) was conducted prior to acceptance inspection and operation with the cooperation of an outside industrial safety consultant. While implementing such measures, we could identify other risks during operation and make further improvements. We conducted safety diagnosis again in the presence of industrial safety consultants to examine remaining risks.



Initiatives for Responsible Care

Kumiai is promoting Responsible Care activities as part of sustainability management. In May of 2022, the Responsible Care Promotion Section was newly established.

As a research and development oriented company that mainly manufactures agricultural chemicals, our responsible care activities are for protecting safety, health, and the environment of related people inside and outside Kumiai throughout all processes including production, sales, use by customers, through to disposal. In November 2022, we joined the Responsible Care Committee of the Japan Chemical Industry Association (JCIA), and in December, we established the Responsible Care Promotion Committee headed by the President. We are sharing information among the seven group companies which handle chemicals in order to improve our activities.



System for Promoting Responsible Care

The Responsible Care Promotion Committee, which is headed by the President, includes full-time Directors and Executive Officers and department heads, and is operated by the Responsible Care Promotion Section as the secretariat. We are focusing on the following efforts to continuously improve our Responsible Care activities.

- 1) Creating goals and plans for Responsible Care activities
- 2) Progress management for Responsible Care action plans
- 3) Matters related to the Responsible Care Management System
- 4) Responsible Care internal audit reports and management reviews

(Group companies that share information: RIKENGREEN, IHARANIKKEI CHEMICAL INDUSTRY, K-I CHEMICAL INDUSTRY, Ihara Construction Industry, ONOMICHI KUMIKA INDUSTRY, KUMIKA LOGISTICS and NEP (7 companies))

Basic Policy on Responsible Care

Based on the "Kumiai Group Basic Corporate Philosophy," we will endeavor to protect the environment and ensure health and safety throughout the life cycle of our chemical products, and continuously work to improve the quality of people's lives and create a sustainable society as we implement Responsible Care with the goal of contributing to its realization.

1. Kumiai's Executives will take the lead in demonstrating leadership and promoting Responsible Care.
2. We will willingly make effort to protect and improve the environment and health and safety throughout the life cycle of our chemical products; from development to disposal.
3. We will promote conservation of resources and energy, and work to reduce and effectively utilize waste.
4. We will protect the environment and the health and safety of people throughout the supply chain.
5. We will disclose the results of our activities and endeavor to engage in dialogue and communication activities with society in order to meet the expectations of stakeholders regarding our efforts for the environment and health and safety.
6. For "Protecting and fostering life and nature," we will continue making effort to create new value that will lead to the sustainable development of an affluent society.