


Sustainability Management

Sustainability Policy


Together with its stakeholders, Organo aims to realize a sustainable society for the future and improve our corporate value



E


Leveraging its leading-edge technologies cultivated through long experience with water treatment, Organo provides environmentally-friendly products and services that contribute to water environment conservation and prevention of global warming.*

* "Leveraging its leading-edge technologies cultivated through long experience with water treatment" refers to our pursuit of water treatment-related separation and purification, analysis, and engineering technologies, and our provision of optimal systems and services that meet the needs of society through a combination of these technologies.



S

We promote a workplace where human rights, diverse values, and individuality are respected, and where every employee is given the opportunity to grow and play an active role.



G

We emphasize dialogue and cooperation with all stakeholders, and we conduct honest and fair corporate activities.

The Organo Group established the Sustainability Policy in 2022. To enhance the sustainability of the business activities of the Organo Group and contribute to achieving a sustainable society and global government, we are integrating our medium- and long-term management plans with this policy to promote management that links business activities to ESG initiatives.

We will provide products and services that contribute to our customers' sustainability, water environment conservation, and global warming prevention by solidifying the foundation of our business through comprehensive compliance and strengthened governance, and by sustainably developing cutting-edge technologies cultivated through long experience with water treatment.

Sustainability Promotion System

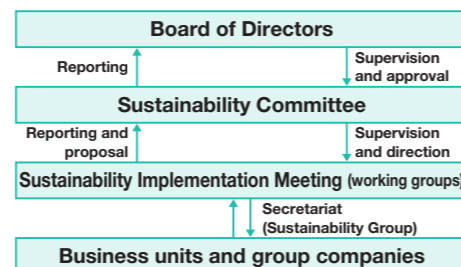
The Group established the Sustainability Committee as an organization to plan, propose, and implement measures to promote sustainability management. We also established the Sustainability Implementation Meeting, which promotes specific measures as the implementation organization of the Committee.

The Sustainability Implementation Meeting creates working groups in response to prevailing sustainability issues, and working group members are assembled from relevant business units and group companies to work on resolving issues.

As of October 2023, the Sustainability Implementation Meeting had five working groups, with each one focused on separate initiatives (measures to calculate and reduce GHG emissions, measures to achieve SDGs, promotion of CSR procurement, and response to TCFD recommendations).

The progress status of the measures implemented by the Sustainability Implementation Meeting are reported to the Sustainability Committee, which discusses and deliberates on issues and reports to the Board of Directors, the supervisory and approval authority.

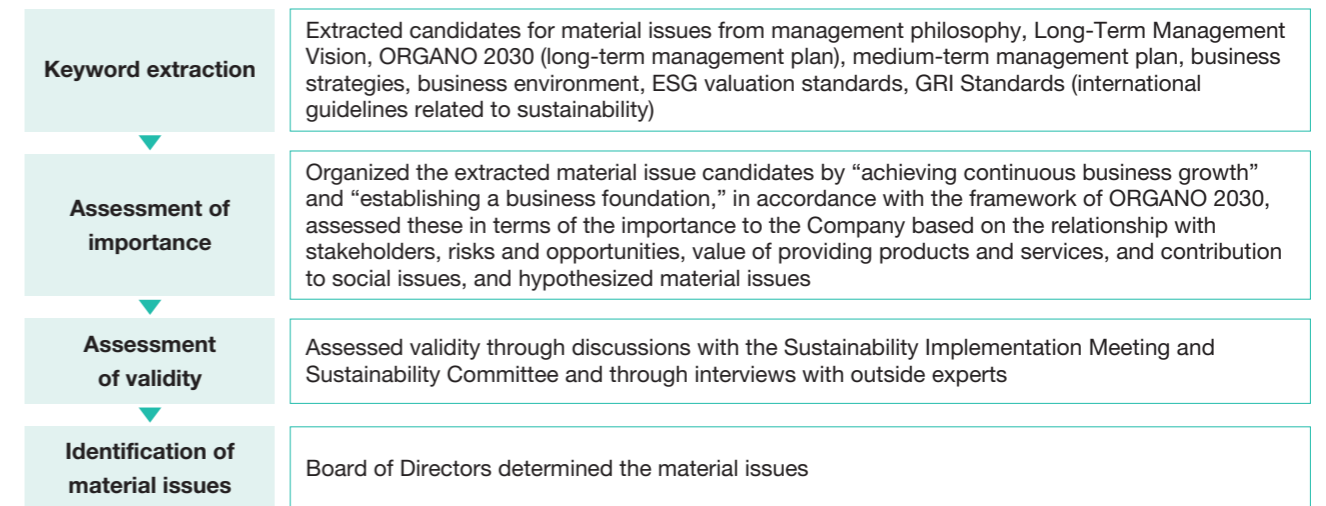
The Sustainability Committee is required to meet at least twice a year, and it may meet on an ad hoc basis when there are urgent matters to be considered. In FY2022, the Committee met a total of seven times, including two written deliberations.



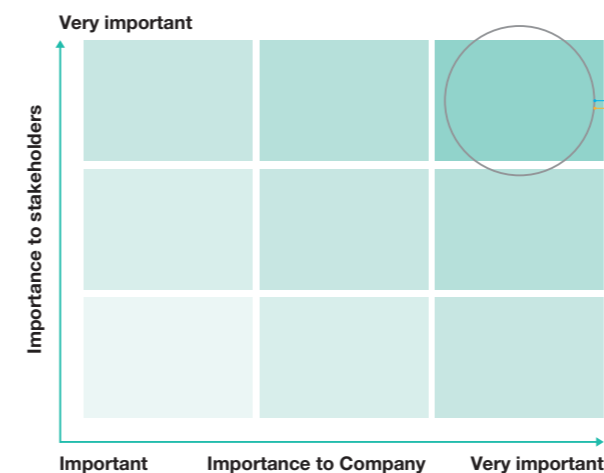
Material Issues

We evaluated trends in international society and social issues closely related to our business in terms of the importance to our stakeholders and to our Company, and extracted key issues. We discussed these issues in an internal meeting that included the Board of Directors, and identified material issues of high importance.

Identification Process



Identified Material Issues



Items related to value creation through business activities and global environmental conservation essential for daily life, industry, and business

- 1) Contribute to a sustainable global environment**
 - Address water resource issues
 - Respond to climate change
 - Expand environmentally friendly products and services
 - Promote the 3Rs (Reuse, Reduce, Recycle)
 - Protect biodiversity
- 2) Leverage technological capabilities to provide high value-added products and services**

- 3) Strengthen governance and ensure compliance**
 - Promote occupational safety and health
 - Respect human rights
 - Strengthen compliance
 - Strengthen risk management
- 4) Create a workplace where diverse human resources can play an active and rewarding role**
- 5) Strengthen supply chain management**

The foundation enabling continued business operations while fulfilling social responsibilities

List of Material Issues

Material issue		Approach	Index (KPI)	Reference year (initiative start year)	Goals for FY2030	Results for FY2022	Reference page	
Achieve continuous business growth	<ul style="list-style-type: none"> • Address water resource issues • Protect biodiversity 	<ul style="list-style-type: none"> • Contribute to the preservation of healthy water cycles and secure water resources through water use in industry and daily life by providing wastewater treatment and recovery technology. • Contribute to the protection of biodiversity through corporate initiatives on material issues including wastewater treatment, products and services that save energy and resources, and waste reduction. 	Amount of wastewater treated by newly delivered Organo systems and discharged by plants	2023	Total 60 million m ³	(There is no actual value for FY2022, as the initiative began in FY2023)	-	
			Amount of water collected and reused by newly delivered Organo systems	2023	Total 250 million m ³	(There is no actual value for FY2022, as the initiative began in FY2023)	-	
	1) Contribute to a sustainable global environment	Respond to climate change	Contribute to realizing a sustainable society by optimizing energy usage related to business activities and providing products and services that contribute to mitigating climate change.	Rate of reduction of Scope 1 and 2 CO ₂ emissions according to science-based target (SBT) presentation method* ¹	2021	42% reduction	CO ₂ emissions: 11,566 t-CO ₂ (12% increase from FY2021), includes domestic and overseas group companies	p. 55
				Rate of reduction of Scope 3 CO ₂ emissions according to science-based target (SBT) presentation method* ¹	2021	Under review	CO ₂ emissions: 893,606 t-CO ₂ (37% increase from FY2021), not including domestic and overseas group companies	p. 55
		<ul style="list-style-type: none"> • Expansion of environmentally friendly products and services • Promotion of the 3Rs 	<ul style="list-style-type: none"> • Reduction of the environmental burden of corporate activities, including those of our customers, through the creation, commercialization, and provision of products and services that contribute to resource and energy conservation. • Promotion of the 3Rs for waste generated by corporate activities, including those of our customers, through Organo's technology and services. 	Volume of CO ₂ reduced by applying Organo technology and products	2023	Total 32,000 t-CO ₂	(There is no actual value for FY2022, as the initiative began in FY2023)	-
				Volume of sludge reduced by applying Organo technology and products	2023	Total 10,000 t	(There is no actual value for FY2022, as the initiative began in FY2023)	-
	2) Leverage technological capabilities to provide high value-added products and services		Continually develop and provide new technology and services that solve customer's sustainability issues.	Number of developed environmentally-friendly products and services that add value by solving customer's sustainability issues	2023	Two per year	(There is no actual value for FY2022, as the initiative began in FY2023)	-
Establish a business foundation	3) Strengthen governance and ensure compliance	Promote occupational safety and health	Improve in-house guidance and training to ensure safety and health in business activities with the aim of eliminating serious lost-time injuries.	Number of serious lost-time injuries* ²	2022	Zero per year	Number of serious lost-time injuries: 7	p. 57
		Strengthen compliance	Maintain appropriate transactions based on fair and free competition, and promote the strengthening of compliance to continue to be useful to society at large.	Completion rate of compliance-related training for participants enrolled at the end of the previous fiscal year	2022	100%	Of the 18 required courses, 13 courses had a 100% completion rate; 5 courses had less than a 100% completion rate	p. 50
		Respect human rights	Maintain and respect international standards for human rights, and promote initiatives on respect for human rights to fulfill our corporate social responsibility.	Completion rate of human-rights-related training for participants enrolled at the end of the previous fiscal year	2022	100%	Launched human rights e-learning course (course ends FY2023)	p. 58
		Strengthen risk management	In order to realize our management philosophy, we will enhance our risk management capabilities to recognize and appropriately address risks in our Long-Term Management Vision.	PDCA implementation rate for key risks identified by the Company	2022	100%	100% implementation	p. 49
	4) Create a workplace where diverse human resources can play an active and rewarding role	Ensure diversity (in terms of standpoint and approach) in various decision-making.		Number of females in managerial positions (domestic group companies)	2022	50	22	p. 59
		We consider the improvement and exercising of diverse abilities by our employees to be a source of job satisfaction, and we will work to cultivate human resources and enhance our systems to achieve this goal.		Training expense per employee (all group employees including those overseas)	2022	¥100,000 per person	¥58,309 per person	p. 60
		Provide a rewarding work environment where employees are mentally and physically healthy.		Number of employees exceeding the annual legal overtime limit * Domestic group companies only	2022	Employees with 600 hours per year: Zero	Employees with 600 hours per year: 53	p. 59
	5) Strengthen supply chain management	Support the efforts of suppliers based on the Organo Group Supply Chain CSR Promotion Guidebook, and improve CSR awareness and compliance across the group supply chain.		Number of main suppliers in compliance with Organo Group Supply Chain CSR Promotion Guidebook	2022	Number of companies in compliance: 300 or more	Number of companies surveyed: 41	p. 58

*1: Criteria for calculating carbon dioxide emissions set forth by the Science Based Targets initiative (SBTI), an initiative requiring companies to set science-based carbon emission reduction targets.

*2: Four or more days out of work

Governance

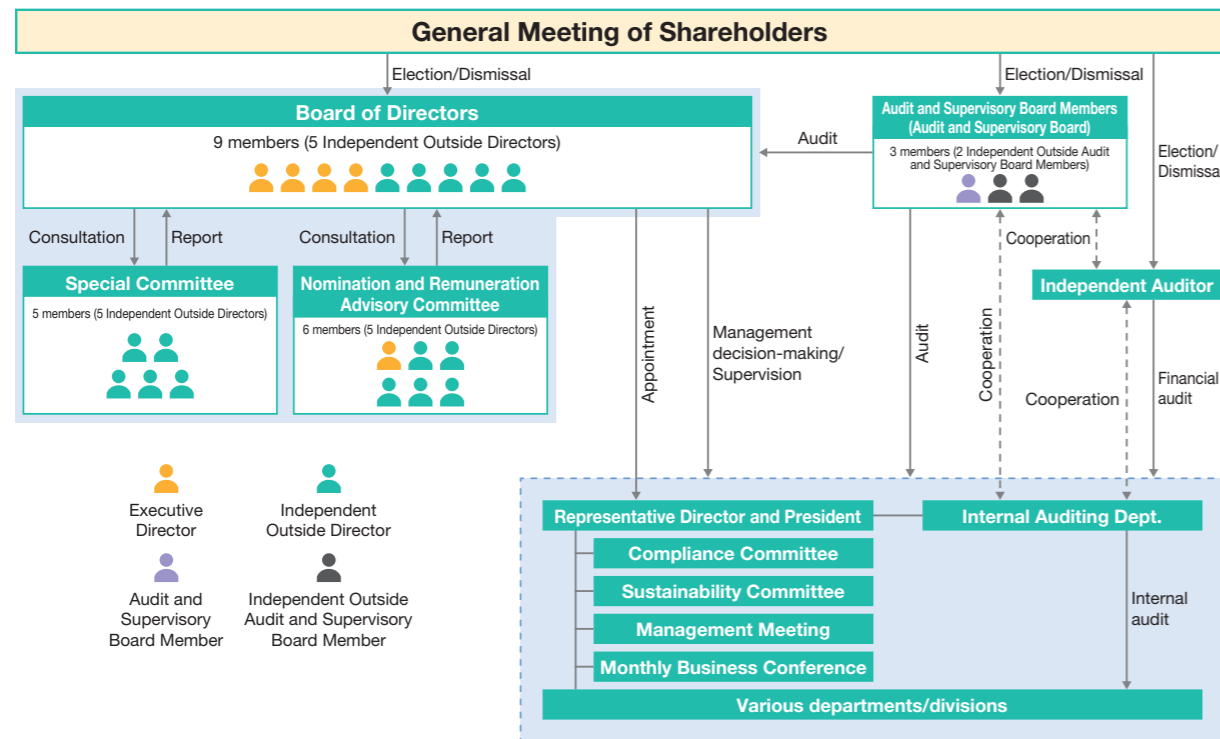
Basic Views on Corporate Governance

- (1) The Company will respect the rights of shareholders and ensure equality.
- (2) The Company will take into account the benefits for a wide range of stakeholders including shareholders/ investors, consumers/customers, business partners, employees, and local communities, and cooperate with these stakeholders appropriately.
- (3) The Company will disclose information in a timely and proper way, and ensure transparency.
- (4) The Directors, Audit and Supervisory Board Members, and Executive Officers will recognize their fiduciary responsibilities, and will effectively fulfill their expected roles and duties.
- (5) The Company will hold constructive dialogue with shareholders.

Organo Corporate Governance Guidelines <https://www.organo.co.jp/english/company/governance/guidance/>

Corporate Governance Structure

Corporate Governance Structure



Nomination and Remuneration Advisory Committee

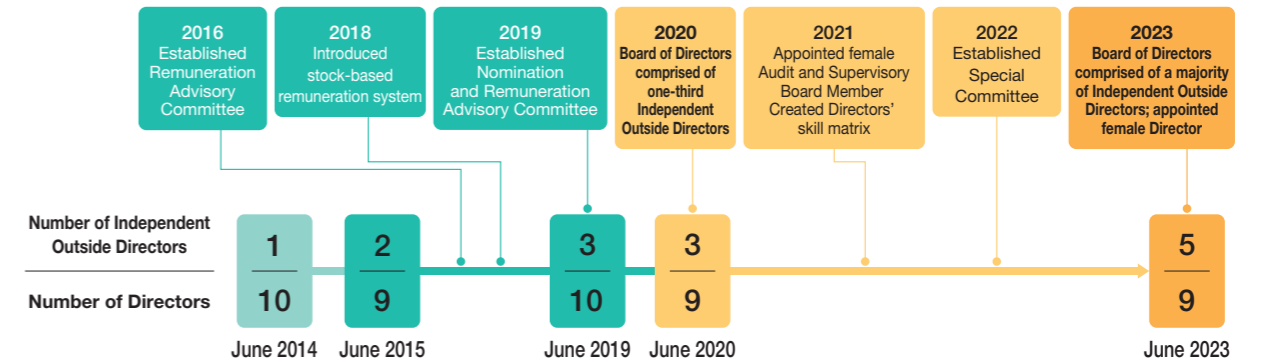
The Company established the Nomination and Remuneration Advisory Committee as a non-statutory advisory body to the Board of Directors. The committee reviews matters relating to the selection of officers including the election and dismissal of Directors and Executive Officers as well as remuneration for executives, and reports the results to the Board of Directors.

Special Committee

A special committee was established as a non-statutory advisory body to the Board of Directors, and when an important transaction, etc. is conducted between the Company and Tosoh Corporation, the controlling shareholder of the Company, or one of its subsidiaries, the Committee will deliberate on such transaction, etc. from the standpoint of protecting the interests of minority shareholders and report the resulting recommendation to the Board of Directors.

Transition toward Stronger Corporate Governance

Main initiatives for corporate governance



Assessment of the Overall Effectiveness of the Board of Directors

The Company conducts a survey for all Directors and Audit and Supervisory Board Members every year. Based on the results of the survey, the Board of Directors analyzes and assesses its overall effectiveness and discusses measures to maintain and improve the function of the Board.

Method of Implementation

- Scope: A total of 12 people including Directors of the Company (nine) and Audit and Supervisory Board Members of the Company (three)
- Period: FY2022 (April 2022 to March 2023)
- Implementation timing: March 2023 to May 2023
- Implementation method: Survey by third-party organization

Main issues	Status of response
Strengthen the supervision function related to business execution of the Board of Directors	Independent Outside Directors comprise the majority of the Board of Directors. (June 2023)
Establish measures to ensure diversity on the Board of Directors	One female Outside Director was appointed. (June 2023)
Clarify policies and methods for developing director candidates	Continuing from FY2022, the Company will provide opportunities for Executive Officers and general managers to explain and report on proposals at Board of Directors' meetings, as well as promote discussions on the policy for developing candidates for Directors.
Strengthen group governance	<ul style="list-style-type: none"> • A new compliance group was established to foster Group-wide compliance awareness. (June 2023) • We will raise awareness in the workplace—the key to governance and first line of defense—by disseminating messages from management to employees and promoting awareness through means such as signage and posters. • We will reinforce the Organo Group's auditing system, including subsidiaries overseas, and promote awareness of the whistleblowing system to build a system to strengthen the governance of the entire Group.
Promote sustainability management	Based on the basic policy for sustainability management, material issues, and KPIs established in FY2022, we will promote sustainability management to deepen discussions at Board of Directors' meetings on issues such as compliance with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
Enhance discussion of issues to be addressed, including management strategies with an awareness of profitability and capital efficiency, etc., and human capital investments	We will discuss issues to be addressed, including management plans with an awareness of profitability and capital efficiency and human capital investments primarily through the Long-Term Management Plan Promotion Meeting, and monitor the effectiveness of these plans through the Board of Directors as appropriate.

Composition of Board of Directors and Skill Matrix

The Company believes that ensuring the diversity of the Board of Directors is useful for its deliberation to be made in a multifaceted and effective manner, and shall select in a balanced way persons with diverse knowledge, experience and ability. The Company's skill matrix is displayed below. It considers the Board of Directors as a whole to be well balanced and well diversified and of an appropriate size.

Name	Corporate Management/ Management Strategy	Finance/ Accounting	Legal Affairs and Risk Management	Global	Sales and Marketing	Technology	Human Resource Strategy	Sustainability
Masayuki Yamada	◎		◎	◎		◎		◎
Yasutoshi Nakayama	◎			◎	◎		◎	◎
Nobuyoshi Suda	◎	◎		◎		◎		◎
Tetsushi Honda	◎			◎	◎	◎		◎
Keikou Terui (Outside)	◎		◎			◎	◎	◎
Kenji Hirai (Outside)	◎		◎			◎	◎	◎
Morifumi Wada (Outside)	◎	◎	◎				◎	◎
Daisaku Abe (Outside)	◎	◎	◎			◎		◎
Nobuko Hanano (Outside)			◎					◎

Note: Skills through which each director is especially expected to demonstrate their expertise and experience are marked with a "◎."

Remuneration for Directors and Other Officers

Basic Policy

The remuneration system for Executive Directors, in addition to the fixed remuneration (cash), encourages business execution in line with management policies and management targets and establishes a remuneration framework and remuneration standards which provide strong incentive for the achievement of short-term as well as medium- to long-term management targets in order to achieve sustainable growth and improve the corporate value of the Group. The remuneration system for Non-Executive Directors, including Outside Directors, shall be fixed remuneration (cash) only, for the purpose of ensuring the effective functioning of their supervisory and oversight roles. The Company has established the Nomination and Remuneration Advisory Committee as a non-statutory advisory body to the Board of Directors, in order to ensure objectivity and transparency in the process of determining remuneration.

◎ Remuneration composition ratio of Executive Directors



* In the case of the Representative Director and President

◎ Overview of remuneration system of Executive Directors

Remuneration	Overview
1. Fixed remuneration	<ul style="list-style-type: none"> Determined according to position Monetary remuneration
2. Short-term incentives remuneration	<ul style="list-style-type: none"> From the perspective of clarifying the relationship between business performance and remuneration, the Company shall use consolidated operating profit, an important management index of the Group, in performance evaluation. Varies in the range of 0% to 170% depending on the amount of consolidated operating profit Monetary remuneration
3. Mid- and long-term incentives remuneration	<ul style="list-style-type: none"> From the perspective of improving corporate values over the medium to long term and aligning the interests with those of shareholders, the Company shall use consolidated return on equity (ROE), which is an important management indicator of the Group and indicates capital efficiency, as the performance evaluation indicator. Varies in the range of 0% to 200% depending on the consolidated ROE Stock-based remuneration plan using a trust

Connection with Stakeholders

The Organo Group fulfills its corporate social responsibility to the five types of stakeholders with whom it is closely connected in order to achieve sustainable growth.

Stakeholders	Organo's role and mission	Engagement
Shareholders and investors	Appropriate disclosure, stable and appropriate dividends, and sustainable improvement of corporate value	IR activities (financial results presentations, IR meetings), general meeting of shareholders, Organo's website
Customers	Provision of high-quality products that are useful for society at reasonable prices	Communication through sales activities
Suppliers	Fair and impartial transactions	Communication through purchasing activities
Employees	Stable employment, cultivation of human resources, appropriate compensation, sharing of information and issues	Employee meetings, labor-management consultations, various training programs, intranet, intra-group announcements, health consultation office
Community, society, and government	Appropriate payment of taxes, stable and fair employment, dialogue with local communities	Organo's website, Organo Group Report

Dialogue with Shareholders and Investors

To achieve sustainable growth and improve corporate value over the medium and long term, the Company promotes constructive dialogue with shareholders and investors. We place an emphasis on providing fair and accurate information, and we report opinions and requests obtained through dialogue at Board of Directors meetings to improve management.

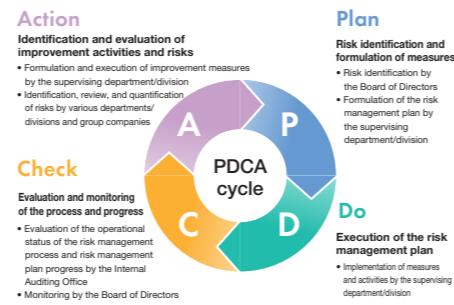
◎ Main IR activities of FY2022

Main activities	Number
Financial results presentations for analysts and institutional investors	2 (Main speaker: President)
Small meetings	1 (Main speaker: President)
Individual IR meetings	180
Corporate briefings for individual investors	1 (Main speaker: President)
Issuance of shareholder newsletters	2

Risk Management

Determining Risk and the PDCA Cycle

In executing management plans and strategies, the Board of Directors identifies major risks by performing evaluation based on two evaluation criteria: “possibility of occurrence” and “level of impact” extracted from various departments and divisions as well as Group companies. For those major risks, the Company determines the responsible department or division, formulates a risk management plan, and carries out risk mitigation measures based on the plan. Next, the Board of Directors monitors the progress of the risk management plan and provides instructions to the responsible department or division regarding improvements, as needed. Moreover, the Internal Auditing Office evaluates the operational status of the risk management process and risk management plan progress from an independent viewpoint to increase the effectiveness of risk management. By continuously repeating the PDCA cycle in this way, we increase the effectiveness of risk management. Improving our risk management capabilities is a material issue for the Group. As such, we have established “100% PDCA implementation rate for key risks identified by the Company” as a KPI to gauge the progress of our efforts. In FY2022, this implementation rate was 100%.



Major risks of the Organo Group

Risk category	Item	Description	Responses
(1) Market and business risks	Over-reliance on specific markets and customers	• Risk with increased impact from deterioration of business performance in the event of decline in market conditions or loss of important customers or impact from incurred losses such as compensation for damages, due to a concentration on specific markets and customers	<ul style="list-style-type: none"> Reduce the impact of plant-related received order fluctuations by strengthening service solutions Automate and streamline operations and use outsourcing to create delivered resources Augment marketing for the electronics industry market Accelerate R&D based on the technology development roadmap Reinforce safety measures
	Overseas business	• Country-specific risks such as political and economic turmoil and legal restrictions in countries and regions where we do business, including export and import restrictions due to U.S.-China conflict and restrictions on business activities due to the Taiwan contingency and rising tensions between China and Taiwan	<ul style="list-style-type: none"> Strengthen the supply chain by establishing differentiated technologies and securing and proposing alternative products Diversify concentration in specific regions by accelerating expansion into new regions and markets
	Securing critical materials	• Risk of price hikes, procurement difficulties, and longer key material delivery times dependent on specific suppliers	<ul style="list-style-type: none"> Maintain stable relationships with key suppliers, consider multiple procurement sources and alternative products, and invest in augmenting supply capacity
	Digitization and data utilization	• Risk of deteriorating business performance due to delays in development of digital services and measures to improve operational efficiency, and risk of information system malfunction due to factors including system failure and leakage of confidential information	<ul style="list-style-type: none"> Plan and promote DX strategies, develop elemental technologies, and train and secure digital human resources focused on department dedicated to DX promotion Strengthen technology infrastructure, introduce virus detection and countermeasure tools, and bolster security education
	Technology and R&D	• Risk of difficulty in implementing growth strategies due to factors including delays in technological development required by the market and customers and delays in the introduction of ICT and AI technologies	<ul style="list-style-type: none"> Expand R&D Center, plan for R&D based on technology development roadmap of customers, and promote open innovation
	Sustainability	• Risk of difficulty in addressing sustainability issues due to delays in the development of products and services to mitigate environmental impact	<ul style="list-style-type: none"> Promote materiality initiatives through the Sustainability Committee and Sustainability Implementation Meeting
(2) Other risks related to business foundation	Securing human resources	• Risk of long-term decline in competitiveness of the Group in the event of a failure to secure and train human resources	<ul style="list-style-type: none"> Promote education for digital human resource development in addition to rank- and function-specific training Promote the creation of a workplace where diverse human resources can play an active and rewarding role
	Safety	• Risk of serious occupational accidents and injuries during construction and production activities	<ul style="list-style-type: none"> Establish, operate, and upgrade an occupational safety and health management system Implement safety training and information sharing on the status of work-related accidents and improvement measures
	Product quality, etc.	• Risk of serious quality issues with products and services	<ul style="list-style-type: none"> Upgrade quality management system, strengthen supplier quality surveys, improve production processes, prevent recurrence through horizontal deployment of nonconformity information, and upgrade various types of insurance
	Disaster	• Risk of significant impact on business activities due to major natural disasters such as earthquakes and typhoons	<ul style="list-style-type: none"> Promote business continuity plan (BCP) for major business, expand and broaden BCP, and strengthen management systems Group-wide
	Infectious disease	• Risk of restrictions and delays in business activities due to infectious diseases that are unforeseen or exceed expectations	<ul style="list-style-type: none"> Establish and implement strategies to ensure business continuity based on experiences with COVID-19
	Compliance and internal control	• Risk of detection of legal or compliance violations or significant deficiencies in internal controls related to financial reporting	<ul style="list-style-type: none"> Distribute messages from the Representative Director and President and enhance employee education Work to disseminate Organo Group Company Code of Conduct Direct the Compliance Committee to establish a compliance system and education plan Work to develop and disseminate a whistleblowing system in Japan and overseas
Intellectual property rights	• Risk of infringement of the Group's intellectual property rights or unintentional infringement of intellectual property rights of other companies by the Group	<ul style="list-style-type: none"> Protect intellectual property through proactive filing of patent applications in Japan and overseas, and regularly monitor the status of applications filed by other companies, including those overseas 	
(3) Risks related to shareholders and stock		• Risk that changes in the capital policy or management strategy of the parent company, Tosoh Corporation, may affect the Group's business development or stock price	<ul style="list-style-type: none"> Mitigate the impact of changes in the capital policy, etc. of Tosoh Corporation by continuing to communicate appropriately with the parent company

Compliance

The Group conducts business activities based on the idea that safety and compliance are necessary for the survival of the business. In addition, the Company has established the Organo Group Company Code of Conduct as the basic action guidelines to be observed by the Group's employees. In addition to Japanese and English versions, it has prepared local company versions in Malaysia, China, Taiwan, Thailand, and Vietnam and shared them with officers and employees of the Group in Japan and overseas. The Company also conducts a biennial survey for its officers and employees to confirm the degree of implementation and observance of the Company Code of Conduct. The results are reported to the Board of Directors and employees in an effort to foster compliance awareness. A special committee established as an organization for promoting compliance is responsible for formulating and implementing a compliance education plan, investigating compliance issues, and considering corrective measures. Moreover, the Company established a whistleblowing system to ensure the effectiveness of compliance through the early detection and correction of improper acts. And, in addition to the Company's internal contact point, it has established contact points with Audit and Supervisory Board Members and external lawyers to receive reports and requests for consultations. The Company is also promoting the development of local whistleblowing hotlines overseas, and it is launching operation of an internal whistleblowing system in Malaysia, China, Taiwan, Thailand, and Vietnam. As a material issue indicator (KPI), the completion rate for compliance-related training was 100%. In FY2022, however, 5 out of 18 required courses did not reach this target. Those who have not completed the courses are required to take them the following year, and a follow-up system has been established to prevent incompleteness.

Business Continuity Plan (BCP)

In addition to formulating a BCP to minimize damage and ensure business continuity in the event of a large-scale disaster such as a major earthquake, we are working to improve the effectiveness of our BCP by preparing for emergency situations and implementing education and training. Our basic policy for business continuity is as follows.

Basic Policy

Prioritizing the safety of human life

Human life comes first, and our top priority is to confirm the safety and well-being of officers, employees, and their families.

Ensuring the safety of the community

We prioritize safety at company facilities and the surrounding areas as well as the prevention of secondary disasters while coexisting with the community.

Rapid restoration of business

We will swiftly assess the damage to our facilities and offices as well as built properties or those under construction, and we will take prompt recovery action to minimize adverse effects on business and reputational risk associated with a suspension of operations. We will work to continue infrastructure-related businesses in particular whose suspension of operations would threaten human life, those that support societal infrastructure, and those that are considered important in each business unit. We will contribute to our customers' business continuity by thinking and acting in accordance with our own business continuity.

Review of BCP

We regularly conduct training and education and continuously review and improve the BCP with the aim of becoming a company resilient to risks such as disasters.

Initiatives to Prepare for Large-scale Disasters

To quickly and efficiently confirm the safety of employees in the event of a disaster, we have introduced a safety confirmation system that sends safety confirmation emails to employees in affected areas according to disaster information. To ensure the effectiveness of the system, in September 2023, all employees were trained to respond to the safety confirmation system.

Emergency supplies such as rations, drinking water, blankets, medicine, and toilets are provided at major locations to ensure the health and safety of employees and office hygiene in the event of a disaster.

Officers (as of June 29, 2023)

Directors



Masayuki Yamada
President
Representative Director
President and Executive Officer

Apr. 1985 Joined Toyo Soda Manufacturing Co., Ltd. (currently Tosoh Corporation)
Jun. 2019 Director and Executive Vice President, General Manager of Research and Development Planning, President of Specialty Group, and President of Engineering Group of Tosoh Corporation
Jun. 2021 Senior Managing Director and Executive Officer
Jun. 2022 Director and President (Representative Director) President and Executive Officer (current position)



Yasutoshi Nakayama
Managing Director and Executive Officer
President of Industrial Plant Business
Senior General Manager of Electronics Division

Apr. 1984 Joined the Company
Jan. 2014 Managing Director of Organo (Asia) Sdn. Bhd.
Jun. 2016 Executive Officer of the Company
Jun. 2018 Director and Executive Officer, Deputy President of Industrial Plant Business, and Senior General Manager of Plant Division
Jun. 2021 Managing Director and Executive Officer, President of Industrial Plant Business, and Senior General Manager of Electronics Division (current position)



Nobuyoshi Suda
Managing Director and Executive Officer
President of R&D and Engineering

Apr. 1984 Joined the Company
Jan. 2013 Representative Director and General Manager of Organo (Suzhou) Water Treatment Co., Ltd.
Jun. 2017 Executive Officer, General Manager of Corporate Strategy and Planning Dept., Corporate Management and Planning of the Company
Jun. 2019 Chairman of Organo (Vietnam) Co., Ltd.
Jun. 2019 Director and Executive Officer, President of Corporate Management and Planning and General Manager of Corporate Strategy and Planning Dept.
Jun. 2021 Managing Director and Executive Officer, President of R&D and Engineering, and Senior General Manager of R&D Center
Jun. 2023 Director and Managing Executive Officer, President of R&D and Engineering (current position)




Tetsushi Honda
Director and Managing Executive Officer
President of Corporate Management and Planning

Apr. 1986 Joined the Company
Apr. 2012 Managing Director of Organo (Asia) Sdn. Bhd.
Jun. 2018 Executive Officer, Senior General Manager of Power Plant Division, Industrial Plant Business of the Company
Jun. 2020 Executive Officer, Senior General Manager of R&D Center, R&D and Engineering
Jun. 2021 Director and Executive Officer, President of Corporate Management and Planning and General Manager of Corporate Strategy and Planning Dept.
Jun. 2023 Director and Managing Executive Officer, President of Corporate Management and Planning (current position)



Keikou Terui
Outside Director

Apr. 1979 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
Jul. 2008 Deputy Minister for Technical Affairs, Minister's Secretariat
Jan. 2011 Director-General of Kanto Bureau of Economy, Trade and Industry
Apr. 2012 Director-General of Regional Economic and Industrial Policy
Aug. 2013 President of Japan Utility Telemetering Association (current position)
Oct. 2013 Senior Research Associate of Chemicals Evaluation and Research Institute, Japan
Jun. 2014 Director of Union of Japanese Scientists and Engineers (current position)
Outside Director of Ube Industries, Ltd. (currently UBE Corporation)
Mar. 2016 Outside Director of Bridgestone Corporation
Jun. 2016 Director of Chemicals Evaluation and Research Institute, Japan
Outside Director of the Company (current position)
Aug. 2018 Director of Japan Industrial Safety Competency Center (current position)
Jun. 2020 Executive Director of Japan Chemical Innovation and Inspection Institute (current position)



Kenji Hirai
Outside Director

Apr. 1981 Joined Sagami Chemical Research Center (currently Sagami Chemical Research Institute)
Apr. 1990 Senior Research Fellow
Apr. 1998 Senior Fellow
Jan. 2002 Vice President
Apr. 2004 Vice Chairman of the Board, President
Dec. 2018 Vice Chairman of the Board (Representative Director), President
Apr. 2019 Vice Chairman of the Board (Representative Director), Research Advisor
Jun. 2019 Outside Director of the Company (current position)
Jun. 2021 Research Advisor of Sagami Chemical Research Institute




Morifumi Wada
Outside Director

Mar. 1978 Joined EIKEN CHEMICAL CO., LTD.
Apr. 2005 General Manager of Production Planning & Control Division, Production Division and General Manager of Procurement Department
Jun. 2006 Executive Officer, General Manager of Production Planning & Control Division, Production Division and General Manager of Procurement Department
Apr. 2007 Executive Officer, General Manager of Nogi Plant, Production Division
May 2007 Executive Officer, General Manager of Nogi Plant and General Manager of Togane Plant, Production Division
Apr. 2011 Vice President and Executive Officer, General Manager of Nogi Plant and General Manager of Togane Plant, Production Division
Jun. 2011 Director, Vice President and Executive Officer, General Manager of Nogi Plant and Director of Togane Plant, Production Division
Apr. 2012 Director, Vice President and Executive Officer, General Manager of Sales Division
Jun. 2014 Director, President and CEO
Jun. 2021 Director, Chairman and CEO
Jun. 2022 Director, Chairman (current position)
Jun. 2023 Outside Director of the Company (current position)



Daisaku Abe
Outside Director

Apr. 1980 Joined The Industrial Bank of Japan, Limited
Jun. 2019 Deputy Chairman and Executive Officer, Head of Internal Audit Group and Officer in Charge of Specially Assigned Matters of Mizuho Financial Group, Inc.
Director (Audit and Supervisory Committee Member) of Mizuho Trust & Banking Co., Ltd.
Director (Audit and Supervisory Committee Member) of Mizuho Securities Co., Ltd.
Outside Director of Mizuho Leasing Company, Limited
Apr. 2020 Administrative Officer of Mizuho Financial Group, Inc.
Jun. 2020 Director and Chairman (Outside Director) of Mizuho Leasing Company, Limited
Jun. 2022 Executive Adviser (current position)
Jun. 2023 Outside Director of NIPPON STEEL KOWA REAL ESTATE CO., LTD. (current position)
Outside Director of the Company (current position)



Nobuko Hanano
Outside Director

Apr. 1991 Joined Nomura Research Institute, Ltd.
Oct. 2000 Registered as Lawyer (Dai-ichi Tokyo Bar Association) (current position)
Joined KOHWA SOHGOH LAW OFFICES
Oct. 2004 Partner (current position)
Mar. 2019 Outside Audit and Supervisory Board Member, Kanro Inc. (current position)
Apr. 2020 Auditor, Drone Service Promotion Association (current position)
Jun. 2021 Outside Audit and Supervisory Board Member of the Company
Jun. 2023 Auditor of Japan Hockey Association (current position)
Outside Director of the Company (current position)

Audit and Supervisory Board Members



Yoshihiro Tajitsu
Audit and Supervisory Board Member (Full-time)

Apr. 1985 Joined Toyo Soda Manufacturing Co., Ltd. (currently Tosoh Corporation)
Apr. 1995 Corporate Control & Accounting
Dec. 2005 Corporate Control & Accounting and New System Project Team
Jan. 2008 Corporate Control & Accounting
Jun. 2010 Outside Corporate Auditor of PLAS-TECH CORPORATION
Outside Corporate Auditor of TOHO ACETYLENE Co., Ltd.
Corporate Strategy of Tosoh Corporation
Feb. 2013 General Manager of Audit & Supervisory Board Secretariat
Jun. 2019 General Manager of Auditing
May 2022 Vice President, General Manager of Auditing
Jun. 2022 Executive Officer, Deputy President of Corporate Management and Planning of the Company
Jun. 2023 Audit and Supervisory Board Member (Full-time) (current position)



Wataru Higuchi
Outside Audit and Supervisory Board Member
Lawyer
Certified Public Accountant

Oct. 1993 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
Apr. 1997 Registered as Certified Public Accountant (excluding the period of legal training) (current position)
Oct. 2002 Registered as Lawyer (Dai-ichi Tokyo Bar Association) (current position)
Joined SEIWA KYODO LAW OFFICE (SEIWA METETSU LAW OFFICE)
Oct. 2007 Partner
Jun. 2016 Outside Director (Serving as Audit and Supervisory Committee Member) of Marubeni Construction Material Lease Co., Ltd. (current position)
Oct. 2018 Representative Partner of Ootemon Law and Accounting (current position)
Jun. 2019 Outside Audit and Supervisory Board Member of the Company (current position)
Oct. 2019 Executive Officer of Advance Residence Investment Corporation (current position)
Mar. 2022 Inspector of The Professional Golfers' Association of Japan (current position)



Hirohito Kodama
Outside Audit and Supervisory Board Member

Apr. 1981 Joined Kagome Co., Ltd.
Jun. 2006 Executive Officer, General Manager, Corporate Planning Department
Jun. 2008 Director & Executive Officer, General Manager, Research & Development Division
Jun. 2011 Director & Managing Executive Officer, General Manager, Research & Development Division
Apr. 2013 Director & Managing Executive Officer, CEO, Asia Business Company
Oct. 2015 Director & Managing Executive Officer, General Manager, Shared Service Preparation Office
Apr. 2016 Director & Managing Executive Officer President & Representative Director of Kagome Axis Co., Ltd. (Representative Director)
Mar. 2018 Outside Audit & Supervisory Board Member of Dynapac Co., Ltd.
Director of Kagome Co., Ltd. (Full-time Audit and Supervisory Committee Member) (current position)
Mar. 2020 Outside Director of Dynapac Co., Ltd. (Audit and Supervisory Committee Member) (current position)
Jun. 2023 Outside Audit and Supervisory Board Member of the Company (current position)

Message from Outside Director

Toward the Future

I served as an Outside Audit and Supervisory Board Member for two years starting in 2021, and I have now been appointed as a Director. During this time, the General Meeting of Shareholders held in June 2023 made quite an impression on me. With the lifting of self-imposed restrictions due to the pandemic, many shareholders were in attendance, and questions were asked about overseas business expansion, women in managerial positions, and our social contributions. This gave me a sense of their expectations for the Company and again reinforced my understanding of my responsibility for the future as a director.

We live in times in which not changing is the same as regressing, so we can strongly sense the need to clearly demonstrate our path to the future and advance along that path with a sense of urgency. To achieve this, management must strengthen its ability to respond to long-term risk (TCFD), bolster its pioneering efforts in an era of change (diversity), and reinforce the structure that supports and, at times, propels these efforts (governance).

The cutting-edge technologies Organo has cultivated in water treatment will continue to expand, and we will work tirelessly to boost our corporate value.



Nobuko Hanano
Outside Director
Lawyer

Environment

Environmental Philosophy and Basic Environmental Policy

Environmental Philosophy

Recognizing that the preservation of the earth's environment is of the greatest importance for every human being, Organo contributes to human coexistence and symbiosis with Earth's beautiful environment in every facet of its business operations.

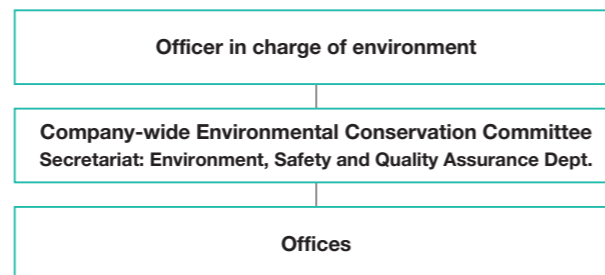
Basic Environmental Policy

Continuous improvement	We will be aware of the environment surrounding all industrial activities and continue to preserve and improve the environment through all technical and economic means possible.	Product environment	We will develop product manufacturing technologies that will reduce the burden on the environment.
Observance of laws and establishment of our own standards	We will observe laws, regulations, and agreements concerning the environment. We will also establish our own standards and do our best to preserve the environment in accordance with these standards.	Environmental monitoring	We will inspect the environment within our company and work to improve our environmental preservation activities.
Production environment	We will strive to conserve resources and energy, to minimize waste and to recycle the waste produced in every aspect of our business activities.	Comprehensive involvement	We will educate our staff and encourage in-house publicity concerning environmental issues to promote understanding and awareness of the environment and of our own basic environmental policy.

Environmental Management

Environmental Conservation Structure

The Company's policies, targets, and measures for environmental preservation are discussed and decided by the company-wide Environmental Conservation Committee. Each business site in Japan appoints an Environmental Conservation Committee which establishes the policies, targets, and measures for their own office based on the Company's targets and measures—as well as specific issues—and performs environmental conservation activities accordingly.



Environmental Management System

Our environmental management system complies with national or public standards. We conduct environmental conservation operations and activities at our offices in accordance with the environmental management system, and we also perform internal environmental audits.

Our Tsukuba Factory, where ion exchange resins are purified as one of our core materials, has acquired ISO 14001 certification, the international standard for environmental management systems.



Environmental Education

As part of the curriculum for new employee training and engineering technology training, the Company offers courses on pollution prevention laws and regulations. It also encourages employees to obtain national Pollution Control Manager certification, increasing the number of qualified individuals. In this way, the Company is putting its environmental philosophy into practice.

Number of qualified Pollution Control Managers in FY2022*

Cumulative: 210

* Total of water quality-related Classes 1 to 4, air quality-related Classes 1 to 4, and dioxin-related

Addressing Water Resource Issues and Protecting Biodiversity

Basic Concept

Water is the source of life. It circulates around the Earth, nurturing a variety of plants and animals. Protecting our water is protecting life. At Organo, we have technology to protect water.

By managing the water used by the Group and providing our customers with technology to protect this precious resource, we are promoting the sustainable use of water resources and protecting biodiversity.

Initiative 1 Management of the water we use

Recently, the use and conservation of water resources has been gaining attention as a global sustainability issue, and we view the impact on our corporate activities of water resource depletion, river flooding, and water pollution as a risk.

The Organo Group is working to conserve water resources by effectively using water intake and maintaining and improving the quality of wastewater around its business sites to ensure the sustainable use of water resources. We will continue to contribute to environmental conservation through our business activities while keeping a close eye on water-related risks.

Water Usage Volume and Wastewater Volume

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Water usage volume	m ³	516,352	542,256	539,185	624,755	618,948
Wastewater volume	m ³	423,922	434,603	461,591	538,819	587,049

* Targets for calculation: Head Office, R&D Center, Tsukuba Factory, and Iwaki Factory of Organo Corporation, and Main Factory of Organo Food Tech Corporation

* The water balance does not include evaporation or sprinkling, or products brought out of or into facilities.

Initiative 2 Sustainable use of water resources and promotion of biodiversity conservation

By providing our customers with treatment and recovery technologies for wastewater, our Group contributes to maintaining a healthy water cycle and securing water resources for industrial and daily water use. In 2022, we identified "addressing water resource issues" and "protecting biodiversity" as material issues, and in 2023, we established two KPIs: the amount of wastewater treated by newly delivered Organo systems and discharged by plants, and the amount of water collected and reused by newly delivered Organo systems.

We will further promote the use of wastewater treatment technologies used to purify industrial wastewater beyond legal requirements and wastewater recovery technologies used to reduce the amount of wastewater released into rivers, thereby promoting the sustainable use of water resources in society to protect a rich water environment where diverse organisms thrive and preserve biodiversity.

Responding to Climate Change

Basic Concept

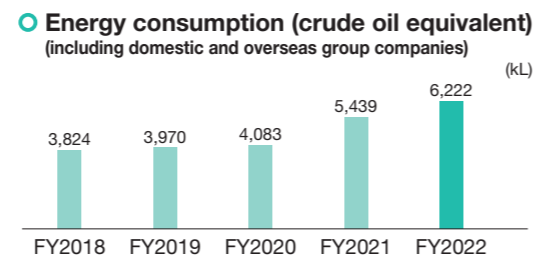
Climate change is a threat to the stability of society and the environment on a global scale. As an organization heavily involved in water resources, Organo considers it a risk it should pay close attention to. Meanwhile, the Company recognizes the growing demand for environment-friendly products and services as a business opportunity. We actively work to mitigate and adapt to climate change, and we contribute to realizing a sustainable society by optimizing energy usage related to our business activities and by providing products and services that contribute to lessening the effects of climate change.

Initiatives

Scope 1 and 2 emissions in FY2022 increased 12% compared with the reference year of FY2021. The main factor behind the increase was the launch of operations of a new laboratory building at the R&D Center in Sagamihara. We worked to reduce emissions, however, such as by introducing renewable energy in electricity in January 2023 and in gas in March at the head office. Moreover, we revised our Scope 1 and 2 emission reduction targets for FY2030 from 37.8% to 42%.

Scope 3 emissions in FY2022 increased 37% compared with the reference year of FY2021. The key factor was our strong business performance. This performance led to increased purchase and sales volume, which in turn led to increased greenhouse gas emissions.

We expect to complete the calculations of Scope 3 emissions for FY2021 and 2022 for domestic and overseas group companies by March 2024. This year, we were able to determine the Company's emissions, which gave us a clearer picture of the Scope 3 emission areas (categories) that are at high levels. Moving forward, we will analyze this information to consider Scope 3 emission targets.



Item	Target	Results for FY2021 (reference year)	Results for FY2022
Scope 1 and 2	42% reduction (compared with FY2021 levels) by FY2030	Emissions: 10,324 t-CO ₂ (including domestic and overseas group companies)	12% increase (compared with FY2021 levels) • Emissions: 11,566 t-CO ₂ (including domestic and overseas group companies)
Scope 3	Under review	Emissions: 558,991 t-CO ₂ (not including domestic and overseas group companies)	37% increase (compared with FY2021 levels) • Emissions: 893,606 t-CO ₂ (not including domestic and overseas group companies)

Category	FY2021 (t-CO ₂)	FY2022 (t-CO ₂)
Category 1: Purchased goods and services	256,147	358,215
Category 2: Capital goods	8,650	8,454
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2	1,586	1,690
Category 4: Upstream transportation and distribution	6,078	6,179
Category 5: Waste generated through operations	1,527	1,309
Category 6: Business travel	143	142
Category 7: Employee commuting	295	292
Category 8: Upstream leased assets	-	-
Category 9: Downstream transportation and distribution	380	510
Category 10: Processing of sold products	-	-
Category 11: Use of sold products	236,505	476,435
Category 12: End-of-life treatment of sold products	3,238	3,414
Category 13: Downstream leased assets	44,442	36,966
Category 14: Franchises	-	-
Category 15: Investments	-	-

Promotion of the 3Rs

Together with its stakeholders, the Organo Group aims to realize a sustainable society. As part of these efforts, we identified promotion of the 3Rs as a material issue in 2022, and set the volume of sludge reduced through the application of Organo technology and products as a KPI in 2023. We will continue to use our technologies and services to promote the 3Rs for waste generated through our corporate activities as well as those of our customers, and make more effective use of resources and reduce our environmental impact to realize a recycling-oriented society.

Recycling Volume and Volume of Waste Generated

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Recycling volume	t	400	548	486	554	491
Volume of waste generated	t	471	737	679	617	636

* Targets for calculation: Head Office, R&D Center, Tsukuba Factory, and Iwaki Factory of Organo Corporation, and Main Factory of Organo Food Tech Corporation

Expansion of Environmentally Friendly Products and Services

Organo received the Director-General Prize of the Agency of Natural Resources and Energy of the FY2022 Energy Conservation Grand Prize for ORSMART CW, a DX-based energy-saving service solution for cooling water treatment. This marks the fourth time overall and third consecutive year the Company has earned this award.

Cooling water is used in large volumes for applications such as large-scale air conditioning in buildings and factories. One of the main obstacles in cooling water is microorganism-derived slime. The generation of slime not only leads to electric power loss, but if it is allowed to rapidly grow due to the ambient environment and temperature, it can cause high-voltage cuts, forcing operational shutdowns.

ORSMART CW monitors the temperature data of cooling equipment in real-time, and through the use of AI and a remote monitoring system, the service quickly and automatically controls the application of a chemical to inhibit slime growth. This allows the operating environment to remain at optimal conditions at all times to ensure energy savings and operation throughout the year. In a case study, electric power loss was reduced by 40.3%.

Cooling water treatment is required at various manufacturing sites—including air conditioning—and this service contributes to energy savings in a wide range of fields.

Organo will continue taking on the challenge of developing energy-saving solutions to contribute to increased corporate value.



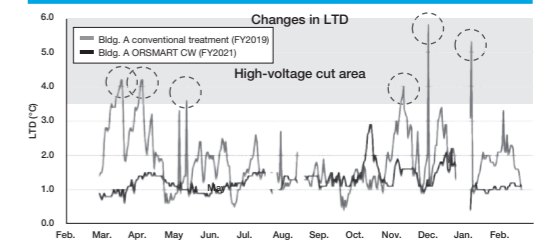
Features of ORSMART CW

- **Real-time monitoring of LTD***
Treatment using the fouling condition of the heat exchanger (LTD) as the index
- **Using proprietary AI for optimal chemical injection control**
Optimal chemical injection amount according to heat exchanger condition
- **High security centralized management service**
From preliminary survey to treatment management

Employs ORBLADE series for cooling water treatment agent!

Winner of FY2020 Energy Conservation Grand Prize
ORBLADE series cooling water treatment agent
Features:
• Contains our new proprietary bactericidal ingredients, an industry first
• Abundant lineup offering 17 different types
• Bactericidal ingredients are inorganic, with zero TOC and low environmental impact

Value provided by ORSMART CW



Did not become high-voltage cut area throughout the year
Stable operation of refrigerator and prevention of production opportunity loss

Power loss of refrigerator due to LTD increase
40.3% reduction

* Leaving Temperature Difference (LTD): Fouling index of heat exchanger at "refrigerant condensation temperature - cooling water outlet temperature" of refrigerator

Society

Promotion of Occupational Safety and Health

Basic Concept

As a company with a large amount of field work, we recognize the risk of serious workplace accidents. Safety is a top-priority topic, and the Company established promotion of occupational safety and health as a material issue in 2022. It continuously promotes initiatives that enable employees of our group companies and business partners to work with peace of mind.

Creating Safe Workplaces

In order to ensure the safety and health of its employees and to promote the creation of a comfortable work environment, Organo has established a structure for safety and health management under the direct control of the President and the role of each member pursuant to company regulations on safety and health management. The Company is committed to properly maintaining safe workplace environments, preventing occupational accidents and taking appropriate emergency measures, and conducting relevant education and training.

For plant installation work and handling of chemicals, Organo prepares documented instructions, performs safety checks using checklists, and conducts scheduled safety patrols at construction sites and factories. The Company's safety patrols involve providing guidance on immediately taking corrective action when safety concerns are apparent, and ensuring that safety education is properly conducted. Organo further strengthens safety management practices by providing guidance on voluntary safety activities to prevent accidents including hazard prediction prior to performing tasks, and risk assessments. In addition, the Company posts safety newsletters on occupational health and safety on the intranet to disseminate reports on the occurrence of disasters and remedial measures. To heighten health and safety awareness and stimulate such activities, we present labor safety awards to business partners and internal business offices to convey the message that safety is our highest priority, and we work to create safe workplaces.

Workplace Accident Prevention Activities

The Organo Group established an occupational safety and health policy in which it places the safety and health of workers as the top priority in business activities and promotes the creation of a comfortable work environment. In particular, we implemented activities to prevent workplace accidents based on the President's message that "safety is a higher priority than delivery dates, cost, and profit," but in FY2022, we had eight workplace accidents. Of these, seven are subject to the KPI of the material issue set in FY2022. The increase in the number of accidents over past years is attributable to the inclusion of those of domestic group companies. Moreover, the causes of the accidents included irregular work, falls, chemical injuries, complacency, insufficient checks, and inattention. We will work to improve the safety level of the entire Group through scheduled employee education and training while also fostering employee safety awareness with the aim of eliminating serious lost time injuries.

Number, frequency rate, and severity rate of workplace accidents

	FY2020	FY2021	FY2022
Number of workplace accidents*	6	7	8
Frequency rate of workplace accidents (%)*	1.02	0.68	1.36
Severity rate of workplace accidents (%)*	0.004	0.004	0.036

* Figures changed to include domestic group companies.

Calculation methods:

- Frequency rate: The number of incidents due to workplace accidents per 1 million total number of hours worked; indicates the frequency of accident occurrence.
Frequency rate = (Number of incidents ÷ Total number of hours worked) × 1 million
- Severity rate: The number of workdays lost per 1,000 total number of hours worked; indicates the degree of accident severity.
Severity rate = (Number of workdays lost ÷ Total number of hours worked) × 1,000

Employee Health Initiatives

The Group considers the health of its employees as one of the most valuable management resources in achieving sustainable growth. We provide lifestyle review counseling based on results of regular health checkups and offer annual stress level checkups for all employees as mental health measures. Moreover, Organo employees have access to counseling provided by specialists and registered nurses through the Company's in-house consultation center for when they have concerns about themselves, their colleagues, or their subordinates.

Engagement with Labor Unions

The Company enters into collective bargaining agreements with Organo's labor union and maintains harmonious labor-management relations. Through regularly scheduled labor-management meetings with the participation of top management, Organo strives to disseminate its management policies to its employees and ensure that opinions of union members are reflected in the Company's management strategies and policies.

Respect for Human Rights

Basic Concept

The Organo Group declares that it shall respect human rights and prohibit discrimination, and accordingly aims to act as a company that respects individuals and diversity, without discrimination based on nationality, gender, creed, physical condition, or social status. Based on this foundation and as stated in Organo's Long-Term Management Vision, the Company is working to "proactively contribute to a better tomorrow by cultivating people today who will improve upon the way things were done yesterday, as a company where all employees are energetic and passionate about their work."

Initiatives

The Organo Group Company Code of Conduct sets forth clear guidelines on respecting human rights, prohibiting discrimination, and forbidding harassment. In 2022, we identified respect for human rights as a material issue. As the KPI, we established a 100% completion rate of human rights-related training for participants enrolled at the end of the previous fiscal year. To promote the creation of a workplace where human rights are respected, employees need to have a correct understanding of human rights. To that end, all employees undergo human rights e-learning training including corporate ethics, compliance, and harassment prevention. Organo maintains and respects international standards for human rights, and we hold in the highest regard human rights of all employees of the Group, as well as everyone involved in its corporate activities. Furthermore, Organo continues to promote initiatives on respect for human rights to fulfill its corporate social responsibility.

Supply Chain Management

CSR Procurement Initiatives

Amid interest from stakeholders on our overall business process as it relates to the creation and provision of products and services, there was growing demand not only to promote the Organo Group's CSR, but also to promote the CSR of the entire supply chain.

The Group revised the Organo Group Supply Chain CSR Promotion Guidebook formulated in 2015, and called on business partners to engage in CSR initiatives and deepen the common understanding of the importance of these initiatives. In 2022, we identified the strengthening of supply chain management as a material issue, and established the number of main suppliers in compliance with the CSR Promotion Guidebook as the KPI. Our efforts are progressing smoothly, and in FY2022, we completed surveys for 41 main suppliers. In FY2023 and beyond, the Company will check the status of its customers' CSR activities based on the Guidebook and provide support where needed.

Organo Group Supply Chain CSR Promotion Guidebook

<https://www.organo.co.jp/company/society/collaboration/> (Japanese only)

Organo Group Company Code of Conduct

<https://www.organo.co.jp/english/company/ecology/>

Policy on the Conflict Minerals Issue

<https://www.organo.co.jp/company/society/mineral/> (Japanese only)


Diversity Initiatives

Basic Concept

The Organo Group prescribes “Ensuring a comfortable workplace where all employees can realize their full potential” in the Organo Group Company Code of Conduct and declares that it shall respect the human rights, diversity, and individual personalities of all employees and will not discriminate based on nationality, gender, creed, physical condition, or social status.

Moreover, to ensure employee diversity based on the concept that only through a mixing of diverse ideas can we realize innovations to improve the Company’s corporate value, we are working on various measures including promoting the participation of women, employing people with disabilities, utilizing global human resources, employing senior citizens, providing childcare support, and promoting workstyle reform.

Initiatives

Promoting the participation of women	We are establishing maternity and childcare-related systems that exceed legal requirements so as to enable female employees of child-rearing age to balance childcare and careers, and we are promoting the creation of a system that supports flexible workstyles. We established a Group material issue to increase the number of women in managerial positions to 50 by 2030. (As of November 2023, there were 26.) In recognition of these efforts, the Minister of Health, Labour and Welfare awarded the Company with the Eruboshi certification, which is given to companies that promote an environment where women can demonstrate their abilities and have an active role in the workplace.	
Employment of people with disabilities	Organo is working to expand its employment of people with disabilities who, as of November 30, 2023, accounted for 2.3% of the Company’s workforce.	
Utilizing global human resources	As Organo expands its operations overseas, it is promoting the employment and training of global human resources to take advantage of diverse values and experiences in different cultures.	
Development of the internal environment to ensure diversity	Given that Organo’s workforce consists of a diverse range of employees possessing a variety of personalities and backgrounds, the Company is developing an environment where all employees are able to fulfill their potential and realize growth. Female employees have been assigned to the departments in charge of construction management, which previously was staffed mainly by male employees, and consideration is given to diverse backgrounds, such as by augmenting Japanese-language education for foreign national employees, providing a cafeteria, and establishing a prayer room.	
Employing senior citizens	The Company has introduced a reemployment program whereby it is possible to rehire employees up to the age of 70 so they can continue to work by leveraging the skills and expertise they cultivated even after reaching the mandatory retirement age of 60.	

Work-Life Balance

Organo has established various systems to support flexible workstyles and enhance the work-life balance of its employees. We promote activities to eliminate long working hours and are working to create a system to support the health of the employees.

Reducing the number of employees exceeding the legal overtime limit is one of the Group’s material issues. To address the issue of long working hours, for instance, we are reviewing the work execution system through organizational reform and utilizing DX to improve work efficiency. As a result, the number of employees who worked more than 600 hours of overtime in FY2022 —thereby exceeding the legal limit—dramatically decreased. Moreover, we established a childbirth and childcare leave system that exceeds legal requirements. For example, employees are guaranteed full salary during maternity leave and leave for hospital visits during pregnancy as well as their terms of prenatal and postnatal leave (six weeks before and eight weeks after childbirth). The rate of childcare leave taken in FY2022 remained at 100% for female employees, and that for male employees dramatically increased from 2.3% in FY2018 to 55.3% in FY2022. We also take into consideration employees’ life events, such as by introducing a reduced working hour system for childcare that covers children up through the third grade of elementary school, and by establishing a system that enables employees to change career paths and work in limited geographical areas. Some of Organo’s female employees have even taken on managerial positions after returning from childcare leave, evidence of the fact that the Company offers a stable environment conducive to women building careers. In addition, Organo has introduced flextime options without core time, half-day paid leave systems and telework systems to enable flexible and efficient work styles, and is promoting the streamlining of operations utilizing ICT. As part of the measures to improve the rate of use of paid leave, Organo has established paid leave incentive days and encourages employees to take extended vacations by combining paid leave with summer vacation and special paid leave offered after 15 and 25 years of service.

Promotion of Human Resource Development

Basic Concept

We are undertaking various measures to develop human resources who can help us expand our business through high value-added separation and purification as well as analysis and manufacturing technologies, and by providing products and services that promote the creation of value and which resolve the challenges that confront industry and society. We are also cultivating people who proactively contribute to a better tomorrow and who will improve upon the way things were done yesterday.

Our training system is transitioning from the conventional assigned training determined by rank to a system of elective training, in which each employee performs a self-assessment to find the areas in which they may be lacking and selects from a menu of training courses that they can take to improve themselves.

The Group has established a target of increasing annual per-employee training costs to ¥100,000 (about double the current amount) by 2030 as a material issue. While actual training costs in FY2022 were half that, at ¥58,309 per employee, we provide employees with a wide range of learning opportunities.

Moreover, human resource rotation and global personnel exchange are effective ways to promote career development and reskilling. Attempts to strengthen psychological safety, such as through one-on-one meetings, are essential in human resource development. We believe that these efforts will lead to an increase in digitally-capable talent and autonomous employees, and these personnel will transform the way we work.

Programs and Initiatives

Rank-specific training	New employee training	During the first half of roughly six months of training, employees acquire general knowledge as members of society and regarding Organo’s technologies, and then in the second half they put into practice the technology and knowledge gained.
	DX training	To promote DX, employees are trained to utilize digital technology for business.
	Engineering Seminar Basic Course (ESB)	The ESB course involves technology field-specific training concerning Organo’s basic technologies. Participants are able to equip themselves for future career opportunities by gaining extensive knowledge on technologies that are not directly related to their work.
	Career training	Participants cultivate the ability to independently grow by learning to take a proactive approach to career development.
	Management training	In 2021, we divided management courses into “division supervisory positions,” “expert positions,” and “supervisory positions” to clarify the role of managers. Participants gain role-based management skills.
Elective training		Employees assess and identify the areas in which they work and select from a menu of training courses that they can take to improve themselves.
Self-development	Qualification acquisition support system	To support employees who learn autonomously, the Company subsidizes a portion of the cost employees incur when acquiring one of approximately 300 different formal qualifications. This encompasses target qualifications across a wide range of subject areas such as technology, linguistics, and IT, with certifications that include professional engineer, assistant professional engineer, and pollution control manager.
	Organo University (correspondence course subsidy system)	Organo University provides the opportunity to study by featuring 181 correspondence courses across 10 fields of study including technology and sales courses necessary for business, as well as management skills required at different levels of the corporate hierarchy.

Social Contribution Activities

Organo Group places emphasis on cooperation, collaboration, and building trust with communities, and actively promotes social contribution activities in areas surrounding business locations.

Supporting the Art Para Fukagawa Chatty Art Festival

This unique art festival is a nationwide public art exhibition with the aim of realizing a society in which people with disabilities and others live together, and it transforms the entire city of Fukagawa in Koto Ward, Tokyo, near our head office, into an art museum. Since its initial year in 2020, Organo has participated as a supporting partner, and the Company will continue to contribute to the development of local culture and art and to the promotion of social participation by people with disabilities.