

(Translation)

Sustainability Targets 2030

■ Ideal State and Directions to Advance

1. Contributing to a sustainable global environment [Environment (E)]

The ideal state of the ROHTO Group (“Group”) is where we are proactively undertaking green initiatives, including resource circulation and considerations for the environment, where we have established a system to capture environment-related data in ROHTO Pharmaceutical Co., Ltd. (“ROHTO”) and the whole Group, and where relevant information, such as the reduction targets set for various aspects, the details of each initiative, and actual results, are disclosed in and outside the Group, following social rules. Specifically, we will build a framework to work on the reduction of greenhouse gas (GHG) emissions and waste disposed through the manufacturing process and waste recycling, the development and provision of low-carbon products and items (including containers and packaging materials), and the preservation of biodiversity through all the Group business activities and the whole value chain.

- Contributing to a low-carbon society

As we have set and disclosed concrete numerical targets for reducing GHG emissions from Scope 1 and 2 of ROHTO, we will continuously work on attaining those targets and also switch the purchase of electricity for ROHTO’s major offices (Osaka Plant, UENO Technology Center, and ROHTO Research Village Kyoto) to Co2-free electricity. Further, we will formulate a roadmap to reduce plastic usage for our products, which significantly affects GHG emissions.

- Contributing to a recycling-oriented society

For printing papers used for our business activities (such as product packaging and office use), we will accelerate switching to eco-friendly papers and promote purchasing “green” products for office equipment and supplies.

- Considerations for the environment

ROHTO has started to put the original symbol, the “R-eco” mark, on the packaging of our eco-friendly products. As definite criteria for placing that mark have not yet been established, we will set those criteria for the whole Group, discuss a specific target rate of products bearing that mark, and disclose it as early as practicable.

- For responsible procurement of palm oil

To ensure sustainable palm oil procurement, we will participate in outside initiatives and follow the necessary process in stages.

2. Maximizing human capital/Coexistence with society [Society=S]

For the Group to attain sustained development while contributing to realizing a “Well-being” society, we must constantly create new values and remain in the position to be sought by the world. Each member (including officers and employees) of the Group companies bears that important role, and without individual growth, no organizational growth is expected. And, for us to generate new values continuously in the rapidly diversified and globalized current business circumstances, it is crucial that diverse personnel share the values, work hard together, and motivate each other to progress. To advance “Well-being” management, we will push Diversity Management to encourage all members to participate in business activities proactively and realize their career visions autonomously as professional workers. Moreover, we pursue creating a society of “Well-being” by building an organization that cultivates diverse individualities so that each member and the company can grow together. (ROHTO Diversity Management Policy)

- Promotion of diversity (promotion of employment of persons with disabilities, LGBTQ initiatives, and active participation by senior persons and women)

ROHTO’s employment rate of persons with disabilities exceeds the mandatory rate; however, having much room for improvement, we will create a working environment where many challenged persons can actively work. Also, with more careful consideration for LGBTQ persons and addressing any harassment issues, we will create and maintain a comfortable and inclusive workplace. For senior human resources, their number is expected to increase further in the “era of the 100-year lifespan,” along with the full extension of the retirement age to 65 years in FY2025. As it is necessary to offer them opportunities for upskilling and lifelong learning, we are now working on programs, including a training course, to support their active participation. With regard to the empowerment of women, the percentage of female employees in ROHTO exceeds 50%, and the same for female managers is about 30%. Almost no female member leaves the company due to child delivery or childcare; thus, it can be said that ROHTO has achieved a certain level. However, according to our human resources portfolios, there are still certain gaps between males and females. For instance, the male group with longer years of service takes more supervisory roles than the female. Therefore, we will further strive to improve those portfolio ratios between men and women.

- Improving the “Well-being” of all members ~~employees~~ (Enhancement of the level of engagement)

ROHTO has introduced the “Well-being” questionnaire survey (self-evaluation by its members) to ask how they deal with respective tasks, assess to what extent they feel affinities with the ROHTO’s concept of values, and measure their satisfaction with working for the company. We monitor the scores on the survey (“Well-being Points”), indicating members’ engagement and contentment. For the organization and individuals to grow together, we do not intend merely to raise the average of those scores but to push

forward our efforts not to leave anyone behind. For that purpose, we will further strive to enhance their engagement, setting the highest target of realizing full points by all members.

- Promotion of health and productivity management and ensuring occupational safety and health of employees

Recognizing that ensuring the employees' safe and secure lives and physically and mentally healthy conditions is the basis of corporate activities, we are advancing health and productivity management, setting our original indicators. In addition, through further efforts to increase the usage rate of paid leave, we will encourage all the employees to use holidays to refresh themselves, physically and mentally. We will also continuously work on preventing any work-related accidents.

- Respect for human rights and promoting CSR procurement

As a global corporation, we recognize respecting the human rights of all members of the Group and business partners and suppliers (collectively "Business Partners") is essential for implementing our businesses. For that purpose, we will identify any risks related to human rights in the Group and the Business Partners without missing the timing. If any risk is actualized, we will promptly address, redress, and disclose its outcome in and outside the company. Also, encouraging the Business Partners to understand our sustainability initiatives and take action for the same goal, we seek the state where we are building trusted relationships with them.

3. Strengthening of business foundation [Governance=G]

We aim to realize a circumstance where all the members of the Group share compliance awareness and never allow any violation, any compliance risk can be promptly addressed, and appropriate measures are taken through the Group. To that end, we ensure the thorough provision of compliance education and enforce the system to receive internal and external reports and consultation on any doubt and violation of compliance ("Whistleblowing").

■ Sustainability Targets 2030 (Non-Financial Targets toward FY2030)					
Materialities	Social Issues	Non-Financial KPI	Actual Results	Targets	
			FY2022	FY2030	
Contributing to a sustainable global environment [Environment (E)]	Contributing to a low-carbon society (Reduction of greenhouse gas or GHG emissions)	Reduction of total GHG emissions (Scope1 & 2 of ROHTO)	11.3%	46% or more	
		Purchase rate of Co2-free electricity at major offices	—	100%	
		Reduction of domestic usage of plastics for containers and packages	Targets to be set in FY2023		
	Contributing to a recycling-oriented society (Promotion of recycling, reducing waste, etc.)	Usage rate of eco-friendly papers for paper containers and packages	63%	90% or more	
		Purchase rate of "green" (eco-friendly) office supplies in domestic offices	—	90% or more	
		Purchase rate of "green" (eco-friendly) printing papers in domestic offices	—	90% or more	
	Considerations for environment	Establishment of criteria for using the "R-eco" mark	Group-wide uniform criteria and a target of the usage rate of the Mark to be developed in FY2023		
Procedure to procure palm oil		To participate in an outside initiative in FY2023			
Maximizing human capital/Coexistence with society [Society (S)]	Respect for human rights	Provision of education and training about human rights and harassment to all members (officers and employees)	By the end of FY2023	100%	
	Promotion of diversity (including the improvement of working style)	Utilization rate of child leave by male employees	26.5%	100%	
		Employment of persons with disabilities exceeding the mandatory employment rate*	2.42%	3.0% or more	
		Provision of career training for employees 50 years old or over	Not yet implemented		
		Installation of gender-free toilets at self-owned offices	To be installed in FY2023		
		Utilization rate of paid leave	72.9%	80% or more	
		Utilization rate of paid leave for 5 or more consecutive days	23.0%	80% or more	
	Ensuring occupational safety and health	Number of serious industrial accidents (involving the suspension of operation)	2 cases	No case	
	Enhancement of the level of members' engagement	Score on a questionnaire on "Well-being" status (Measuring members' engagement)	Average of 5 items 6.8pt	Full points in all items	
	Promotion of health and productivity management (※Indexes within the thick-framed box are targets in FY2023)	Certified as a Health & Productivity Management Outstanding Organization (White 500)	Recognized the 2022 Certified Health & Productivity Management Outstanding Organization	To be recognized continuously	
			Recognized as the 2022 Certified Sport Yell Company	To be recognized continuously	
		Consultation rate for health checkups	99.9%	100%	
		Consultation rate for stress checks	94.6%	100%	
		Prevalence of metabolic syndrome	14.1%	0%	
		Prevalence of anemia (in women)	14.8%	0%	
		Health age < biological age	52.2%	80%	
		Rate of smokers	1.9%	0%	
		Rate of persons who keep moderate alcohol use	74.2%	100%	
		Rate of persons having 6.5 sleeping hours or more	37.8%	50%	
		Rate of persons who exercise for 30 minutes each two or more times a week	39.0%	50%	
Rate of persons who walk 8,000 steps or walk fast for 20 minutes a day		52.3%	50%		
Promotion of CSR procurement	Implementation of a questionnaire survey for ROHTO's suppliers on sustainable procurement	To implement at the earliest possible by the end of FY2025			
	Expansion of the scope of the questionnaire survey to all suppliers of domestic and overseas Group companies	To implement at the earliest possible by the end of FY2030			
Responsible response to consumers	Number of PL accidents and major quality incidents	No case	Continue to be zero		
Strengthening of business foundation [Governance (G)]	Enhancement of risk management and compliance system	No scandal and material legal violation by further enhancement of compliance awareness	No case	Continue to be zero	
		Provision of compliance education (including an e-learning course) to all employees	Implement every year	Continue to implement every year	
		Setting up a consultation desk to receive whistleblowing from business partners (including suppliers)	To set up in FY2023		