

<Covered Facility> Amino Up Co., Ltd. Head Office, Factory, and Research Laboratories  
<Period> June 2022-May 2023  
<Date of Issue> August 31, 2023

# ESG REPORT 2023



The Power of Nature  
**AminoUp**

# Contents

## Message

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Message	3
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## About Amino Up

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Company Profile	4
Business Activities	5
Environmental, Social and Governance (ESG) Initiatives	6

## Environment

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Environmental Management System	8
Facilities Using Natural Energy	9
Biodiversity Conservation	10
Efforts to Reduce CO <sub>2</sub> Emissions	11
Waste Reduction Initiatives	12
Reduction of Water Consumption	13
Proper Use of Chemical Substances	
Material Balance	

## Social

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CSR Initiatives	15
Regional Revitalization of Hokkaido	16
Human Resource Development	
Employee Work Style	17

## Governance

---

Compliance	19
Risk Management	20

## Appendix

---

Related Data	21
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# Message

## To Realize a Society Where Smiles Continue to the Future

Since our founding, we have been developing unique functional ingredients derived from natural products with an eye on the efficient use of limited natural resources. Our patented techniques represented by the long-term liquid culture process and free-minded ideas like extracting active ingredients from unutilized parts of agricultural crops brought sustainable products to the world.

Our first product, Amino Up, which is the origin of the company name, is an agricultural biostimulant that encourages the healthy growth of field crops as a 'supplement for plants'. Different from fertilizers and agrochemicals, Amino Up is an earth-friendly material derived from natural resources. Believing Amino Up is capable to strengthen sustainable agriculture, we embarked on beefing up our agricultural business in 2018 when the company name was changed. Since then, we have been putting more efforts on research and development of new agricultural biostimulants than ever by applying new research technologies such as genetically modified plants.

In addition to producing these sustainable products, we continuously work on various actions to realize zero-carbon in 2050 to contribute to the global health. For example, dozens of new solar panels and a capacitor were added to the existing solar power system in 2021 and some production equipment has been replaced with the ones that enable us to reduce energy consumption and CO<sub>2</sub> emission drastically. However, the introduction of eco-friendly equipment and the development of innovative new materials cannot resolve all the global issues we are facing including the climate change, the increase of emerging infectious diseases, and the imminent shortage of food and energy. It is essential for each of our employees to give full attention to the society and acquire practical skills necessary to fight such social issues with flexible ways of thinking. We will enhance employee education on environment, information technology, global issues, and compliance to foster the next generation that can create new values.

We will keep on moving forward with our mission 'Bring smiles to the world' to realize a society where the smiles continue to the future.

Amino Up Co., Ltd.

**MISSION**  
Bring Smiles to the World with the Power of Nature

**VISION**

- 01 Manufacture products that people demand and appreciate
- 02 Create values for social evolution
- 03 Support employees' happiness and self-realization

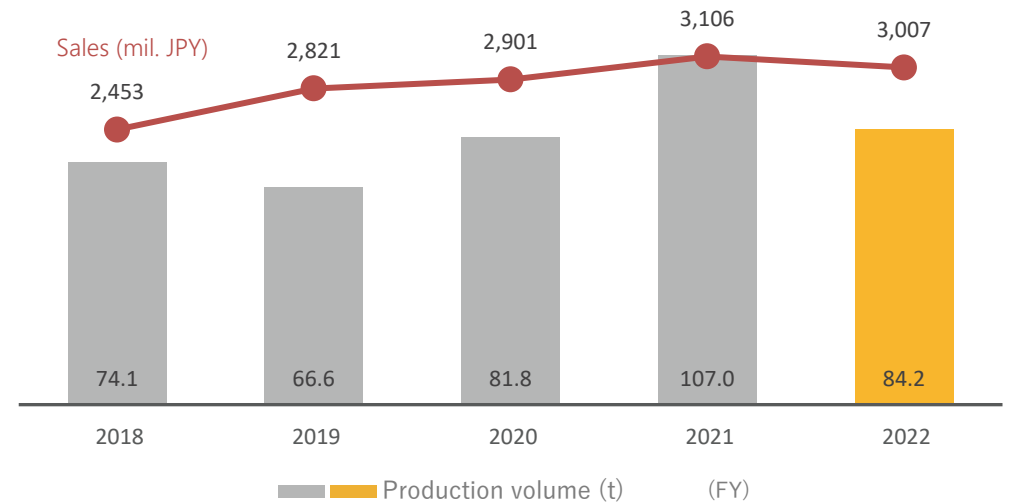


## Company Profile

<b>Company Name</b>	Amino Up Co., Ltd.
<b>Chairman</b>	Ken-Ichi Kosuna
<b>President/COO</b>	Kentaro Kitadate
<b>Head Office</b>	363-32 Shin-ei, Kiyota-ku, Sapporo, 004-0839, Japan
<b>Establishment</b>	June 1984
<b>Capital</b>	369 million yen
<b>Employees</b>	100
<b>Site Area</b>	51,559 m <sup>3</sup>



Production Volume and Sales of the Flagship Product





## Business Activities



**AHCC®**  
Standardized extract of cultured *Lentinula edodes* mycelia



**Oligonol®**  
Standardized oligomerized-polyphenol from *Litchi chinensis* fruit extract



**ETAS®**  
Standardized extract of *Asparagus officinalis* stem



**Dr. AminoUp**  
Agricultural biostimulant for healthy growth of crops

## Functional Food Business

We have discovered new values in natural resources and developed unique functional ingredients based on research findings with unconventional ways of thinking to realize a healthy life which everyone desires. We continue to accumulate scientific evidence on functionalities and safety of our products. We are devoted to research and development of new functional ingredients to bring smiles to the world.

### Perilla Extract

Natural anti-inflammatory substance from Green Perilla Leaf



**GCP®**  
Standardized extract of *Glycine max* co-cultured with *Basidiomycota*



## Agriculture Business

It is a crucial challenge for human beings to conserve global environment and secure stable food resources. In addition to the continued research and development of agricultural materials that enhance the healthy growth of crops for decades, we launched new projects to create values and make full use of local resources. We will strive to realize sustainable agriculture and to contribute to the future of the world.

**Kinoko Poko™**  
Agricultural biostimulant for mushroom production



### Yumesenka

Brand of onions for processing use newly developed in Hokkaido



# Environmental, Social and Governance (ESG) Initiatives

## Materiality Assessment

Our mission is to contribute to the society through our products: functional ingredients for well-being of people and biostimulants for greening the earth and growth of crops with high quality and nutrition.

In recognition of the importance of sustainable business management to achieve the goals, we conduct ESG materiality assessment to identify issues to be addressed over the medium-to-long term, aiming to clear those issues by our daily business activities.

- 1 Establishment of a solid business infrastructure for sustainable growth**
  - Building a digital infrastructure and improving employee's digital literacy
  - Introducing eco-friendly equipment and energy supply systems
  - Promoting health-conscious business management and expanding in-house systems that enables employees to work in diverse ways
- 2 Promotion of regional development and creation of additional value to the local resources**
  - Creating products with added value by utilizing unused resources and crops produced in Hokkaido
  - Developing new technologies, values, and markets through the local network
  - Supporting cultural and regional activities in Hokkaido
- 3 Human resource development**
  - Supporting self-fulfillment of employees and the youth with great drive.
  - Supporting the creation of research environments for students and young or female researchers
  - Recruiting and educating human resources prepared for digitalization and globalization
- 4 Preservation and greening of the global environment**
  - Efforts for harmony with environment and biodiversity conservation
  - Contribution in production of crops that are resistant to climate change or hazards.

## ESG Team

The ESG Team, a cross-departmental organization, was launched to take comprehensive approaches to environmental and social activities that we have addressed since our foundation. The ESG team aims to broaden the range of and improve the quality of such activities. The ESG Team regularly discusses initiatives to achieve the goals set by the materiality assessment and implements them steadily.

## ESG to SDGs: Connected Paths to the Sustainable Future

Our business activity based on a viewpoint of ESG is virtually headed to the Sustainable Development Goals (SDGs) formulated in 2015 by the United Nations General Assembly. We believe that our challenges against the materiality will contribute to achieve SDGs.





# ENVIRONMENT

Environmental Management System	8
Facilities Using Natural Energy	9
Biodiversity Conservation	10
Efforts to Reduce CO <sub>2</sub> Emissions	11
Waste Reduction Initiatives	12
Reduction of Water Consumption	13
Proper Use of Chemical Substances	
Material Balance	



# Environmental Management System

## Environmental Management Policy

### Fundamental Principal

As a company engaged in health care, we will strive and act every day for the health of people, the preservation of the global environment, and the realization of an affluent society.

### Environmental Policy

Through our carbon neutral activities, we aim to increase the trust of our stakeholders, secure high quality human resources, and motivate our employees.

We will comply with environmental laws and regulations, continuously improve our environmental management system, and work toward the realization of a sustainable world.

1. We will comply with environmental laws and regulations.
2. We will work to reduce carbon dioxide emissions, waste, and wastewater in our business activities.
3. We will work to reduce energy consumption associated with manufacturing at our factories, which is the largest factor in environmental impact.
4. We will actively engage in recycling.
5. We will make effective use of natural resources and reduce resource consumption.
6. We will act based on the recognition that each single initiative we implement could contribute to the preservation of the global environment.
7. We will make this environmental policy well known to our employees and provide them with thorough environmental education. We will continue to deliver information about our initiatives to the society.

Established on October 1, 2010  
 Revised on June 1, 2021  
 Kentaro Kitadate, Amino Up Co., Ltd.

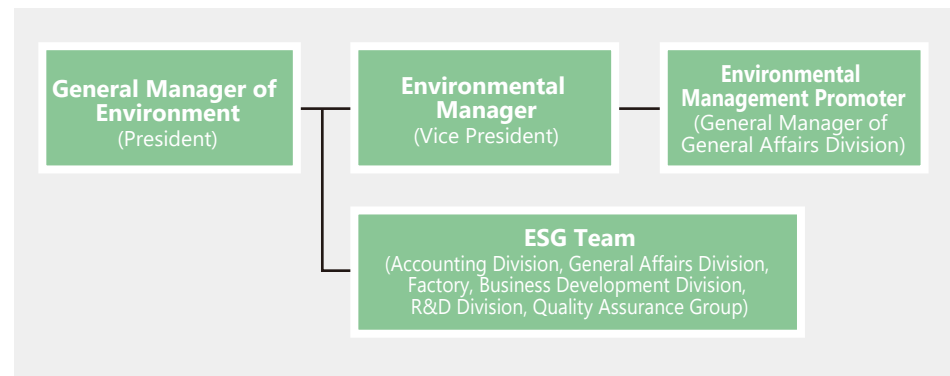
## Eco-Action 21

We have been continuously committed to environmental initiatives based on the "Eco Action 21" environmental management system.



In recognition of our efforts, we have been certified under Eco Action 21 for more than 10 years.

## Organization



## Compliance with Environment-Related Laws and Regulations

The list on the right shows environment-related laws and regulations in Japan to which our activities are applicable.

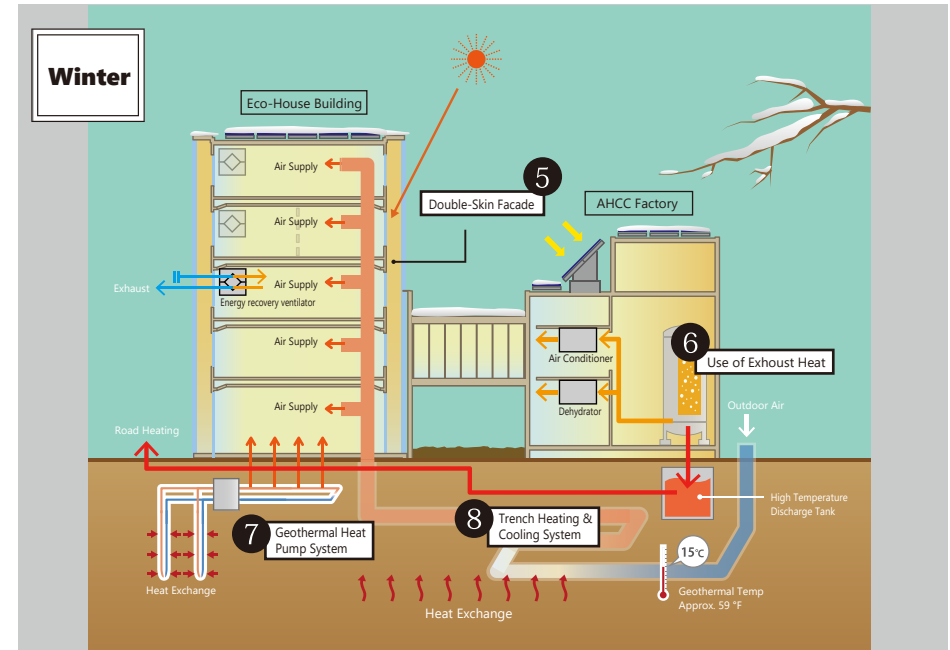
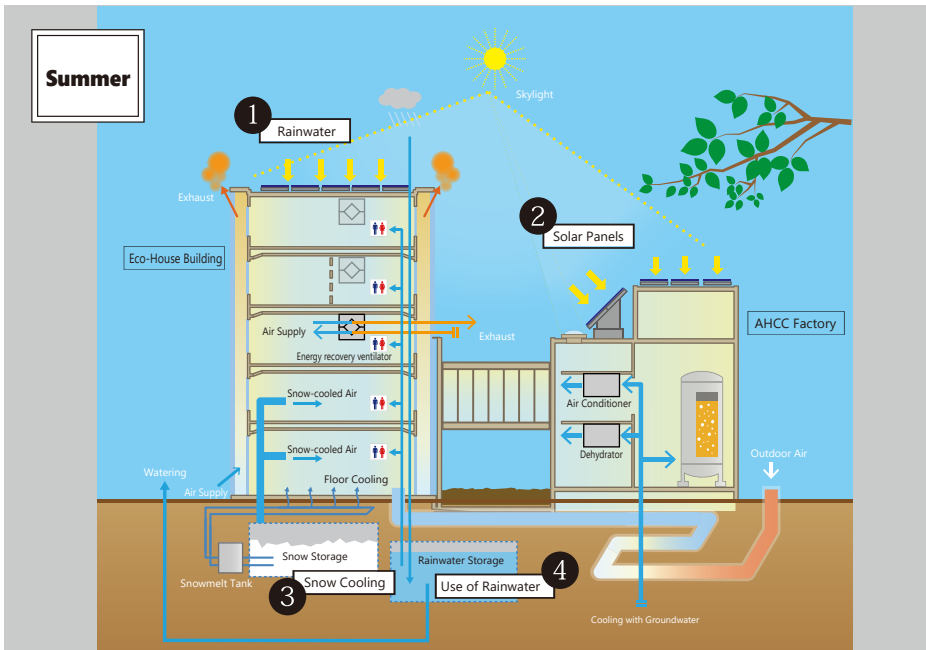
There were no violations of environment-related laws and regulations in this fiscal year. We have not been cited for any violations in the past three years.

Regulation	Observance	Regulation	Observance
Sewerage Law	○	Containers and Packaging Recycling Law	○
Air Pollution Control Law	○	Fire Service Act	○
Water Pollution Control Law	○	High Pressure Gas Safety Act	○
Waste Disposal and Public Cleaning	○	CFC Emission Control Law	○
Food Recycling Law	○	PRTR Law	○



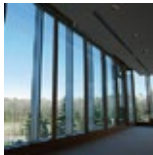
# Facilities Using Natural Energy - Taking Advantage of the Characteristics of Cold Climates

In 2011, we completed the "Eco-House Building". The building adopted many of the environmental load reduction measures introduced at the G8 Hokkaido Toyako Summit (2008). Since then we continuously introduce new measures which take advantage of the characteristics of the cold climate with consideration for biodiversity.



## ① Natural Lighting

Energy used for lighting is reduced by allowing abundant natural light into the building.



## ② Solar Panel

Solar panels have been installed on the rooftop. A total of 220 kW of electricity is generated and used to power the building.



## ③ Snow Cooling

The building has a snow storage facility in the basement that can hold about 200 tons of snow, which is used to cool the building in the summer.



## ④ Rainwater Usage System

Rainfall on the rooftop is stored in an underground reservoir and used for toilet flushing and watering plants.



## ⑤ Double-Skin

Between the two panes of glass, fresh outdoor air is drawn in during the summer and solar heat is stored during the winter to maintain a moderate room temperature.



## ⑥ Waste Heat Recovery System

The hot wastewater used in the factory is once stored in a storage tank, and the heat is used to preheat hot water and for road heating on the premises.

## ⑦ Geothermal Heat Pump

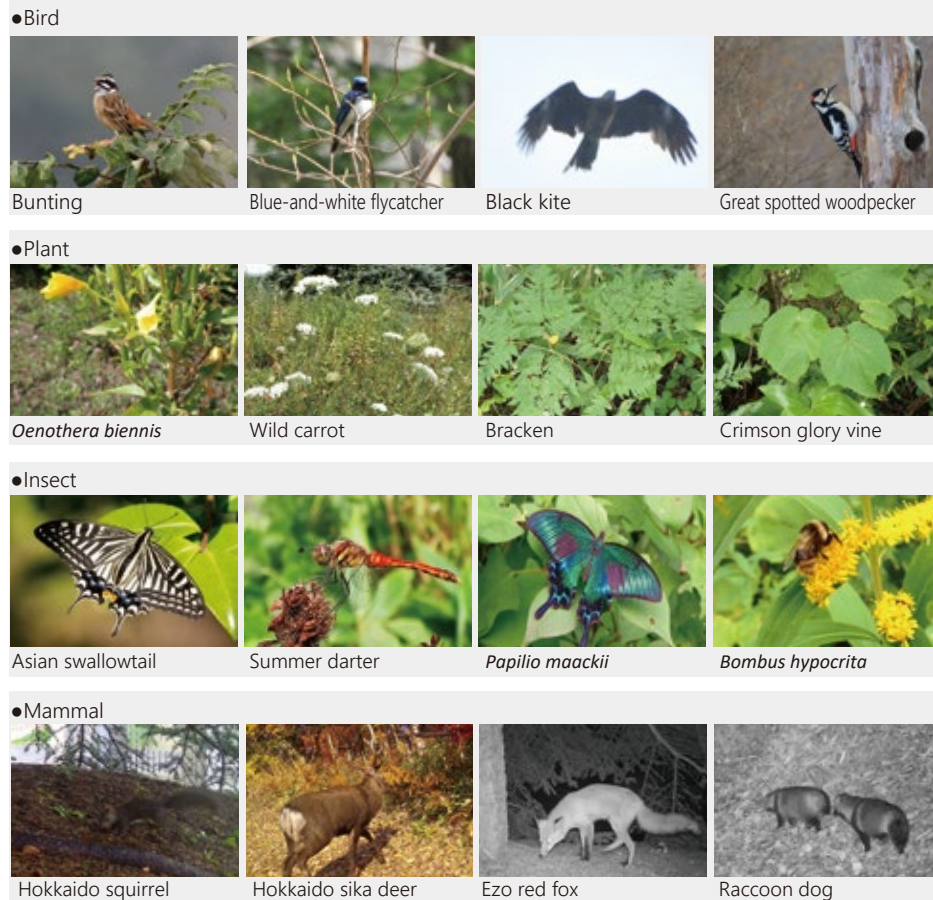
Geothermal heat, whose temperature remains constant throughout the year, is used for floor heating and cooling of buildings through efficient heat exchange.

## ⑧ Heat Exchange Trenches

By passing outside air through large tubes embedded in the ground, cooled outside air in summer and heated outside air in winter is supplied to the inside of the building to regulate room temperature.

# Biodiversity Conservation

Planting in and around our premises are designed to coexist with the surrounding environment, flora, and fauna. We also regularly conduct environmental surveys to verify the impact of our business activities on the surrounding environment. In the survey conducted in 2022, no environmental impact from our business activities was reported.



## TOPICS — Coexistence with Nature

### Nature Tour

With the aim of reintroducing local residents to the local environment, the "Nature Tour" is held three times a year in spring, summer, and fall, jointly with the Kiyota Ward office.

Families with elementary school students in the ward are invited to observe plants, birds, insects, and mammals as they walk around the site and the surrounding green areas together after receiving lectures by guides specialized in the field.

After the guide-walk, a facility tour is conducted hoping to give the participants better understanding of Amino Up. Our efforts toward the environment are also carefully explained, conveying the importance of coexisting with nature.



Nature tour



Animal Pathway (Company facility)

### Voice of Participants



- I became interested in plants and organisms that I had never been interested in before.
- It was fun. I would like to participate in similar events again.
- I was able to observe a lot of nature.
- The explanations were easy to understand and tailored to children.
- I was able to learn about the fun forest and wanted to let my children play outside more.
- It was good because I don't have many opportunities to come in contact with nature.
- I could feel familiar with local company.



# Efforts to Reduce CO<sub>2</sub> Emissions

## Efforts to Achieve Carbon Neutrality

Our business plan to improve carbon productivity was certified by the Hokkaido Bureau of Economy, Trade and Industry of the Ministry of Economy, Trade and Industry on October 29, 2021 as the nation's first "Business Adaptation Plan for Reducing Environmental Impact of Energy Use".

In addition to the certified projects based on this plan, we will introduce production facilities with high decarbonization effects as needed, aiming to achieve carbon neutrality.

### Business Adaptation Plan for Reducing Environmental Impact of Energy Use

#### ■ Outline of the plan

Implementation period: November 2021 - May 2024

Target: 25.1% increase in carbon productivity (base year: FY2020)

#### ■ Example of project implemented in 2022

##### Installation of additional solar power generation facilities

- Installation of the third photovoltaic power generation facility (80kw) to enhance the power supply capacity up to 220kw in total
- Increase the capacity of storage batteries by 350kwh to make it 450kwh in total for efficient use of surplus power and night-time power
- Planning to install the forth photovoltaic power generation facility



##### Introduction of spray dryers

The spray dryer introduced to the AHCC factory in 2021 will start operation in 2023 after repeated test runs in 2022.

##### Conversion from heavy oil boilers to LPG boilers

All the five heavy oil boilers used in our factory were replaced to LPG boilers.

## CO<sub>2</sub> emissions reduction target

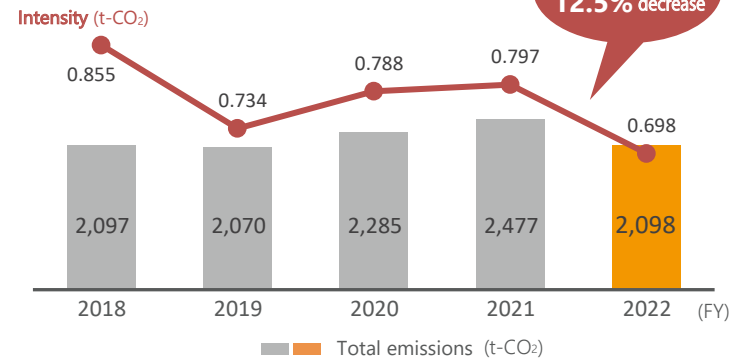
**Single-year target:** Less than 2,151 tons of CO<sub>2</sub> emissions in FY 2022

**Mid-term target:** Less than 2,072 tons in FY2023

## Results for FY2022

### CO<sub>2</sub> emissions

and intensity (per million yen of sales)



**Result:** Achieved the single year target (12.5% decrease from FY2021)

**Assessment:** The production decline and our continuous initiatives led to the achievement of the target

## Targets for next fiscal year and beyond

**Target for FY2023:** CO<sub>2</sub> emissions: 2,072 tons or less

**Mid-term target:** Review and reconfigure.

### Activity Plan

Electricity	Installation of additional photovoltaic panels, scale-down of the pumps and the motors, and dismantling mercury lamps
LPG	Consumption is expected to increase significantly due to boiler replacement
City gas	Concentration of utilization time. Decrease in flame operation time in inspection operations
Diesel oil	Shortening the operation time of wheel loaders although it depends on the amount of snowfalling
Gasoline	Offering information about and considering introduction of electric vehicles, and education of employees on eco-friendly and safe driving technique

# Waste Reduction Initiatives

## Sustainable Raw Material Procurement Initiatives

We are taking steps to promote responsible procurement, such as procuring raw materials from sustainable and renewable resources and replacing packaging materials with materials that have a low environmental impact. We have also made a "Declaration of Partnership Building" with the aim of promoting cooperation and coexistence with suppliers in our supply chain.



### Examples of sustainable raw material procurement

Reduction of waste	Utilization of unused parts of crops
Reduction of load on soil	Use of raw materials that meet pesticide residue standards in accordance with national regulations

### Examples of initiatives in containers and packaging materials

Plastic reduction	Shift in the finished product packaging materials from plastic film to tamper-proof paper seals.
Forest resource conservation	Change in the paper packaging materials such as decorative boxes, exterior cardboard boxes, and company paper bags to FSC-certified products (or materials). *FSC: Forest Stewardship Council

## Other Initiatives

### Reduction of general and industrial waste emissions

- Improving waste sorting method, especially segregation of waste plastic
- Organizing the coverage room with clearly specifying types of trash to be sorted
- Recycling plant-derived residues into raw materials for fertilizers
- Collecting waste oil, waste paper, ink cartridges, etc., for recycling



## Waste Reduction Target

**Single-year target:** Sales amount intensity / 1 % reduction compared to FY2021  
Food recycling rate / 95% or more

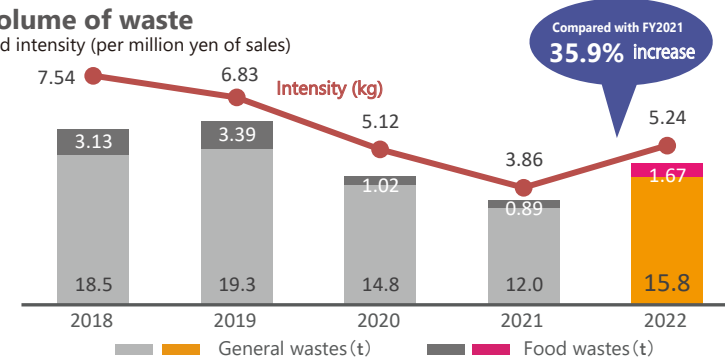
### Medium-term target (to FY2023):

Sales amount intensity / 3.65 kg or less compared (30% reduction compared to FY2020)  
Food recycling rate / Maintain 99% or more

## Results for FY2022

### Volume of waste

and intensity (per million yen of sales)



**Result:** Not achieved single-year target (35.9% increase from FY2021)  
**Evaluation:** Thorough disposal of unnecessary equipments caused increase of the absolute volume and the sales amount intensity.

### Food Recycling Rate

	2019	2020	2021	2022
Food waste	76.91 t	92.64 t	94.36 t	<b>98.29 t</b>
Amount of Recycled Food Waste	73.52 t	91.62 t	93.47 t	<b>96.62 t</b>
Final Disposal of Waste	3.39 t	1.02 t	0.98 t	<b>1.67 t</b>
% of Recycled Food Waste	95.6 %	98.9 %	99.1 %	<b>98.3 %</b>

**Result:** Achieved (98.3%)

### Targets for next fiscal year and beyond

**Target for FY2023:** Sales amount intensity / 1 % reduction  
Food recycling rate / 95% or more

**Mid-term target:** Review and reconfigure.

**Activity Plan** Continuation of sorting and recycling, adjustment of optimal purchase volume



## Reduction of Water Consumption

### Use of Rainwater and Snowmelt Water

Rainwater is stored and reused (see p. 9). We also store and utilize snow melt water used for snow cooling to reduce water consumption.

### Use of Well Water

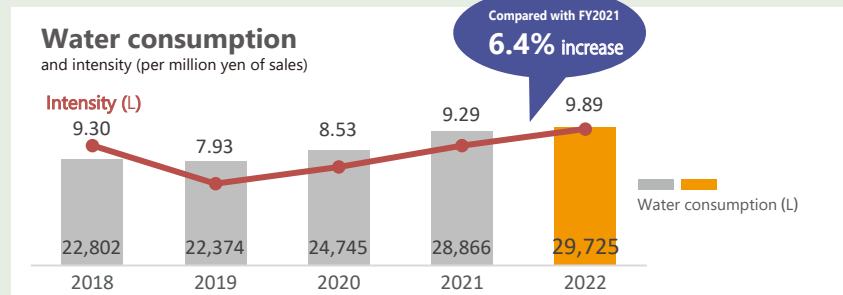
We use well water for 90% of our water use. Well water has a stable water temperature, reducing the energy required for water temperature control. It also has the advantage of quick recovery in the event of a disaster.

### Water consumption reduction target

**Single-year target:** 1% reduction compared to FY2021

**Medium-term target:** 8.27 L or less compared to FY2023 (3% reduction compared to FY2020)

### Results for FY2022



	2019	2020	2021	2022
Well water usage	19,433 m <sup>3</sup>	20,752 m <sup>3</sup>	22,495 m <sup>3</sup>	23,293 m <sup>3</sup>
Tap water usage	2,941 m <sup>3</sup>	3,993 m <sup>3</sup>	6,371 m <sup>3</sup>	6,432 m <sup>3</sup>
Total water usage (absolutely volume)	22,374 m <sup>3</sup>	24,745 m <sup>3</sup>	28,866 m <sup>3</sup>	29,725 m <sup>3</sup>

**Result:** Not achieved the single year target (6.4% increase from FY2021)

**Evaluation:** Increased due to the overall review and revisions of cleaning procedures

### Targets for next fiscal year and beyond

**Target for FY2023:** 1% reduction (sales amount intensity)

**Mid-term target:** Review and reconfigure.

### Activity Plan

Raise employees' awareness of water conservation and change their behavior by delivering information. (Adjusting faucet valve openings and reviewing water discharge times)

## Proper Use of Chemical Substances

The following three substances are essential for some equipments and impossible to stop using them. Therefore, we set our goal as to use them under proper control.

### Substances to be Controlled

Substance	Chemical Structure	Usage
Acetonitrile	<chem>CC#N</chem>	Used for research and analysis equipment
Chloroform	<chem>ClC(Cl)Cl</chem>	
Methylnaphthalene	<chem>Cc1ccc2ccccc2c1</chem>	Contained in heavy oil used for generators and boilers

### Results and Evaluation

Substance	Amount used	Evaluation
Acetonitrile	89.1 kg	Proper use
Chloroform	0 kg	No use during the period
Methylnaphthalene	864.0 kg	Reduction in usage by switching to LPG boilers

## Material Balance

Results for FY2022

INPUT		Business activities	OUTPUT	
<b>Total Energy Consumption (COE)</b>			<b>CO2 Emissions</b> 2,098 t-CO <sub>2</sub>	
	922 kL	R&D	<b>Total amount of waste</b> 114.1 t	
Electricity	2,156,000 kWh		General waste	15.8 t
LPG	229 m <sup>3</sup>		Food Waste	98.3 t
City gas	64 Nm <sup>3</sup>		Recycling of waste (98.3%)	96.6 t
Gasoline	4 m <sup>3</sup>		Final disposal volume	17.5 t
Heavy fuel oil	79 m <sup>3</sup>	Production	<b>Products</b> 305 t	
<b>Total Water Consumption</b>				
	29,725 m <sup>3</sup>			
Tap water	6,432 m <sup>3</sup>			
Groundwater	23,293 m <sup>3</sup>			
<b>Raw material</b>	<b>146 t</b>			
<b>Packaging</b>	<b>193 t</b>			

# SOCIAL

CSR Initiatives	15
Regional Revitalization of Hokkaido	16
Human Resource Development	
Employee Work Style	17



# CSR Initiatives

We provide support for cultural and sports activities in Hokkaido to contribute to the development of local communities where each individual can live a spiritually rich and fulfilling life. In addition, aiming to create a healthy society where everyone can envision a bright future, we support activities, such as human resource development projects, industrial promotion projects, and educational activities in the medical field conducted in cooperation with industry, government, and academia.

## Support for Regional Culture Development

### Silvester Concert in Sapporo

A concert to end the year with performances by world-class musicians and the Sapporo Symphony Orchestra (2000 ~)



### Sapporo International Short File Festival

Japan's largest short film festival to showcase the world's short films (2010 ~)



### Pacific Music Festival (PMF)

International educational music festival founded by Leonard Bernstein to nurture young musicians from around the world (2000 ~)



- Sapporo City Jazz
- Sapporo Cultural Arts Theater: hitaru
- YOSAKOI Soran Festival
- Sapporo International Art Festival
- Rikka Reading Live
- Support for Artists in Hokkaido
- Lobby Concert at Amino Up
- Amino Up Cup (Go game)

## Support for Regional Sports Development

### Support for Sporting Events and Athletes

Collaboration with Hokkaido All Olympians, Sapporo sports promotion bureau, etc.



- Snowboard World Cup Sapporo
- Sapporo Excel Athlete Club
- Asu-ath Laboratory
- Hokkaido All Olympians
- Hokkaido Bank Curling Classic
- Sapporo Asian Winter Games
- Hokkaido Sports Festival
- Wheelchair Softball Tournament
- Wheelchair Tennis Tournament
- Hokkaido Triathlon
- Children's Running Class

## Sponsored Activities

### Hokkaido Spaceport Project:

Project to develop "Hokkaido Spaceport", Asia's first spaceport open to the private



- Pink Ribbon Sapporo
- Leukemia Research Fund Supporting Group
- Association to Clean the Beach and Sea
- Hokkaido Future Challenge Fund
- Hult Prize (Student entrepreneurial idea competition)
- KNIT Research Life and Various Careers
- Sapporo Innovation Fund
- Health Seminars for the Public

## Regional Revitalization of Hokkaido

### Hokkaido Food Functional Labeling System "Healthy Do"

Hokkaido's abundant food resources are recognized both domestically and internationally as a "safe, secure, and delicious" Hokkaido brand. Hokkaido's unique food functionality labeling system, known as "Healthy Do" adds value to "Health". Many of our functional ingredients are used in the certified products.



### Development of Bio-industry

We support the activities of the Hokkaido Association for Bio-business, an organization of biotech companies in Hokkaido that works to revitalize biotech industry through information sharing, educational seminars, and other activities.



### The Future of Hokkaido's Economy

We support the activities of the Hokkaido New Business Conference (HNBC), an organization that brings managers of growing companies in Hokkaido across industries and business categories together to promote the sound development of the Hokkaido economy through mutual cooperation and exchange.



### From Hokkaido to the World

In addition to accepting interns from overseas universities, we support the globalization of the Hokkaido region by creating opportunities for companies and universities in Hokkaido to collaborate and build cooperative relationships with overseas companies and universities through our global network of research institutions and distributors.



### Communication with Local Communities

We collaborate with the City of Sapporo and Kiyota Ward to support the creation of a healthy local community by holding health seminars for citizens and exercise classes for children. In addition, we have been actively involved in town development activities and have been certified by the City of Sapporo for the contribution.



## Human Resource Development

### Volunteer Activity

Amino Up encourages all its employee to engage in volunteer activities, expecting them to grow their mind continuously by becoming conscious of what they can do for the society.



### Academic Support

Amino Up participates in various projects which encourage youth to keep their motivation in realizing their free-minded ideas and challenging dreams by encouraging them..

### Improvement of Research Environment

Amino Up supports activities of Tsukushi Fellowship and Research Foundation which provides scholarships to students majoring in medicine or pharmacy so that they can devote themselves to research.



### Creativity Development

Amino Up supports activities of Hokkaido Institute of Invention & Innovation such as nurturing children's curiosity and creativity about invention and educating people about the importance of intellectual properties.



### Supporting Self-Realization of Employees

We have a system to subsidize the cost of attending external training programs, purchasing books, and acquiring public qualifications for the purpose of self-development and skill improvement.

### Talent who can cope with Digitalization and Globalization

We conduct company-wide training as needed to improve the digital literacy of our employees. We also provide opportunities to develop a global mindset of employees such as English conversation classes, overseas training programs, and a language skill allowance based on the results of language proficiency tests.



# Employee Work Style

## Health Management Practices

Based on our mission "Bring Smiles to the World with the Power of Nature" and the vision "Support employees' happiness and self-realization", we have been promoting various health measures. In recognition of our efforts, we have been certified as one of the 2022 Excellent Corporations for Health Management (in the small- and medium-sized corporation category). The Ministry of Economy, Trade and Industry (METI) recognizes and certifies corporations that practice particularly excellent health management. Creating a workplace where employees can work vigorously and healthily is effective in promoting work-life balance and enhancing the overall strength of management. We will position health management as an important management issue and strive to create a company where all employees can feel their own growth with a smile on their face.



### Example of Initiatives

- Encouraging employees to install a pedometer application (Renobody) for the development of their healthy habits
- Offering opportunities to receive counselings and health awareness seminars by industrial physicians
- Implementing stress level checks

## Childcare Support

We support our employees in balancing work and home life. We create an atmosphere at workplace in which employees who are applicable to the use of our childcare support systems can obtain understanding and cooperation from others to take advantage of such systems. Currently, we have formulated and implemented the following action plan.

### Action plan

- (1) To set a no-overtime day monthly
- (2) To set a day when taking a paid day off is encouraged monthly
- (3) To reduce the number of employees who take less than 7 days and have an acquisition rate of less than 35% to zero

100% achieved of the action plans in FY2022

100% of two applicable employees took childcare leave in FY2022

(One male and One female, two in total, used the childcare leave system)

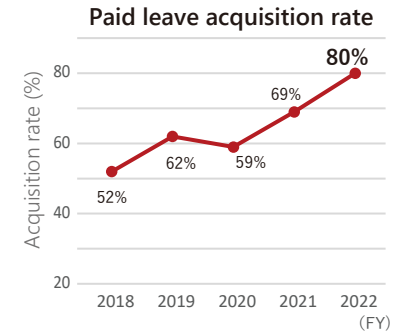
## Work-Life Balance

We are working to create a work environment where each of our employees can work in diverse ways that suits a lifestyle of each individual. For example, we set up in-house systems including an hourly time-off system, a staggered work time system, and a remote working system. We will continue to improve the workplace environment.

The acquisition rate of paid holidays in FY2022

80%

(Total number of days acquired / Total number of days granted)



### "Eruboshi" Certification

We received "Eruboshi" certification from the Ministry of Health, Labour and Welfare as a company that conforms to standards based on the Law for the Promotion of Women's Activity, such as "recruitment", "working practices", "the management-to-employee ratio", and "diverse career paths" in April, 2022.



### Work-Life Balance Plus Corporate Certification

"Work-Life Balance Plus Company Certification" is a program established by the City of Sapporo to certify companies that are committed to achieving a good work-life balance and promoting gender equality.

In recognition of our continuous efforts in creating a conducive workplace environment, we were certified as "Step 3 Advanced Commitment Company (companies exceeding legal requirements)", the highest rank of the program, in February 2023.





# GOVERNANCE

Compliance 19

Risk Management 20



# Compliance

Recognising compliance as an important management issue, we will conduct fair corporate activities on this following policies.

## Compliance Policy

To fulfil our mission "Bring Smiles to the World with the Power of Nature", we aim to be a company that is trusted by society and all stakeholders and needed by society. We will continuously strive to improve and reinforce our company compliance system.

### 1. Compliance with Relevant Laws and Regulations, Social Norms, and International Rules

- We will comply with domestic and international laws and regulations, social norms, and internal company rules.
- We will act with common sense as a member of society.
- We will be aware of our status as a member of the international community, respect local culture and customs, and promote business activities based on mutual trust.

### 2. Social Responsibility

- 1) We will develop and provide safe and reliable products and services that are loved around the world through ethical research and development.
- 2) Recognizing the importance of our social responsibility and public mission, we contribute to the development of society by creating value.
- 3) We will promptly disclose appropriate information and properly protect personal and customer information.

### 3. Enhancement of Corporate Value and Permanent Development

We will strive to increase corporate value and achieve sustainable development based on the pursuit of profits and sound corporate activities.

### 4. Maintaining Sound Competition and Fair Transactions

We will maintain fair business relationships with customers, suppliers and other business partners, and promote business activities based on sound and free competition.

### 5. Respect for Human Rights and a Healthy Workplace

We respect the human rights, diversity, and individuality of our employees and ensure a safe and comfortable working environment for them.

- 1) We will pursue the happiness of employees and support their self-realization.
- 2) We will establish a personnel system that enables a diverse workforce.
- 3) We will not discriminate in any way in hiring and treatment of employees, and strive to provide equal employment opportunities.
- 4) We will prevent occupational accidents and support the health of our employees.
- 5) We do not tolerate harassment of any kind.
- 6) We do not tolerate child labor or forced labor.

### 6. Contribution to a Sustainable Society and Social Contribution

To preserve the global environment, we will strive to reduce environmental impact throughout our supply chain, from procurement to manufacturing and sales, and contribute to the realization of a sustainable society.

We will be aware of our moral obligations as a member of society and actively engage in social contribution activities.

### 7. Management's Ensuring the Corporate Philosophy and Ethics among Employees

The management recognizes its role to ensure compliance, and will take the initiative in ensuring that all employees act in accordance with the corporate philosophy and this policy.

## Compliance Training

Seminars and trainings for managers and all employees are conducted on a regular basis.



## Internal Reporting System

We have established a contact point for all employees to report any concerns they may have without any restrictions from the organization. This system is designed to protect whistleblowers and strengthen compliance by establishing appropriate response procedures.

## Risk Management

We have identified risks that may affect our activities and are promoting ongoing preventive measures. Currently, we have identified the following three main areas of risk management and are taking measures to address each.



### Information Security

We recognize information security as an important issue. We conduct IT literacy training for all employees on a regular basis. As part of the training, we conduct drills like email security attack simulation that are useful when actual responses are needed.

We also update our systems appropriately to prevent vulnerabilities caused by outdated systems.



### BCP

We have a Business Continuity Plan (BCP) and an Emergency Response Manual, which stipulate initial responses and the roles of each employee in the event of an emergency so that we can continue our business even in a crisis situation.

We also conduct various drills, such as unannounced safety checks, to enhance the viability of the plan.



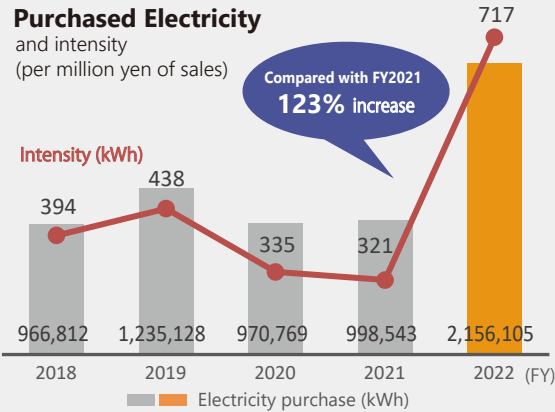
### Food Defense

We have established a food defense plan to protect the safety of our products. The food protection plan consists of (1) vulnerability assessment of manufacturing processes, (2) formulation of risk reduction measures to minimize or prevent vulnerabilities, and (3) management of risk reduction measures (monitoring, corrective actions, and verification). In addition, training on food protection is conducted regularly.



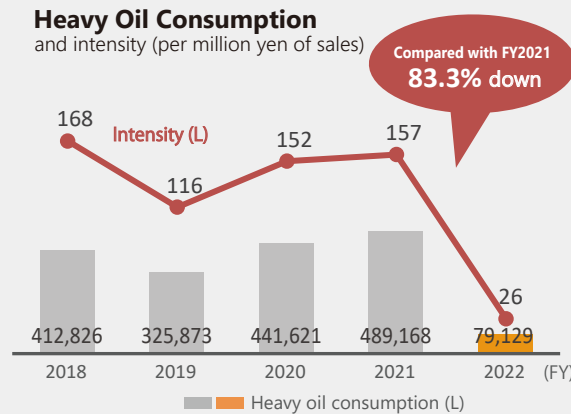
## Reduction of CO<sub>2</sub> Emissions

### Purchased Electricity and intensity (per million yen of sales)



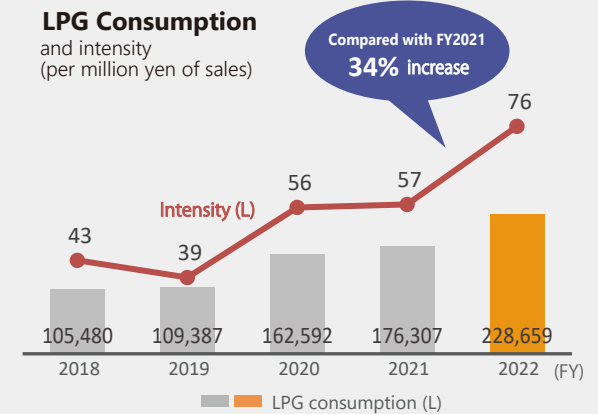
Target	875,208 kWh
Result	2,156,105 kWh
Evaluation	A heavy oil in-house power generation system to reduce CO <sub>2</sub> emissions. The amount of electricity purchased increased due to the outage.

### Heavy Oil Consumption and intensity (per million yen of sales)



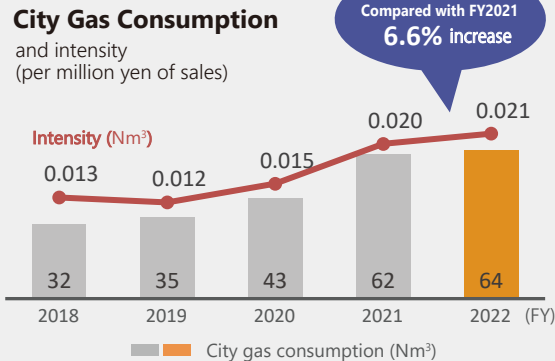
Target	441,697 L
Result	79,129 L
Evaluation	Decrease due to switching to LPG

### LPG Consumption and intensity (per million yen of sales)



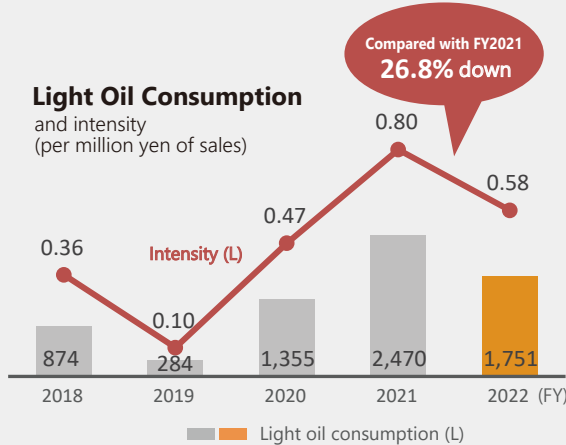
Target	162,667 L
Result	228,659 L
Evaluation	Increase due to switch from heavy oil to LPG

### City Gas Consumption and intensity (per million yen of sales)



Target	43 Nm <sup>3</sup>
Result	64 Nm <sup>3</sup>
Evaluation	Production decreased, but consumption increased due to increased inspection requirements

### Light Oil Consumption and intensity (per million yen of sales)



Target	1,163 L
Result	1,751 L
Evaluation	Decrease compared to 2021 due to a decrease in the number of wheel loader operations

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