

2023

**CORPORATE
SOCIAL
RESPONSIBILITY**

Report

TREATING
YOU
RIGHT



**MIYOSHI KASEI
Group**

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About this report :

GRI 1 : Foundation 2021

We have taken into account the requirements and standards from GRI 1: Foundation in the preparation of this CSR report, especially the GRI's reporting principles for defining report content and quality : Sustainability context and completeness; Accuracy, Balance, Clarity, Comparability, Timeliness and Verifiability.

Disclosure 2-3 : This report is updated and published on an annual basis. For more information, please reach ematsuo@miyoshikasei.com.

Top Message

Disclosure 2-22

CSR, sustainability, and ESG... in today's world, not a day goes by without seeing or hearing these words. It has been a long time since the serious impact of global warming has come to the fore, but in recent years in particular, extreme weather conditions resulting from climate change have brought serious damage to various parts of the globe. Also in human societies, the problems of poverty, inequality and disparities have caused painful conflicts and misfortunes around the world. It goes without saying that solving these problems is an urgent task for the earth and mankind.

And I strongly feel that a company like us, which is a public entity of society, also has a mission to build a long-term management strategy with a view to contributing to the environment and society based on the concept of sustainability management*.

Since the mid-2010s, the Miyoshi Kasei Group has been participating in CDP, Ecovadis, UNGC and other platforms and promoting sustainability activities. At the early years, we asked ourselves what and how much we should do, and how our sustainability management should be as a group, while responding to customer requests and the trends in the world.

And now, coming back to the Miyoshi Kasei Group's management philosophy, the words "Good Faith & Dignity" that our founder cherished and the corporate message "Treating You Right", remind me that we have been behaving as a socially responsible company from the start.

I feel that our sustainable management is not something that started just recently, but has been continuing for nearly half a century since our founding. We have inherited the founder's spirit, which can be said to be the basis of sustainability, and have cultivated it to our corporate culture in conducting business activities.

I believe that CSR and sustainability do not exist separately from a company's economic activities, but rather are "environmental, social, and human-friendly thoughts" that should be at the root of economic activities.

We believe that our products and activities created under the spirit of "Treating You Right" will contribute to the development and happiness of our stakeholders and society. This is why we do exist, this is what we work for, and this is why the Miyoshi Kasei Group will continue to be sustainable as a whole.

I promise we will continue to always refine, implement and promote the Miyoshi Kasei Group's sustainability activities.

Miyoshi Kasei, Inc.
President
Hitoshi Usui



*The concept that "corporations must work to resolve various environmental and social issues and maintain and improve the environment and society, and with this as a business foundation, corporations can grow sustainably."



About Us

Disclosure 2-1, 2-2, 2-6

We are the first company that created and launched silicone treated cosmetic pigments to the market, which led to the development of the epoch-making two-way cake powders which can be applied to the face by either a wet or dry sponge.

From then, we continuously developed, with our original know-how and technology, various surface treatment processes, such as Amino Acid treatment, Lecithin treatment, and Ester treatment.

The combination of the said technologies and high-quality fillers (sericite, mica, etc.), which are essential for the cosmetic formulation, or functional powders (ultrafine powders, silica beads, pearls, etc.) enabled us to develop a broad range of unique products and to contribute to the development of innovative cosmetics.

We have four operation sites globally, Miyoshi Kasei, Inc. in Japan, Miyoshi America, Inc. in the United States (Connecticut), Miyoshi Europe SAS in France (Lyon), and Miyoshi Suzhou, CO., LTD. in China (Suzhou), and have been providing high quality products to customers all over the world.

The four above-mentioned companies of the Miyoshi Group are included in this annual report.

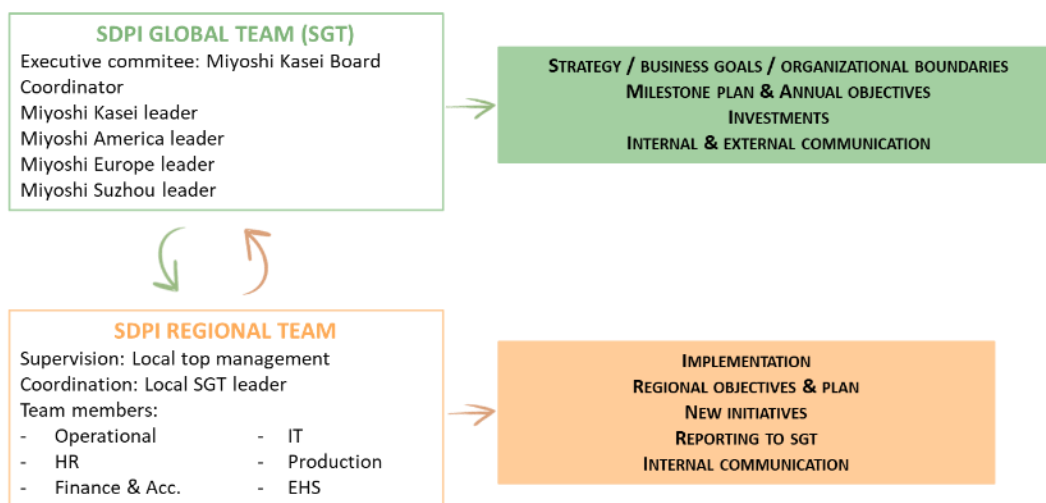
Our Sustainability Journey

Disclosure 2-9, 2-23

Since its creation in 1979, Miyoshi Kasei's core principle has been "Good faith and dignity", underlining the importance of treating its partners ethically and with respect.

The tagline evolved in 2015, becoming 'Treating You Right', still in force today, which involves not only partners, but also the environment and the company's entire ecosystem. Although the Group participated very early on in the CDP for environmental issues, and then in Ecovadis for overall CSR, it was only at the end of 2021 that the need to actively involve each site, to have structured reporting for managers and employees alike, and to make a real commitment to the major areas of CSR, led to the creation of a dedicated organization within the Group.

This organization is known as the Sustainable Development Performance Initiative, or SDPI for short, and comprises one person responsible for each site, who is in charge of creating a team of local CSR support people. The initiative is managed from a leading team based in Europe, and the SDPI Global Team reports several times a year to the board.



In 2017, we have written our first CSR charter, updated twice since then. In 2019, we have adjoined 4 policies, to describe our engagement towards the Environment, Fair Business, Labor practices & Human rights, and Sustainable Procurement.

In 2022, we reviewed the CSR charter and these four policies, to include tangible objectives. We plan to review the policies every three years. Each policy is reviewed and endorsed by the President of Miyoshi Kasei, Inc., parent company.

Our CSR charter and associated policies are available on our website :
<https://www.miyoshikaseigroup.com/en/csr/>

Our Values

Disclosure 2-29

Treating you right with **SAFETY AND RELIABLE QUALITY SOLUTIONS**



Quality is a key cornerstone in driving all our business initiatives. We provide safe and highly reliable products supported by technical verification and our years of experience and extensive track record.

Treating the **ENVIRONMENT** right

The environment is at the heart of the Miyoshi Kasei Group CSR strategy. In addition to conducting business in full compliance with the environmental laws of the countries and regions of interest, we aim at reducing the impact of our activities on the planet.



Treating **PEOPLE** right



We truly believe the success and future development of our company relies on the involvement, commitment and enthusiasm of our talented people. We comply with all regulations applicable to our activities and ensure to conduct our business with respect for human rights.

Treating **STAKEHOLDERS** right

The interactions with partners, governments, professional associations, territorial agencies and other stakeholders, are cultivated to facilitate long-term and beneficial relationships, as it strives to realize a sustainable society.



Our Material Topics

Disclosure 3-1, 3-2

Ever since our parent company was founded, we have been aware that our business has an impact that goes beyond profitability. We are convinced that the success of our company, its sustainability for decades to come, depends directly on our ability to align our business performance with the expectations of our ecosystem in terms of social responsibility.

With Miyoshi Kasei's founding principle in mind, it was essential to have a clear understanding of the most relevant issues to consider in the conduct of our business, for our various partners and stakeholders. It was on this basis that we carried out our materiality assessment.

Our starting point was documentary research into current international standards, recent and forthcoming regulatory changes, and the best practices of our peers (GRI standard, CSRD regulation, CSR reports of key partners, etc.). This resulted in a list of topics likely to be material for the parties involved.

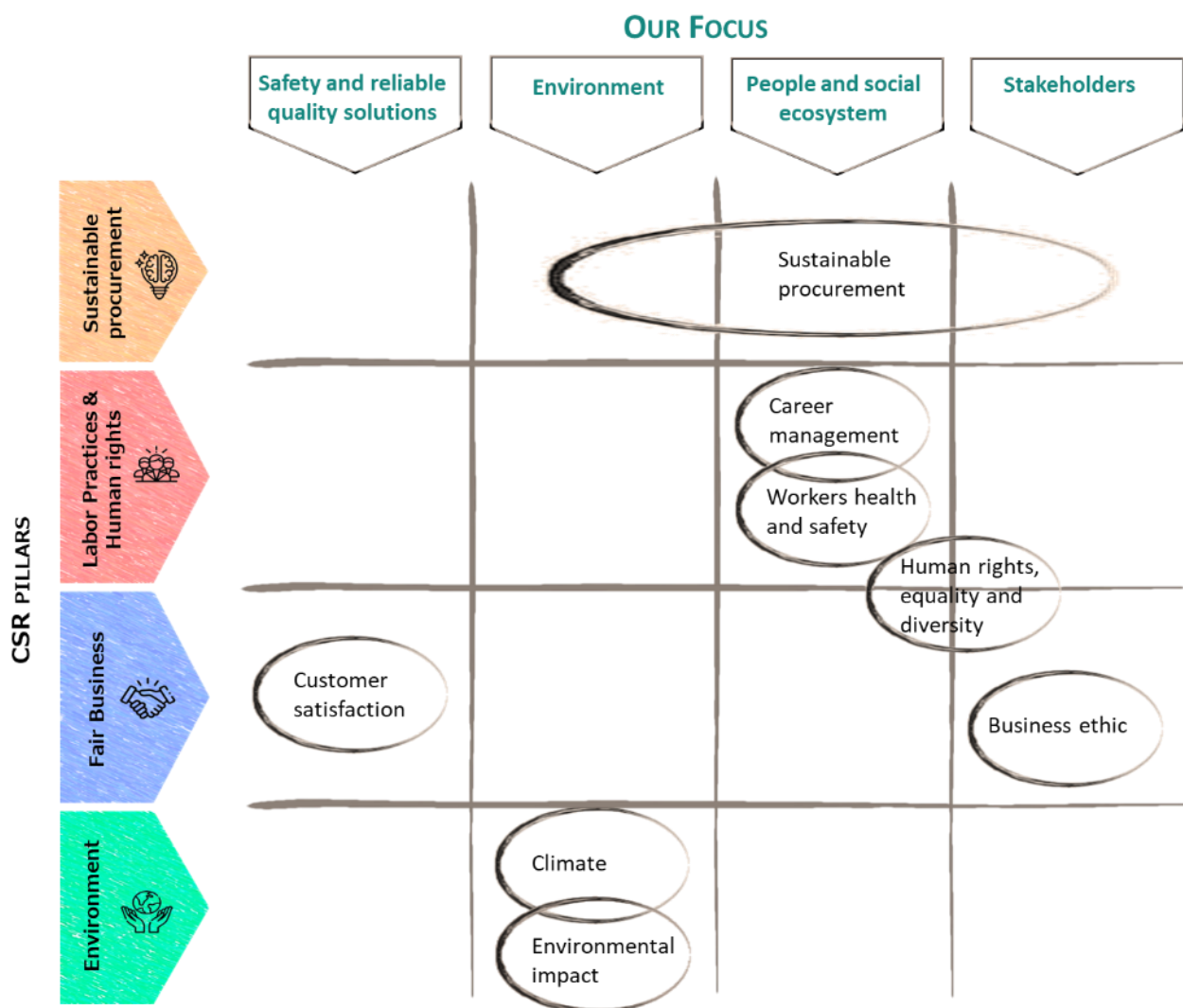
These topics were evaluated according to their importance, examined in detail during internal workshops with some of Miyoshi's managers, and ranked according to their relevance. During this assessment, the potential impacts of our activities and the resulting risks and opportunities were examined through the prism of our business performance. The interests of our business and the perspectives of key stakeholders were duly considered.

This has resulted in 8 material issues, which may therefore have a substantial influence on the decisions of our stakeholders or which represent Miyoshi's significant economic, environmental or social impacts.

They were validated by our board at a quarterly meeting in 2023. We plan to update our assessment using direct input from external stakeholders over the next two years.

List of Material Topics

Our material topics have been summarized on the figure below, taking into consideration the usual CSR pillars and our own internal values as described in our philosophy :



Management of material topics

Our activities have direct consequences on several fields of action.

The first impacts that comes to mind are those arising from our ingredients. Our raw materials are of mineral or plant origin, which is to be expected in a market where the general trend is towards naturality, but this has repercussions on both the environment and working conditions. The negative impacts of minerals on the environment include soil pollution, water pollution and changes in land uses. They can also be at the heart of



human rights and poor working conditions issues, such as illegal labor, undeclared mining sites, insufficient wages and health & safety hazards for workers.

Plant-based ingredients can be linked to poor agricultural practices leading to soil and water pollution, deforestation, threats to biodiversity... Social conditions must also be taken seriously, with some sectors linked to forced labor, gender inequality and health issues linked to chemical products.

These impacts are found in our upstream supply chain, usually at least two levels or more above our Tier 1 suppliers. In our own direct operations, we carefully review environmental and social practices, at all our sites, to ensure that they meet or exceed local regulatory requirements. Our CSR charter and policies outline our commitment to considering that our duty extends beyond our own activities, which is why we seek to engage our suppliers in the same CSR process as we do.

When selecting suppliers and partners, the material topics we selected are at the forefront of our mind. They are included in our Code of Conduct, which is part of our contracts with our partners. They are also included in the general management of all our site, and partially described in our internal Code of Conduct for employees as well.

Our CSR Risk Assessment, begun in early 2023, provides the basis for communicating with suppliers in sourcing chains identified as involving risks, whether social, governance or environmental. The next stage of our assessment is to work closely with these suppliers to mitigate identified risks, and encourage positive practices.

We plan to progress in this work in 2024, with updates and monitoring the following years.

Our CSR governance

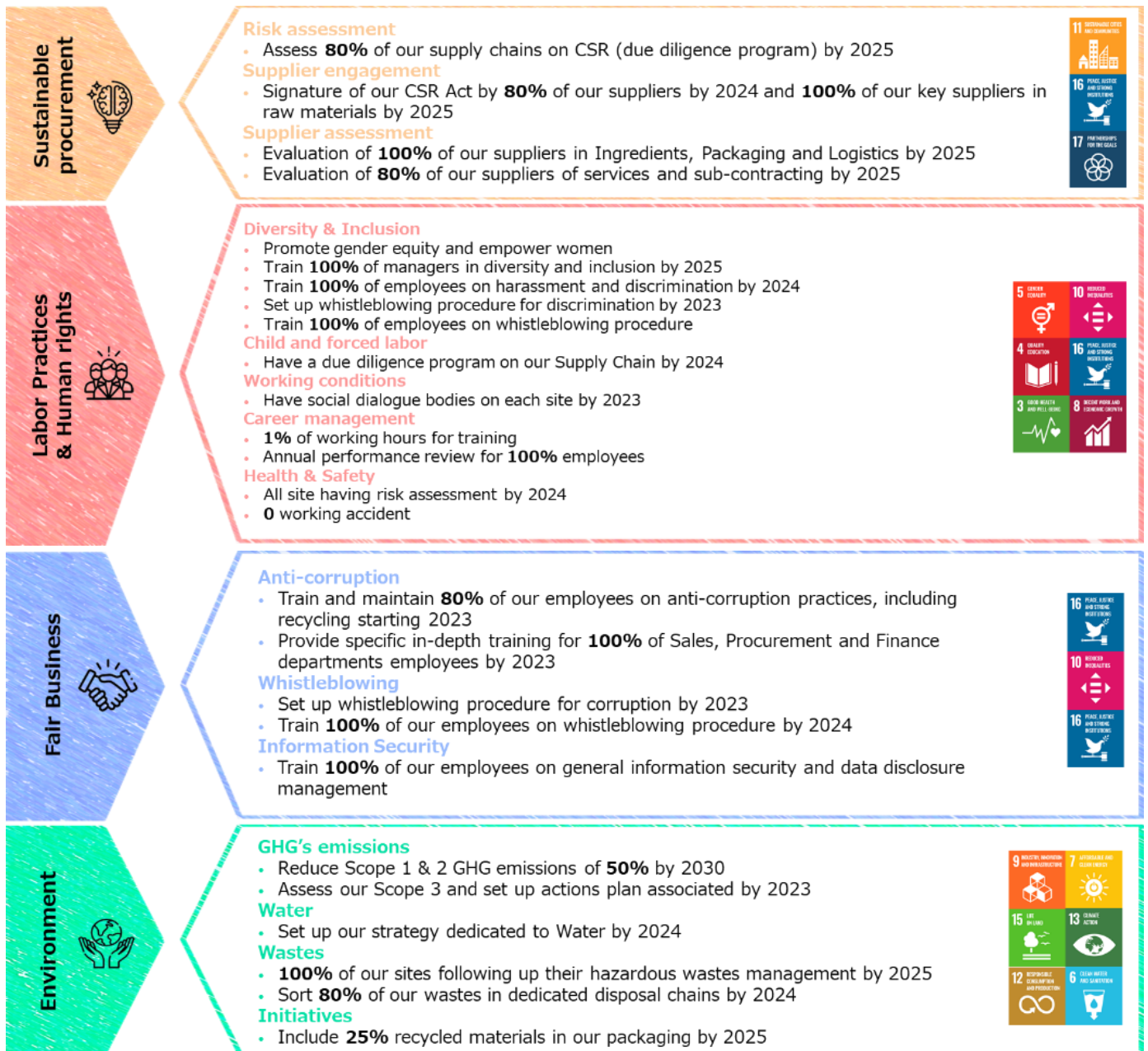
Disclosure 2-11, 2-12, 2-13, 2-14, 2-17

Our governance structure is composed of the main managers of each of our sites : president, vice-president, CFO. Hitoshi USUI is President of the parent company Miyoshi Kasei. Together with the CFO, presidents and vice-president of the subsidiaries, they aim to create a fair and ethical company, in line with the vision of its founder. Sound management systems, supported by our CSR Charter and associated policies, provide a solid ethical foundation for this board.

The board is the highest strategic management body of the Miyoshi Kasei group. It defines our strategy as a group, ensures adequate operational and financial performance, and oversees general governance matters. In this capacity, the Board overviews sustainability matters, and validates the roadmap for better integration of these issues into our strategy : it reviews the main objectives and targets for each topic, Environment, Social and Governance. The roadmap is developed and revised by the SDPI members and presented to the Board once a year. Progress and overall monitoring of action plans and initiatives are presented to the Board on a quarterly basis.

Bringing together key executives from each region, the Board draws on the knowledge and diversity of experience of each of its member. As CSR and ESG themes are fast-evolving and can differ depending on the region of operation, each Board member must be familiar with them. They are regularly informed of the latest changes in this area, at least every quarter.

Our Objectives



We commit to :





2023 in Review



Customer Satisfaction

Goal

The Group aims at collaborating with partners to find innovative ways of answering market's and customers' needs. Supporting our customers to get the most out of our products is an integral part of our service offering.



Disclosure 417-1, 417-2, 417-3

For each ingredient we select, we seek to know its sourcing, in terms of country of origin and starting feedstock. We always require specification from suppliers, and reserve the right to ask them if these specifications can evolve to meet our standards.

These aspects are tracked in internal procedures and reflected in practices so that compliant raw materials are selected right from the research and development stage of any new product.

Our products are also managed through robust Health and Safety procedures, ensuring that they are used and disposed of in line with best practice and environmental requirements.

KPI

18 innovative projects

15 trainings for customers

The Group aims at collaborating with partners to find innovative ways of meeting market and customer needs. Helping our customers get the most out of our products is an integral part of our service offering.

Our CoWoP (Collaborative Work Process) initiative in Europe, launched in 2022, has attracted 10 projects in 2023, 33% of which have already been completed.

In 2023, we did not have any incident of non-compliance with regulations or voluntary guidance regarding products or marketing communications.

Microbiome Friendly pigments

Miyoshi Europe has become the **first Pigment Manufacturer** to obtain "microbiome-friendly" certification for a range in its catalog : [NAI Treated Pigments](#).





Career management

Goal

We commit to enable our employees to develop and practice their skills and talents. Through the implementation of regular performance reviews and employee training programs, we proactively address any concerns and ameliorate work practices.



Disclosure 2-7, 2-8

Our employees are distributed as shown in the table below :

		Total	Women	Men
Miyoshi Kasei	Full-time	58	15	43
	Part-time	9	8	1
	Permanent	67	23	44
Miyoshi America	Full-time	77	23	54
	Part-time	4	4	0
	Permanent	81	27	54
Miyoshi Europe	Full-time	56	24	32
	Part-time	5	4	1
	Permanent	61	28	33
Miyoshi Suzhou	Full-time	28	9	19
	Part-time	0	0	0
	Permanent	28	9	19
TOTAL		237	87	150

As our business sometimes knows peaks in activity, and to respect work styles and flexibility, we may have to call on temporary workers, provided by a temporary employment agency. In 2023, these workers were :

	Total	Women	Men
Miyoshi Kasei	13	6	7
Miyoshi America	10	1	9
Miyoshi Europe	4	0	4
Miyoshi Suzhou	0	0	0
TOTAL	27	7	20

Disclosure 401-1

Over the reporting year, 2023, we welcomed 49 new employees across our 4 sites :

			Japan	USA	France	China
New workers in 2023	Women	<30 years old	0 (0%)	2 (40%)	5 (45.5%)	0 (0%)
		30-50 years old	3 (14%)	1 (3.3%)	2 (12.7%)	0 (0%)
		>50 years old	0 (0%)	2 (14.3%)	0 (0%)	0 (0%)
	Men	<30 years old	0 (0%)	13 (100%)	1 (20%)	1 (71.4%)
		30-50 years old	4 (14.5%)	3 (23.1%)	6 (37.5%)	3 (20.5%)
		>50 years old	1 (6.3%)	2 (22.2%)	0 (0%)	0 (0%)

During the same period, the overall employee turnover (define as employees who leave the organization voluntarily or due to dismissal or retirement) was as follows :

			Japan	USA	France	China
Workers leaving in 2023	Women	<30 years old	0 (0%)	3 (60%)	3 (27.3%)	0 (0%)
		30-50 years old	0 (0%)	0 (0%)	1 (6.3%)	0 (0%)
		>50 years old	0 (0%)	3 (21.4%)	0 (0%)	0 (0%)
	Men	<30 years old	0 (0%)	10 (0%)	0 (0%)	1 (50%)
		30-50 years old	2 (7.2%)	8 (61.5%)	6 (37.5%)	0 (0%)
		>50 years old	2 (12.5%)	4 (44.4%)	0 (0%)	0 (0%)

Disclosure 401-2

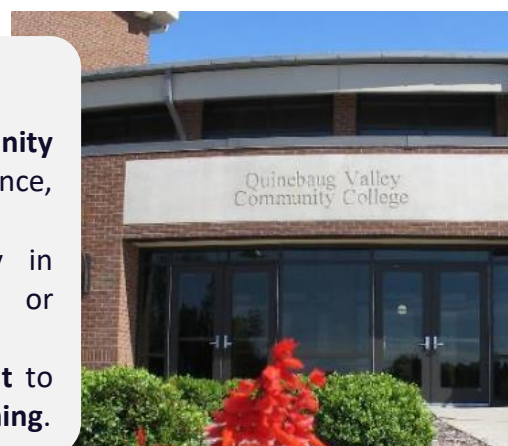
In addition to their base salary, Miyoshi Group employees enjoy a range of benefits. Although these benefits vary from site to site, they ultimately enable our people to have more.

Miyoshi America College

Miyoshi America partnered with **Quinebaug Valley Community College** in creating a curriculum for the Operations, Maintenance, and Quality departments.

37 Miyoshi Employees attended Workshops on Quality in Manufacturing, Hazardous Material Handling, Lean 6S or Manufacturing Math.

This program was a **great success** as it showed **commitment** to Miyoshi America's continuing the promotion of **employee training**.



Examples are additional vacation days (5), medical coverage, welfare program, profit-sharing, life insurance, pension savings... beyond existing local requirements.

Disclosure 404-1, 404-3

To enable our employees to develop and progress in their work, we are committed to listening to their needs in terms of development and training.

Each of our sites has a policy of meeting with employees once a year to discuss the past year and the year ahead, during performance review :

		Japan	USA	China	France
Percentage of workers having performance review	Women	100	100	100	100
	Men	100	100	100	100

Career development interviews are also offered on a regular basis.

Training requests can be made during either of these occasions, or punctually during discussion with management.

We offer a wide range of training courses, on good working practices, skills development, management improvement... in addition to mandatory training courses such as those for safety, of course. According to the needs expressed by the employees, we can customize adequate learning sessions.

Each employee followed an average of 20.6 hours of training in 2023 (mandatory training courses and additional voluntary trainings), divided as follows :

Average hours of training in 2023	Gender	Men	20.7
		Women	20.5
	Category	Category 1	19.4
		Category 2	20.9
		Category 3	30.9

Categories of employees are defined as follows :

- category 1 includes managers, engineers, executives
- category 2 includes skilled employees, administrative clerks
- category 3 includes factory workers, operators

KPI	Target
99.1% of employees having performance review	100%
0.89% of working hours for training	1%



Human Rights, Equality and Diversity

Goal

Human rights are of utmost importance to Miyoshi Kasei. Our goal is to ensure that they are respected within our global operation and supply chain. Miyoshi Kasei's aim is to promote equal opportunities, a diverse workforce and a welcoming workplace for all.



Human rights

Disclosure 408-1

In our operations, we treat mineral pigments and fillers. The supply chains for certain minerals such as mica are known to be exposed to the risk of child labor. Mica from India, Madagascar or Central Africa can come from areas where families take children to the mines, mostly to pick or sort mica flakes. We have considered the origin of our mica in our Risk Assessment and Due Diligence exercise. Although mica sourced from India is the most at risk of child labor in our supply chain, we have considered the risk of child labor in all our key mineral supply chains.

We actively support Responsible Mica Initiative (RMI) in its holistic approach to eliminating mica-related child labor, through field action programs, onboarding of supply chain members and advocacy towards governments. Only such comprehensive approach can help building new practices, both in the villages and across the supply chain actors, in order to achieve a sustainable result.

RMI's main mission in the field is to set up Community Empowerment Programs, aimed at informing children of their rights, providing educational and empowerment activities, setting up a sustainable day-to-day system, so that children can stay out of the world of work for good. The programs also include specific actions for girls and women, to help them gain greater recognition and the freedom to choose their roles in the community. Such programs from RMI have been implemented in around 180 Indian villages linked to mica dependency in Bihar and Jharkhand states of India. Given the complexity of mica collection and the high number of intermediaries, it is very difficult to assess the percentage of RMI-supported villages in our supply chains.

Disclosure 409-1

Forced labor was also taken into account in our Supply Chain Risk Assessment, based on the countries and sector involved. This exercise did not result in high risk of forced labor. For suppliers operating in these countries or sectors, we will ensure between 2024 and 2025 that forced labor is not an internal practice and that the topic is genuinely considered in their own risk analysis.

Equality and Diversity

Disclosure 2-7

As shown in our employees’ distribution (p.14), the overall ratio of women in our group is 36.7%. When employees are classified by categories, we reach a figure of 32.3% of women in management position, meaning that they are middle manager, high manager or director.

Disclosure 405-1

When selecting a new employee, we focus not only on their strengths and knowledge, but also on their ability to adapt to the company spirit. We are convinced that a newcomer's strength lies not only in their work-related skills, but also in their unique ability to contribute to the company. Our employees are distributed as follows :

		Gender*	Age
		Number and percentage	
Employee diversity in 2023	Women	<30 years old	11 (4.6%)
		30-50 years old	80 (33.8%)
		>50 years old	18 (7.6%)
	Men	<30 years old	15 (6.3%)
		30-50 years old	77 (32.5%)
		>50 years old	36 (15.2%)

* as described by the employee

KPI	Target
36.7% women	
32.3% women in management position	
100% of employees trained on harassment and discrimination	100%
33.9% managers trained on diversity and inclusion	100%
1:1 Ratio between entry salaries of men and women	1:1

We are led by a board composed of seven men, who are President, Vice-President or CFO of one of our sites. Six of them are above 50 years old, and one of them is between 30 and 50 years old.

Disclosure 2-30

The well-being of our employees is at the heart of our principles. Some of our sites have dialogue bodies with elected employees, while others have informal channels of communication that are well known to employees. In all cases, on all our sites, dialogue between employees and management is encouraged.

Disclosure 401-3

Education is a fundamental human right, considered to be a key element in unlocking other human rights issues. Enabling our people to participate in the early years of their children's well-being is a matter of course.

Parental leave is a great tool to this respect, enabling our employees to focus on their family life while having the peace of mind to return to work when the time comes. Our employees' use of parental leave is as follows :

For 2023 :	Gender	Number and percentage
Employees entitled to parental leave	Women	2 (2.3%)
	Men	4 (2.6%)
Employees who took parental leave	Women	2 (2.3%)
	Men	3 (2.0%)
Employees who returned to work after parental leave	Women	2 (2.3%)
	Men	3 (2.0%)
Employees still employed at the end of 2023 after their parental leave	Women	2 (2.3%)
	Men	3 (2.0%)

Disclosure 202-1

In terms of salary, we believe it's essential to offer a fair wage based on a person's skills, behavior and experience, rather than their gender. Below is displayed the entry level wage for each significant location, i.e. our 4 different sites, by gender, in comparison to the local minimum wage.

		Japan (Yens per hour)	USA (\$ per hour)	China (RMB per month)	France (Euros per month)
Entry level wage in 2023	Women	1515	17	4840	2016
	Men	1515	17	4840	2016
	Local minimum wage	1028	15.69	2280	1766.9
	Ratio between entry salary and minimum wage	1.47	1.08	2.12	1.14

The comparison to living wage in addition to minimum wage is planned for 2024, with a strong commitment from the direction to comply with this local living wage.

In the same spirit, our base salary for men and women are the same whatever the category of employees. Each site, according to the local legal categorization of employees, describes its workforce differently, according to skills, experience, responsibility... We can summarize the overall categorization as follows : entry-level workers, with low or no qualifications, or very little experience (category 3); intermediate, qualified to degree level, trained in a certain area, or experienced within the company (category 2); experts or managers, with the responsibility of managing intermediate and entry-level staff (category 1).

	Japan	USA	China	France
Ratio of basic salary in 2023 (women / men)				
Ratio for category 1	1	No women	1.04	0.88
Ratio for category 2	1	0.91	1.07	0.94
Ratio for category 3	No women	0.73	No women	No women

Communities

Disclosure 413-1

Within the Miyoshi Group, we also attach importance to our communities and the actions we take to support them.

Each of our sites is particularly close to certain communities or charitable causes. Local actions are favored to support the local context and give meaning to employee involvement, such as support for local families through an association, donation of clothing to an orphanage linked to one of our workers, cleaning the nearby industrial zone...



2 256 Cans of Soup Later...

Miyoshi participated in the **2023 Squash Hunger Event** sponsored by **Interfaith Human Services of Putnam, CT**. Manufacturing facilities in the area were asked to gather cans of soup. Miyoshi America **employees contributed 1 128 cans** of soup, while Miyoshi **matched** that number for a grand total of 2 256 cans!



Workers health and safety

Goal

Miyoshi Kasei Group aims to provide a safe and healthy working environment for every employee. All sites should implement a program to identify, assess and mitigate risks in order to minimize unsafe conditions and encourage a safety culture and conscious behavior.



Disclosure 403-1, 403-2

The Miyoshi Kasei Group core values involve providing a safe and healthy working environment for every employee. It includes assessing and managing risks, minimizing unsafe conditions and encouraging a safety culture and conscious behavior.

Our sites all have a management system for occupational health and safety, stemming from regulatory obligations (Article 3 of Industrial Safety & Health Act in Japan; Work Safety Law of the People's Republic of China and Code of Occupational Disease Prevention of PRC; Occupational Safety and Health Administration (OSHA) regulations for US, CFR29 parts 1900-1999 ; Article R4121-1 of Labor Code in France) and the inherent risks of our activities. It is meant to protect employees and non-employees from potential health hazards associated with work and the working environment.

This management system is specific to each company of the group and includes a risk analysis covering all workers and breaking down our activities by workshops or geographical area of the plants.

Each activity is scored according to its potential gravity and frequency, and the score is amended according to existing preventative measures. All residual risks are then prioritized to draw an action plan if needed.

This assessment is annual or whenever the need arises. It is led by the EHS people in charge on each of our sites, helped by a local team of ad-hoc managers, and it is reviewed by the sites group of directors. To ensure that all workers work in the safest conditions possible, procedures are in place on each site to explain how to notify potentially hazardous situation, and to whom. In case of such situation, the local EHS is notified as soon as possible. Additionally, our EHS people on each site conduct regular safety audits to identify potential risks.

Any risky situation detected can enter the annual assessment, and action taken as soon as possible depending on the level of risk.

All workers are encouraged to report potentially hazardous situation, as part of our safety culture. Under no circumstances is it tolerated to treat the notifier negatively as a result of their notification, either in relation to their work situation or in the context of personal interactions.

Each site also has a procedure in place for assessing the causes of work-related incidents.

Workers can also contact employees' representatives or their line managers to raise safety concerns. Dedicated meetings are held with management to discuss social issues and working conditions, on a regular basis (once a month on most site, or as soon as the need arise). A more complete assessment is performed once a year.

These meetings are also the opportunity to present the annual risk assessment to employees representatives and to seek their comments and questions on the process and the outcome. Employees representatives are encouraged to communicate with all workers on this topic.

Disclosure 403-8

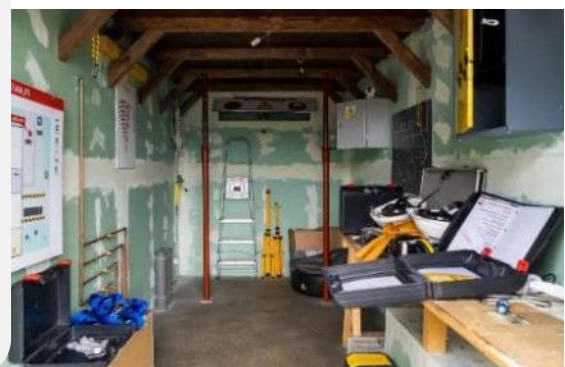
The totality (100%) of our employees are covered by such EHS management system. The system and procedures in place are audited or checked internally at least once a year.

Disclosure 403-5

At least once a year, workers at each site receive training in general health and safety practices. This training includes fire-fighting training, evacuation training, PPE use depending on the area of the plant, hand hygiene, etc... In addition, depending on the specific risks encountered at each workstation, workers are specifically trained to react appropriately in their day-to-day work, such as chemical risk training for example.

Escape the safety training!

The 2023 safety training course at Miyoshi Europe took the form of an **escape game** : 10 puzzles and riddles based on work situations, diverse groups to mix different logics, **teamwork**... the exercise allowed to raise awareness of the risks encountered in our jobs, and (re)learn some things about **safety** while having fun!



Disclosure 403-6

All workers receive regular medical check-ups focusing on the specific risks associated with their workstation. For facility workers or workers in contact with dust, the health assessment is annual and includes hearing, respiratory fit check... During this consultation, workers are free to talk about any work-related health concerns they may have.

Healthcare programs are also offered as a benefit to all our workers at each site.

Disclosure 403-9, 403-10

In 2023, as for all the other years before, we did not know any fatalities. Our work-related injuries in 2023 were distributed as follows for our employees :

- High-consequence injuries : 0.
- All injuries : 7.

The injuries were more of a muscular nature : sprain or pulled muscle.

Most injuries are ergonomically related, and also less frequently related to commute. The ones that have caused the higher consequence injuries are the ones ergonomically related as determined by our Safety risk assessment on each site.

There was no injury among our workers that are not employees.

Actions taken to avoid injuries among workers are hazard assessments, ergonomics updates, trainings in hazardous material and emergency behavior...

Our frequency rate is calculated on the basis of 1 000 000 hours worked (total number of lost time injury events x 1 000 000 / total hours worked company wide). For 2023, it was 4.4.

KPI

Target

100% Health and safety risk assessment at all sites

100%

0.01 Severity rate

The image shows a Japanese emergency response card (三好化成防災カード) and a flowchart for emergency procedures. The card is divided into several sections: 1. Personal Information (おたしの情報), 2. Family Contact (家族の連絡先), 3. Emergency Contacts (緊急連絡先), 4. Emergency Procedures (緊急時対応手順), and 5. Emergency Note (緊急時注意). The flowchart details steps for reporting an emergency, including contacting the company and local authorities.

Emergency Note

In 2023, a document was created at our Japanese site to cover emergency information and behavior in the event of a disaster. All employee carry this note with them at all times!



Business Ethic

Goal

Miyoshi Kasei Group has strengthened its commitment on anti-corruption and awareness of employees. We also plan to implement a sound due diligence program for our main supply chains, to enhance our suppliers traceability, and be able to account for their ethics practices.



Disclosure 2-15

The Miyoshi Kasei group condemns all forms of corruption and is committed to actively preventing and detecting it. Our people are trained in corruption, including conflict of interest, with more in-depth training for employees in contact with third parties. They are all encouraged to report any behavior that appear to them as entering the scope of corruption or conflict of interest. In such cases, the whistleblowing procedure would apply. No cases of corruption or conflict of interest were reported during the reporting period.

Disclosure 2-25

Each of our sites has a local whistleblowing procedure in place. In the event of a whistleblowing incident, an investigation is carried out, seeking to determine the extent if any, to which the alert is justified. The people involved in the investigation can be local or external. If the alert is founded and there has been non-compliance with the law, the code of conduct or the employee notebook, each site is responsible for resolving the situation and remedying any negative impact.

This grievance mechanism has been designed by the direction or CSR contact at each site, in consultation with employee representatives, where appropriate.

In 2023, there have been no cases of whistleblowing using this channel at any of our sites. It happened before on our USA-based site, and the effectiveness of the process was confirmed.

Disclosure 205-1

No specific assessment of corruption-related risks has been carried out at any of the operating sites. It is planned for 2024.

Disclosure 205-2

All employees (238.5 FTE for 2023) and members of the governance body received a presentation of their local Ethics policy, which includes the fight against corruption, and of the whistleblowing procedure enabling people to alert to underhand behavior. They were trained in this policy and in the fight against corruption in 2023. A refresh training is planned in 2025.

Anti-corruption is included in the Code of Conduct that we request our suppliers to sign, either independently of any purchasing contract, or included in the purchasing contract.

Disclosure 205-3

No incidents or public court cases concerning corruption were reported or confirmed during the reporting period.

Disclosure 206-1

We have not been identified as being involved in any anti-competitive behavior or breach of anti-trust and monopoly legislation. No legal action is therefore pending or has been completed during the reporting period relating to these matters.

KPI	Target
98.72% of employees trained on anti-corruption practices	100%
90% of employees trained on whistleblowing procedure	100%
0% of key supply chain having due diligence program	100%
100% of employees trained on information security and information disclosure management	100%



Policy for gifts and invitations

As part of the its Internal Rules, Miyoshi Europe provides each employee with a Code of Conduct, detailing our policy against corruption, and what to do in the event of gifts and invitations, either to Miyoshi employees or from Miyoshi Employees.

The Code of conduct also covers discrimination and harassment, as well as data integrity and confidentiality.



Sustainable Procurement

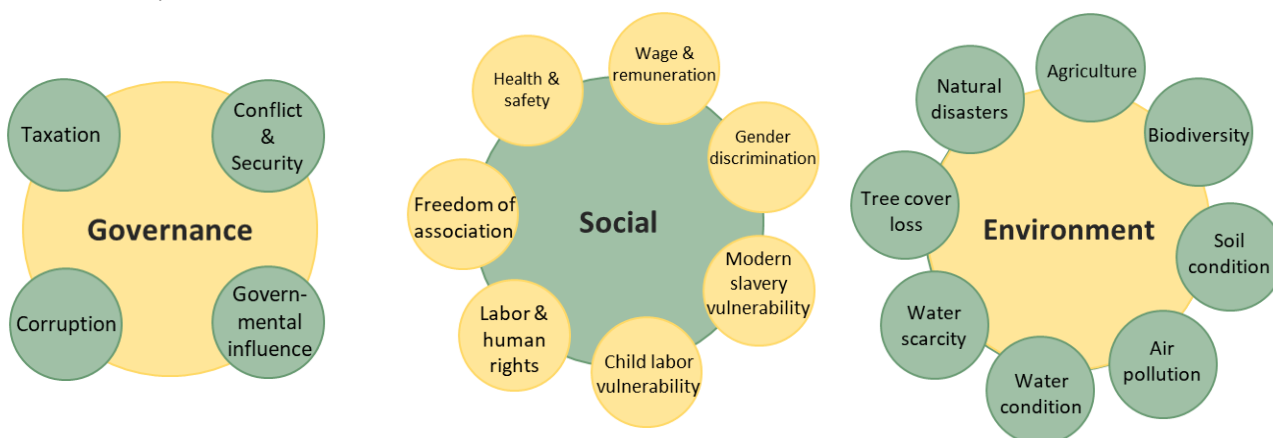
Goal

We collaborate with our suppliers in an effort to ensure that our raw materials meet our Quality Standards and General Terms and Conditions, but also our CSR strategy. In conducting transactions with other parties, we require that they strictly fulfill the same commitment as we do.



In 2022, we launched the first step of our sustainable procurement strategy, which was to assess our suppliers on their CSR commitment and achievements. We sent a questionnaire to our key suppliers (raw materials, packaging and transport), drawing heavily on the Ecovadis assessment tool. We managed to obtain a CSR status from 51% of our suppliers. A second wave of evaluation is scheduled for 2024.

The second step in 2023 was to carry out a risk analysis of our key supply chains. We selected our key materials according to our sales volumes, choosing the ingredients that make up our best-selling products. We chose to assess the risks linked to the countries concerned by the operation of interest (extraction, processing...) and the risks linked to specific sectors (mining, chemical processing...). By coupling the different stages of manufacture of our ingredients with the countries where the manufacture occurs, we have an overview of the risks that can be present in a given supply chain. The risks that we chose to characterize for the sectors and countries were in Governance, Social and Environmental, as shown below :



The governance part was not taken into account for each sector, since it is majorly linked to country’s government and politics.

The various criteria were assessed using various sources specialized in the parameter under evaluation. Internationally recognized sources such as ILO, WHO, Unicef, WWF... were used as primary sources.

Once the matrix had been constructed, the rating for each supply chain was calculated by associating a stage in the value chain with the country in which the stage takes place. The overall result was weighted by the importance of each individual pair's score relative to the others.

The final supply chain scores were also compared with our suppliers' commitment to CSR, as assessed by our CSR questionnaire sent out in 2022. From this, we have derived a priority list of suppliers with whom we should engage further, in order to discuss with them the risks we have identified and possible mitigation measures.

KPI	Target
Code of Conduct signed by 58% of our key suppliers	100%
65.2% of key suppliers assessed on CSR topics.	100%

Disclosure 301-2

Over 95% of our raw materials are inorganic (minerals), about 20% of which are iron oxides (in weight). The manufacture of iron oxides involves the use of recycled pickling liquor or sheet metal scrap from the steel industry; these practices are referred to as upcycling.

Apart from this upcycling, as our materials are mainly minerals, they cannot be recycled.

Miyoshi Suzhou RSPO

Miyoshi Suzhou has achieved RSPO Supply Chain Certification, marking it as the fourth and concluding site within the Miyoshi Group to attain a **complete RSPO Certification!** By joining RSPO and obtaining supply chain certification, we are working to improve environmental issues such as tropical forest destruction.





Environmental Impact

Goal

Beyond legal compliance, we are committed to implement initiatives that will protect the environment in harmony with local communities. Climate actions were a priority several years ago, but other environmental topics, essentially water, will become crucial in the upcoming years.



Disclosure 201-2

To better manage our impact on the environment, it is absolutely essential to assess the risks that our activities pose, directly or indirectly, to our natural ecosystem. This question is accompanied by opportunities that may arise from these risks.

This question that is addressed by the CDP every year, in the Climate questionnaire. For 2023, the risk and opportunity identified were, for example :

	Description of the risk	Description of the impact	Financial implication	Method used to manage	Cost of actions taken
Risk	The chronic physical risk described here relates to water scarcity : Decrease in revenues due to reduced production capacity.	Water is an important part of our manufacturing and cleaning process, for each of our site. Cleaning represents up to 80% of our withdrawals. Water stress level is quite high for our China site, according to WWF Water Risk Filter.	It could reach more than a million dollars if we imagine a water restriction for the summer months, reducing our production capacity.	The potential scarcity of water brings us to develop water-savvy processes, with the work of a Process Engineer and following implementation.	Taking into account all spending (salaries, technical...) it can reach several hundreds of thousands dollars.

	Description of the opportunity	Description of the impact	Financial implication	Method used to manage	Cost of actions taken
Opportunity	Development of new sustainable products or services through R&D and innovation.	Increased revenues resulting from increased demand for sustainable products and services.	We estimate the contribution of such products can reach 30% of total group business.	We plan to rely on robust R&D / Marketing combined effort to identify new business opportunities in our core business segment and beyond, to eco-create new products.	We expect the cost of such opportunity to be around 1% of our global revenue.

Disclosure 2-27

Our Chinese site Miyoshi Suzhou has been fined for environmental non-compliance in a case of air pollution, in September 2023. This is a highly significant event for us, given its legal aspect. The fine was paid in a timely manner, during the reporting period. Corrective measures have been taken to remedy the problem, and the retest by authorities on September 28 was found to be compliant. No other cases of non-compliance occurred or were paid during the reporting period.

Water

Disclosure 303-1

Regarding water, our production processes involve different levels of water use. We withdraw water mainly from our respective city networks, with groundwater used for other than production purpose for our Japanese site.

At each site, water is either evaporated, or treated and discharged into the city network.

We plan to carry out a risk analysis on the water-related impacts we may cause or contribute to, or that are linked to our operations. We will include all our sites, based on 2023 figures for water withdrawals and discharges. This risk assessment will consist of a table listing the different uses of water on our sites, the contribution to our total water footprint, the actions likely to reduce water use, the contribution of the action to the reduction in use, and the timeframe and cost of each action.

In the near future (by 2025), we plan to communicate with our customers about our water consumption per product, and to engage our suppliers and other stakeholders in assessing their own water use, particularly in countries where water stress is high.

Our next step, after the water-related risk analysis, is to set water-related targets that are both ambitious and linked to the specific situation of each site.

Disclosure 303-2

As regards the quality of effluent discharged, since the receiving waterbody is the city network, all our sites have a specific discharge agreement listing the parameters to be monitored and the limit to be respected. Depending on the site, the parameters controlled include pH, temperature, matter in suspension, but also BOD5, COD, content in nitrogen, content in heavy metals...

Disclosure 303-3, 303-4, 303-5

For 2023, our water withdrawal and discharge were as follows , in megaliters :

	Withdrawal from city network	Withdrawal from other sources	Discharge to city network	Discharge to other sources	Consumption
<i>Japan</i>	3.013	2.662 (ground water captation)	2.494	2.662 (ground water)	0.119
<i>USA</i>	8.900	/	6.033	/	2.866
<i>France</i>	1.138	/	0.750	/	0.388
<i>China</i>	2.212	0.059 (third party)	2.183	0.029 (third party)	0.059
TOTAL	15.263	2.721	11.460	2.691	3.432

Our site in China is located in an area of water stress in terms of availability, according to the World Resource Institute Aqueduct Water Risk Atlas.

Consumption is calculated as the difference between withdrawal and discharge.

Environmental Protection Activity

Our site in China organized in December 2023 a garbage collection, removal of debris and distribution of explanatory brochures on water and the environment, around their industrial park and in surrounding residential areas.

A very good way to improve the working environment and the employees' and neighbors' environmental awareness!



Biodiversity

Disclosure 304-1, 304-2, 304-4

Our sites are located in industrial or tertiary zones, with no protected areas or areas of high biodiversity value nearby. No species threatened with extinction as defined by the IUCN, at any level, is known to live near our sites.

However, our main sources of materials are minerals, some of which are extracted from the earth's crust. The extraction of minerals has, by definition, an impact not only on soil conditions, but also on all the natural resources and biodiversity surrounding the mine area.

Risk analysis for the mining sector and related industrial activities raises questions about a number of issues, such as deforestation, soil and water pollution, habitat fragmentation and so on.

We have initiated a process of engaging our suppliers to assess their impacts on natural ecosystems and take appropriate actions when needed.

Waste

Disclosure 306-1, 306-2, 306-3, 306-4

Our waste management system is well defined within our organization, mainly because we don't have a wide range of waste products. Given our activities, we mainly have raw material packaging waste, product waste in powder form and, for certain sites, sludge resulting from the manufacturing process. Any hazardous waste generated is collected and treated by a dedicated channel.

We have not identified any direct waste-related risks within the scope of our operations. Within our supply chain, we are aware that certain sectors can have quite significant waste-related impacts. The production of aluminum and aluminum compounds, for example, uses bauxite and generates highly harmful red mud.

KPI		Target
21.8%	waste recycling	80%
33%	of recycled material in our packaging	25%

We plan to engage with our suppliers to find out more about their environmental practices and work together to assess the level of environmental risk of their own operations, over the next two years.

In 2023, our level of waste per site, including the recycled part, were as follows :

<i>For 2023</i>	Waste generated	Waste diverted from disposal	Waste directed to disposal
<i>Total tonnage of waste</i>	569.0	123.8	445.2
<i>Hazardous wastes</i>	10.3	0	10.3
<i>Non-hazardous wastes</i>	558.7	123.8	434.9



Earth Day Clean Up

In 2023, **Miyoshi America** actively participated in the community by joining The Killingly Business Association on **Earth Day**. The employees of Miyoshi **picked up trash** and planted **wildflowers** for pollinators in the industrial park where Miyoshi America is located in Connecticut.



Climate

Goal

The Miyoshi Kasei Group commits to the environment with clear and measurable greenhouse gases (GHG's) reduction objectives in line with the Science Based Targets initiative (SBTi). Our aim is to reduce our Scope 1&2 related emissions by 50% by 2030, and have actions for reducing Scope 3.



Disclosure 302-1

Within our group, we have been monitoring our energy consumption since 2015. Since then, we have been trying to find ways to reduce our consumption, mainly by focusing on our processes. Replacing equipment or motors with more energy-efficient ones, adapting our production process to reduce the most energy-consuming phases... are examples of the actions our sites have implemented.

To calculate our total energy consumption, we consider all our energies, as included in our scope 1 and scope 2 calculation (electricity, fuel, gas). For 2023, our total energy consumption is as follows :

	MWh from renewable sources	MWh from non-renewable sources	Total
Consumption of fuel	0	1870.5	1870.5
Consumption of purchased electricity	0	4737	4737
Consumption of self-generated non-fuel renewable energy	1167	N/A	1167
Total energy consumption	1167	6607.5	7774.5

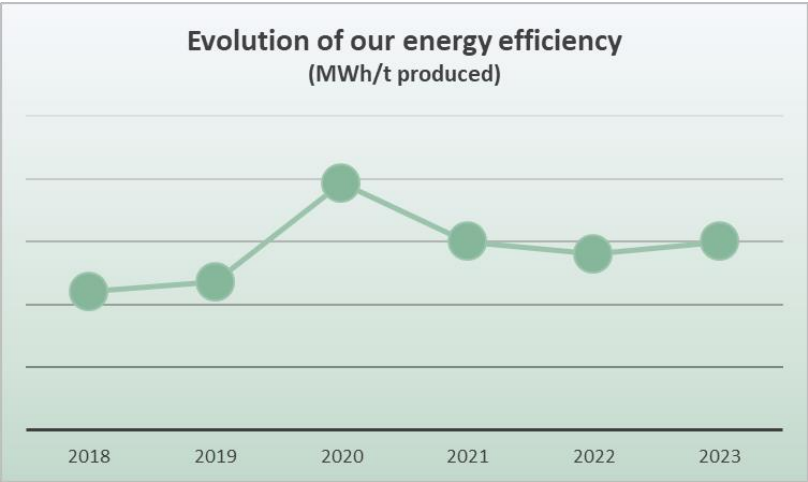
Miyoshi America EV Charging Station

On March 7th, Miyoshi America launched a new **EV Charging Stations**. The chargers are available to **all Miyoshi America employees**. We predict that this change will incentive not only our staff, but our community to shift to more **sustainable practices**.



Disclosure 302-3

If we plot this total consumption in energy (electricity, gas) within the organization, against our tonnage produced, we can track our energy efficiency. The evolution of this factor over the years is shown in figure below:



Disclosure 302-4

Since adopting our target in 2022, we have implemented a decarbonization plan, aiming at following the actions we have by site, and their contribution to reducing our emissions. As with our target, the energy consumption baseline used is the year 2018. Thanks to the results of our carbon footprint by carried out by an accredited third-party, we can assess our reduction in energy consumption each year.

For 2023, this amounts to a reduction of **26%** compared to 2018. The reduction in energy consumption for Scopes 1 and 2 over the years is shown in the table below:

KPI
-26% CO₂ emissions compared to 2018 (Scope 1&2)
100% of Scope 3 assessed
A- CDP Score

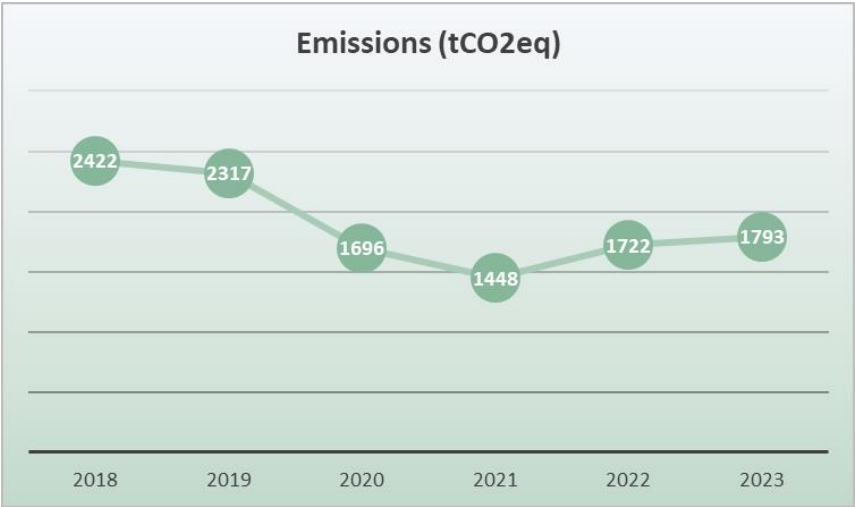
Target
-50%
100%

tCO ₂	2018	2019	2020	2021	2022	2023	...	2030
Scope 1+2	2422	2317	1696	1448	1722	1793	...	1211
% vs 2018	Base year	-4.3	-30.0	-40.2	-28.9	-26.0	...	-50

Disclosure 305-1, 305-2

We carried out an externally verified carbon footprint for the first time in 2022, and every year since, in accordance with the GHG Protocol standard. Scopes 1 and 2 were covered in 2022, and all scopes were covered from 2023 onward. All gases were taken into account, but emissions were expressed in CO₂ equivalent.

In 2023, our scopes 1 and 2 were 352 tCO₂e and 1441 tCO₂e respectively. The results of our carbon footprint since the beginning of our calculations are summarized in the figure below :



**Scope 2 emissions were based on the location-based method. Results for 2018-2021 were calculated using the same method as that used by the third party, but were not verified.*

The year taken as reference is 2018, as it is the year corresponding to our SBTi target for SMEs (-50% by 2030 since 2018). To consolidate our emissions within the group, we considered the operational control of each site, i.e. we added the contribution of each site equally.

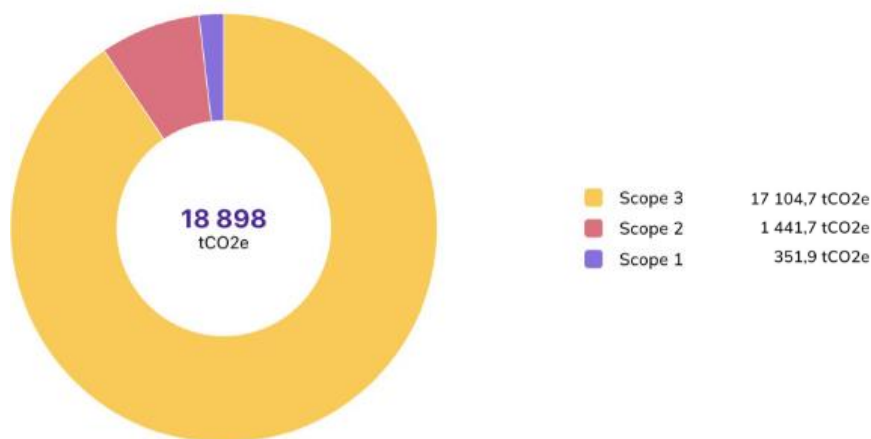


Miyoshi Europe new solar panels

In September 2023, Miyoshi inaugurated its new 562 m² shading system, covering 28 parking spaces. The 136 MWh produced annually will be self-consumed, covering 10% of the site's electricity needs!

Disclosure 305-3

Our scope 3 was calculated for the first time in 2022, based on the GHG Protocol standard, with no exclusions. It amounted to **17104.7 tCO₂e** in 2023, as shown in the chart below :



All gases were taken into account, expressed in CO₂ equivalent. Emission factors were mainly extracted from the Ecoinvent, Ademe and EPA databases by our third party.

Disclosure 305-4

By expressing our total emissions (Scopes 1, 2 and 3) in relation to our total production tonnage, we can access our energy performance. We consider this ratio relevant, as it enables us to guide our actions to reduce emissions while taking into account our overall operational growth.

Disclosure 305-5

Our decarbonization plan, focusing on Scope 1 and 2 emissions, has led to an estimated reduction of 17 tons of CO₂e in 2023, all gases combined. The main actions of this plan have been, for example, the installation of time clocks for utilities, the adjustment of the production plan to optimize oven use, the separation of electric circuits to switch off unused parts of the plant more easily, the change of lighting to LED models...

What's next

In 2024, the Miyoshi Kasei Group will deepen the key themes of our strategy at group level, while implementing local action plans to install a genuine CSR culture among our people.

Seeking the opportunity to make a real difference, globally and locally, is what guides us throughout this journey. We strive to implement robust, reliable and relevant tools and practices, to help us track our progress towards a more sustainable company.

Our 4 sites will work together more than ever to monitor, report, develop strategies... in the priority topics for 2024 :



Deepen our Due Diligence program by engaging suppliers

Develop a strategy on Water, with target and action plan associated



Define a Scope 3 target and action plan

Develop a strategy on natural resources



Implement our CSR local actions

GRI content index

Miyoshi Kasei Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

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Miyoshi Kasei Group :

Miyoshi Kasei, Inc.

4-3-14 Ichigaya Grassgate-5F, Kudankita, Chiyoda-ku, Tokyo,
102-0073, JAPAN

Miyoshi America, Inc.

110 Louisa Viens Dr. PO Box 859, Dayville, CT 06241, USA

Miyoshi Europe SAS

5, Rue Paul Rieupeyroux, 69800 Saint-Priest, FRANCE

Miyoshi Suzhou, CO., LTD.

No.26 SUB-Industrial Zone, No.666 Jianlin, Road, Suzhou New
District, Suzhou City, Jiangsu, CHINA 215151