

To Whom It May Concern:

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### **NAGASE Group Carbon Neutral Declaration**

NAGASE & CO., LTD. has established guidelines for achieving carbon neutrality in 2050. The materiality (key issues) NAGASE announced in May 2015 included “solving social and environmental issues, and globalization.” The NAGASE Group, which engages in business globally, recognizes climate change as an important issue which the group as a whole should take action on. In addition to trading company functions, the NAGASE Group has manufacturing and processing functions, which are categorized into two axes and four quadrants of “trading/manufacturing” and “visualization/reduction,” to work towards fulfilling the targets described below.

#### ■ Targets

NAGASE has set a goal of achieving carbon neutrality by 2050, with functionally zero greenhouse gas emissions (Scope 1 and 2). By 2030, Scope 1 and 2 emissions will be reduced by 46% (compared to 2013 levels), and Scope 3 emissions will be reduced by 12.3% (compared to 2020 levels).

The Scope 3 target may be revised in the future after dialogue with the supply chain.

#### ■ Overall Measures

NAGASE declared support for the TCFD<sup>\*1</sup> within the 2021 fiscal year. To increase the likelihood of the plan succeeding, SBT<sup>\*2</sup> certification will also be examined.

In order to ensure compatibility with the NAGASE Group’s growth strategy, the introduction of a preferential system for environmental investment and an internal carbon tax will also be examined when establishing mid-term goals for emissions.

#### ■ Measures

The following four measures will be implemented to reach the targets set for 2030 and 2050.

(See Figure 1.)

Measure ①: Visualize emissions in the supply chain, etc.

Measure ②: Life-cycle assessments for strategic products, etc.

Measure ③: Provide low-carbon products and reduction solutions, introduce green facilities, etc.

Measure ④: Improve manufacturing processes, use renewable energy (purchase/in-house generation), etc.

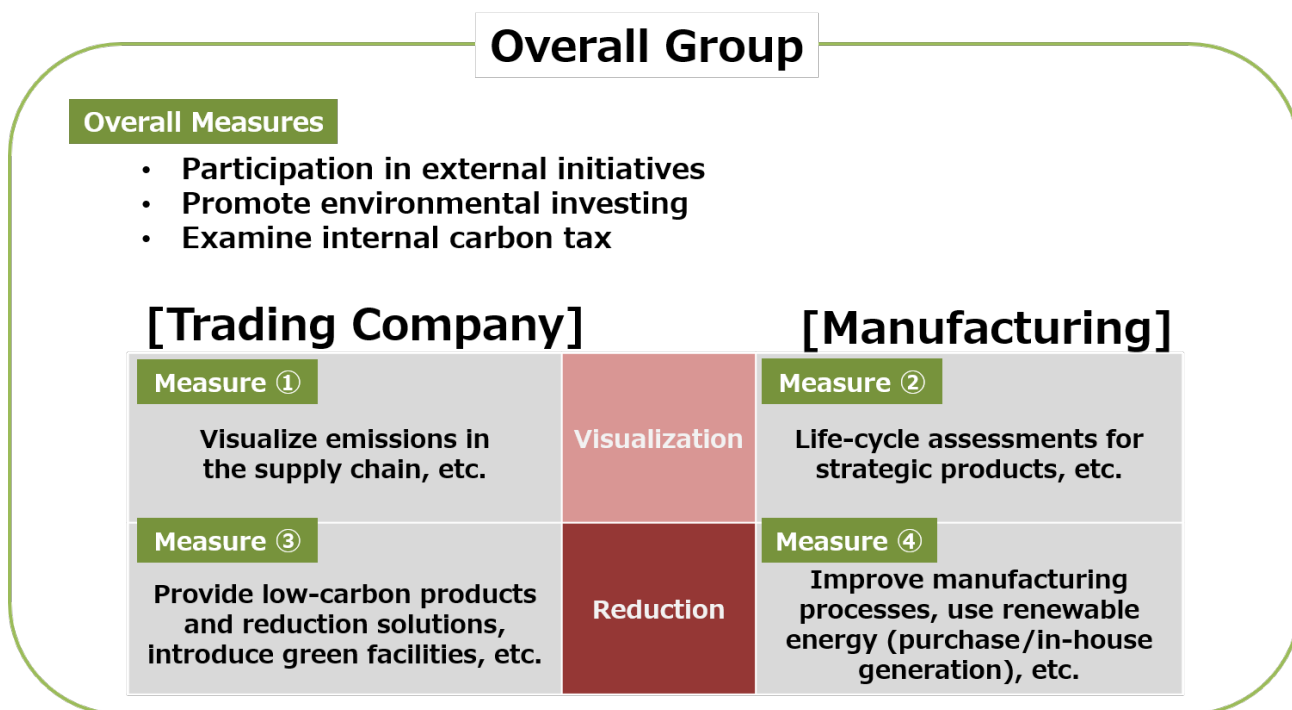
The NAGASE Group considers establishing basic guidelines for sustainability and continuing to contribute to solving social and environmental issues through corporate activities as being in line with its entire philosophical system, including its management philosophy.

Seeking understanding and cooperation from the entire supply chain, NAGASE will continue to contribute to creating a sustainable society.

An announcement of non-financial KPIs, including climate change response, for the ACE 2.0 mid-term business plan is planned for May 2022.

- \*1: Task Force on Climate-related Financial Disclosures. The TCFD provides businesses with disclosure recommendations for governance, strategy, risk management, and metrics and targets related to climate change risks and opportunities.
- \*2: Science Based Targets. Greenhouse gas emission reduction targets established by businesses for 5 to 15 years in the future, aligned with the level of climate change targeted by the Paris Agreement (keeping global warming to well below 2°, preferably to 1.5°C, compared to pre-Industrial Revolution levels.)

Figure 1.



■ The NAGASE Group’s Sustainability

<https://www.nagase.co.jp/sustainability/>