

Third Party Opinion

Elevating the Group's Level of CSR



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Obtained a PhD from the School of Business Administration (Meiji University). Specializes in responsible investment and non-financial information disclosure. He arrived at his current position in 2008 after becoming a lecturer in the Faculty of Economics at Takasaki City University of Economics in 1997, then an Associate Professor of the same faculty. He worked in successive positions as Director of the Society for Environmental Economics and Policy Studies, Chair of the Green Bonds Working Group (Ministry of Environment), and member of the EGS Working Group (Ministry of Environment). He has published books including Responsible Investment – Changing the Future through the Flow of Capital (Iwanami Shoten, Publishers) and Stream of Environmental Finance and Responsible Investment (Chuokeizai-sha, Inc.).

Expecting the ADEKA Group to maintain its R&D to meet social needs

I would like to express my respect for a company that has expanded its business over the past 100 years by providing new materials and products that meet the needs of the times. I believe that serving society through its core business represents the very foundation of CSR. Also, I was reassured by seeing that the Commitment of Our Top Management section at the beginning of this report cited the Sustainable Development Goals and confirmed that a company is a public vessel of society and must fulfill its responsibility for addressing social issues as a member of the international community. And in confirming that the Group will fulfill its responsibility, the report also made clear that the key is to provide advanced materials and solutions. The report includes the achievements of several R&D projects, and I expect ADEKA to continue generating results far into the future. It would be even better to visualize the level of contribution of each accomplishment in bringing about a sustainable society.

Identifying and Facing the Challenges of Global Trends in CSR

The ADEKA Group must be completely prepared to deal with environmental and social risks. For example, palm oil, a major raw material for the company's food business, has been associated with deforestation due to the way trees are cleared in peatland to develop plantations, as well as with child labor. IOI Corporation, an ADEKA partner through the Malaysian subsidiary ADEKA FOODS (ASIA), had its Roundtable on Sustainable Palm Oil (RSPO) certification temporarily suspended last year. While IOI subsequently recovered its certification, ADEKA should clarify its position on how it recognizes these

issues and how it will respond to similar situations in the future.

In addition, following the Paris Agreement, the world is now moving toward a decarbonized society. When considering the next 100 years, ADEKA should bear in mind the global goal of reducing human-made emissions of carbon dioxide to zero in the second half of this century. Leading companies around the world are seeking to contribute to this goal by participating in initiatives such as Science Based Target (SBT), for setting targets that are consistent with the goal of reducing temperatures by 2°C, or RE100, for pledging to adopt renewable energy sources for 100% of the electricity used by a company. I think that taking on these challenges in step with such leading companies is the true sign of a global company.

Creating Workplaces that Empower Women

Human resource data disclosed by the ADEKA Group shows there is little difference in the average age and years of service between men and women. I believe that this means marriage and childbirth are not major obstacles to continuing work and imply that the Group provides a comfortable workplace for female employees. I commend this, as it reflects the company's workplace environment efforts. However, despite a small difference in the years of service, I did notice a gap between the ratio of female employees and the ratio of female managers. One must avoid assuming that becoming a manager is the most important thing for everyone, but the company should nevertheless consider whether there are any reasonable explanations behind this gap.

As described above, the ADEKA Group faces various environmental and social challenges. I have high hopes for the company in establishing its corporate system and consciously promoting even more advanced CSR initiatives.

Response to Third Party Opinion

Koji Tajima Director and Operating Officer

I would like to express my gratitude for your valuable opinions on the ADEKA Group's CSR activities. We are honored by the expectations you have expressed about the Group's R&D and the way it helps resolve social issues in various areas.

As for our response to global trends in CSR, the Group has begun preparing to obtain certification including joining the RSPO with regard to palm oil, which is associated with environmental destruction and human rights violations. And we have begun Scope 3 calculations as an initiative toward

building a low-carbon society, with the belief that there are many other ways we can contribute to attaining the goals of the Paris Agreement. While aiming to support these initiatives and respond to their framework, we will begin by visualizing our CSR efforts and constructing a system for maintaining a PDCA cycle.

The ADEKA Group will strive to meet the expectations of its stakeholders and advance in step with global efforts for building a sustainable society, toward its goal of becoming a company that enriches people's lives.