ESG Briefing

AGC Group Sustainability Management

AGC Inc.

September 11, 2024

Your Dreams, Our Challenge

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1 **Long-Term Management Strategy “Vision 2030”**

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- Addressing climate change
- Effective use of resources

4 Efforts to enhance the effectiveness of "Creation of Three Social Values

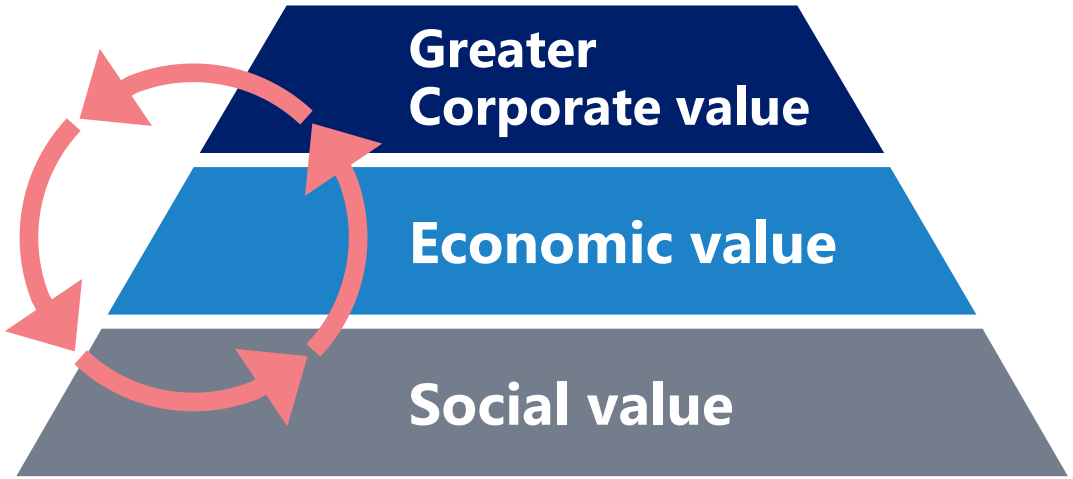
Vision 2030

- The AGC Group will enhance corporate value by creating economic value through the creation of social value.

Long-Term Management Strategy

Vision 2030

By providing differentiated materials and solutions, AGC strives to help realize a **sustainable society and become an excellent company** that grows and evolves continuously.



Business portfolio transformation × Promotion of sustainability management

1 Long-Term Management Strategy “Vision 2030”

2 Creation of Three Social Values

3 Blue planet: Realization of a sustainable global environment

- Addressing climate change
- Effective use of resources

4 Efforts to enhance the effectiveness of "Creation of Three Social Values

Creation of Three Social Values

- In line with the launch of the new medium-term management plan ***AGC plus-2026***, the AGC Group has redefined the social values it provides into the three categories of "Blue planet," "Innovation," and "Well-being.

Creation of three social values

Blue planet

Realization of a sustainable global environment

Key opportunities

- **Addressing climate change**
- **Effective use of resources**

We contribute to the sustainability of the planet on which all life depends by reducing the environmental impact of our products from raw material procurement to use by customers.

Innovation

Creation of an innovative future society

Key opportunities

- **Building an info-intensive and IoT society**
- **Achieving safe and comfortable mobility**

We contribute to the creation of innovative future society by providing materials and solutions that support the world's most advanced technologies.

Well-being

Contribution to safe and secure living

Key opportunities

- **Developing social infrastructure**
- **Facilitating better health and longevity**
- **Addressing food crises**

We contribute to safe, secure, comfortable, and healthy lives by providing products necessary for daily life, infrastructure, and healthcare in a more stable manner.

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Net Zero Carbon Target (FY2050)

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- Mid- to long-term GHG emissions reduction targets was set in 2021, making steady progress

FY2030 milestone

(from the 2019 figure)

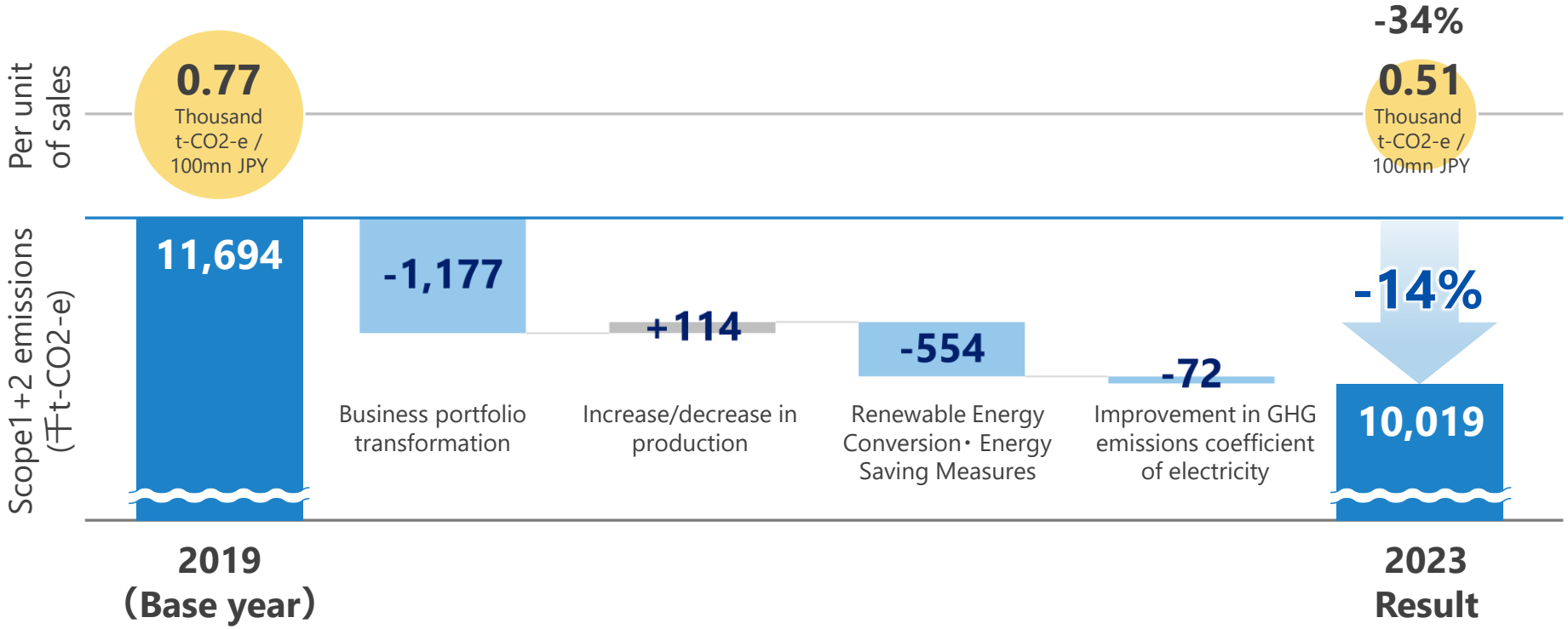
Scope 1	GHG emissions (Scope 1+2 emissions)	30% reduction
Scope 2	GHG emissions per unit of sales (Scope 1+2emissions/sales)	50% reduction
Scope 3	GHG emissions (Total of Scope 3 emissions in categories 1, 10, 11, and 12)	30% reduction

*The electricity CO_2 emissions factor for 2030 is based on the figures set based on the Sustainable Development Scenarios (SDS) published by the IEA.

⚠ Risks GHG Emissions Reduction (Scope 1+2)

- Results in 2023 were 14% lower than in 2019, mostly in line with the plan for the 2030 milestone.
- To achieve the milestone, we will work on technological innovation of the glass melting process, conversion to renewable energy as a source of electricity for the chlor-alkali business, and use of biomass fuel for in-house power generation, etc.

Scope 1+2 emissions and per unit of sales reductions (2019-2023)



Risks

Technology Roadmap for Reducing GHG Emissions in Float Glass Melting Process

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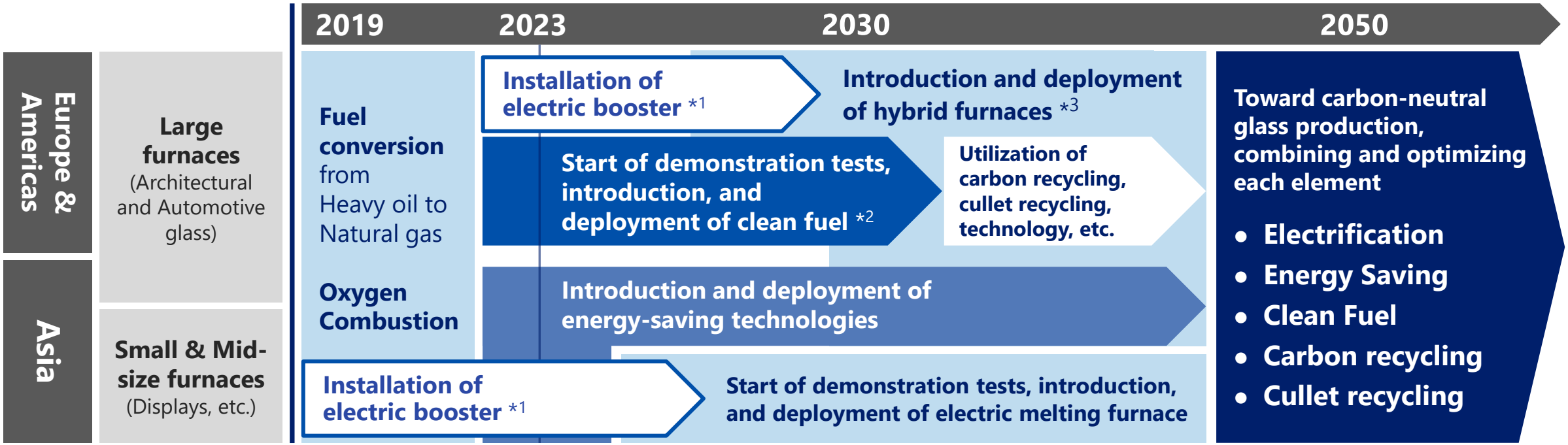
- **By 2023** : Progress in fuel conversion, electric booster installation, clean fuel demonstration, carbon recycling, and cullet recycling development
- **By 2030** : Implement priority measures in line with regional characteristics (Europe & Americas: electrification, Asia: energy saving)
- **By 2050** : Combining multiple technologies focusing on electrification



*1 : Energized auxiliary heating *2 : Ammonia, Hydrogen etc. *3 : Energy sources are provided by a combination of electricity and fuel

Reduction of GHG Emissions in Float Glass Melting Furnace

AGC Your Dreams, Our Challenge

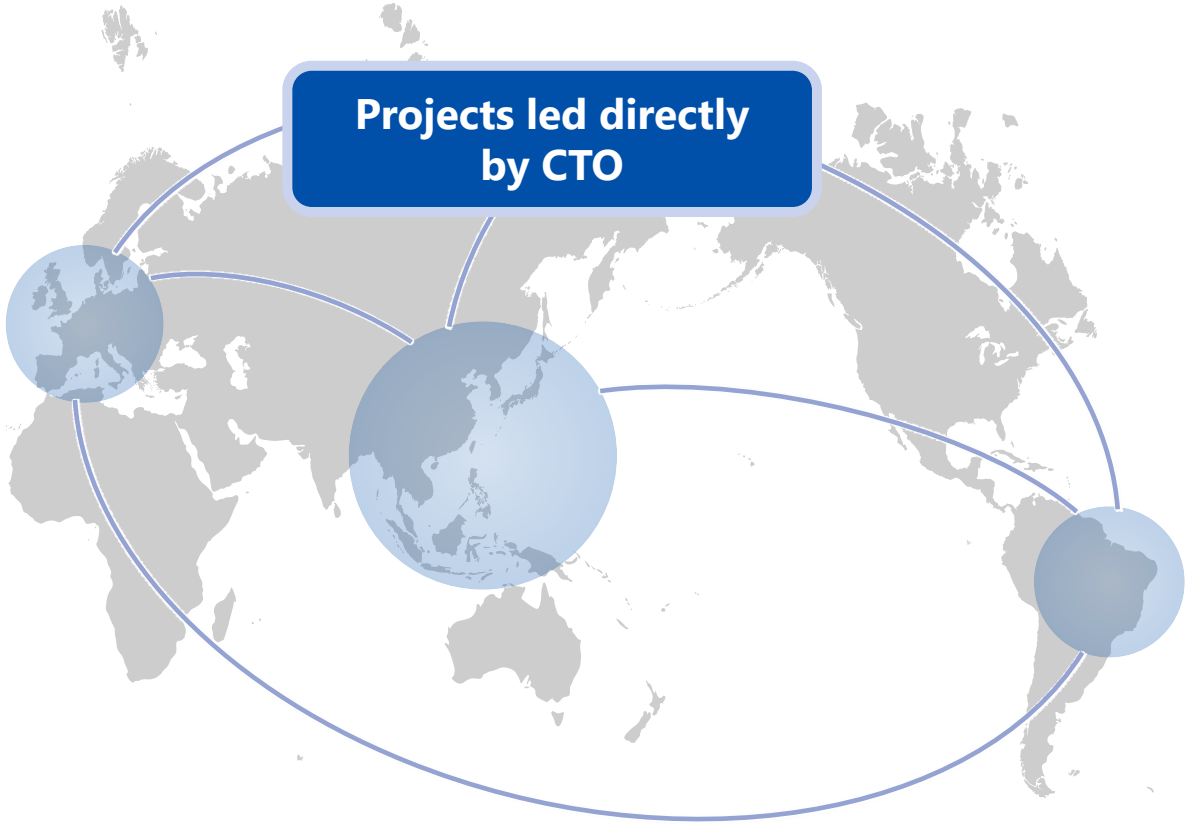
- Developing “Implementation Strategy for Technology to Reduce GHG Emissions from Float Glass Melting Furnaces” as a cross-business project under the leadership of CTO.

Initiatives and Considerations

Future cost simulation of energy prices, carbon costs, etc. in each country up to 2050

Verification of economic rationale and prioritization of mass production for elemental technologies

Formulate optimal technology implementation strategies for the Group, including global technology deployment and resource allocation



Progress examples:
Conversion to Clean Fuels in Float Glass Melting Furnaces

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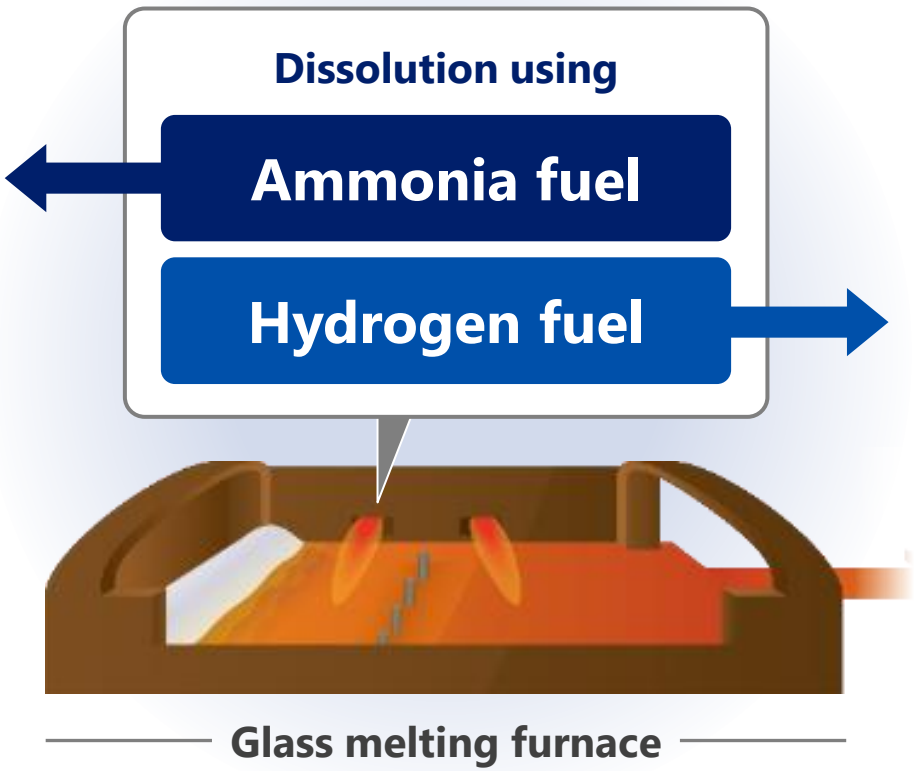
■ Successful demonstration test of clean fuels (ammonia and hydrogen)

2023 **World's first successful demonstration test in an actual production furnace**

We will also consider expanding its application beyond glass to other materials, such as steel and aluminum, **to widely help reduce GHG emissions in the production process of the materials industry.**

Storage tank for ammonia fuel



2023 **Successful demonstration test in an actual production furnace**

We will conduct scaled-up tests of combustion capacity and consider demonstration tests at global sites, with the aim for full-scale deployment.

Glass melting furnace where the demonstration experiment was conducted

Progress examples:
Joint development with Saint-Gobain to help decarbonize the industry

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- Joint development with Saint-Gobain (France), a major glass company, to reduce GHG emissions in the manufacturing process
  - Demonstration testing to begin in the second half of 2024
  - Funded by the European Union's Innovation Fund

AGC × SAINT-GOBAIN

Details of the Demonstration Test

- Natural gas air combustion ⇒ electric melting **50%** + oxy-gas combustion **50%**
- Recycled cullet* ratio ⇒ maximum up to **100%**

⇒ Compared to a conventional furnace, Scope 1 and 3 emissions are reduced by 75% each

*Cullet：glass scrap

Introduction of Electricity Derived from Renewable Energy

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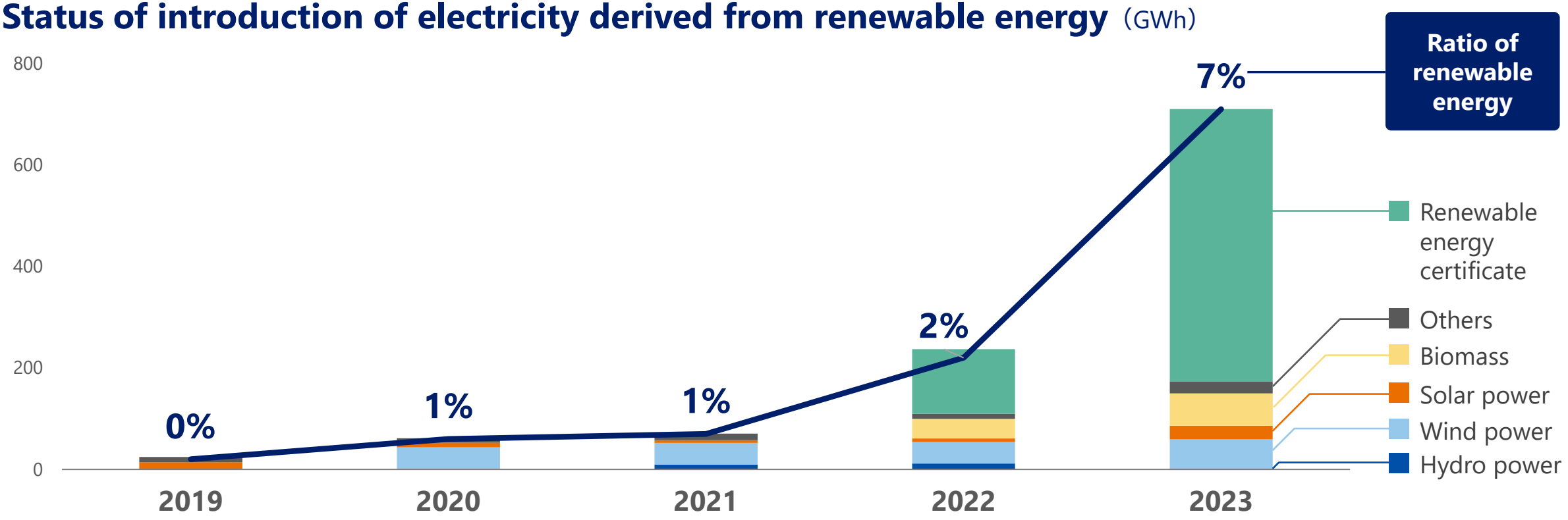
- Progress made in Indonesia (Asahimas Chemicals) due to the expansion of renewable energy certificates purchase.
- Further expansion planned through introduction of PPA and purchase of certificates at other sites.

Status of introduction of electricity derived from renewable energy (GWh)

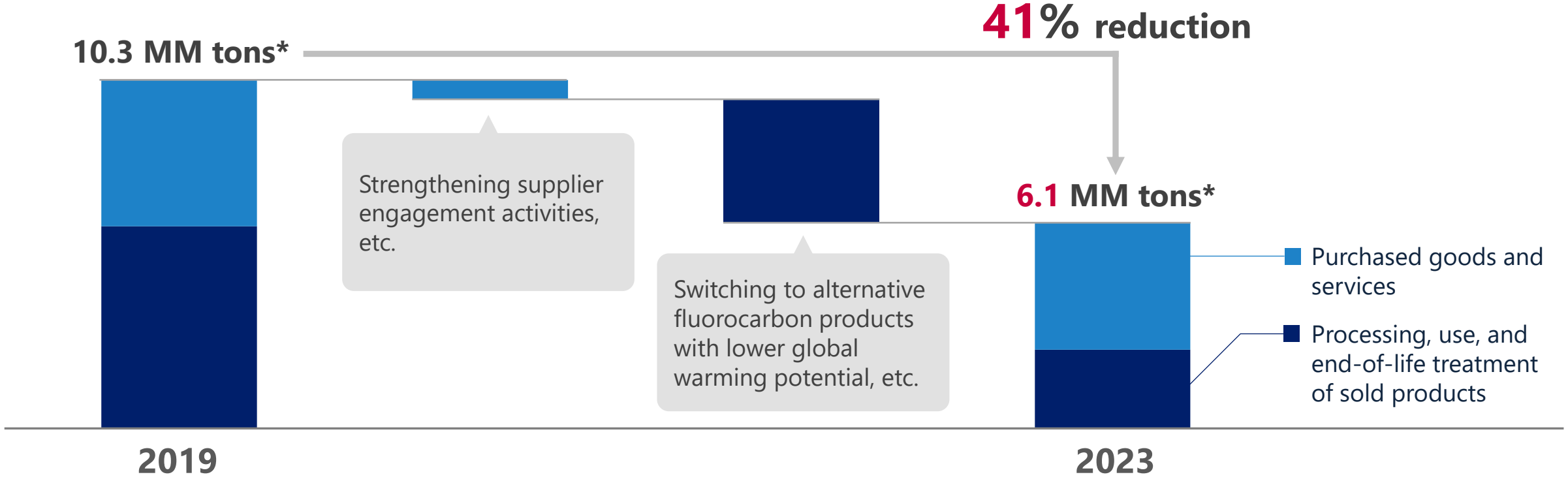


*Excludes power purchased that is included in the power supply mix of the regular menu other than the renewable energy menu.

GHG Emissions Reduction (Scope 3)

- GHG emissions reduction by strengthening supplier engagement activities and switching to alternative fluorocarbon products with lower global warming potential

GHG emissions reduction (Scope3)

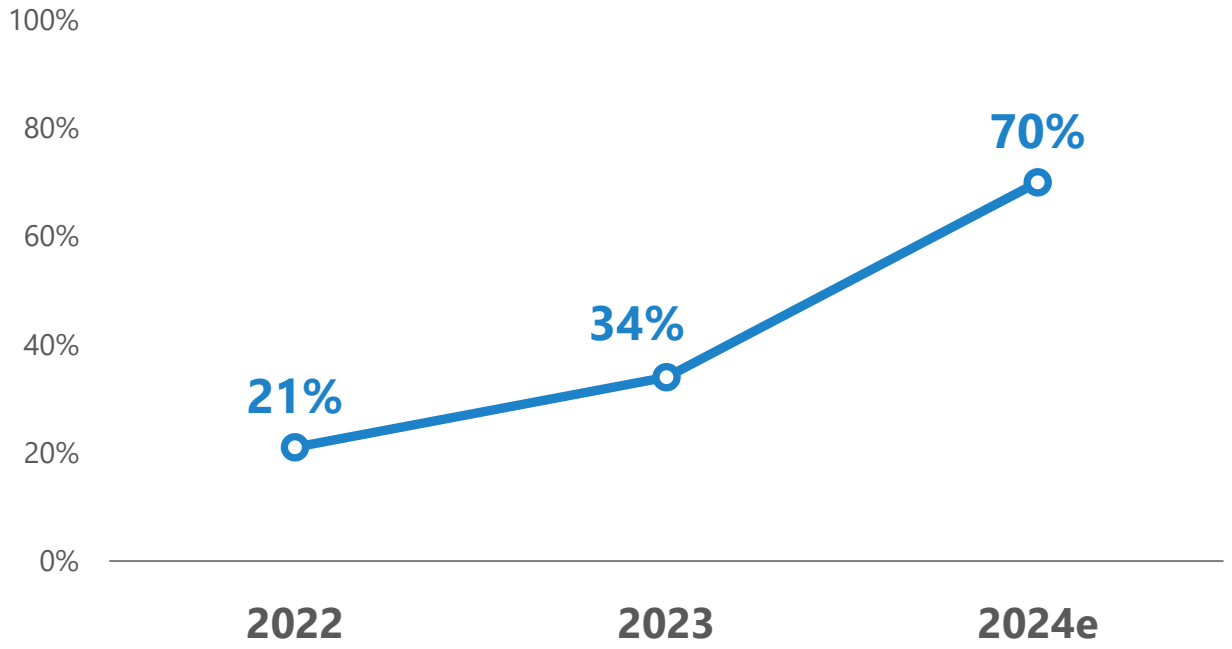


*Sum of Scope 3 emissions in categories 1, 10, 11, and 12

Strengthening Supplier Engagement Activities

- In collaboration with our major suppliers, we have established a reduction plan by 2030 in Europe, also developing similar strategies in Japan and Asia.
- Instead of using industry averages, we are planning to calculate emissions intensity of raw materials based on each supplier's situations.

Ratio of Scope 3 Category 1 emissions by cooperating suppliers (%)



Opportunities

GHG Emissions Reduction from Buildings

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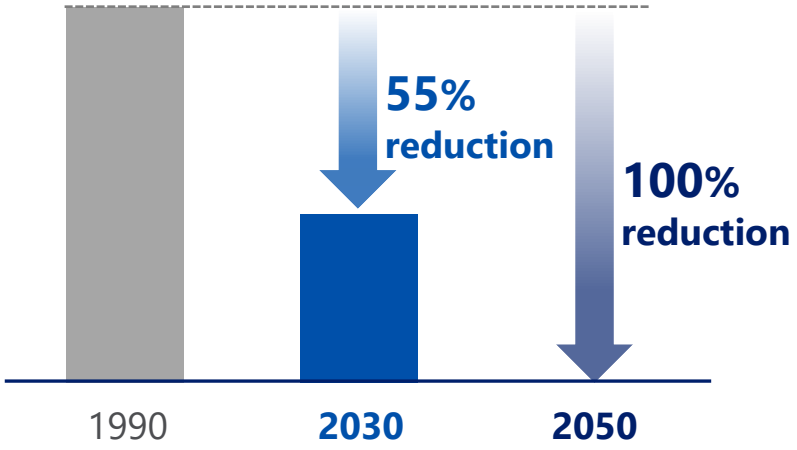
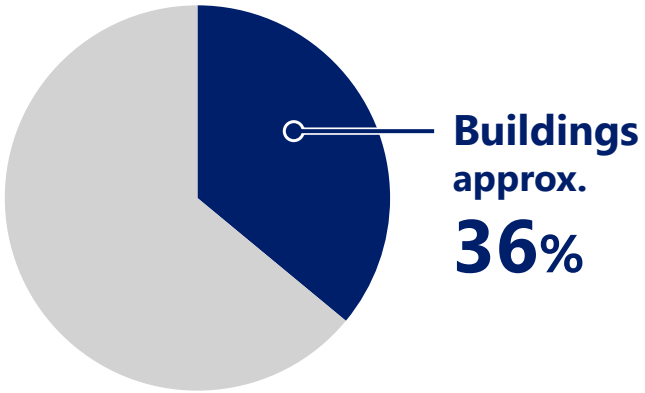
- The European Commission targets a 55% reduction in GHG emissions in Europe by 2030*1. (32% reduction as of 2022)
- Buildings account for about 36% of GHG emissions*2 .
- It is important to improve energy consumption efficiency and insulation of buildings.

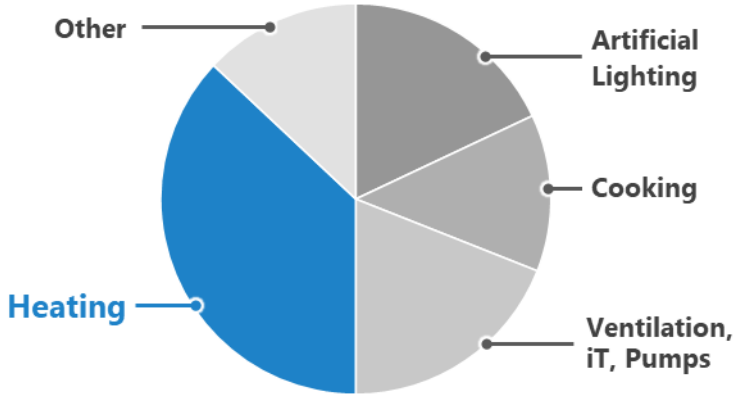
Europe GHG emissions reduction targets*1



Proportion of GHG emissions*2



Building energy consumption breakdown*3



*1: Renovation Wave Strategy and Green Deal by the European Commission
*2: EC, EU Energy Figures – "Statistical Pocket Book 2021" and Glazing Potential – Energy Savings & CO_2 Emissions Reduction, Glass for Europe
*3: Based on section "2.5.3 Final Energy Consumption BY SECTOR" in file 'EU energy in figures - Statistical pocketbook 2021'

Opportunities

GHG Emissions Reduction Effects of High-Performance Window Glass

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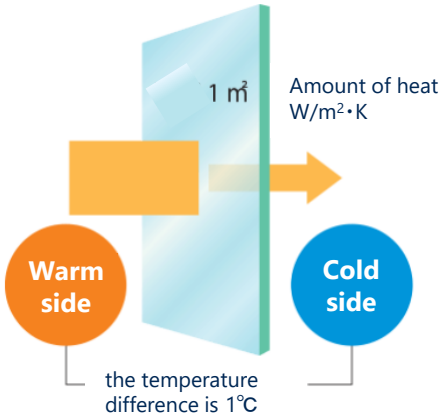
- AGC high-performance window glass products help reduce GHG emissions from buildings.

Progress of window glass insulation performance

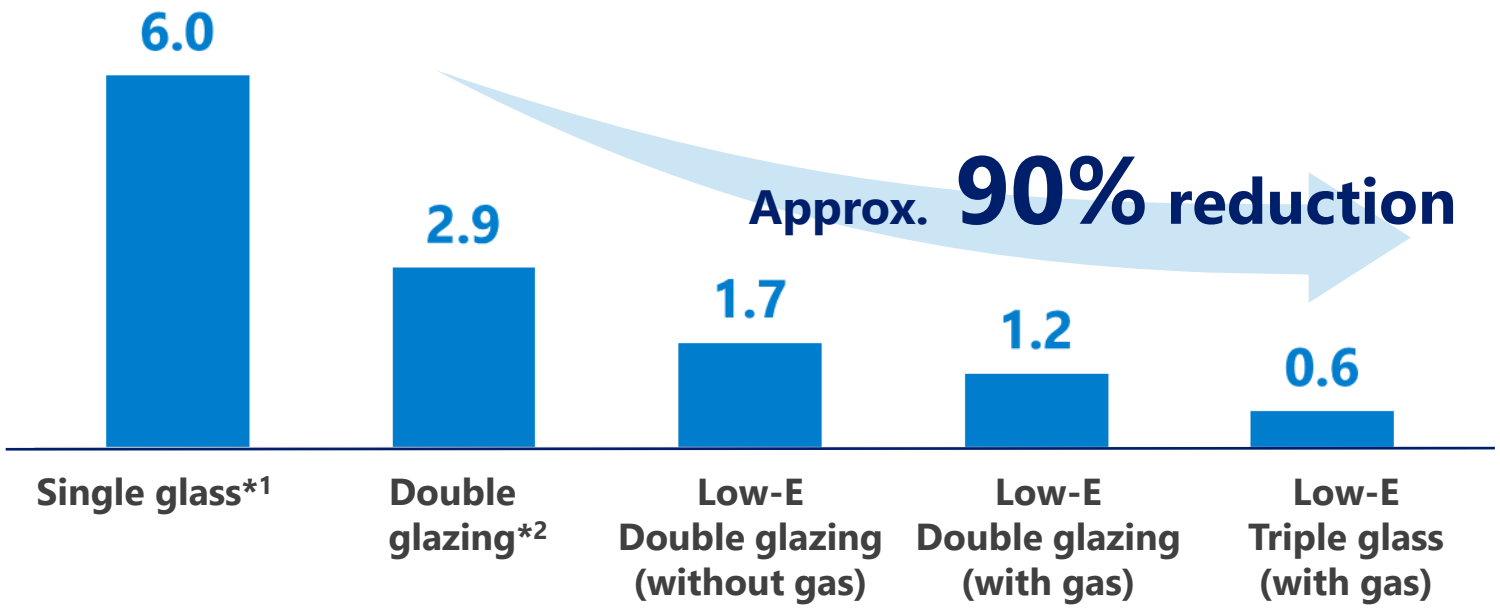
Thermal transmission rate

Amount of heat passing per 1 ㎡ for 1 hour at a 1 ℃ temperature difference between inside and outside.



Thermal transmittance ratio [W//m2・K]

1980～ Current



*1 3mm float glass *2 transparent double glazing with a 12mm hollow layer

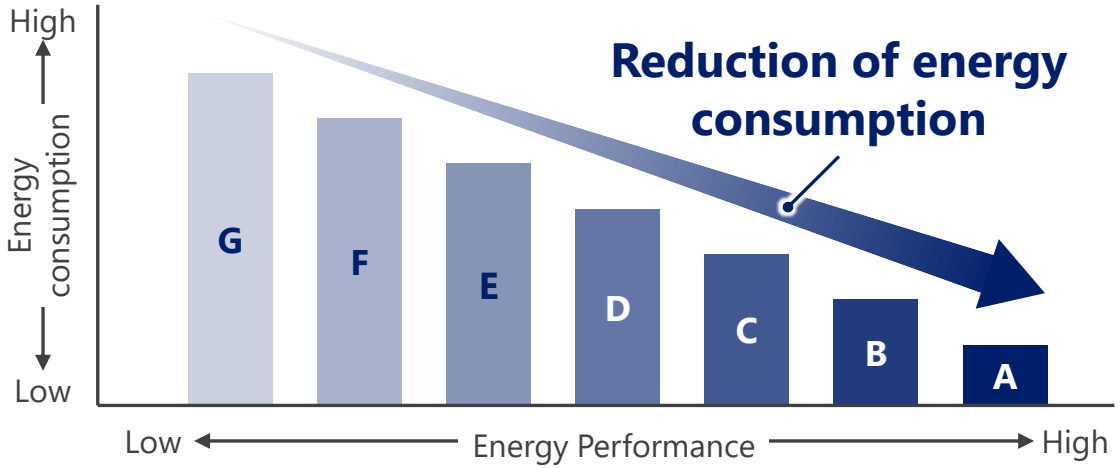
Opportunities

Growing Demand for High-Performance Window Glass

Europe

Mandatory retrofitting is enforced for some low-performance buildings under the Energy Performance Rating System for Buildings*1. Subsidies and preferential interest rates are implemented for renovations.

Building energy performance evaluation



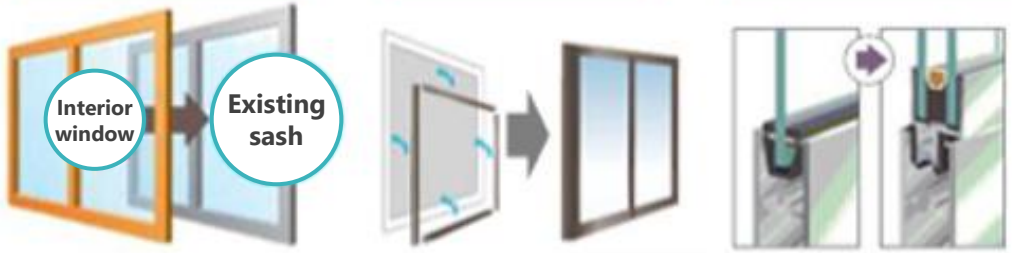
Japan

All suppliers are required to make their best efforts to label their products to display energy efficiency performance*2. "Advanced Window Renovation Subsidy" will continue in 2024 with an expanded budget.

Subjects

Window renovation

Interior window installation	Exterior window replacement	Glass Replacement



Supplementary budget 2023: 1,000、2024: 1,350 (100million JPY)

*1: Energy Performance of Buildings Directive (EPBD) *2: Energy-saving performance indication system

Opportunities

Expand Introduction of Renewable Energy

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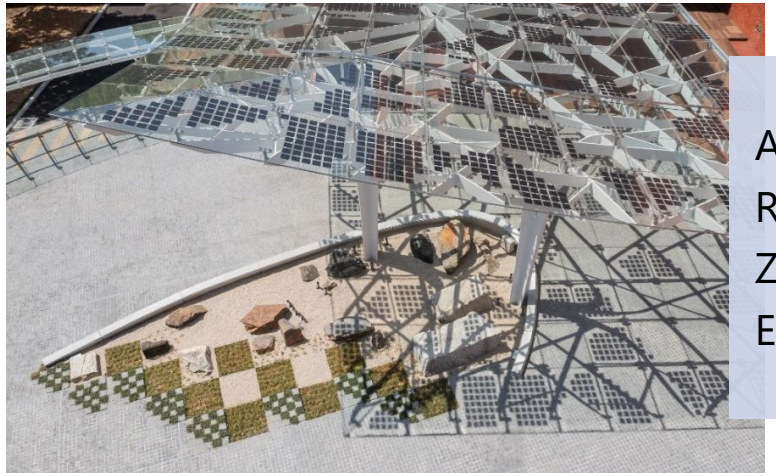
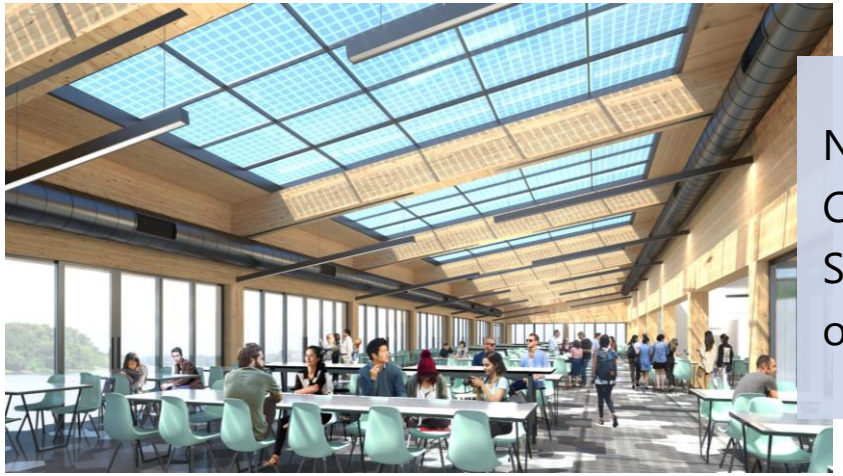
- Securing locations for solar panel installation in urban areas is a key issue.
- **Building Integrated Photovoltaics enable energy generation through windows** and reduce installation site constraints.
- It realizes both energy generation performance and design flexibility and contribute to the realization of a carbon-neutral society.

Building Integrated Photovoltaics (BIPV)



AIST International Research Center for Zero Emissions Entrance Canopy



New Punggol Campus of Singapore Institute of Technology

Opportunities

Increased Demand for High Value-Added Products with Expansion of EV and FCV Markets

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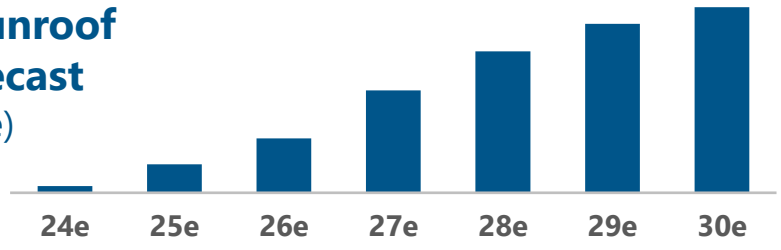
- **Demand for high value-added automotive glass will increase** along with the expansion of the EV/FCV market toward a carbon-net-zero society.

Panorama Sunroof Demand forecast
(AGC's estimate)



Low-emissivity glass

High solar control and insulation properties reduce air conditioner load and improve fuel efficiency

In addition to improving comfort, contributes to extending the cruising range of EVs and reducing CO_2 emissions

Light control glass

Providing new value for panoramic sunroofs, which are enjoying growing demand due to the introduction of EVs

Further improved comfort and openness and an advanced cabin

Sound insulation glass

In addition to the windshield glass, the side window glass is laminated to further improve sound insulation

A quiet and comfortable cabin space is created in EVs, which are free of engine noise

Opportunities

Expansion of Hydrogen-related Markets

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- As products become more functional with the expansion of the hydrogen market, the specifications required for materials are becoming more sophisticated.
- Developing new products and technologies with fluorine technology cultivated over many years to respond to customer requirements.

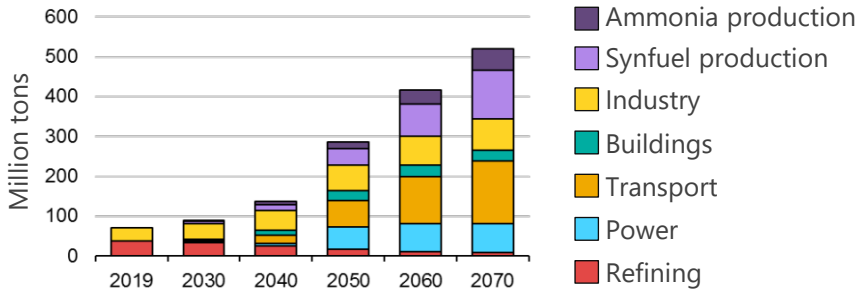
Fluorinated Ion Exchange Membrane for Water Electrolysis

FORBLUE™ S-SERIES

Integrating electrolyte technologies for fuel cells and ion exchange membrane technologies for chlor-alkali electrolysis

⇒ Supplying electrolyte membranes for water electrolysis with the world's highest efficiency and safety performance

Hydrogen Demand Trends*1



Hydrogen-related: including ammonia and synthetic fuels derived from methanation processes

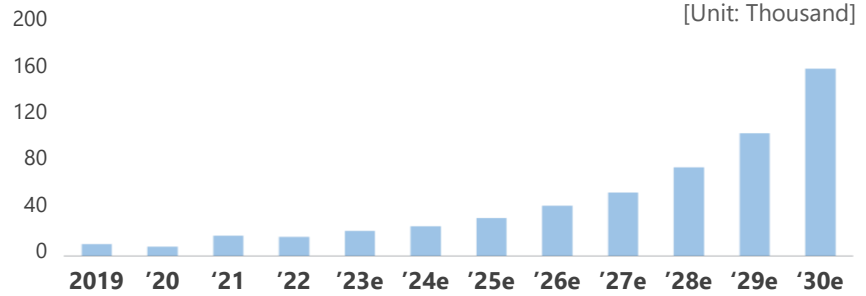
Fluorinated Electrolyte Polymers for Fuel Cells

FORBLUE™ i-SERIES

High power generation performance and durability achieved by differentiated technology

⇒ Established an overwhelming No. 1 position

Fuel Cell Vehicle Production Trends*2



*1: Ministry of Economy, Trade and Industry Future Hydrogen Policy Issues and Directions for Response (2021) *2: Based on S&P Global data

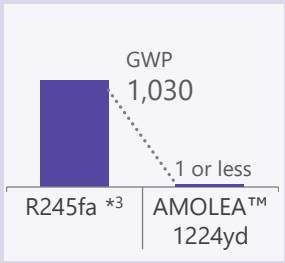
Opportunities

Expansion of Next-Generation Coolants and Solvents Market

- Accelerated conversion from existing coolants to **new eco-friendly, next-generation coolants and solvents** with low global warming potential (GWP*) from 2025 onward toward a net-zero carbon society.
- Low-GWP coolants market will expand to about 2.2 times its 2022 level by around 2030*4.

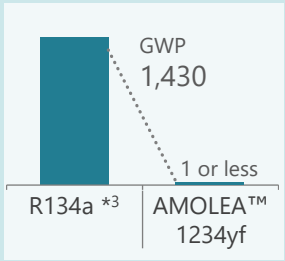
Coolants for turbo freezers

Areas that can be substituted by AMOLEA™ 1224yd

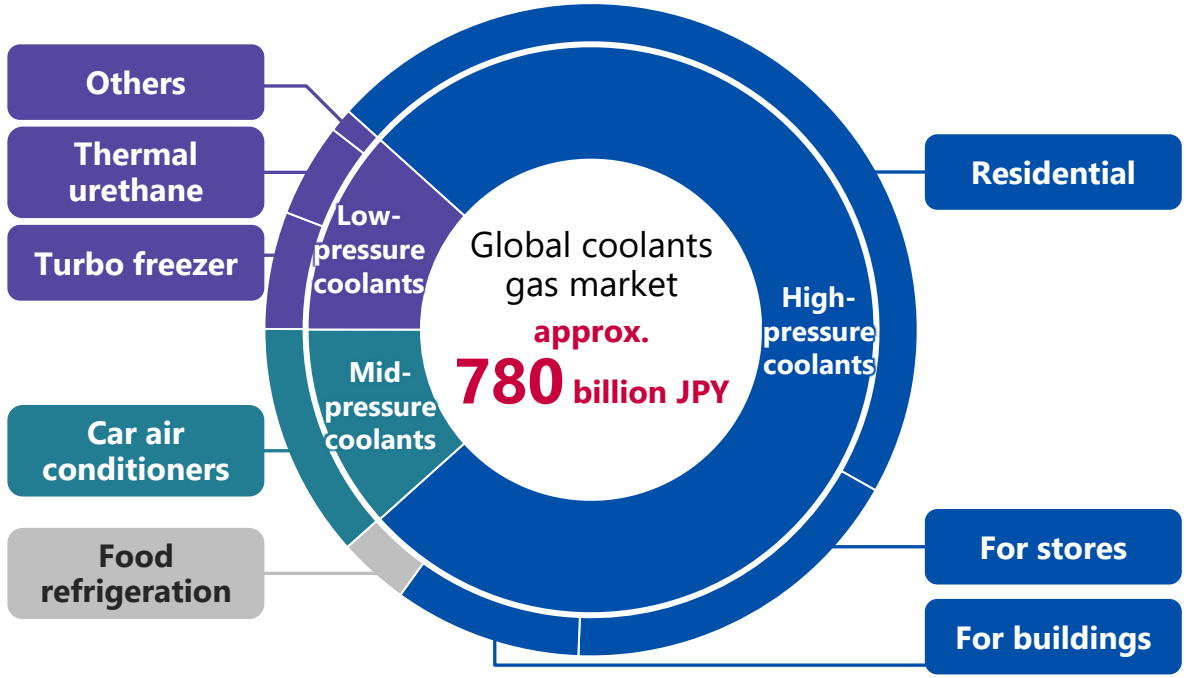


Coolants for Car air conditioners

Areas that can be substituted by AMOLEA™ 1234yf



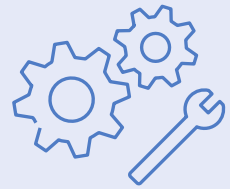
Target market*2



Coolants for houses, stores, and buildings

Areas that can be substituted by AMOLEA™ 1123 blends

Under development



***1** : GWP (Global Warming Potential) is a coefficient that expresses the greenhouse effect as a multiple of that of CO_2.

***2** : 2020 AGC estimates ***3** : Existing products ***4** Based on TCFD scenario analysis

Future Investment Plans for Addressing Overall Climate Change

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- Investing more than 80 billion yen over three years from 2024 to 2026 to address climate change

Cumulative investments plan related to climate change response

Investment to expand sales of products that contribute to reducing GHG emissions

30.0 billion yen or more

Energy saving

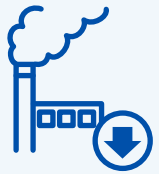
Next-generation energy

Low GHG emissions

etc.

Investments aimed at reducing AGC Group GHG emissions

50.0 billion yen or more



GHG emissions reduction in float glass furnaces

Conversion of power sources to renewable energy

etc.

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- Addressing climate change
- **Effective use of resources**

4 Efforts to enhance the effectiveness of "Creation of Three Social Values

⚠ Risks Effective Use of Resources

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- Promote the use of recycled resources and reduce the use of raw materials derived from natural resources.
- Aiming to establish resource recycling in all phases of business

Targets

- **Landfill ratio: less than 1%**
- **Effective Utilization of Resources**
- **Improved resource reuse rate**
- **Introduction of non-fossil-derived materials**

Cullet (Glass Waste) Recycling

- Recycle waste glass that would otherwise be sent to landfill as raw materials.
- Cullet recycling contributes to **both reducing the use of natural resources and reducing GHG emissions in Scope 1 to 3**

1 ton of cullet recycled = **approx. 1.2 tons of virgin material** saved, **GHG emissions** reduced by **0.5 to 0.7 tons** (CO_2 equivalent)

Scope 3 GHG emissions reduction

- GHG emissions from mining, refining, and importing raw materials

Effective use of resources

- Natural resource use reduction

Scope 1+2 GHG emissions reduction

- GHG emissions resulting from chemical reactions of virgin raw materials
- GHG emissions resulting from fuel combustion

Effective use of resources

- Waste reduction
- Nature conservation
- Life extension of landfill sites

Procurement → **Manufacturing** → **Sales and logistics** → **Use** → **Disposal**

Cullet recycling — **Dismantling, collection and transportation**

Progress examples:
Cullet Recycling (Construction Glass)

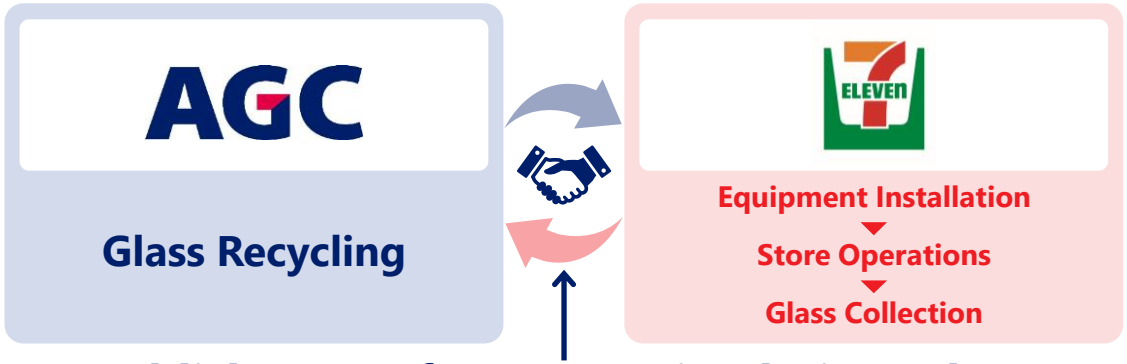
- In partnership with major general contractors and various business partners, we're promoting the recycling of waste glass from building demolition - a feat that was previously considered challenging
- Successful recycling of glass for convenience stores

Europe

- We've managed to collect 130 tons of waste glass from a large building in Brussels. This will then be recycled at AGC and is planned to be repurposed as Low-Carbon glass.

Japan

- Collaborated with 7-Eleven to collect 4 tons of shelf glass and succeeded in recycling into raw material cullet (Japan's first in 2024)
- Plans to expand recycling to store glass in the future



Establishment of resource circulation scheme

Progress examples:
Cullet Recycling (Cover Glass for Solar Panels)

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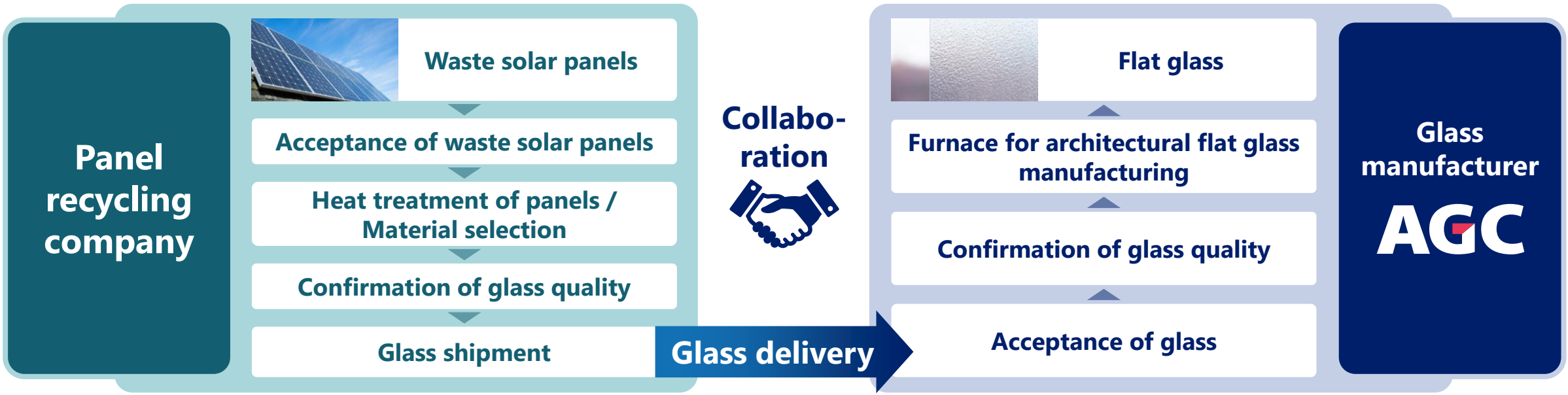
- Hundreds of thousands of tons of solar panels are expected to be disposed of annually in the late 2030s*, and recycling of cover glass is an important issue.
- Successful demonstration test of float glass production using collected cover glass as raw material (first in Japan in 2023). Scheduled to begin use as a raw material for the manufacture of figured glass (planned from the end of 2024 onwards).



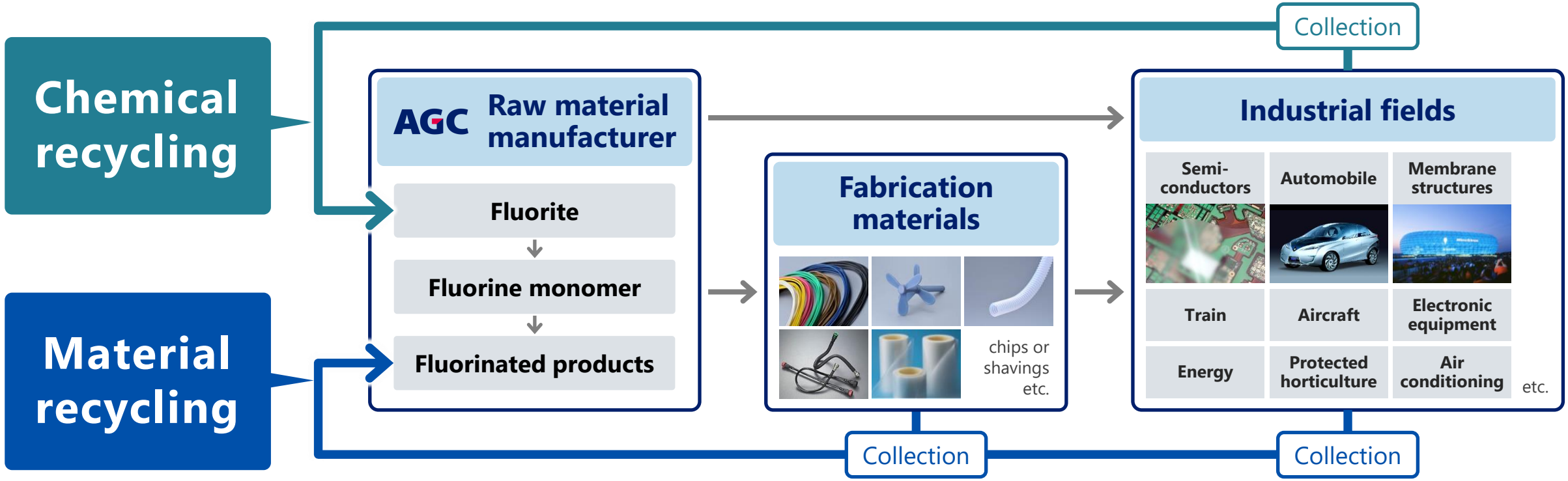
Recycling process for solar panel cover glass (an example)

*Assumptions for the Japanese market based on NEDO data

Progress examples:

Fluorinated Products Recycling

- Promoting recycling of fluorocarbons since 1997. Used products are collected and reused as raw materials.
- The company aims to further expand the fields of recycling, such as fluoropolymers used in the manufacture of semiconductors.



Examples of Products Contributing to Effective Use of Resources

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Long Life

F-CLEAN®

Fluoropolymer film for greenhouse that lasts for over 30 years without being replaced

- Longer life than ordinary products that has a life span of between 3 and 5 years
- Waste plastic emissions are also reduced

Easy to Recycle

Thermocline

Easily recyclable Double-Glazing Glass

- Easily disassembled for horizontal recycling
- Contributes to CO_2 reduction throughout the product life cycle by extending service life

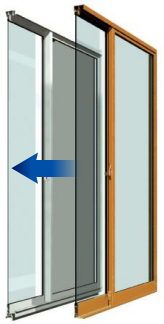
Waste Reduction

Glass for renovations that can be retrofitted

- Enables high-performance windows without disposal of existing glass and sashes

Mado2™

Double-glazing window for a comfortable environments



Insulation	Heat shielding
Anti-condensation	Soundproof

Bio-Based

100% bio-based epichlorohydrin

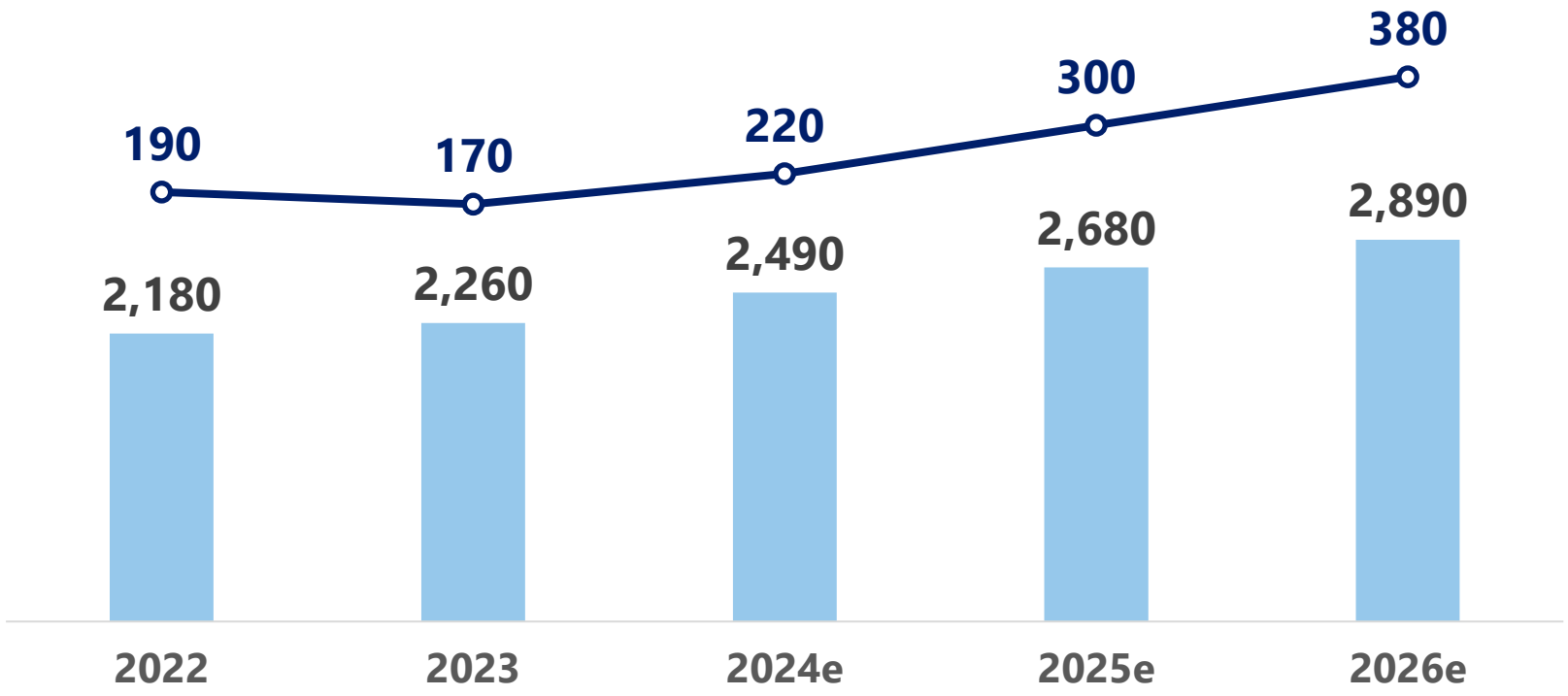
- In addition to reducing new resource extraction, GHG emissions are up to 67% less than conventional petroleum-derivered ECH

epinity™

Net Sales and Operating Profit of Products Contributing to the Environment and Energy Field

- Net sales of products contributing to the environment and energy fields account for about 10% of the Group's total sales.
- While seizing opportunities for market expansion, AGC Group will continue to leverage its technological capabilities to contribute to further GHG emissions reductions and business growth.

Overview of Business Performance Contribution of Products Benefiting the Environment and Energy Fields (Unit: 100 million yen)



*Before allocation of common costs

1 Long-Term Management Strategy “Vision 2030”

2 Creation of Three Social Values

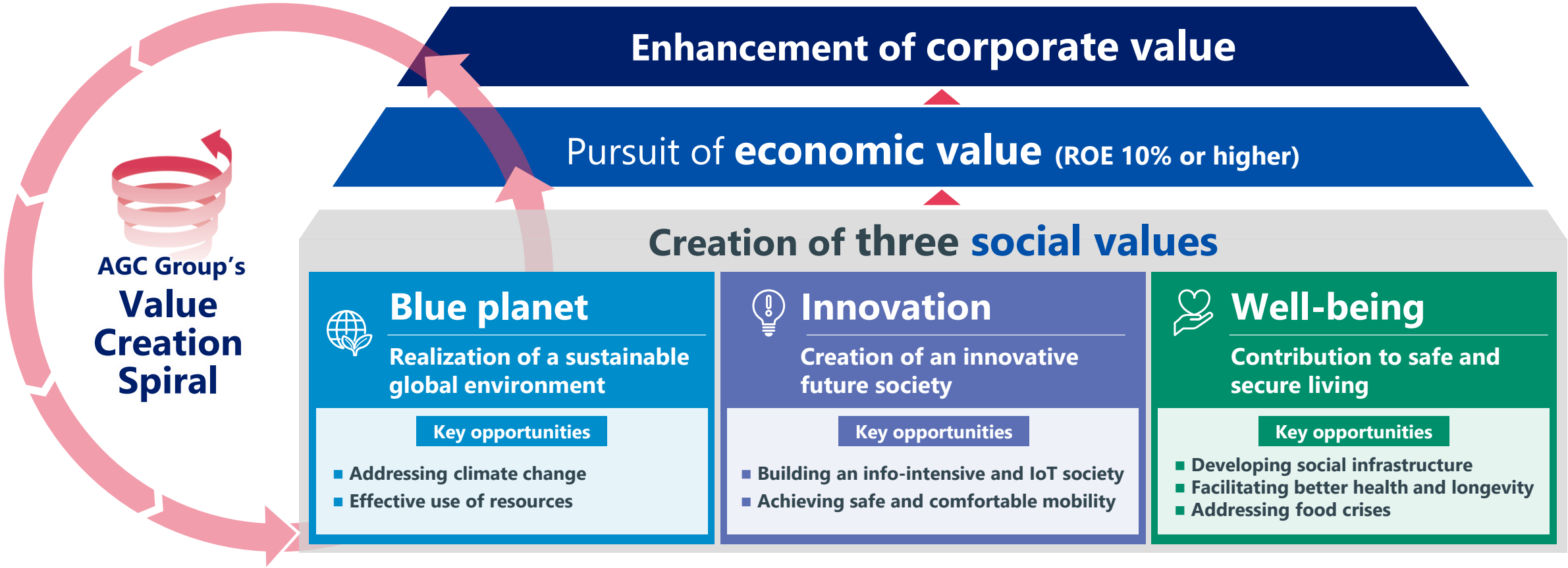
3 Blue planet: Realization of a sustainable global environment

- Addressing climate change
- Effective use of resources

4 Efforts to enhance the effectiveness of "Creation of Three Social Values

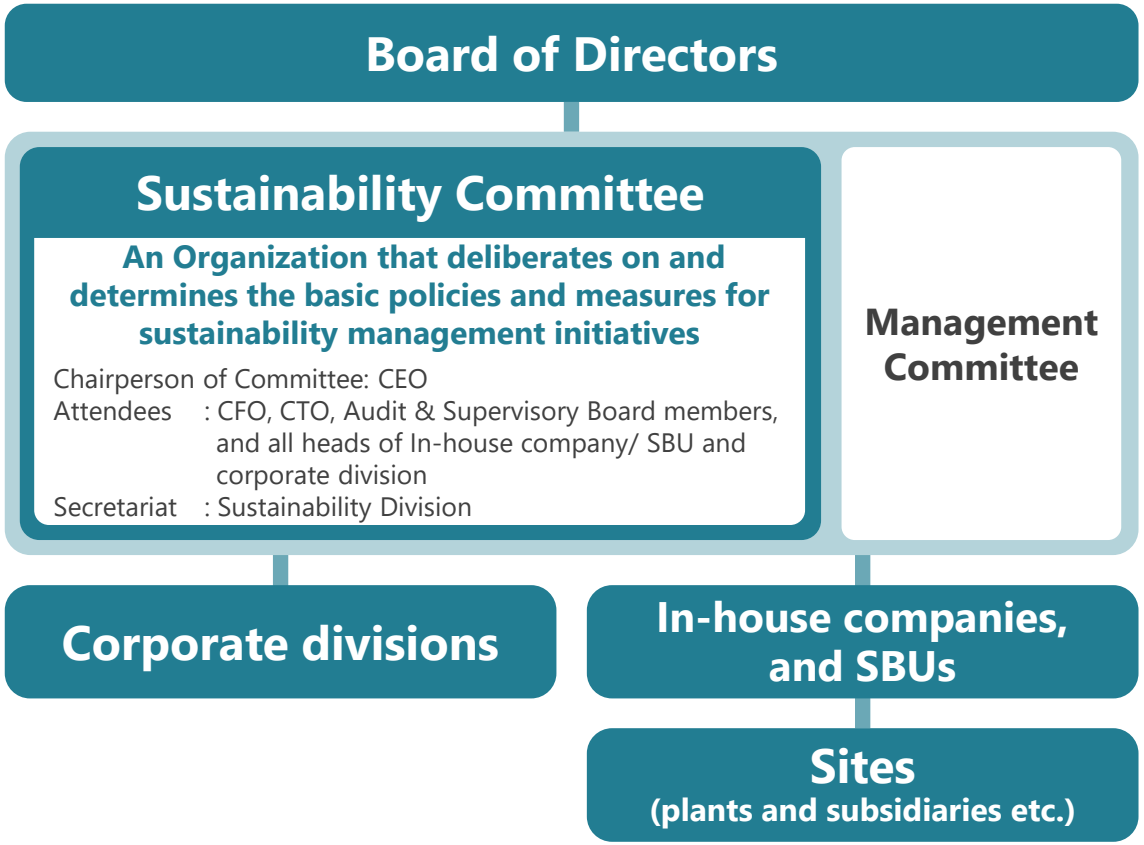
AGC Group's Value Creation Spiral

- The AGC Group will create economic value through the creation of social value to achieve a spiral of enhanced corporate value.



Sustainability Committee

- Positioned equivalent with the Management Committee
- Held four times a year, reporting to the Board of Directors twice a year



Agenda for the 2023 Sustainability Committee meeting

Examples

- **Internal carbon pricing system operational Review**
- **GHG emissions reduction**
  Scope 1, 2, 3 reduction roadmap
  Emissions reduction results
- **Initiatives to address human rights issues**
  Identification of salient human rights issues and establishment of human rights policies
  Supply chain human rights due diligence
- **Matters related to worker safety**
- **Employee engagement surveys and improvement**

Environmental Response Meeting

- Renewed the structure in 2024 to discuss not only GHG emissions reduction but also the environment in general.
- Establish global and cross-business thematic projects in order to address issues

Board of Directors

Sustainability Committee

Environmental Response Meeting

Advisory body on environmental sustainability management issues

Attendees: GM of EHSQ General Div., GM of Sustainability Div., general managers of each corporate division involved in sustainability management strategy planning, and sustainability and CSR managers of business divisions

AGC Group EHS Committee

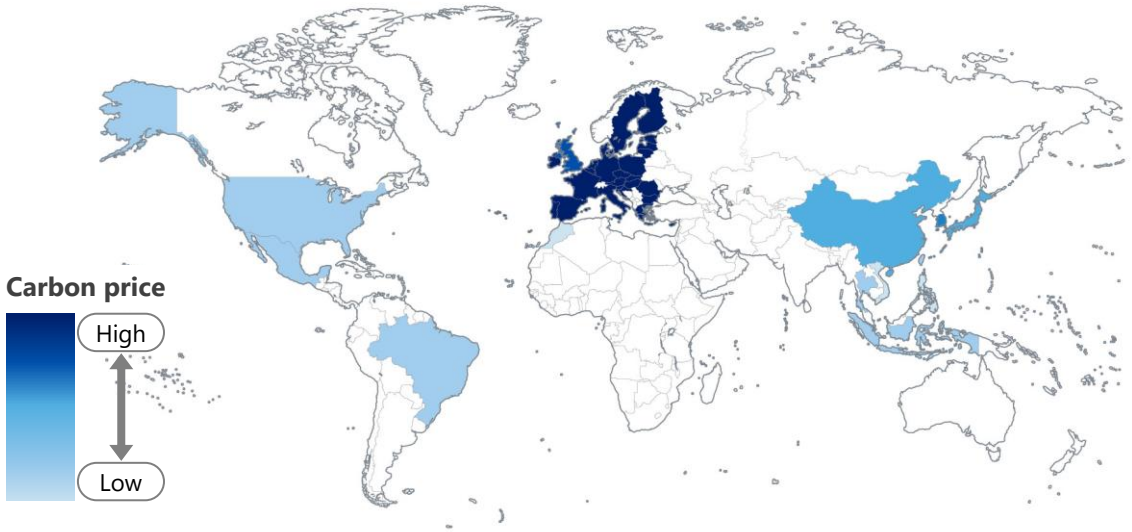
Projects by theme

GHG Emissions Reduction Strategies that Take into Account Carbon Cost

- Reviewed the Internal Carbon Pricing System*.
  - Reflecting the policy landscape of each country and region in the carbon cost for climate change, future carbon costs are calculated based on both regional and time Axis.
  - Consider social and economic value and apply them to investment decisions

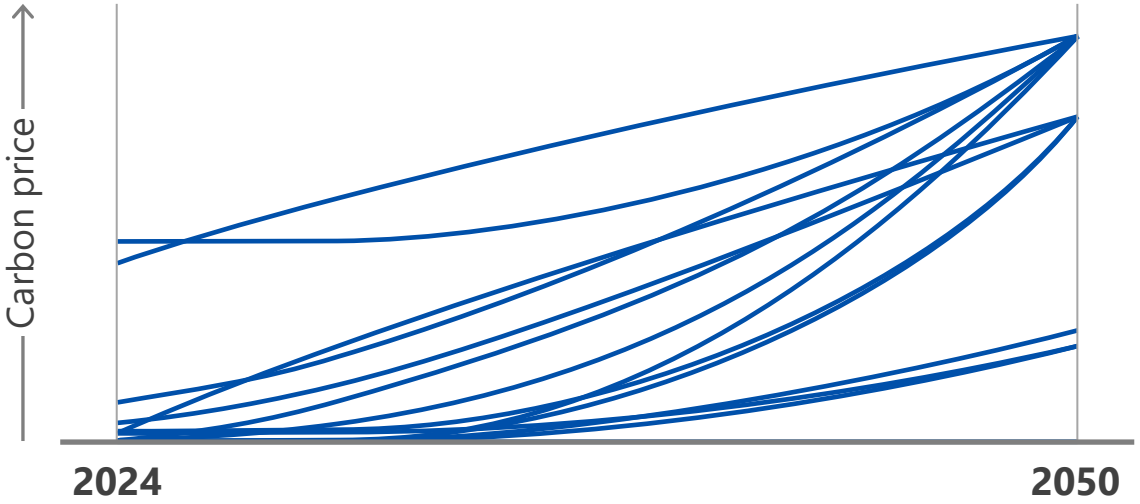
Regional axis

Projected carbon prices by region in 2030



Time axis

Projected carbon price trends by region



*Applied globally from 2022

Sustainability KPIs

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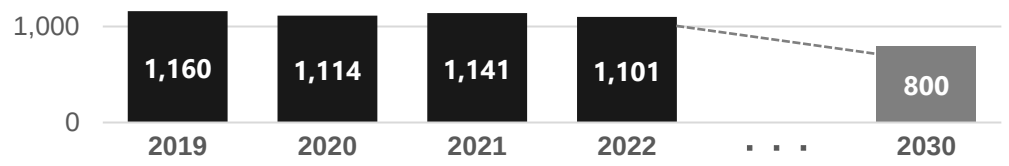
- Establish sustainability KPIs and monitor sustainable growth

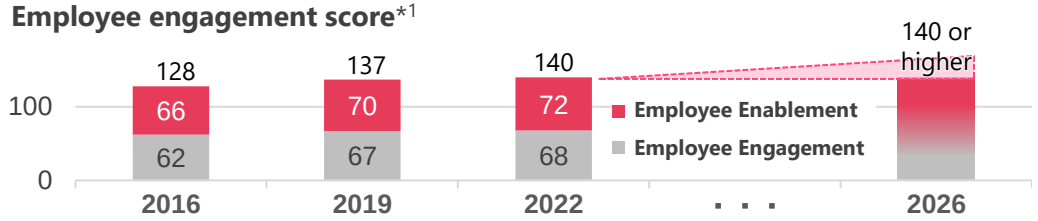
(As of February 8, 2024)

Sustainability KPIs

GHG (Scope 1 + 2) emissions [10,000 ton]*1

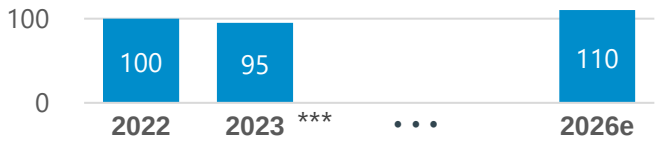


Employee engagement score*1

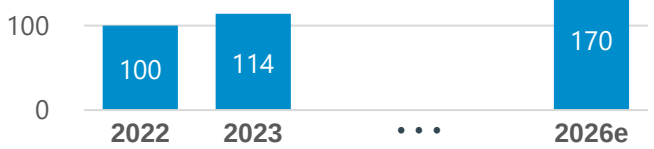


Blue planet

Shipment volume index for architectural products contributing to GHG reductions*2

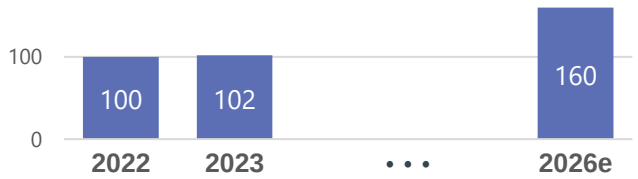


Index for GHG emissions reduction by low-GWP products*2 of Chemicals segment



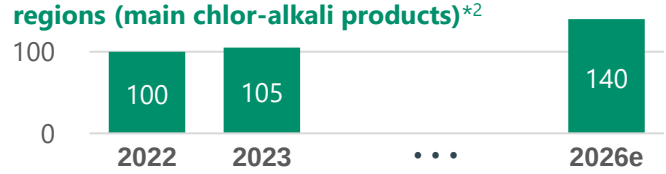
Innovation

Total sales index for products contributing to next-generation society (Electronics, Mobility, Performance Chemicals)*2

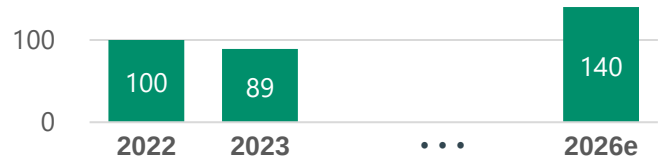


Well-being

Shipment volume index for products contributing to social infrastructure development in fast-growing regions (main chlor-alkali products)*2



Index for Life Science sales*2



*1: Items reflected in executive remuneration. However, for GHG emissions, GHG emissions per unit of GHG emissions sales are used in the calculation of executive remuneration.

*2: Indexes: Figures converted from 2023 on using 2022 as a base of 100.

Reflection in executive compensation system

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- Sustainability KPI adopted as a non-financial indicator for executive stock compensation for the period covered by the new medium-term management plan ***AGC plus-2026***.

Category	Performance Indicators	Reason for Selection	Weight
Financial Indicators	**ROE**	Important Performance Objectives for Long-term and Medium-term Plan Periods	30%
	EBITDA	To improve cash generation capacity and profitability	30%
Stock Price Indicator	**Relative TSR (vs TOPIX)**	More profit sharing with shareholders	20%
Non-Financial Indicators	**GHG Emissions per unit of sales**	Aiming to contribute to the realization of a sustainable global environment	10%
	Employee Engagement	Aiming for the growth of the company through the growth of each employee and the exercise of his or her abilities.	10%

Note 1: Relative TSR (vs. TOPIX): TSR stands for Total Shareholder Return and refers to the total investment yield (total shareholder return) for shareholders, including capital gains and dividends. Relative TSR (vs. TOPIX) compares the Company's TSR for the subject period to the average TSR of TOPIX component stocks.
Note 2 GHG emissions per unit of sales: GHG emissions per unit of sales is an index of the amount of GHG (greenhouse gases) emitted by AGC group divided by net sales, and indicates the carbon efficiency of our business activities.

Appendix

PFAS and Regulations

- Of the PFAS (umbrella term for approximately 12,000 types of fluorine compounds), three substances are listed as Persistent Organic Pollutants under the Stockholm Convention, and AGC does not currently handle any of these listed substances.
- To fulfill its corporate social responsibility, AGC Group is working to minimize environmental impacts resulting from our business activities and contribute to resolving global environmental issues through our products, based on scientific evidence.

AGC's main products

Fluoropolymers

Qualify the criteria for polymers of low concern* i.e., low environmental or human health impacts

Ion-exchange membranes

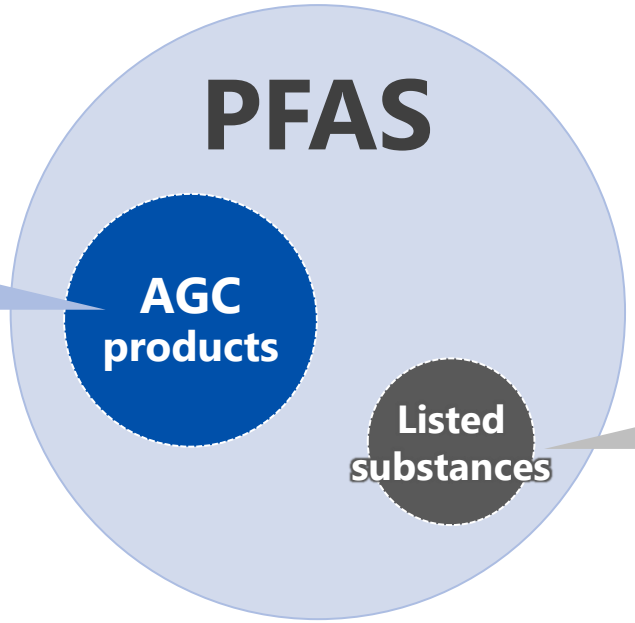
Fluorinated resins

Pharmaceutical and agrochemical API and intermediates

Safety has been assessed or monitored in accordance with applicable laws related to pharmaceuticals or agrochemicals in each country or region

Pharmaceuticals

Agrochemicals



Listed substances

PFOS	AGC has never manufactured or sold PFOS
PFOA	AGC ceased manufacturing and sales of PFOA ahead of regulation
PFHxS	AGC has never manufactured or sold PFHxS

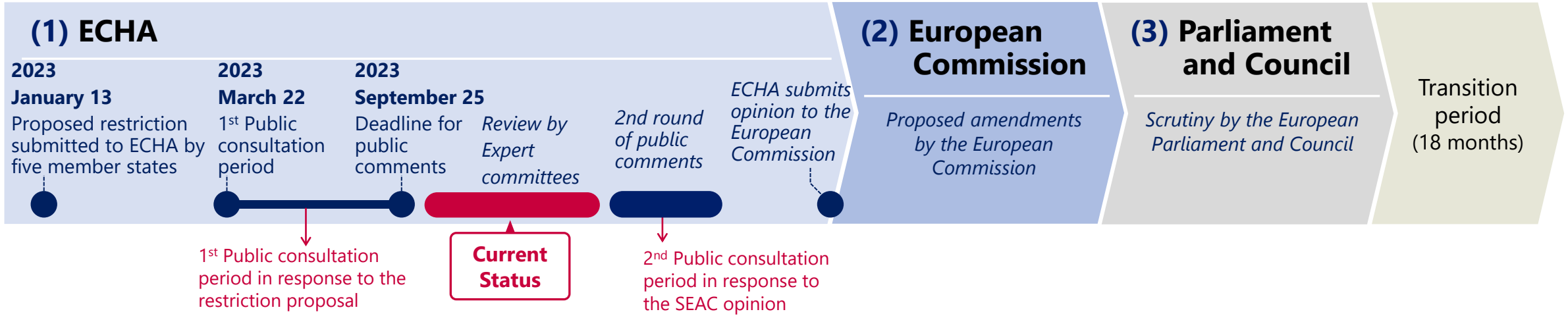
* B J Henry 2018 A Critical Review of the Application of Polymer of Low Concern and Regulatory Criteria to Fluoropolymers

Regulatory trends in Europe

- The expert committees of the European Chemicals Agency (ECHA) is currently reviewing the proposal of the universal PFAS restriction.
- The ECHA's review process is taking time due to the significant number of public comments received, and the timing of the second public consultation and the time flame for the subsequent regulatory process is currently unclear.
- AGC Group has submitted our public comments for the 1st public consultation.

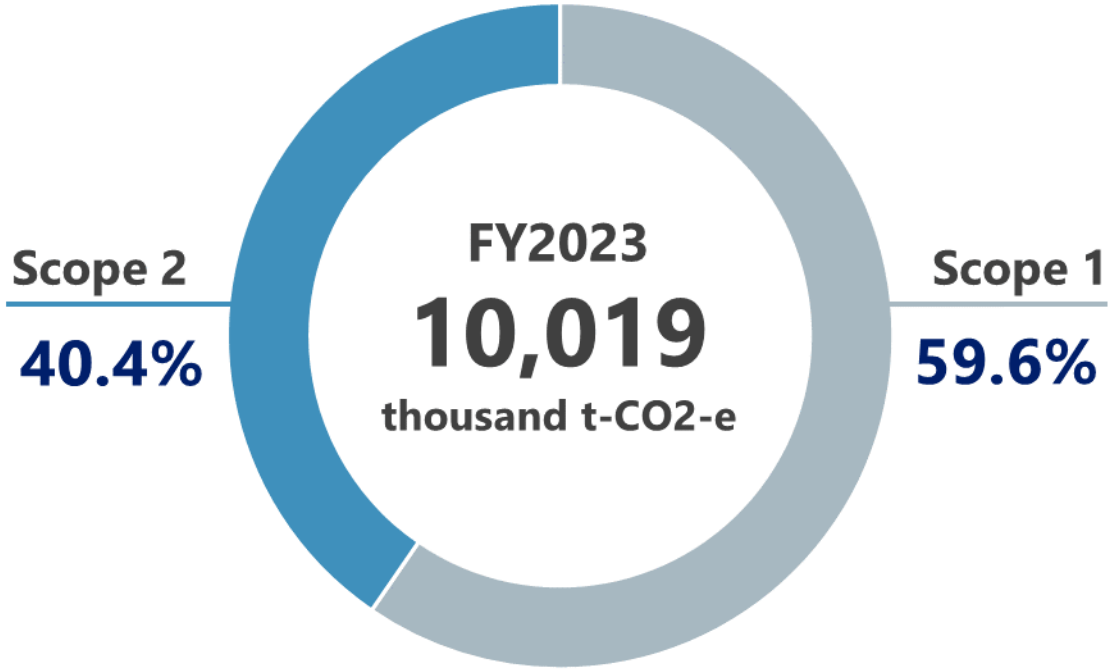
Review process of the proposal of the universal PFAS regulation in Europe

(1) After two rounds of public consultation by ECHA, the expert committee submits their final opinion
(2) The European Commission prepares a draft regulation referring the final opinion submitted, and the REACH Committee, consisting of member states, deliberates on and adopts the draft.
(3) The adopted legislation enters into force after being scrutinized by the European Parliament and Council

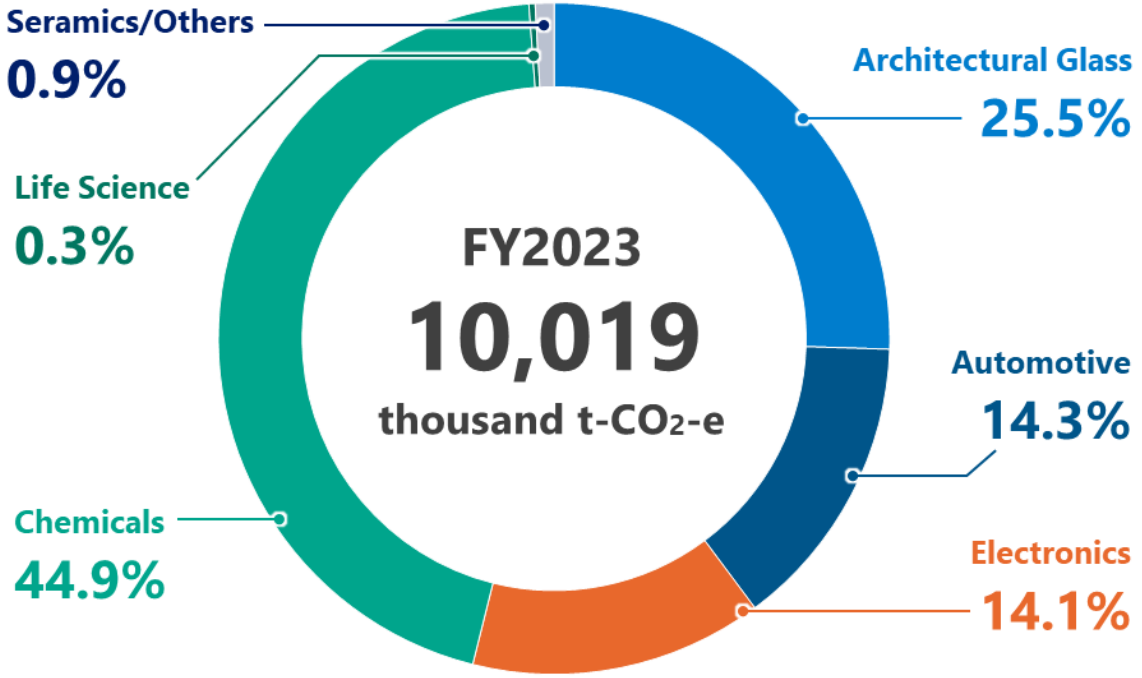


GHG Emissions Breakdown (Scope1+2)

Emissions Breakdown by Scope

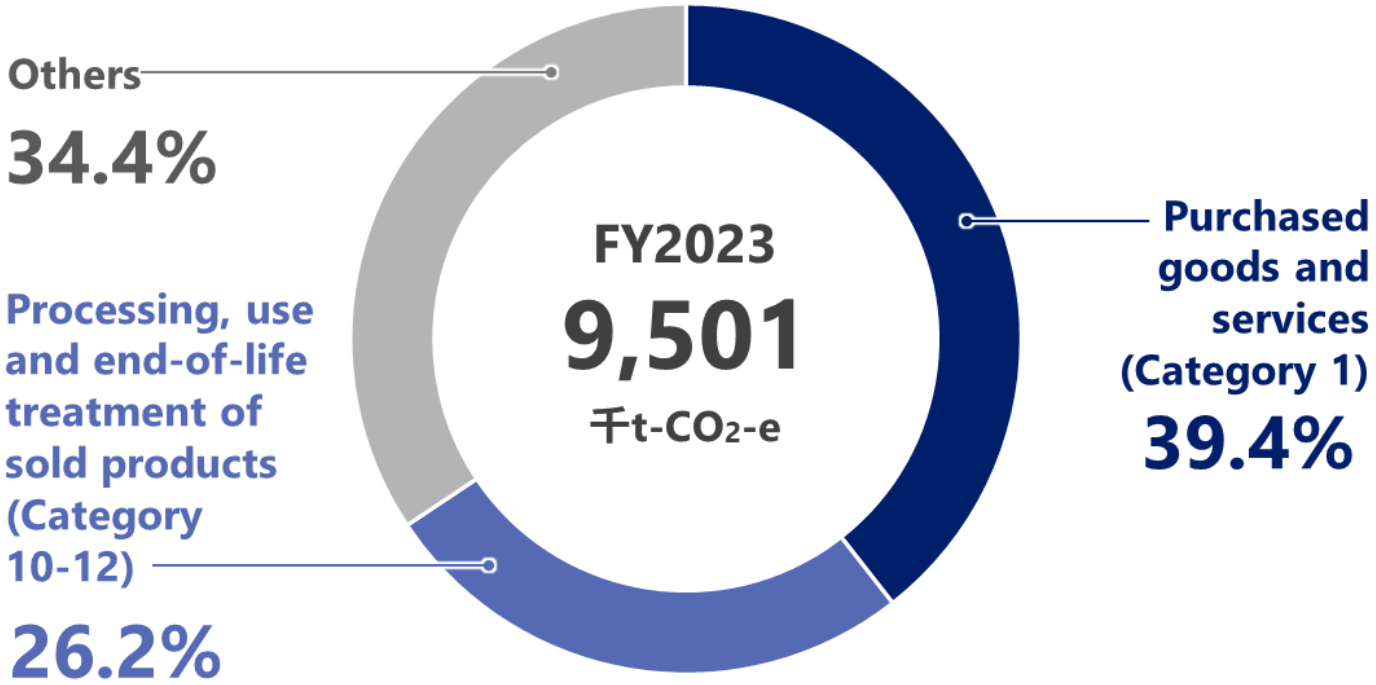


Emissions Breakdown by Business Segment



GHG Emissions Breakdown (Scope3)

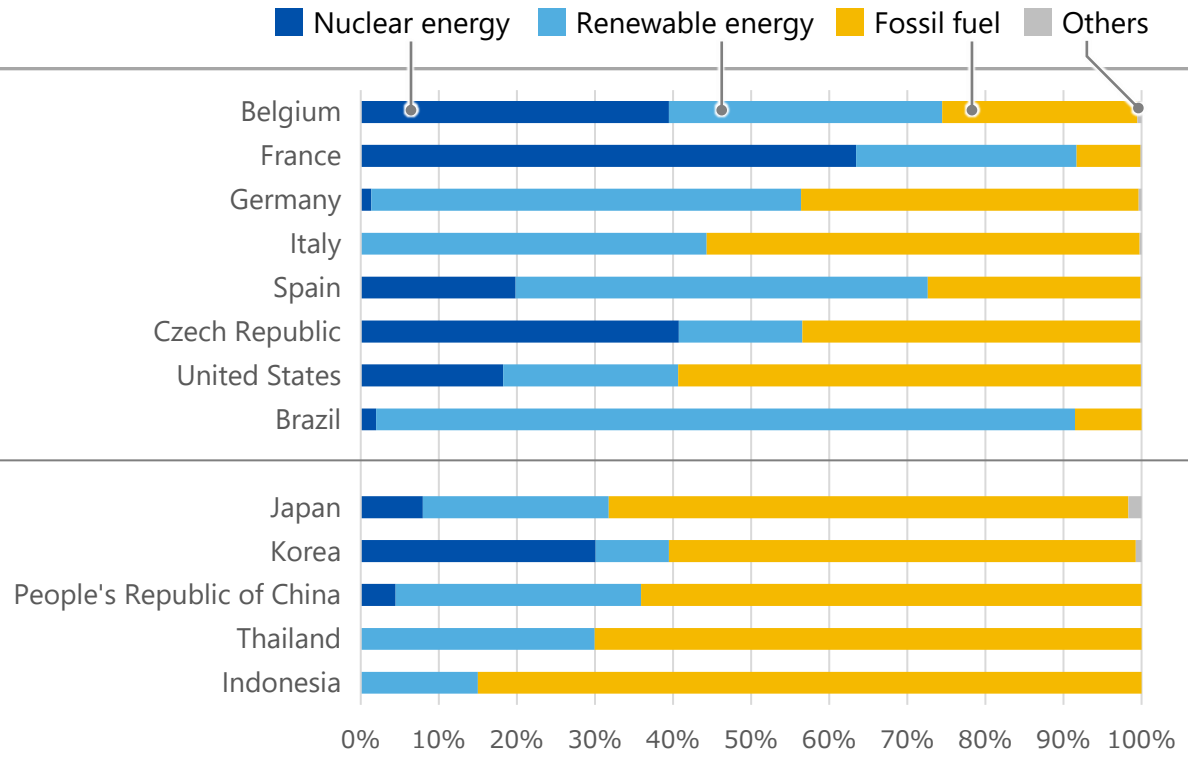
Emissions Breakdown by category (Scope 3)



GHG emissions reduction based on regional characteristics

- Promote optimal GHG reduction measures in accordance with the trend toward decarbonization of electricity sources in each country

Composition of electricity generated by source*



Direction of GHG reduction by region toward 2030

Promote electrification due to low GHG emissions factor of electricity

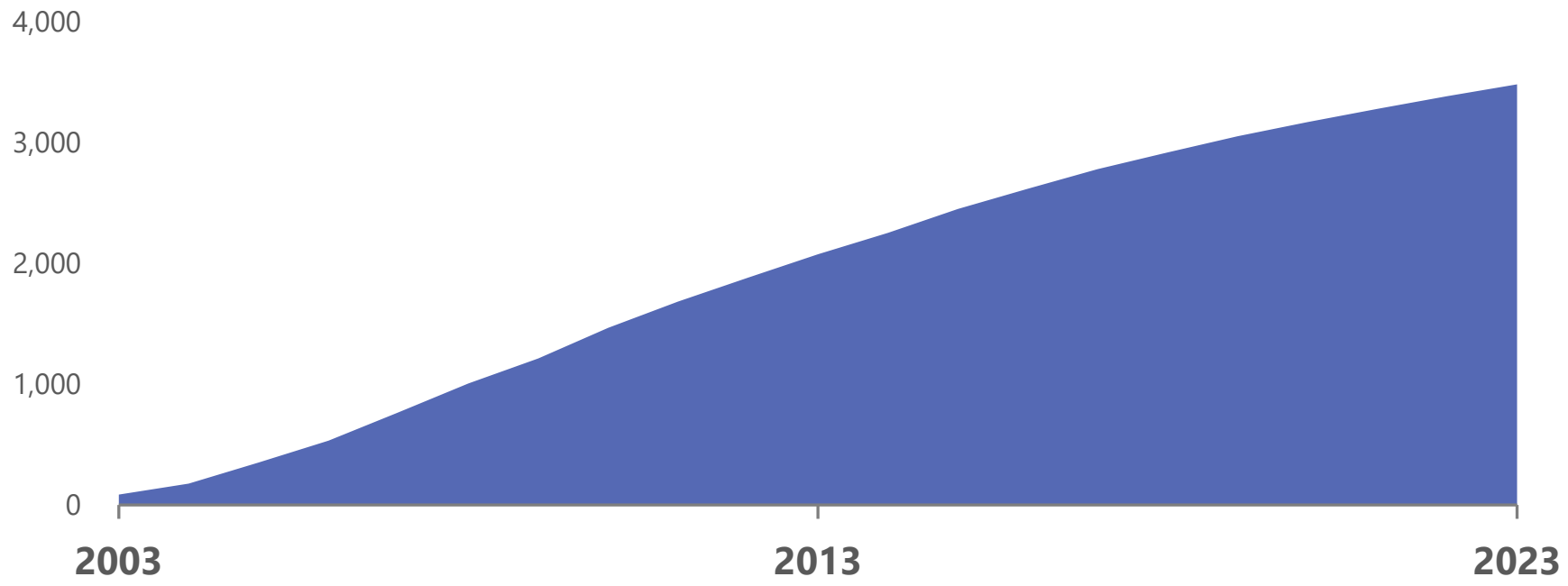
Accelerate energy conservation measures due to high GHG emissions coefficient of electricity

*Compiled from IEA and ASEAN Power Updates 2023 data

Fluorocarbons Collection

- Began recycling fluorocarbons in 1997.
- Collect fluorocarbons and reuse the calcium fluoride obtained through the destruction process as a raw material.

Fluorocarbons Collection Cumulative Results (Unite: 10,000 tons, CO_2 equivalent)

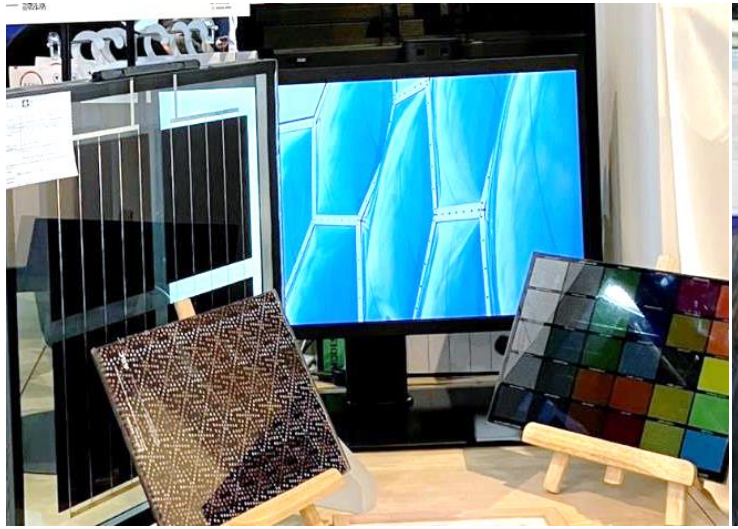


AGC's products and technologies attract worldwide attention

- Exhibit at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28)

Glass-integrated solar cells

Exhibited SunEwat, photovoltaic glass integrated into building materials, at the Japan Pavilion (sponsored by the Ministry of the Environment).



Ion Exchange Membrane

Introduction of a project to introduce an electrodialysis water purification system using ion-exchange membranes in a drought rural areas in India.

AGC Group Human Rights Policy

- Established the AGC Group Human Rights Policy* in December 2023. Identified salient human rights issues in the AGC Group.
- Deepening our efforts to address human rights issues, including the implementation of human rights due diligence.

Human rights issues for AGC Group to consider (14 items)

Salient human rights issues (5items)

- Worker's health and safety
- Rights of local people
- Conflict minerals (Responsible mineral procurement)
- Procurement of raw materials
- Discrimination and harassment in the workplace and employment

- Consumers' health and safety
- Forced labor
- Child labor
- Freedom of association and collective bargaining
- Adequate working hours
- Decent wages
- Rights of foreign and migrant workers
- Rights to privacy
- Corruption

*Sustainability-related policies, criteria, and guidelines

Initiatives Related to Human Rights Due Diligence in the Supply Chain

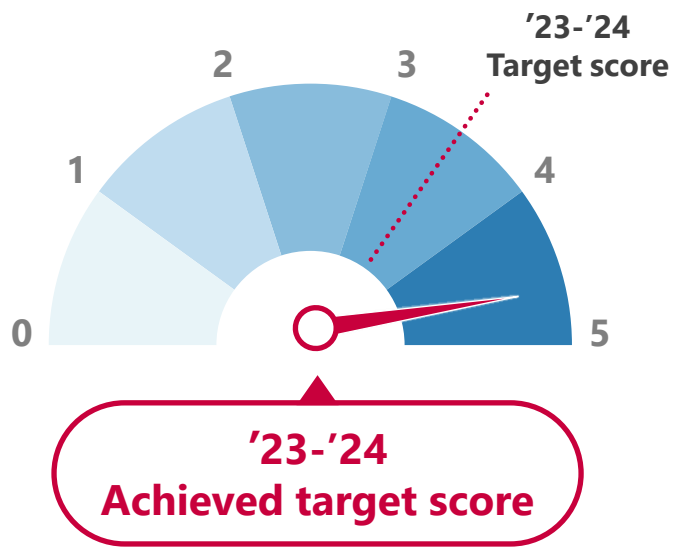
- Implementing procurement activities under the AGC Group Purchasing Policy, which aims for a socially and environmentally responsible supply chain, including responsible mineral procurement
- In 2024, the survey on sustainable procurement will be expanded to more than 400 companies. If there are issues, conduct hearings and work on improvement.

Scope of questionnaire

	Major AGC parent suppliers	Top global suppliers	High risk mineral suppliers	Major suppliers at sites of each Company
’20-’21	✓	✓		
’22-’23	✓	✓	✓	
’23-’24	✓	✓	✓	✓

Expanded scope of the questionnaire

Average questionnaire score



Promoting Human Capital Management

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- At AGC, we will unlock the unique strengths and abilities of each individual. We foster a culture of continuous learning, professional development and support embracing new challenges. The collective growth of each individual creates a highly engaged and resilient organization, which enhances our corporate value, enabling us to fulfill our mission.

"AGC People: Driving our Growth!"

Human Resource Development Strategy

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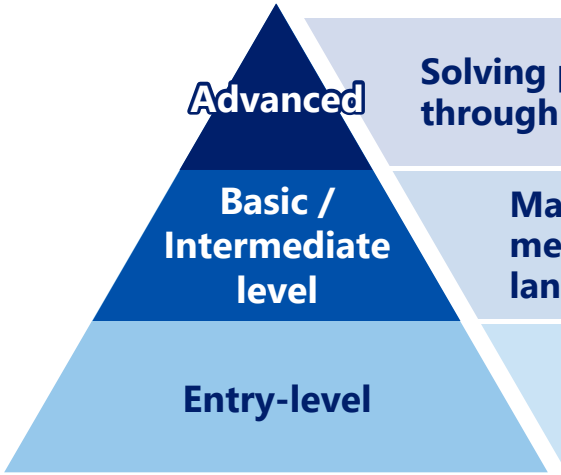
- Focus on developing human resources with diverse abilities as a strategy to develop human resources that will contribute to business portfolio expansion and higher profitability.

Cultivate human resources with diverse abilities

Examples of measures

Data Scientist Training Program 「*Data Science Plus*」

Cultivate **"two-skilled human resources"** who combine business knowledge in material development, production, sales, and logistics with advanced data analysis skills.

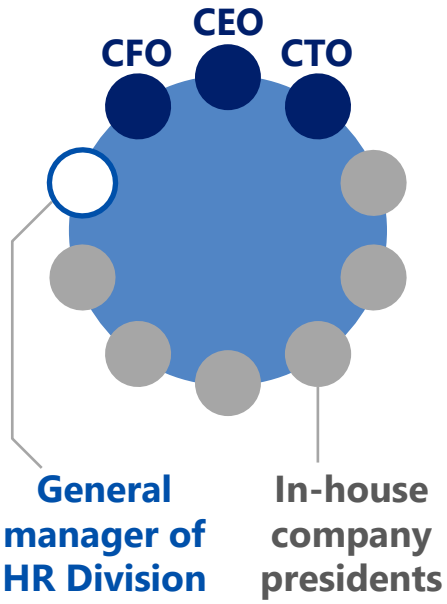


	2020	2023	2025
Solving problems in own division through data science	39 people	82 people	100 people
Mastery of data science methods and programming languages	1,735 people	4,300 people (Global)	5,000 people
General education in data science			

Promotion of Diversity Policies

- The Diversity Council was established in 2022 to build an environment where diverse people can make the most of their individual abilities. Accelerate diversity promotion measures by sharing information across divisions.

Diversity Council



Chairperson	CEO
Participants	CFO, CTO, General manager of HR Division, In-house company presidents
Frequency	2 times/year
Agenda	Diversity & Inclusion promotion
Established	2022

Diversity promotion measures

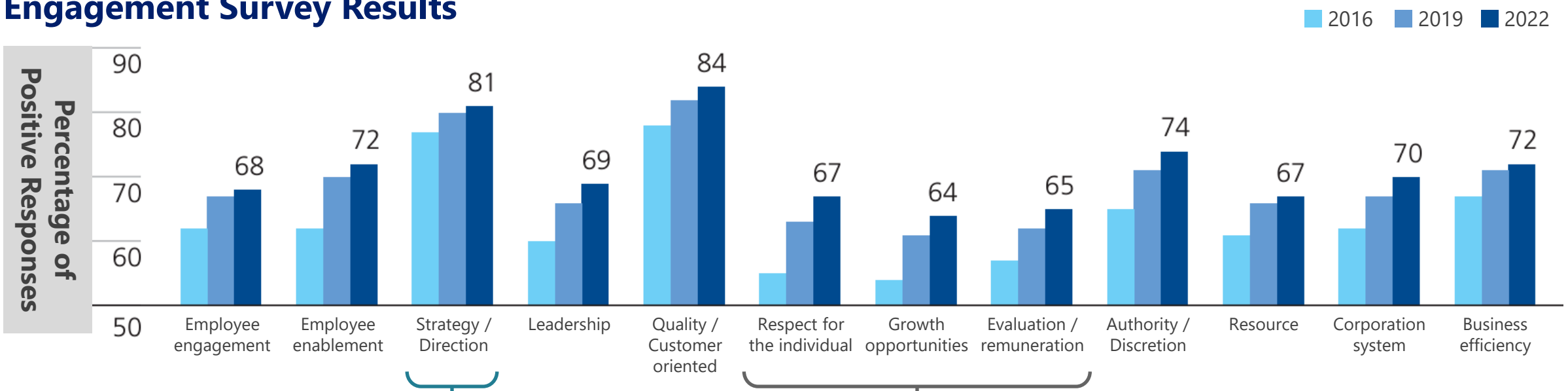
Fostering organizational culture	Increased opportunities for communication by top management and executives to spread the significance of diversity promotion throughout the organization
Recruitment	Increase ratio of women in new graduates and mid-career hires*
Talent development	Strengthening the development of key talent in the mid-tier and young-career groups who will become candidates for executive positions
Improvement of working environment	Continue to promote the concept of "Smart working" as a way work style that AGC aspires to and continue to improve the environment that leads to enhanced corporate value *

*Measures at AGC Inc.

Employee Engagement Improvement

- Conduct an annual* engagement survey of all Group employees
- Reflect monitoring results in action plans to continuously improve engagement
- **Link engagement scores to executive compensation** to increase effectiveness

Engagement Survey Results



Measures implemented

- **Increased understanding of the company's policies and goals through more interactive meetings** with executives

**2023 results: 107 CEO dialogue meetings held at 31 locations

Improvement plan

- **Supporting the management skills of superiors**
- **Holding workshops for strengthening psychological safety**
- **Handbooks for dialogue, etc.**

*Large-scale survey every 3 years, simplified survey in other years

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- We ask that you exercise your own judgment in assessing this material. AGC Inc. is not responsible for any losses that may arise from investment decisions based on the forecasts and other numerical targets contained herein.
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