

# MID-TERM CSR ACTION PLAN

In April 2013, the Nippon Kayaku Group commenced its new three-year Mid-term Business Plan " **Challenge 100A !** " that runs until its 100th anniversary in the year 2016. In conjunction with this, we also drafted an Mid-term CSR Action Plan that runs parallel to **Challenge 100A !**. Going forward, we will take steps to ensure all executives and employees understand the Mid-term CSR Action Plan to raise awareness toward CSR management and promote inclusive efforts involving all employees.

Category	No.	Challenge 100A ! Mid-Term CSR Action Plan	FY 2013 CSR Action Plan	Response to ISO26000						
				Organizational Governance	Human Rights	Labor Practices	Environment	Fair Operating Practices	Consumer Issues	Community Involvement and Development
Foundational	1	Improve employee awareness of CSR and compliance	Implemented CSR and compliance training including Group companies	◎				○		
	2	Assure business continuity during the event of an emergency	Maintained BCP Manual, including disaster responses, and implemented training Assured reduced disaster risks to IT systems and measures for a prompt recovery response (will be completed in FY 2014)	◎				○		
Social Responsibility	3	Strictly adhere to regulations on chemical substances	Enhanced in-house instructional programs related to chemical substance regulations and appropriately disclosed SDS				◎	○		
	4	Continue to make societal contributions through research, development, and provision of product information on cancer and cancer-related fields	Brought embolic microsphere products to market and proceeded with development of polymeric micelle anti-cancer drugs Worked toward safety management and quality improvement by further enhancing the Medical Information Service Center					○	◎	
	5	Thoroughly ensure the education of employees in knowledge and skills related to handling explosives	Implemented a rank-based education program taught by the explosives safety maintenance team						◎	
	6	Continue conducting onsite instruction efforts for safe agrochemical use	Carried out visits to sales outlets (150 visits per year, per sales representative)				○		◎	
	7	Promote CSR procurement in cooperation with suppliers	Formulated CSR procurement criteria					◎		
	8	Work toward preventative measures against environmental impacts and occupational injuries from major accidents	Major accidents, lost worktime accidents, non-injury-related accidents: 0 cases 1.0 or lower non-lost worktime accident rate (5 accidents) Vehicle accident rate during work tasks or commuting by pharmaceutical MRs: 4% or lower	○		○	◎			
	9	Reduce customer complaints and quality process mishaps	High-level complaints (claims with damages amounting to ¥10 million or greater): zero High-level quality process mishaps (incidents with damages amounting to ¥10 million or greater): zero					○	◎	
	10	Communicate with the local community	Supported children with intractable diseases, and their families, by operating Asunaro House Carried out Pink Ribbon activities and plant festivals; as well as social events, local cleanups, and public lectures with the local community							◎
	11	Provide timely and appropriate disclosure of information to stakeholders	Promoted communication with stakeholders and made the Company website user friendly Promoted earlier disclosure of financial results and prepared for compliance with IFRS (International Financial Reporting Standards)	◎					○	
	12	Utilize and foster diverse human capital	Improved our degree of worker diversity and our hiring rate for workers with disabilities; promoted the appointment of female managers; utilized the skills of workers of advanced age Worked to educate employees as global managers as part of our response to globalization; bolstered our instruction programs for non-Japanese hirees; maintained and expanded our various support systems in these areas		○	◎				
	13	Give due consideration to employee health and safety, and provide a working environment that allows for a good work-life balance	Mental health training for creating a healthy workplace: 3 years of training programs Participation in the training: 100% Participation in health check-ups: 100% Improved utilization rate of paid leave as part of improving employee work-life balance; encouraged support measures for training the next generation of workers. Participation rate in consultations for high workload employees: 100%		○	◎				
	14	Protect human rights and privacy	Appropriately operated the whistleblower hotline; implemented human rights and power harassment awareness training		◎	○				
Environmental Responsibility	15	Expand our green procurement ratio	Assessed the status of our "green procurement" through the promotion of our indirect materials purchasing system				◎	○		
	16	Achieve mid-term environmental targets with due consideration of the environment	Reduced emissions of chemical substances: followed initiatives directed toward achieving the mid-term environmental targets set for FY 2020				◎			
	17	Improve waste water treatment technology and respond to environmental regulations	Reviewed, including at Overseas Group companies, the development of new technology for waste water treatment; reviewed dye-removal technology through the advanced treatment of dye-containing waste water Reviewed new methods for nitrogen removal for waste water containing high concentrations of nitrogen. Researched new organic compound decomposition systems				◎			
	18	Strive to be a business with ever lower energy consumption	Formulated energy conservation action plans for each business site				◎			
Financial Responsibility	19	Assure stable earnings as a sustainable business group	Enhanced Group management; vitalized Group companies through a more robust support framework from the Head Office Efficiently utilized capital; optimized our balance sheets; pursued cost effective purchasing	◎				○		
	20	Launch products that contribute to the environment and to energy conservation	Brought new high performance thermal conductive adhesive sheets and optical control films to market				○		◎	
	21	Provide high quality pharmaceutical products that reduce economic burdens	Brought biosimilars to market as quickly as possible; worked to bring generic anti-cancer drugs to market without delay						◎	
	22	Roll out low-cost automobile safety devices, using our proprietary technologies, to a global market in order to contribute to protecting lives	Started new overseas business bases and expanded production facilities						◎	
	23	Ensure the continued existence of manufacturing plants by handing down Japan's "monozukuri" technology	Promoted company-wide presentation gatherings related to "monozukuri"; promoted in-house education and joint sharing of information	○		◎				
	24	Create and implement sustainable research programs	Built out a corporate structure conducive to the sustainable creation and implementation of projects	○					◎	