

[Important Issues] Occupational Health and Safety in the Workplace, Health and Productivity Management

Policy and Basic Approach

The Nippon Kayaku Group is promoting a range of health and safety activities to allow employees to work healthfully and safely and maximum their capabilities based on the Group's Responsible Care Policy.

Under the vision of zero serious accidents/casualties, we are implementing activities, bolstering 30-second patrols and promoting fixed-point observation which were chosen as key issues of Responsible Care. As its corporate responsibility, the Nippon Kayaku Group is working for zero accidents and injuries and securing the safety and security of its employees.

In addition, the physical and mental health of employees leads to the vitality and improved productivity of the organization. They are indispensable in the improvement of the satisfaction of stakeholders. We are implementing not only measures to prevent exposure to the chemical substances that we handle at work but also mental healthcare and lifestyle modification activities, etc.

Giving first priority to safety, the Nippon Kayaku Group will continue to conduct occupational health and health enhancement activities toward the achievement of our Medium-term Business Plan, **KAYAKU Vision 2025 (KV25)**.

➤ [The Declaration on Environment, Health and Safety, and Quality](#)

Responsible Care in the Nippon Kayaku Group

Nippon Kayaku Group Annual Responsible Care Policy

(Items related to Occupational Health and Safety and Health and Productivity Management)

◆ Targets

- Serious accidents / disasters: zero
- Serious environmental accidents / disasters: zero
- Serious traffic accidents: zero

◆ 1. Key issues in Responsible Care

- Bolstering 30-second patrols and implementing fixed-point observation

◆ 2. Initiatives aimed at achieving zero accidents and disasters

- Diagnostic methods with an emphasis on risk assessments
- Fixed-point observations tailored to the characteristics of each business location
- Strengthening measures to prevent heat stroke

◆ 3. Improvement of occupational health and safety in the workplace

- Appropriate response to the revised Industrial Safety and Health Act
- Identifying and following up on high-stress workplaces through stress checks and organizational analysis
- Appropriate operation of a health checkup results database
- Maintaining Health & Productivity Management Outstanding Organization Recognition Program

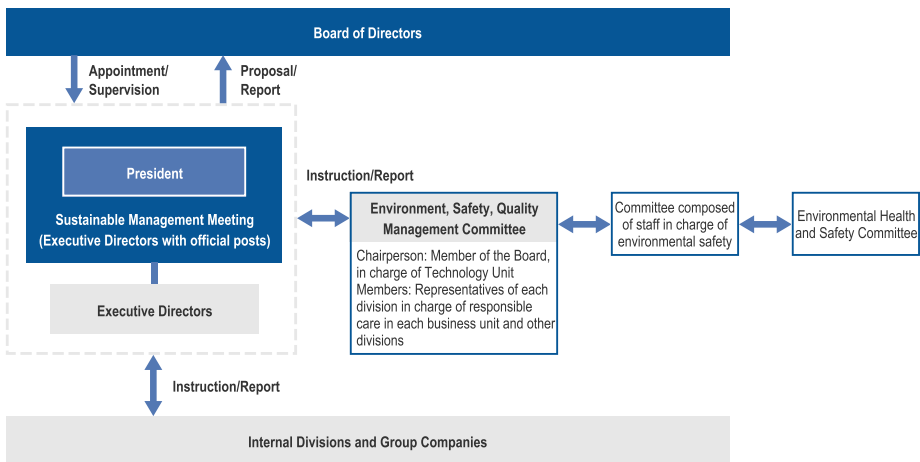
System

Based on "The Declaration on Environment, Health and Safety, and Quality", the Nippon Kayaku Group has established the "Environment, Safety, and Quality Management Committee," chaired by the executive director in charge of technology unit. Representatives of groups and related divisions also participate in the Environment, Safety, Quality Management Committee to discuss the formulation of the Responsible Care Policy and plan, the improvement of the occupational health and safety environment in the workplace, health enhancement activities, fire and disaster control, the creation of a comfortable workplace, etc. Key issues related to the occupational health and safety and the health and productivity management discussed by the Environment, Safety, Quality Management Committee are proposed and reported to the Board of Directors after approval at a Sustainable Management Meeting.

In association with the Environment, Safety, Quality Management Committee, we have a "Environment and Safety staff member committee". The committee is chaired by the Director of Environmental Protection & Safety Division. It is managed by the Environmental Protection & Safety Division. It is an administrative body which shares information and problems regarding the occupational health and safety management and health enhancement activities of the Nippon Kayaku Group and its sites and group companies and discusses key issues and problems of the entire Nippon Kayaku Group to achieve improvements for the Group, in cooperation with the Environment and Safety Department and the staff in charge of environmental safety at Nippon Kayaku's sites and Group companies.

The Environment, Health and Safety Committee of each site/group company meets once a month. They are joint labor and management organizations. At meetings of the Environment, Health and Safety Committees, both labor and management discuss the issues and problems at each site and the planning of solutions for the formation of a consensus.

In addition, Nippon Kayaku and the Nippon Kayaku Health Insurance Society have established the Collaborative Health Association, aiming to effectively and efficiently support the health maintenance and development of the employees and their families while collaborating and cooperating with each other, and the association exchange, reports, reviews, etc. information regarding health enhancement.



Group Companies that Have Acquired ISO45001 Certification

The Nippon Kayaku Group's consolidated subsidiary, Kayaku Safety Systems (Huzhou) Co., Ltd. has acquired ISO45001 certification, an international standard for occupational health and safety management systems. The certified rate in the applicable organizations in FY2022 is 5%. Please note that sites that have not acquired the certification also have an occupational health and safety management system on the same level as the ISO45001 standard.

Sites that Have Acquired the ISO45001 Occupational Health and Safety Management System Certification

Site	Acquisition date	Registered auditor	Certification No.
Kayaku Safety Systems (Huzhou)	January 2023	NQA	132021
Coverage*			5%

* Percentage of manufacturing facilities possessed by us and our consolidated subsidiaries that have acquired ISO45001 certification

Indicators

Key sustainability issues	Corresponding SDGs	Action plans	Indicators (KPI)	FY2025 Targets	FY2022 Results	FY2022 Topics for initiatives
Occupational Health and Safety in the Workplace	 	<ul style="list-style-type: none"> Strengthen the foundation for safe operation by thoroughly enforcing basic rules on safety and health and improving equipment and work procedures Implement health and productivity management and provide a workplace environment with a healthy work-life balance where employees can work with enthusiasm 	Number of serious accidents*	0	0	<ul style="list-style-type: none"> No accidents requiring time off work occurred on a non-consolidated basis at Nippon Kayaku, including Group companies and affiliates within Nippon Kayaku business premises Continuously obtaining Health & Productivity Management Outstanding Organizations certification Promoted activities to maintain and advance employee health to maintain certification Mental health training ended in the third year of the three-year plan The percentage of employees undergoing health checks was maintained at 100%
			Acquisition of certifications under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category)	(Non-consolidated) Acquired certification for 2023 Certified Health & Productivity Management Organization Recognition Program (Large Enterprise category)		
			Percentage of employees who take mental health training	(Non-consolidated) 100%	(Non-consolidated) 100%	
			Percentage of employees receiving regular health checkups	(Non-consolidated) 100%	(Non-consolidated) 100%	

* Accidents involving three or more people requiring time off work, or resulting in fatalities

Initiatives

Occupational Health and Safety

◆ Occupational Accidents

In FY2022, there were no serious accidents, including fatal occupational accidents, at Nippon Kayaku or its domestic or overseas group companies or subcontracting companies. The frequency and severity of the accidents requiring time off work at Nippon Kayaku (non-consolidated) and the subcontracting companies of Nippon Kayaku (non-consolidated) are both 0. In FY2022, there were no violations of laws, rules, norms, etc. related to occupational health and safety.

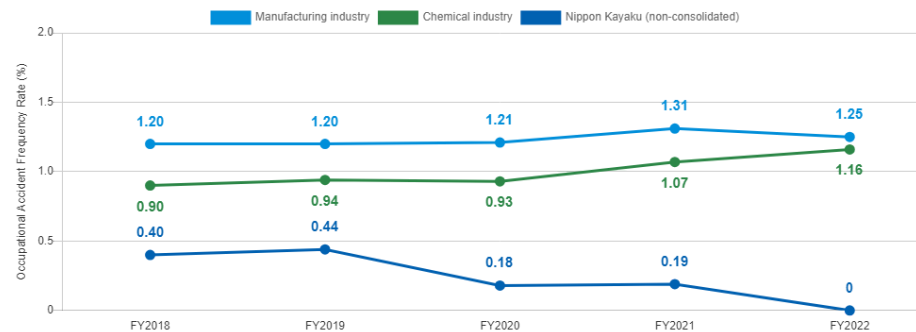
Number of Occupational Accidents

Indicators	Scope	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of fatal industrial accidents and serious accidents	Non-consolidated	Cases	0	0	0	0	0
	Non-consolidated, subcontracting companies	Persons	0	0	0	0	0
Number of industrial fatalities	Non-consolidated, subcontracting companies	Persons	0	0	0	0	0
	Domestic Group companies	Persons	0	0	0	1	0
	Domestic group companies and subcontracting companies	Persons	0	0	0	0	0
	Overseas group companies	Persons	1	0	0	0	0
	Overseas group companies and subcontracting companies	Persons	0	0	0	0	0
	Frequency rate of accidents requiring time off work	Non-consolidated	*1	0.43 (2 cases)	0.4 (2 cases)	0.18 (1 case)	0.19 (1 case)
	Non-consolidated, subcontracting companies	*1	4.47 (1 case)	0	0	0	0
Severity rate of accidents requiring time off work	Non-consolidated	*2	0.012	0.031	0	0	0
Number of violations of regulations and norms regarding occupational health and safety	Non-consolidated	Cases	0	0	0	0	0

*1 Number of industrial injuries per million cumulative actual working hours

*2 Cumulative number of lost working days for reasons of industrial injuries per thousand cumulative actual working hours

Occupational Accident Frequency Rates



◆ Audits

➤ [Responsible Care Audits](#)

◆ Occupational Health and Safety Initiatives for Achieving the Goals of Responsible Care

The results of the occupational health and safety initiatives for the FY2022 Responsible Care vision of the Nippon Kayaku Group are as follows.

Items	Target	Result	Evaluation
- Serious accidents / casualties	Zero	Zero	○
- Serious traffic accidents	Zero	Zero	○
1. Key issues in Responsible Care	Bolstering 30-second patrols and implementing fixed-point observation	We checked the situation of each site by Internal Audit (environmental health and safety diagnosis) and confirmed that, overall, they are promoting the initiatives.	○~△
2. Initiatives aimed at achieving zero accidents and disasters	Diagnostic methods with an emphasis on risk assessments	Implemented at Joetsu Plant, Kashima Plant, Himeji Plant, Fukuyama Plant, Asa Plant, Takasaki Plant and NIPPONKAYAKU FOOD TECHNO CO., LTD.	○
	Fixed-point observations tailored to the characteristics of each business location	A problem was found in the flow of the fixed-point observations according to some non-standard operation reports.	△
	Inspections and optimization of measures against heat stroke	The heat stroke countermeasure meetings, etc. were held in June to share and laterally share measures. *There was one heat-related illness accident that occurred.	○~△
3. Improvement of occupational health and safety in the workplace	Optimization of Responsible Care progress tables and visualization of activity status	We reviewed the Responsible Care progress tables at the beginning of the fiscal year and used them for the Internal Audit (environmental health and safety diagnosis).	○
	Compliance with changes in national chemical substance management policies (voluntary management through the RA of chemical substances)	We obtained information from the Japan Chemical Industry Association, etc. as required and organized issues and measures.	○
	Training and enhancement of disaster information communication systems	We implemented training using a safety confirmation system and emergency IP wireless devices	○

Evaluation criteria: ○ Achieved, ○~△ Mostly achieved

◆ Education and Training

The Nippon Kayaku Group provides health and safety training by position and rank based on the laws and regulations and the Responsible Care yearly plan. The health and safety training of the Nippon Kayaku Group covers a wide range of subjects, including acceptance training at move-in for new employees and employees who have been transferred at each site, pre-work safety training for employees who have been transferred between workplaces, safety training for new managers, training for forepeople implemented at each plant, training on chemical substances and their handling using chemical substance risk assessments, etc., and training on the basics of chemicals and laws and regulations.

Training is provided either online (e-learning or external lectures) or offline (group training and on-site on the job training). By efficiently and effectively implementing training, we aim to improve employees' awareness of health and safety.

Main Safety Training in FY2022

Name of training program	Main themes covered	Main target	FY	Training format	Frequency (times)	Number of attendees
New employee training*	Basic safety management rules	New employee	2022	Group training	1	46
Newly appointed manager training*	<ul style="list-style-type: none"> Safety management focusing on the obligation to protect safety at the workplace What the managers should know in the Nippon Kayaku Responsible Care activities The Nippon Kayaku Group's environment and climate change initiatives 	Newly appointed managers	2022	Group training	2	57

* Held annually

◆ Initiatives for Occupational Health and Safety in Cooperation with the Labor Union

> [Comfortable Workplace Environment \(Labor-Management Relations\)](#)

Health and Productivity Management

◆ Health Initiatives for the Responsible Care Vision

The results of the health initiatives for the FY2022 Responsible Care vision within the Nippon Kayaku Group are as follows.

Item	Target	Result	Evaluation
3. Improvement of occupational health and safety in the workplace	Compliance with changes in national chemical substance management policies (voluntary management through the RA of chemical substances)	Compliance with changes in national chemical substance management policies (voluntary management through the RA of chemical substances)	○
	Identifying and following up on high-stress workplaces through stress checks and organizational analysis	Implementing stress check and organization analysis according to the yearly plan	○
	Establishing a management system by creating a database of health check results (due to commence operation this fiscal year)	System construction is completed	△
	Continuously obtaining Health & Productivity Management Outstanding Organizations certification	2023 Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category) A future task is to implement a PDCA cycle using analyses of the health checkup results	○

* Evaluation criteria: ○ Achieved, △ Partially not achieved

◆ Physical Health

The Nippon Kayaku Group requires all employees to undergo regular health checkups as the basis for its health and productivity management. Employees receive advice and instructions from the industrial physician depending upon the results. Moreover, for employees who work with specified chemical substances, we offer opportunities for special health checkups. We also have a database of information about the hazardousness of chemical substances handled by us, based on which we carry out risk assessments to prevent incidents and avoid damage to employees' health. In addition, at each business site, we are promoting THP* for employees' mental and physical health, aiming to help employees review their lifestyle habits and promote their health in a continuous and planned manner in order to lead even healthier lives. We also hold events such as a physical fitness test, a health management competition, a walking rally and hiking events for employees.

* THP stands for Total Health promotion Plan for the execution of a PDCA cycle that includes the formulation of a health promotion plan, health testing, health instructions, health promotion based on the instructions, and the improvement of lifestyle habits and revitalization of the workplace.

Percentage of Employees Receiving Regular Health Checkups

Indicator	Scope	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Percentage of employees receiving regular health checkups*	Non-consolidated	%	100	100	100	100	100

* Excluding employees on temporary leave

◆ Mental Health

To both improve operational productivity and create added value, it is absolutely necessary to have a working environment where employees can work actively and maintain their physical and mental health.

In 2005, Nippon Kayaku announced its Declaration to Introduce a Mental Healthcare System under the name of the president, and has thoroughly instructed its managers on the declaration. For mental healthcare, it is important for all employees to continue to acquire accurate information and for the Company to be able to identify those who may be struggling with mental illness at work in order to help them at an early stage. We are therefore focusing on implementing health promotion measures by giving priority to the prevention of mental illness.

We started to provide mental health training in FY2005 by inviting speakers from an EAP* provider to give lectures. Since FY2006, we have been implementing a three-year plan for all employees to receive the training. Although we canceled group training due to COVID-19 and instead provided an e-learning seminar on self-care to all employees to help them deal with the changes in their environment caused by the COVID-19 pandemic and other factors in FY2020 and FY2021, we provided group training in a face-to-face lecture paying careful attention to prevent the spread of the infection.

For those who take leave due to mental illness, we offer a reinstatement program to support their smooth return to work and prevent a relapse based on collaboration between their managers and the industrial physician and counsellor in charge.

We launched the mandatory stress check program to be implemented on an annual basis in FY2015 in line with the Industrial Safety and Health Act, and over 97% of the employees participate in the check program every year (97.9% of employees took the stress check in FY2022). The results of the stress check are used to understand the stress conditions of individuals and understand and follow-up on high-stress workplaces by analyzing each organization as well.

* EAP: Employee Assistance Program

Mental Health-related Data

Indicator	Scope	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Percentage of employees undergoing a stress check*	Non-consolidated	%	97.5	97.3	97.2	98.1	97.9
Percentage of employees with high stress levels	Non-consolidated	%	10.0	9.6	9.5	10.6	10.0
Amount invested in mental health-related initiatives	Non-consolidated	Million yen	10.0	10.8	11.0	13.0	12.6

* Excluding employees on temporary leave

◆ Measures for Sites without Statutory Industrial Physicians

For health management at our business sites where the appointment of an industrial physician was not required by law*, employees at these sites were unable to be interviewed by industrial physicians after undergoing their statutory health checkups or the screening for adult-onset diseases provided by Nippon Kayaku's health insurance association. In FY2013, we began to conduct examinations for these business sites and decided to send industrial physicians from the Head Office to interview employees at the sites as required.

In FY2014, industrial physicians from the Head Office began to visit these sites across Japan once a year according to a predefined schedule. We also make use of an online conference system for the interviews.

* Business sites where the appointment of an industrial physician is not required by law: As provided for in Article 13 of the Industrial Safety and Health Act and in Article 5 of the Order for Enforcement of Industrial Safety and Health Act, sites with less than 50 employees are not required to appoint an industrial physician.



◆ Health Management Competition Held

Nippon Kayaku and some group companies have held a companywide health management competition since FY2018 to implement health enhancement promotion activities for employees. In FY2022, 2,422 people participated in it across the entire Nippon Kayaku Group (participation rate: 68.6%).

The companywide health management competition is implemented in March every year. The employees record their daily health activities for a month, which are then scored and summarized by the Environment and Safety Department of each site and group company. After that, the results are tallied and analyzed at Environmental Protection & Safety Division. The initiative's themes cover a wide range of activities, including exercise in the morning and at noon, a regular diet, tooth brushing, sleeping, number of steps taken as well as leisure and sports. Not only individuals but also teams are recruited to participate in the initiative.

We will continue to support the employees to maintain and improve their health through the companywide health management competition.

Health Management Competition Participants and Participation Rate

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Nippon Kayaku	Participants	Persons	937	1,349	1,566	1,976	2,105
	Participation rate	%	34.8	49.5	51.4	65.1	69.2
Group companies	Participants	Persons	9	280	263	82	317
	Participation rate	%	6.6	32.5	57.0	32.4	65.0
Entire Nippon Kayaku group	Participants	Persons	946	1,629	1,829	2,058	2,422
	Participation rate	%	33.4	45.4	52.1	62.6	68.6

◆ External Recognition

Nippon Kayaku has been recognized by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi as a company that views employee health management from a business perspective and strategically works to improve it and acquired certifications under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category).*

To maintain and enhance employees' health, Nippon Kayaku has been pursuing a number of initiatives. For example, we are keeping the percentage of employees who undergo regular health check-ups at 100% and providing stress check and mental health training. We received the certification in recognition of our having extracted issues from the initiatives for health enhancement and taken many measures to address them within a wide range, such as initiatives for improving health checkup results, countermeasures against exposure to environmental tobacco smoke, and health development events for all employees, while considering COVID-19 pandemic countermeasures.

Nippon Kayaku considers the enhancement of employee health as necessary for the prosperity for the company and the improvement of stakeholders' satisfaction and it will continue to actively work on health and productivity management.



* Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category): Certified organizations in the large enterprise category targeting on large-scale enterprises and medical corporations in the certification program "Certified Health & Productivity Management Outstanding Organizations Recognition Program" established by the Ministry of Economy, Trade and Industry in 2016.