














Achievements of the Mid-term CSR Action Plan in 2020

ESG	No	Important CSR Issues	Mid-term CSR Action Plan 2019-2021	Key Indicators (KPI)	FY2021 Targets	FY2020 Progress	Topics on FY2020 initiatives	target SDGs	
S	1	Innovation through business	<ul style="list-style-type: none"> Business divisions will work as one team on pursuing R&D with an eye on exit to market, and create new products and businesses in core businesses and areas of synergy. Invest management resources in medium and long-term R&D themes while enhancing core technologies and meeting the future needs of society. 	Amount invested in R&D over three years	(Consolidated) 40 billion over 3 years	(Consolidated) ¥12.4 billion/ FY 2020 / ¥23.5 billion / FY 2019 - 2020	<p>Worked on various initiatives involving new products and businesses in all the Company's divisions</p> <ul style="list-style-type: none"> Acquired Teikoku Tapping System Co., Ltd., a semiconductor manufacturing equipment manufacturer Development of inkjet ink for flexible packaging (film) (scheduled for launch in fiscal 2021) With a view to contributing to a hydrogen society, we aim to test a catalyst for the manufacture of a completely green hydrogen using solar (heat) The X-ray tube and windows made by Moxtek on board NASA Mars Explorer contribute to the search for life on Mars. Started research on biotechnology and polymer technologies with biopharmaceutical companies, etc. Began initiatives at Cultivics Co., Ltd. for the domestic manufacturing of Portlaza® Continue development of parachute safety devices for drones, and plan to commercialize and launch products in fiscal 2021 Promote acquisition of overseas registration for insecticide fine save Promotion of synthetic exploratory research and innovative formulation themes for agrochemicals 		
	2	Quality and customer safety	<ul style="list-style-type: none"> Make ongoing improvements to the quality management system and work to strengthen local management capabilities, and create a stronger quality management and quality assurance system. Pursue quality management, improve the level of production technology and expertise, and work to reduce flaws in the process. 	Number of serious complaints by customers※1 Number of serious flaws in processes※1	(Consolidated) 0 complaints	(Non-consolidated) 0 complaints	<ul style="list-style-type: none"> Strengthen relationships with contract manufacturers and strengthen through quality control at contract manufacturers in order to reduce the impact of quality issues at contract manufacturers on the stable supply of our products Functional Chemicals Group and Agrochemicals Group start integrated operation of QMS, including plants and laboratories 		
	3	Business partner assessment	<ul style="list-style-type: none"> Implement supply chain management that takes environmental and social aspects into consideration, based on the CSR Procurement Guidelines. 	Number of times assessments of main business partners are performed	(Non-consolidated) 50 times/year	(Non-consolidated) 19 companies	<ul style="list-style-type: none"> In the event that on-site audits at business partners were not possible due to the impact of the spread of COVID-19 Pandemic, a written audit was conducted 48 on-site audit plans (result: 19 on-site audits, 29 written audits), 65 written audit plans (implementation: 65) Verified the following from 281 responses to a CSR questionnaire sent to 850 of our business partners Environmental protection initiatives: no negative environmental impact Social initiatives: No instances of harassment, discrimination, forced labor, inappropriate work hours or wages, or other anti-social or adverse behavior 		
	E	4	Energy use and greenhouse gases Wastewater and waste Efficient use of water resources Use of materials that contribute to resource conservation	<ul style="list-style-type: none"> Pursue activities to save energy and combat global warming. Achieve the environmental targets for FY2020 and formulate targets for FY2030. Work to integrate ISO 14001 company-wide and advance environmental management that addresses both the risks and opportunities of environmental problems. 	Mid-term environmental targets - Amount of CO2 emitted from energy sources - VOC emissions volume - COD emissions volume - Volume of waste generated - Recycling rate - Zero emissions rate Company-wide integration of ISO 14001 Formulation of 2030 environmental targets	FY2020 Target (Non-consolidated) 79,500 tons or less (Non-consolidated) 42 tons or less (Non-consolidated) 150 tons or less (Non-consolidated) 22,700 tons (Non-consolidated) 23,500 tons or less (Non-consolidated) 80% or higher (Non-consolidated) 3% or lower (Non-consolidated) Formulation	(Non-consolidated) 69,300 tons (Non-consolidated) 33.3 tons (Non-consolidated) 122.6 tons (Non-consolidated) 22,700 tons (Non-consolidated) 83.7% (Non-consolidated) 1.4% (Non-consolidated) Pending Formulated	<ul style="list-style-type: none"> Achieved all medium-term environmental targets for fiscal 2020 Company-wide consolidation of ISO14001 is pending Regarding the new medium-term environmental targets up to fiscal 2030, the scope of global warming prevention-related issues was expanded to include group companies, greenhouse gas emissions (Scope1+2) were reduced by at least 32.5% compared to fiscal 2019, and the scope of COD emissions and waste reduction items was maintained as Nippon Kayaku Co., Ltd. on a non-consolidated basis. VOC emissions are eliminated from the new medium-term environmental targets because the achievement of the targets by fiscal 2020 is expected to be fully achieved in the future 	
		5	Occupational health and safety in the workplace	<ul style="list-style-type: none"> Strictly follow basic rules on health and safety and improve equipment and work procedures to build a strong foundation for safe operations. Promote health management and provide a workplace environment that enables employees to work with enthusiasm and achieve work-life balance. 	Number of serious accidents※2 White 500 certification Percentage of employees taking paid leave Percentage of employees who take mental health training Percentage of employees who undergo regular health check-ups	(Consolidated) 0 incidents (Non-consolidated) Maintain certification (Non-consolidated) 70% (Non-consolidated) 100%※3 (Non-consolidated) 100%	(Non-consolidated) 0 incidents Recognized as a Certified Health and Productivity Management Organization under the Large Enterprise Category (Non-consolidated) 65.8% (Non-consolidated) Mental health training was canceled (Non-consolidated) 100%	<ul style="list-style-type: none"> Acquired certification for 2021 Certified Health and Productivity Management Organization (Large Corporate Division). In fiscal 2019, White 500 and outstanding health and productivity management corporations (large-scale corporate division) were the same. However, since the selection criteria for White 500 changed from fiscal 2020, we judged that from fiscal 2020 onward we will achieve this by acquiring certification for outstanding health and productivity management corporations (large-scale corporate divisions) Mental health training discontinued due to the impact of the COVID-19 Pandemic The percentage of employees taking paid leave improved from 60.1% in fiscal 2019, although the target for fiscal 2021 was not achieved 	
	G	6	Compliance	<ul style="list-style-type: none"> Exercise strict compliance, which is a basic principle upon which we conduct corporate activities, and operate the business in a fair manner. Establish a basic policy on preventing corruption, and maintain and strengthen an open and honest corporate culture with high ethical values. 	Number of serious compliance violations※4 Formulation of a basic policy on preventing corruption Coverage ratio of companies implementing compliance training	(Consolidated) 0 incidents	(Consolidated) 0 incidents	<ul style="list-style-type: none"> No significant compliance violations Prepare a draft of the Basic Policy on Combating Bribery and hold briefings and hearings Conducted training for all domestic group companies under the theme of "Enforcement of Power Harassment Legislation" 	
S	7	Provision of appropriate information on products and services	<ul style="list-style-type: none"> Increase the presence of the Nippon Kayaku Group by complying with regulations in each business and providing appropriate information and technical services to customers. 	Regularly conducting customer satisfaction surveys	(Non-consolidated) Implementation	(Consolidated) Implementation	<ul style="list-style-type: none"> In our Functional Chemicals Business, we provide customers with SDS and product labels that conform to national standards, and provide information on chemical substances and appropriate handling information to ensure the safe use of our products. In addition, we respond to various requests for studies from customers and provide appropriate survey results and information In our Pharmaceuticals Business, we achieved a reduction in the call abandonment rate for inquiries to the Pharmaceutical Information Center In our Safety Systems Business, items contributing to customer satisfaction are set as business plans, quality policies, and targets based on responses to customer satisfaction surveys, and it is confirmed that they are maintained In our Agrochemicals Business, we have established a system for collecting harmful insects, evaluating their effectiveness, and providing feedback to guidance agencies, and respond to studies to verify the effectiveness of agrochemicals 		
	8	Maintaining and expanding employment and development of human resources	<ul style="list-style-type: none"> Promote diversity and inclusion by hiring diverse human resources and effective human resource allocation and exchanges. Pass down and strengthen technical capabilities in monozukuri (manufacturing) and achieve globalization in human resources through ongoing human resource development. 	Percentage of female managers Percentage of people with disabilities employed Amount invested in education and training per employee	(Non-consolidated) 8%※5 (Non-consolidated) 2.3% (Non-consolidated) Note results only	(Non-consolidated) 8.6% (Non-consolidated) 1.97% (Non-consolidated) ¥35,706 / person	<ul style="list-style-type: none"> The ratio of female managers increased further from 8.4% in fiscal 2019 The percentage of female managers is set at 10% as a new target for fiscal 2024 The number of male employees taking childcare leave increased to 31 (81.5% of the target) (25 (59.5%) in fiscal 2019) Continue collaboration with special support schools as an initiative to employ people with disabilities Postponed or discontinued some training due to the COVID-19 Pandemic 		
	9	Respect for human rights and assessment	<ul style="list-style-type: none"> Operate businesses in a manner that considers the human rights of employees and all people involved in the supply chain. 	Number of training sessions held on human rights	(Non-consolidated) Once a year or more	(Non-consolidated) Once	<ul style="list-style-type: none"> Conducted training on the theme of basic human rights "unsolicited discrimination" 		
	10	Local communities	<ul style="list-style-type: none"> Actively communicate with local communities where our businesses are located and strive to co-exist and prosper together with them as a company rooted in the local community. 	Total number of informal community gatherings Expenditures on social contributions※6	(Consolidated) Note results only (Non-consolidated) Note results only	(Consolidated) 5 times (Non-consolidated) ¥146 million	<ul style="list-style-type: none"> Many regional meetings were discontinued due to the COVID-19. Pandemic Social contribution expenditure decreased due to the cancellation of many events affected by the spread of COVID-19 Pandemic 		
	11	Economic performance	<ul style="list-style-type: none"> Generate stable profits and return profits to society while reinvesting profits as management capital to achieve sustainable growth and enhance corporate value. 	ROE Amount of tax paid Capital investments over three years	(Consolidated) 8% (Consolidated) ¥5.6 billion (Consolidated) ¥50.0 billion over three years	(Consolidated) 5.8% (Consolidated) ¥5.8 billion (Consolidated) ¥8.4 billion / FY 2020 / ¥22.9 billion / FY 2019 - 2020	<ul style="list-style-type: none"> Both net sales and net income decreased 1% year on year due to the impact of the expansion of COVID-19. Pandemic In regard to capital investment, we will consider the impact of the COVID-19 Pandemic on our financial position, clarify our priorities, and make necessary investments 		
G	12	Strengthening corporate governance	<ul style="list-style-type: none"> Strengthen corporate governance of the entire group and manage in a highly transparent and sound manner. 	Number of times that the effectiveness of Board of Directors meetings is evaluated Number of times internal business audits are performed by the Audit Division	(Non-consolidated) Once a year (Consolidated) 45 times over three years	(Consolidated) Once (Consolidated) 13 times / FY2020 26 times / FY 2019 - 2020	<ul style="list-style-type: none"> Establishment and holding of the Nomination and Remuneration Advisory Committee Establishment and Disclosure of Corporate Governance Basic Policy Added one outside director 		
	13	Ensuring business continuity	<ul style="list-style-type: none"> Ensure business continuity by responding to the many different risks associated with our businesses, maintaining the production structure, securing the appropriate materials, and strengthening disaster response measures. 	Implementation rate for the top five risk control activities Number of times BCP drills are conducted	(Consolidated) 100% (Consolidated) Once a year or more	(Consolidated) 100% (Consolidated) 2 times	<ul style="list-style-type: none"> Conducted BCP drills linking multiple sites via the web Introduced staggered work and telecommuting mainly at the head office, provided sanitary equipment to overseas group companies, and promoted the use of online conferences as a measure to combat the outbreak of COVID-19 Pandemic 		

(E)Environment (S)Social (G)Governance

※1: Losses of 10 million yen or higher
 ※2: Accidents resulting in time off work for three or more people simultaneously or accidents resulting in death
 ※3: Cumulative amount over the three year period from 2018 to 2020
 ※4: Number of incidents deemed serious by the Ethics Committee or the Risk Management Committee
 ※5: Target for the end of FY2020
 ※6: Expenses for donations, Asunaro House activity expenses, plant festivals, and other local events

Highest Priority Issues

Important