## KAYAKU Next Stage Mid-term CSR Action Plan 2019-2021 for ISO26000 Core Subjects

ESG No				Mid-term CSR Action Plan 2019-2021	ISO26000 Core Subjects and Related Issues																	
			Important CSR Issues		Organizational Human rights									Labor practices					The environment			
		No			Decision-making		Human rights risk situations	of		and vulnerable			principles	Employment and employment relationships		Social dialogue (※N/A)		d Human development and training in the workplace	Prevention of pollution		change	Protection of the environment, d biodiversity and restoration of natural habitats
Highest Priority Issues		1	Innovation through business	<ul> <li>Business divisions will work as one team on pursuing R&amp;D with an eye on exit to market, and create new products and businesses in core businesses and areas of synergy.</li> <li>Invest management resources in medium and long-term R&amp;D themes while enhancing core technologies and meeting the future needs of society.</li> </ul>																0	0	0
	S	2	Quality and customer safety	<ul> <li>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.</li> <li>Pursue quality management, improve the level of production technology and expertise, and work to reduce flaws in the process.</li> </ul>																		
		3	Business partner assessment	Implement supply chain management that takes environmental and social aspects into consideration, based on the CSR Procurement Guidelines.		O	O	0												0		
	E	4	Energy use and greenhouse gases Wastewater and waste Efficient use of water resources Use of materials that contribute to resource conservation	<ul> <li>Pursue activities to save energy and combat global warming. Achieve the environmental targets for FY2020 and formulate targets for FY2030.</li> <li>Work to integrate ISO 14001 company-wide and advance environmental management that addresses both the risks and opportunities of environmental problems</li> </ul>															O	O	0	
	G	5	Occupational health and safety in the workplace	<ul> <li>Strictly follow basic rules on health and safety and improve equipment and work procedures to build a strong foundation for safe operations.</li> <li>Promote health management and provide a workplace environment that enables employees to work with enthusiasm and achieve work-life balance.</li> </ul>													O		0			
	G	6	Compliance	<ul> <li>Exercise strict compliance, which is a basic principle upon which we conduct corporate activities, and operate the business in a fair manner.</li> <li>Establish a basic policy on preventing corruption, and maintain and strengthen an open and honest corporate culture with high ethical values.</li> </ul>	O			0		0	0	0	0									
Important Issues		0	Provision of appropriate information on products and services	Increase the presence of the Nippon Kayaku Group by complying with regulations in each business and providing appropriate information and technical services to customers.																		
	6	8	Maintaining and expanding employment and development of human resources	<ul> <li>Promote diversity and inclusion by hiring diverse human resources and effective human resource allocation and exchanges.</li> <li>Pass down and strengthen technical capabilities in monozukuri (manufacturing) and achieve globalization in human resources through ongoing human resource development.</li> </ul>		O	0			0		0	0	O				0				
	Ŭ	9	Respect for human rights and assessment	• Operate businesses in a manner that considers the human rights of employees and all people involved in the supply chain.		O	O					$\circ$	O	0	O			O				
		10	Local communities	• 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.						0												
		0	Economic performance	• Generate stable profits and return profits to society while reinvesting profits as management capital to achieve sustainable growth and enhance corporate value.	O																	
		12	Strengthening corporate governance	• Strengthen corporate governance of the entire group and manage in a highly transparent and sound manner.	O												0					
	G	13	Ensuring business continuity	• 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.	O																	

			lo Important CSR Issues		ISO26000 Core Subjects and Related Issues																		
		No			Fair operating practices Anti- Responsible Fair Promoting Respect for					Durat		nsumer issues				Community involvement and d Community Education Employment Technology				-			
	ESG			Mid-term CSR Action Plan 2019-2021		Responsible political involvement	competi-		Respect fo property rights	marketing,	consumers' health and	Sustainable consumption		data protection	essential services	and	involve-		creation and		income		Social nvestment
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