

CSR Action Plan

This table lists the Nippon Kayaku Group's CSR Action Plan as it relates to the Group's activities. Also included are self-assessments of those activities. Plans are in place next fiscal year to formulate a Mid-term CSR Action Plan synchronized with the Group's Three-Year Mid-term Business Plan.

CSR Activities		Action Plan	FY 2011 Targets	FY 2011 Results	Assessment	FY 2012 Targets	
Foundational CSR Activities		Assure business continuity	<ul style="list-style-type: none"> Complete company-wide business continuity rules and a business continuity manual for major business units Address infrastructure/facility issues (communication methods and electricity procurement during a natural disaster) 	<ul style="list-style-type: none"> Formulated 4 company-wide or division-specific procedures related to the BCP and a total of 6 procedures dedicated to emergency resumption of head office functions New infrastructure (procured satellite phones and began regular transmission tests) 	○	<ul style="list-style-type: none"> Enhance BCP procedures and manual Implement instruction and training 	
		Promote our corporate vision and CSR	<ul style="list-style-type: none"> Continue with training sessions and enhance content Combine and follow through with corporate vision- and CSR-related projects Continue with promotional activities through meetings and internal company magazine 	<ul style="list-style-type: none"> Implemented 13 CSR educational training sessions Displayed the Corporate Vision bulletin board at all Nippon Kayaku Group companies and business offices Continued carrying out promotional activities through meetings and our internal company magazine 	○	<ul style="list-style-type: none"> Continue with training sessions and enhance content Manage organization of CSR-related projects in a trans-divisional fashion Continue promotional activities through meetings and the internal company magazine 	
		Promote compliance	<ul style="list-style-type: none"> Hold 65 compliance training sessions for 2,300 employees Enhance compliance survey (revise questions; achieve 95% or better return rate) 	<ul style="list-style-type: none"> Implemented compliance training (82 sessions with 2,870 participants) Conducted compliance survey (revised questions; 97.3 % return rate) 	○	<ul style="list-style-type: none"> Implement compliance training in pharmaceutical sales offices (not covered in FY 2011) as part of compliance training for all employees Further update the compliance survey (enhance question and answer choices) 	
		Resolve business issues proactively	<ul style="list-style-type: none"> Register 110 or more themes for creative group activities 	<ul style="list-style-type: none"> Registered 96 themes for creative group activities 	△	<ul style="list-style-type: none"> Register 110 or more themes for creative group activities 	
Social Responsibility CSR Activities	Customers	Gain trust	<ul style="list-style-type: none"> Set transparency guidelines for product promotion Establish methods for disclosing cost data 	<ul style="list-style-type: none"> Formulated a Guide for Transparency between Nippon Kayaku and Health Care Institutions Refined our expense processing system, adding new aggregate accounting and disclosure features 	◎	<ul style="list-style-type: none"> Confirm cumulative statistics for each category disclosed Implement practice simulation in preparation for disclosure 	
			<ul style="list-style-type: none"> Continue conducting onsite instruction efforts for safe agrochemical use 	<ul style="list-style-type: none"> For safe use of agrochemicals, conducted onsite instruction; increased the number of instruction briefings over last year 	○	<ul style="list-style-type: none"> Continue conducting onsite instruction efforts for safe agrochemical use 	
	Society	Contribute to the health of society	<ul style="list-style-type: none"> Continue Pink Ribbon activities Set up an internal Pink Ribbon website Distribute Pink Ribbon awareness products to all employees Promote Pink Ribbon awareness through a video on the Company website 	<ul style="list-style-type: none"> Employees wore Pink Ribbon badges; Pink Ribbon Campaign awareness products distributed outside the company; Pink Ribbon bumper stickers made available Brought on line an internal Pink Ribbon website (received 3,000 views) Distributed campaign awareness products to all employees, including Group companies Promoted efforts through videos displayed on the Nippon Kayaku website 	○	<ul style="list-style-type: none"> Continue Pink Ribbon activities Expand distribution of campaign awareness products company-wide (3 additional business offices) Continue internal Pink Ribbon website 	
			<ul style="list-style-type: none"> Continue managing and operating Asunaro House Review facilities and equipment (A/C, kitchen area, etc.) and operations (staff) to ensure the highest usability 	<ul style="list-style-type: none"> 133 families used Asunaro House in the 2011 calendar year Re-equipped all guest rooms with new AC units 	○	<ul style="list-style-type: none"> Continue managing and operating Asunaro House Review management practices in order to make the House as user-friendly as possible 	
		Implement local area exchange activities	<ul style="list-style-type: none"> Factory festival visitors: 10,000 Enthusiastically promote public lectures and open house tours 	<ul style="list-style-type: none"> Factory festivals: 6 events; 9,900 visitors Public lectures and open house tours: 7 events 	○	<ul style="list-style-type: none"> Factory festival visitors: 10,000 Enthusiastically promote public lectures and open house tours 	
		Provide a safe workplace environment	<ul style="list-style-type: none"> Confirm earthquake resistance status of all business locations nation-wide and relocate any that do not meet prescribed standards Have zero major accidents, zero lost worktime accidents, and 1 or less non-injury-related accidents (5 or less non-lost worktime accidents) Achieve a work-related vehicle accident rate of 3% or less Continue implementing instruction by employing safety instruction check sheets, etc. 	<ul style="list-style-type: none"> Finished relocating business locations that did not meet earthquake resistance standards (2 branches, 6 sales offices) 0 major accidents; 1 lost worktime accident; 0 non-injury-related accidents 0.55 non-lost worktime accident rate (3 accidents) Work-related vehicle accident rate: 10.5%; 42 accidents 	○	<ul style="list-style-type: none"> Expand disaster preparation measures at each business location Have zero major accidents, zero lost worktime accidents, and zero non-injury-related accidents; a non-lost worktime accident rate of 1 (5 accidents) or lower Achieve a vehicle accident rate of 4% or lower during work tasks or commuting by pharmaceutical MRs 	
		Work-life balance	<ul style="list-style-type: none"> Expand half-day paid-leave system (e.g., the number of times employees take part; bringing re-hired employees into the system) 	<ul style="list-style-type: none"> Held regular monthly explosive handling instruction carried out by the explosives safety maintenance team targeting all non-office workers 	○	<ul style="list-style-type: none"> With an aim to raise the level of safety, continue implementing explosives safety instruction through the education program in place to promulgate safety awareness 	
	Employees	Create a healthy workplace	<ul style="list-style-type: none"> Mental health training: achieve 100% participation in lectures as per the 3-year plan Health check-ups: continue 100% participation rate High workload employees: achieve 100% participation rate in consultations 	<ul style="list-style-type: none"> Mental health training: completed the 3rd year of a 3-year plan encompassing all employees Health check-ups: 100% participation rate High-workload employees: 100% received consultations with an occupational physician 	○	<ul style="list-style-type: none"> Mental health training: achieve 100% participation in lectures as per a newly commenced 3-year plan Health check-ups: continue 100% participation rate High workload employees: achieve 100% participation rate in consultations 	
			<ul style="list-style-type: none"> Improve hiring rate for workers with disabilities Promote diversity 	<ul style="list-style-type: none"> Began collaboration with a special school for the disabled in order to hire workers with disabilities Achieved a near 100% re-hiring rate for retirees who elected to stay on after retirement age 	○	<ul style="list-style-type: none"> Actively continue hiring workers with disabilities 	
		Create an employee-friendly workplace	<ul style="list-style-type: none"> Improve usage rate through greater recognition of the Next Generation Childcare Support program 	<ul style="list-style-type: none"> Formulated third Next Generation Childcare Support program plan Met qualification standards to carry the Kurumin mark Held a children's visitation tour of Company facilities (Tokyo business office and Head Office) 	○	<ul style="list-style-type: none"> Use a working committee for the Act on Advancement of Measures to Support Raising Next-Generation Children to increase awareness inside the workplace of related programs and possible work environment improvements 	
			<ul style="list-style-type: none"> Implement training on rankism/abuse of authority Continue to respond professionally to reports to the whistleblower hotline 	<ul style="list-style-type: none"> Implemented training on power harassment as part of compliance training seminars Responded appropriately to 10 reports to the whistleblower hotline 	○	<ul style="list-style-type: none"> Post whistleblower hotline Q&A entries in the internal company magazine and work to spread understanding of the hotline Respond appropriately to future reports to the whistleblower hotline 	
		Share information internally	<ul style="list-style-type: none"> Internal company magazine: review measures to increase readership Use the Intranet and other avenues to disperse information and share news within the Company 	<ul style="list-style-type: none"> Internal company magazine: reviewed content and redesigned layout to improve its appeal 	○	<ul style="list-style-type: none"> Communicate information and share internal company news using the internal company magazine and Intranet 	
<ul style="list-style-type: none"> Expand green procurement 			<ul style="list-style-type: none"> Review aggregate accounting results and set targets 	<ul style="list-style-type: none"> Results from 'green procurement' through the indirect materials purchasing system (FY 2011): ¥24 million of materials purchased; 5% purchasing rate 	○	<ul style="list-style-type: none"> Implement aggregate accounting for quantities of raw materials and indirect materials acquired through green procurement 	
Environmental Responsibility CSR Activities	Society	<ul style="list-style-type: none"> Strictly adhere to regulations on chemical substances 	<ul style="list-style-type: none"> Proceed with early adoption and stable use of the updated GHS version for our MSDS authoring system Establish rules for constructing and managing an RC system with MSDgen and R3 Review communication tools for further enhancing green procurement within our supply chain 	<ul style="list-style-type: none"> Upgraded MSDgen (the MSDS document issuing system) and promoted automation of sorting products into GHS categories Employed a Chemical Substances Management System and submitted notifications for general chemical substances, etc. as per the Chemical Substances Control Law Participated in the OR2IS Project for the REACH supply chain information transfer system, and introduced the system in-house 	○	<ul style="list-style-type: none"> Spearheaded by the newly formed Chemical Management Office, enhance instructional programs related to chemical substance regulations and promote chemical substance compliance from the bottom up Advance the effective use of MSDgen and respond swiftly to issuing and revising MSDSs for products on the market and products under development Further encourage suppliers and users to share REACH importer information by using OR2IS within the supply chain 	
		<ul style="list-style-type: none"> Reduce environmental impacts of overseas production bases 	<ul style="list-style-type: none"> Implement measures to remove pigments from waste water while reducing COD At Zhaoyuan Advanced Chemical Co., Ltd. (China), install waste water electrolysis equipment with Japanese proprietary water treatment technology Test waste water samples to verify the effectiveness of a similar treatment method at Wuxi Advanced Kayaku Chemical Co., Ltd. (China) 	<ul style="list-style-type: none"> Zhaoyuan Advanced Chemical Co., Ltd. (China): installed electrolysis equipment from Japanese manufacturers and are currently monitoring the conditions of waste water treatment Wuxi Advanced Kayaku Chemical Co., Ltd. (China): testing of waste water samples put on hold due to the time required for waste water treatment at Zhaoyuan Advanced Chemical Co. Process steps allocated to allow for monitoring of waste water treatment necessitated by new products 	△	<ul style="list-style-type: none"> Continue to further implement measures to remove pigments from waste water while reducing COD Zhaoyuan Advanced Chemical Co., Ltd. (China): commence operation of waste water electrolysis equipment Wuxi Advanced Kayaku Chemical Co., Ltd. (China): expand scale of activated sludge treatment equipment and prepare for the introduction of new products 	
		Reduce emissions of chemical substances	<ul style="list-style-type: none"> Set new Mid-Term Environmental Targets out to FY 2020 VOC emissions: reduce annual aggregate emissions of all organic chemical compounds released into the atmosphere to 45 t or less (applicable not only to those compounds stipulated by government or Japan Chemical Industry Association regulations) COD emissions: newly add this target category and keep emissions to 180 t or less annually 	<ul style="list-style-type: none"> VOC emission: 92 t (13% YoY reduction; substances subject to government reporting requirements: 22 t; substances subject to JCIA reporting requirements: 18 t) COD emissions: 123 t (23% YoY reduction) 	○	<ul style="list-style-type: none"> Mid-term environmental targets out to FY 2020 VOC emissions: reduce annual aggregate emissions of all organic chemical compounds released into the atmosphere to 45 t or less (applicable not only to those compounds stipulated by government or JCIA regulations) COD emissions: hold to 180 t or less annually 	
		Minimize production of wastes	<ul style="list-style-type: none"> Set new Mid-Term Environmental Targets out to FY 2020 Total waste produced: 30,000 t or less Total landfill waste produced: 3% or lower zero emission rate Improve recycling rate: 70% or better 	<ul style="list-style-type: none"> Total waste produced: 22,298 t (15% YoY reduction) Total landfill waste produced: 13% zero emission rate (1% increase YoY) Recycling rate: 63.5% (1.4% YoY increase) 	○	<ul style="list-style-type: none"> Mid-term environmental targets out to FY 2020 Total waste produced: 30,000 t or less Total landfill waste produced: 3% or lower zero emission rate Improve recycling rate: 70% or better 	
		Prevention of global warming	<ul style="list-style-type: none"> Set new Mid-Term Environmental Targets out to FY 2020 Achieve a 15% or greater reduction (over FY 1990 levels) of energy-derived CO₂ emissions, including business office divisions 	<ul style="list-style-type: none"> Energy-derived CO₂ emissions: 21.2% reduction over FY 1990 levels (75,800 t emitted) 	◎	<ul style="list-style-type: none"> Mid-term environmental targets out to FY 2020 Achieve a 15% or greater reduction (over FY 1990 levels) of energy-derived CO₂ emissions, including business office divisions 	
		Reduce exhaust emissions	<ul style="list-style-type: none"> Achieve a 100% low-emission vehicle adoption rate for medical representatives, except in colder climate areas 	<ul style="list-style-type: none"> Low-emission vehicle adoption rate for MRs (except in colder climate areas): 100% 	○	<ul style="list-style-type: none"> This goal has been achieved, so no future additions are necessary 	
Financial Responsibility CSR Activities	Customers	<ul style="list-style-type: none"> Develop products that benefit patients 	<ul style="list-style-type: none"> Begin phase III trial of polymeric micelle anti-cancer drug NK105 and start phase I trial for NK012 in another indication Biosimilar antibody drugs: implement phase I/II comparative clinical trials Embolitic microsphere products: complete clinical trials and submit New Device Approval 	<ul style="list-style-type: none"> Decision made on the start of phase III trials for NK105; started phase I trial for NK012 in another indication Biosimilar antibody drugs: completed registration for phase I/II comparative clinical trials Embolitic microsphere products: completed clinical trials and applied for approval 	◎	<ul style="list-style-type: none"> NK105: start phase III trial; NK012: complete phase I and plan phase II design Biosimilar antibody drugs: prepare for application and plan phase I/II comparative clinical trials Embolitic microsphere products: follow up on New Device Approval 	
		<ul style="list-style-type: none"> Increase number of environmentally friendly products 	<ul style="list-style-type: none"> Functional chemical products: achieve a 2% year-on-year increase in net sales of ecofriendly semiconductor encapsulation materials Automotive safety parts: continue with development aimed at inflator weight reduction in line with our mid-term plan Agrochemicals: take steps to begin agrochemical application of our physical pest control agent under development 	<ul style="list-style-type: none"> Sales of epoxy resin declined due to the weakness in the semiconductor market, and proportionate sales of ecofriendly epoxy resins fell slightly Currently developing mass market versions of the above ecofriendly epoxy resin and a curing agent 	△	<ul style="list-style-type: none"> Functional chemical products: achieve a 2% year-on-year increase in net sales of ecofriendly semiconductor encapsulation materials 	
		Enhance information disclosure practices	<ul style="list-style-type: none"> Restructure and upgrade the cancer-specialist MR system Respond promptly to questions from medical institutions by introducing new information devices 	<ul style="list-style-type: none"> Restructured the cancer-specialist MR system and started a new training system Responded promptly to queries from medical institutions through the introduction of new (tablet) information devices 	○	<ul style="list-style-type: none"> Use the new cancer-specialist MR system and boost the level of MR competency Establish a framework for promptly responding to drug side effect issues using the new information devices 	
		Provide the best products to customers	<ul style="list-style-type: none"> Achieve zero high-level (those of ¥10,000,000 or more) customer complaints Achieve zero high level (those of ¥10,000,000 or more) quality process mishaps 	<ul style="list-style-type: none"> High-level (those of ¥10,000,000 or more) customer complaints: 2 High-level (those of ¥10,000,000 or more) quality process mishaps: 1 	△	<ul style="list-style-type: none"> High-level (those of ¥10,000,000 or more) customer complaints: zero High-level (those of ¥10,000,000 or more) quality process mishaps: zero 	
		Develop products gentle on the users	—	—	—	—	<ul style="list-style-type: none"> Contribute to enhancing technology for further safeguarding vehicle passengers and pedestrians through the development of gas projection devices for use in pop-up engine hoods and seat lifting mechanisms
	Shareholders	Boost information dissemination and continue information disclosure	<ul style="list-style-type: none"> Continue with these activities: earn the confidence of shareholders through appropriate financial results briefings, responses to interview requests, and disclosure of information 	<ul style="list-style-type: none"> Held bi-annual financial results briefings with institutional investors Responded to 179 requests for IR interviews Updated information displayed on our website 17 times 	○	<ul style="list-style-type: none"> Continue holding appropriate financial results briefings, responding to interview requests, and disclosing information to further earn the confidence of shareholders 	

◎ target achieved ○ almost achieved △ under-going efforts toward improvement