



## Environment, Health and Safety, and Quality Assurance Management System

We prioritize health, safety and environmental matters in our management of the company as well as strive to reduce our impact on the environment through the reduction of environmental emissions across the entire Nippon Kayaku Group.

### The Declaration on Environment, Health and Safety, and Quality

The Nippon Kayaku Group, under the spirit of its CSR philosophy and Responsible Care,<sup>\*1</sup> has formulated The Declaration on Environment, Health and Safety, and Quality, in order to maintain and enhance its environmental protection, health and safety and quality assurance practices. We are also implementing this declaration using organized activities.

#### The Declaration on Environment, Health and Safety, and Quality

Enacted November 7, 1995  
Amended May 22, 2017

The Nippon Kayaku Group, under its corporate motto of "KAYAKU spirit", which calls for continuously providing society with the best products through ceaseless progress and the combined forces of our consciences, we will contribute to the realization of a sustainable society that safeguards the life and health of consumers, and supports a comfortable life.

#### Fundamental Policies

1. We will strive to maintain and improve the environment, people's health and safety across the entire product lifecycle, from R&D to production, distribution, sales, recycling, and disposal.
2. We will strive to conserve the environment by introducing and developing technologies that are useful toward reducing waste, carrying out the appropriate disposal of waste, conserving resources, conserving energy, and implementing global warming prevention measures.
3. We will actively provide business partners with information needed for the safe usage and handling of our products and for conserving the environment.
4. We will enhance the quality of not only products, but operating processes as well, and also work to enhance customer satisfaction.
5. We will heighten employee knowledge and skills through education and training and achieve our goal of zero pollution, zero injuries, zero accidents and enhanced quality.
6. We will disclose information so that stakeholders correctly understand our business activities and also strive to engage in dialogue with local communities and government authorities.

May 22, 2017

President & Representative Director  
Nippon Kayaku Co., Ltd.

<sup>\*1</sup>Responsible Care: A voluntary initiative under which companies that manufacture or handle chemical substances actively work on ensuring an operation that is aware of the environment, safety and health throughout its entire value-chain; from product development through production, sales, consumption, and disposal of chemical substances. The initiative began in Canada in 1985, and has now spread to encompass activities at companies in over 50 countries around the world.

## Message from the Head of Technical Operations Group

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The Nippon Kayaku Group has grown on the back of chemical technologies and today it develops and manufactures a truly broad range of products. To satisfy the needs of the market, we harness our long-standing technologies and the latest knowledge each and every day to provide stable supplies of high quality products.

We recognize that safety requires the awareness of individual workers and the continual enhancement of supporting systems. In order to establish a stable operating structure for the generational change of manufacturing workers and the globalization of our production sites, we are focusing a great deal of efforts on education, training and follow up.

Environmental measures such as reducing CO<sub>2</sub> emissions, increasing recycling, and lowering waste emissions are necessary not only for regulatory compliance, but also for maintaining the future continuity of our business operations. We are currently working hard to find the best mix, technologically speaking, for our production processes and scale.

Going forward, we will continue constantly enhance quality and carry out Responsible Care activities in order to gain the satisfaction of all stakeholders.

## Nippon Kayaku Group Responsible Care Policy Statement for FY2017

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The every Nippon Kayaku Group company hereby commits to "Prioritize Safety Above All" in our efforts. And we agreed not only complying with related environmental and safety laws in Japan and Overseas, but also preventing environmental and safety accidents. Furthermore we ensured they can carry out activities together under The Declaration on Environment, Health and Safety, and Quality, with the ultimate goal of realizing the KAYAKU spirit.

In fiscal 2017, we will continue with these efforts and continued the following Policy throughout Nippon Kayaku Group.

### **Nippon Kayaku Group Responsible Care Policy Statement for FY2017**

The Nippon Kayaku Group companies hereby commit to "Prioritize Safety Above All" in our efforts, and have all employees work on our business activities in accordance with our Responsible Care Philosophy, and the Fundamental Polices stated in "The Declaration on Environment, Health and Safety, and Quality". Each group company shall work towards meeting their goals, set in accordance with their specific needs, status and country of location.

#### **① Promoting "Zero Accidents, Zero Injuries"**

ZERO MAJOR ACCIDENTS, ZERO MAJOR INJURIES

Every Nippon Kayaku Group company shall proactively prevent accidents and injuries by

- Enhancing their ability to foresee potential risks by Risk Assessments and KYT/KYK (Danger Prediction Training/Activities)
- Promoting health and safety activities by means of inspection tours focused on pointing out unsafe action.

#### **② Promoting prevention of global warming and reduction of our environmental burden**

MONITORING OUR GREENHOUSE GAS EMISSION LEVELS

Every Nippon Kayaku Group company shall aim to become an Eco-friendly company by

- Working towards specific goals suited to each country and each of our Group Companies.

#### **③ Comprehensive Chemical Management**

Every Nippon Kayaku Group company shall promote Responsible Chemical Management by

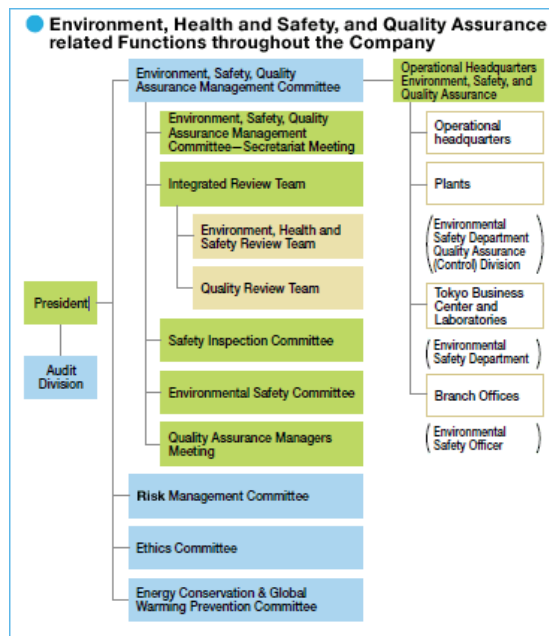
- Properly understanding the risks and toxicities associated with each chemical by utilizing SDS and observing GHS.

## Company-wide System for Managing Environment, Health and Safety, and Quality Assurance

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The Nippon Kayaku Group takes part in organized activities at all of its sites and certain Group companies including overseas plants to ensure employees are aware of the environment, health and safety, and quality assurance as well as to maintain and improve quality assurance. These activities revolve around the Environment, Health and Safety, and Quality Assurance Management Committee, which is led by the President of Nippon Kayaku.

Structure of Environment, Health and Safety, and Quality Assurance related Functions throughout the Company 



## Management Structure at Our Business Sites

Each of our business sites has a committee on the health and safety or the environment, health and safety headed by the head of that particular site. In addition, as a subordinate body, each business site also has a committee for promoting health and safety that consists of members representing each of the site's workplaces. Matters discussed by the Health and Safety Committee or the Environment, Health and Safety Committee are shared with all employees at roundtable meetings organized by the Health and Safety Promotion Committee. Conversely, matters discussed at roundtable meetings and by the Health and Safety Promotion Committee are communicated back to the Health and Safety Committee or the Environment, Health and Safety Committee as employee feedback.

Each business site's quality assurance (management) department leads Quality (Assurance) Committee meetings on a regular basis to check raw materials handled at each business site, examine customer complaints or quality issues concerning products made at that particular site, and deliberate on how to eliminate such complaints and quality issues. The committee also debates quality issues pertaining to new products, modified products and existing products to ensure that quality is constantly improved.



## Certification of Environmental Management System

The Nippon Kayaku Group has moved forward with acquiring ISO14001 certification in order to develop, manufacture and provide eco-friendly products. We started acquiring ISO14001 environmental management system certification in 1998. Since then all six of our plants have obtained certification, while other Group companies, including those outside of Japan, are in the process of obtaining this certification.

● Environmental Management System  
Certified Business Sites

Workplace	ISO14001
Fukuyama Plant	April 1999
Asa Plant	Sept. 1998
Tokyo Plant	Dec. 1998
Takasaki Plant	Jan. 2000
Himeji Plant	Jan. 2001
Kashima Plant	March 1999
POLATECHNO CO., LTD.	Aug. 2002
KAYAKU CHEMICAL (WUXI) CO., LTD.	Aug. 2006
Wuxi Advanced Kayaku Chemical Co., Ltd.	July 2007
INDET SAFETY SYSTEMS a.s.	Dec. 2002

## Certification of Quality Assurance Management System

The Nippon Kayaku Group has moved forward with acquiring ISO9001 certification in order to provide and develop products and services of superior quality.

We began acquiring ISO9001 quality assurance system certification starting with our plants in 1995 and later expanded this scope to include business divisions, R&D departments, and Group companies outside of Japan.

Our overseas Group companies involved in the auto industry are working on obtaining ISO/TS 16949 certification.

● Quality assurance Management System  
Certified Business Sites

Workplace	● ISO9001
	■ ISO / TS16949*2
Fukuyama Plant	● June 1995
Asa Plant	● Jan. 1995
Tokyo Plant	● June 1995
Takasaki Plant	● July 2003
Himeji Plant	● Sept. 2007
Kashima Plant	● Dec. 1995
Functional Chemicals Group	● Jan. 2001
Pharmaceuticals Group	● Sept. 2003
Safety Systems Group	● Sept. 2007
Agrochemicals Division	● Sept. 2003
POLATECHNO CO., LTD.	● Jan. 1999
NIPPON KAYAKU FOOD TECHNO CO., LTD.	● Nov. 2003
KAYAKU CHEMICAL (WUXI) CO., LTD.	● March 2005
MicroChem Corp.	● April 2002
Wuxi Advanced Kayaku Chemical Co., Ltd.	● April 2007
INDET SAFETY SYSTEMS a.s.	■ March 2002
Kayaku Safety Systems (Huzhou) Co., Ltd.	■ May 2014
Kayaku Safety Systems de Mexico, S.A. de C.V.	■ Feb 2014
MOXTEK, Inc.	● July, 2012

\*2 ISO / TS16949: A world standard that was developed jointly by members of the IATF (International Automotive Task Force) to provide high quality products to automobile users around the world.

■ Kayaku Safety Systems de Mexico, S.A. de C.V. (KSM)  
Renewed ISO 9001 and TS 16949 quality management certification for the automotive industry

KSM is a Nippon Kayaku subsidiary established in Mexico in 2007 that manufactures automotive safety components.

KSM initially obtained ISO 9001 certification in 2010. Not long after, however, based on requests from customers, it revamped its quality system, trained employees and underwent screening in order to obtain ISO/TS 16949 certification in 2012.

In September 2013, KSM underwent the Stage 1 screening, followed by Stage 2 in November 2013. Later, KSM completed work on issues pointed out during the screening process and was able to obtain certification in February 2014.

In 2016, three years after obtaining certification, KSM underwent another screening to renew its certification, which it passed successfully. Currently, KSM is beginning preparations aimed at obtaining IATF 16949 certification, which is a new standard for quality management systems that will be introduced in September 2018.



ISO9001-TS16949



ISO audit in progress

## GMP Authorization Status

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The Takasaki Plant has obtained manufacturing approval under the Ministerial Ordinance on Standards for Manufacturing Control and Quality Control for Drugs and Quasi-drugs (GMP ordinance) and has obtained accreditation from the United States and Europe (EU).

● GMP* Approval Status	Workplace	Main governments
	Takasaki Plant	Japan, USA, Europe, Canada, Brazil

\*3 GMP: A Japanese standard issued by the Ministry of Health and Welfare as a ministerial ordinance in 1980. Stipulates production control and compliance standards to ensure supply of high quality pharmaceutical and medical products.

## **Overview of Environment, Health and Safety and Quality Organizations**

### **Environment, Safety, Quality Assurance Management Committee**

The Environment, Safety, Quality Assurance Management Committee is a company-wide committee led by the President of Nippon Kayaku and comprised of executive officers responsible for business divisions, general managers of business divisions, and the General Manager of the Technical Operations Group. The committee formulates annual policy for the environment, health and safety and quality assurance, assesses the results and recommends improvements.

### **Environment, Safety, Quality Assurance Management Committee – Secretariat Meeting**

The secretariat is comprised of general managers from the technical departments of each business division and from related departments of the head office. The secretariat deliberates fiscal year policy proposals and implementation status and reports back to the Environment, Safety, Quality Assurance Management Committee. It also reviews material matters related to the environment, health and safety, and quality assurance.

### **Central Integrated Reviews**

An integrated review is a combination of the conventional environment and health and safety review and the quality review, which had been implemented independently targeting business sites and group companies. The Integrated Review Team is led by the General Manager of the Technical Operations Group, and is comprised of the Environment, Health and Safety Review Team, led by the General Manager of the Environmental Protection & Safety Division and the Quality Review Team, which is headed by General Manager of the Quality Assurance Division. The same review as before is being performed on the head office, business sites and group companies that received environment and health and safety reviews or quality reviews. The head office, divisions, business sites and group companies for which issues were identified during the review process are required to create and execute an improvement implementation plan. The results of central integrated reviews are reported to the Environment, Safety, Quality Assurance Management Committee.

### **Safety Screenings**

Safety screenings are conducted when developing and manufacturing new products, designing new facilities and equipment, replacing facilities, changing raw materials, and outsourcing production. Risk and other assessments are also performed to prevent problems before they occur.

### **Environmental Safety Committee**

The Environmental Safety Committee comprises environmental safety managers or representatives from the Environmental Safety Department of each business site and group company selected by the General Manager of the Environmental Protection & Safety Division. The committee debates material matters and problems associated with the implementation of environmental protection and safety activities.

### **Quality Assurance Managers Meeting**

The Quality Assurance Managers Meeting comprises quality assurance managers from the head office, business sites and group companies selected by the General Manager of the Quality Assurance Division. The meeting deliberates the implementation status of quality assurance and quality control activities.