

## (Key Sustainability Issues)

# Occupational Health and Safety in the Workplace, Health and Productivity Management

### Policy and Basic Approach

Under its [Responsible Care Policy](#), the Nippon Kayaku Group is undertaking various initiatives related to health promotion and occupational safety and health, so that every employee may work safely and healthily and output their abilities to the fullest. We are aiming for zero serious accidents and hazards, and, with the objective of eliminating unsafe actions, are treating the strengthening of 30-second patrols and promotion of fixed-point inspections as key Responsible Care issues. We believe it a company's responsibility to work towards accident-free and hazard-free workplaces, and guarantee the safety and security of employees. We also believe the physical and mental health of employees to be linked to organizational vitality and improved productivity, and thereby indispensable in the quest to raise stakeholder satisfaction. That is why we not only develop explosion-prevention measures for the handling of chemicals at work, but mental health care and lifestyle improvement activities also. With a view to achieving our **KAYAKU Vision 2025 (KV25)** Medium-term Business Plan Targets, the entire Group will continue uniting under the motto of "Safety trumps everything else!" as it provides further activities pertaining to health improvement and occupational safety and health.

- > [Our Declaration on the Environment, Health, Safety and Quality](#)
- > [The Nippon Kayaku Group's Annual Responsible Care Policy](#)

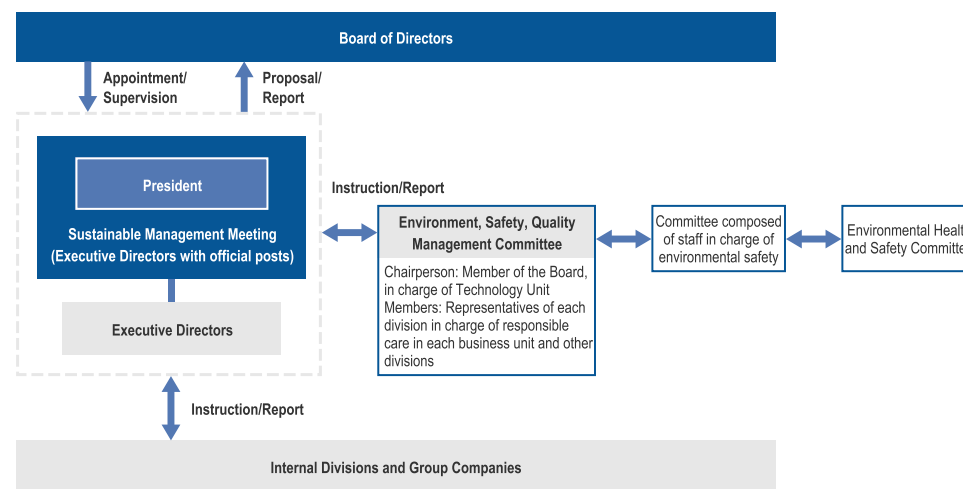
### System

Under its [Declaration on the Environment, Health, Safety and Quality](#), the Nippon Kayaku Group has set up an Environment, Safety and Quality Management Committee. This Committee is responsible for the entire Group's health and safety, with ultimate responsibility lying with our Executive Director In-charge of Technology. System structure is based around the Quality Management Division, Technical Administration & Engineering Division and Environmental Protection & Safety Division serving as the Committee's office and forging links with other relevant departments. The Committee's items for discussion include: the planning and fixing of Responsible Care policies; improvements to workplace safety and health; health improvement activities; fire and hazard prevention; and the creation of a comfortable workplace. Subject to Sustainable Management Meeting approval, the important matters on occupational safety and health and health management discussed by the Committee will be reported to the Board of Directors.

As a link to the Environment, Safety and Quality Management Committee, we have also set up the Environmental Protection & Safety Managers' Committee. This Committee is chaired by the manager of the Environmental Protection & Safety Division, which serves as the Committee's office. It forges links with the Environmental Protection & Safety Divisions of business sites and Group companies, or managers dispatched thereof; shares information and points of issue regarding occupational safety and health management and health improvement activities at groupwide, business site and Group company level; and works towards improving policy based on discussions on key groupwide issues and problems.

It is also the case that individual business sites and Group companies hold Joint Environment, Safety and Health Committee meetings once every month, which should allow for both management and labor representatives to discuss problems and points of issue specific to each business base, and agree upon proposals to resolve such problems.

Nippon Kayaku has also formed cooperative links with the Nippon Kayaku Health Insurance Association and formed the Health Collaboration Liaison Committee with the aim of providing effective and efficient support to employees and their families in their quests to maintain and improve their health. This Liaison Committee exchanges information, reviews reports, and holds discussions on matters related to health improvement.



## Group Companies with ISO45001 Certification

One of our consolidated subsidiaries, Kayaku Safety Systems (Huzhou), has gained ISO450001 Certification – the international standard for occupational safety and health management systems. As of FY2023, only 5% of eligible organizations had gained this certification. However, our business sites which are yet to be certified still have ISO45001-equivalent occupational safety and health risk management systems in place.

### Occupational Safety and Health Management System (ISO45001 ) Certified Business Sites

Business Site	Certification secured	Certifying Institution	Certification Number
Kayaku Safety Systems (Huzhou)	January 2023	NQA	132021
Cover Rate*			5%

\* The proportion of production facilities with ISO14001 certification owned by either Nippon Kayaku or its consolidated subsidiaries. Even business sites without ISO45001 certification have Occupational Safety and Health Management Systems of equivalent standard.

## Audits

> [Responsible Care Audit](#)

## Indicators

Key sustainability issues	Corresponding SDGs	Action plans	Indicators (KPI)	FY2025 Targets	Results		FY2023 Initiative-related Topics
					FY2022	FY2023	
Occupational Health and Safety in the Workplace	 	<ul style="list-style-type: none"> <li>Strengthen the foundation for safe operation by thoroughly enforcing basic rules on safety and health and improving equipment and work procedures</li> <li>Implement health and productivity management and provide a workplace environment with a healthy work-life balance where employees can work with enthusiasm</li> </ul>	Number of serious accidents*	0	0	0	<ul style="list-style-type: none"> <li>No accidents requiring time off work at business sites and partner companies across Nippon Kayaku alone.</li> <li>Health and Productivity Management certification gained.</li> <li>We are maintaining our 100% take-up rate for periodical health checks.</li> </ul>
			Acquisition of certifications under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category)	(Non-consolidated) Continued certification	(Non-consolidated) Gained FY2023 certification as a Health and Productivity Management Organization (Large Enterprise Category)	(Non-consolidated) Certified status renewed	
			Percentage of employees who take mental health training	(Non-consolidated) 100%	(Non-consolidated) 100%	Year 1 of our 3-year plan has proceeded as intended	
			Percentage of employees receiving regular health checkups	(Non-consolidated) 100%	(Non-consolidated) 100%	(Non-consolidated) 100%	

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

## Initiatives

### Workplace Safety and Health

#### Workplace Accidents

We are pleased to report that FY2023 gave rise to no work-related deaths or serious accidents at Nippon Kayaku or any of its domestic and overseas Group companies, or indeed at any of its partner companies. In addition, both the frequency rate and severity rate of accidents resulting in time off work were recorded at 0. It was also the case that FY2023 saw no violations of occupational safety and health laws, regulations or standards.

#### Occupational Hazards

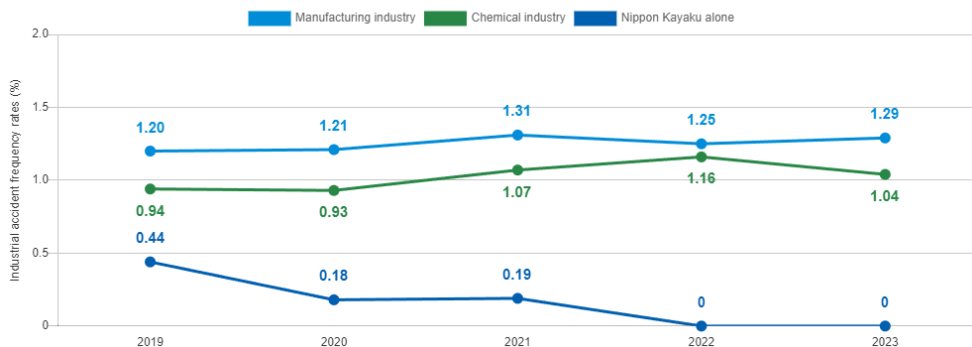
Indicators		Covering	Unit	2019	2020	2021	2022	2023
Number of work-related accidents resulting in death and other serious accidents		non-consolidated	cases	0	0	0	0	0
Number of work-related employee deaths	Regular employees	consolidated	persons	0	0	1	0	0
	Contracted employees/ part-time employees	consolidated	persons	0	0	0	0	0
	Partner company employees*1	consolidated	persons	0	0	0	0	0
Rate of Lost Time Injuries	Regular employees	non-consolidated	*2	0.4 (2 cases)	0.18 (1 cases)	0.19 (1 cases)	0 (0 cases)	0 (0 cases)
	Contracted employees/ part-time employees	non-consolidated	*2	0	0	0	0	0
	Partner company employees*1	non-consolidated	*2	0	0	0	0	0
	Employees	Group companies	*2	-	-	-	-	1.5 (9 people)
Lost Time Injury Intensity Rate		non-consolidated	*3	0.031	0	0	0	0
Number of violations of Occupational Safety and Health-related regulations and standards		non-consolidated	cases	0	0	0	0	0

\*1 Partner company employees: contractor (company) employees, temp (company) staff

\*2 Occupational hazard-related deaths and injuries per every 1 million actual working hours

\*3 Number of working days lost per every 1000 actual working hours

### Trends in Industrial Accident Frequency Rates



### ◆ Responsible Care-related Targets for Industrial Safety & Health

The results of our FY2023 occupational health and safety initiatives connected to Responsible Care targets are as follows.

Item	Target	Results	Evaluation
• Serious Accidents and Hazards	Zero	Zero	○
• Serious Traffic Accidents	Zero	Zero	○
1. Key Responsible Care Issues	Promotion of strengthened 30-second inspections and point observations	Conditions checked via Environment Safety & Health diagnoses (Issues found with grasping daily activities)	○~△
2. Promotion of "Zero Accidents and Hazards" initiatives	Promotion of important diagnostic methods in risk assessment	Set up via Environment Safety & Health Diagnostic Checks	○
	Setting up point observations in line with the characteristics of each workplace	Established appropriate operation of Irregular Work Notifications and point observation flows	○
	Inspection and optimization of heatstroke prevention measures	Horizontal expansion and sharing of measures from the Heatstroke Prevention Committee etc.	○
3. Improvements to Workplace Safety & Health Environments	Appropriate responses to the revised Industrial Safety and Health Act	Conditions confirmed against a new checklist and through diagnostic checks (Incomplete areas confirmed within items already enacted)	△

Evaluation Standards: ○Achieved / ○~△Broadly achieved

### Risk Assessment Safety Inspections Conducted

When we commence new operations, introduce new equipment, or change existing operations or equipment, we conduct Risk Assessment Safety Inspections and carry out safety policies based on their results. We also conduct HAZOP\* Safety Assessments on our chemical processes and reaction equipment to analyze the primary factors behind hazards.

\* HAZOP: Hazard and Operability Study: A method of safety assessment for chemical plants which allows for extraction and assessment of the potential hazards associated with chemical reactions

### ◆ Education and Training

In line with the law and our Annual Responsible Care Plan, we deliver Safety and Health education tailored to employee jobs and job levels. Such education is focused on new hires and newly transferred employees at each business site. Among the vast range of programs we offer are: induction education at the time of transfer, pre-work-commencement safety education to transferred employees, safety education for new managers, education for foremen and supervisors at every plant, education on chemical substance risk management and the handling of such chemicals, and even education on the basics of the relevant science and laws. Our delivery methods constitute an efficient and effective mix of online (E-learning and external lectures) and offline formats (group sessions and on-the-job training) aimed at raising safety and health consciousness among employees.

#### Principal Safety Education Conducted in FY2023

Training Title	Main Contents	Mainly aimed at	FY	Delivery style	Number of times	Attendees
New Hire Training*	Basic rules of safety management	New hires	2023	Group session	1	60
New Manager Training*	<ul style="list-style-type: none"> <li>Safety management centred on workplace safety consideration duties</li> <li>What Nippon Kayaku's Responsible Care Activity Managers should know</li> <li>Nippon Kayaku Group initiatives on the environment and climate change</li> </ul>	New managers	2023	Group session	2	42

\* Held every year

### ◆ Occupational Safety and Health Initiatives Conducted Jointly with the Labor Union

> [A Comfortable Working Environment \(Industrial Relations\)](#)

## Health Management

### ◆ Health Initiatives Related to Responsible Care Targets

The results of Nippon Kayaku Group health initiatives connected to Responsible Care Targets for FY2023 are as follows.

Item	Target	Results	Evaluation
3. Improvements to the Workplace Safety and Health Environment	Promotion of organizational stress-check analysis to grasp high-stress workplaces and take follow-up action	Business site briefing sessions for analysis results set up	○
	Appropriate management of the Medical Examination Results Database	System operation commenced but there are issues concerning data loading	△
	Continued accreditation as a Health and Productivity Enterprise	Continued accreditation achieved	○

Evaluation standard: ○Achieved △Partly unachieved

### ◆ Physical Health

Every Nippon Kayaku Group employee must undergo that most basic form of health management known as the “Periodical Health Check”. An occupational health physician will then decide on the employees in need of a health interview, and provide advice and instructions on health management.

We also lay on special health checks for employees who handle designated chemicals. The toxicity data on the chemicals they handle has been input into a database which forms the kernel of our risk assessments designed to prevent accidents and health hazards. Another initiative sees us promote THPs\* for “building a healthy body and mind” at every business site in order to maintain and improve employee health. By reassessing the individual lifestyle habits of employees and promoting continual and systematic commitment to health, we are aiming for a situation in which everyone can live more healthily. Physical strength tests, health management competitions, group walks and hiking are also part of our health agenda.

\* THP (Total Health Promotion Plan): An initiative based on the five-step PDCA cycle of Health-building Plan, Health Measurement, Health Instruction, Health Activities, and Lifestyle Habit Improvement and Workplace Revitalization

#### Regular health check take-up rate

Indicators	Covering	Unit	2019	2020	2021	2022	2023
Regular health check take-up rate*	non-consolidated	%	100	100	100	100	100

\* Excluding employees on administrative leave

### ◆ Mental Health

If improved work productivity is to be compatible with successful creation of added value, then a workplace which allows employees to work energetically is just as indispensable as physical and mental health.

2005 saw Nippon Kayaku's then-president release the Declaration on the Introduction of a Mental Health Care System and give thorough instruction to company management. Of importance to mental health care is for every employee to continually gather proper knowledge and recognition of the issues at hand so that they may swiftly detect mentally-suffering colleagues and work on preventative measures. At that point was emphasis placed on the initiative of "thinking of ways to prevent mental suffering as a top priority."

Enlisting the help of guest lecturers from the EAP\*, we commenced our Mental Health Training in FY2005, and in FY2006 devised a 3-year plan which made such training available to every employee. FY2020 and FY2021 saw group sessions make way for online sessions as part of Covid restrictions. Through the online medium were all employees trained on how to self-care in response to working environment changes stemming from Covid-19. Since FY2022, we have delivered these sessions in-person again.

For those obliged to take time off work due to mental health issues, we have set up a Return-to-Work Program. Links are forged between the employee's supervisor, an occupational health physician and a counselor as part of a smooth Return-to-Work Support System that places priority on relapse prevention.

In line with revisions to Occupational Health and Safety Law, we began conducting stress checks on an annual basis in FY2015, with an employee take-up rate of over 97% in every year since. (Indeed, the take-up rate for FY2023 reached 98%). Stress check results not only allow us to ascertain an individual's stress situation, but to analyze each organization, grasp high-stress workplaces and take follow-up actions.

\* EAP: Employee Assistance Program

#### Mental health-related

Indicators	Covering	Unit	2019	2020	2021	2022	2023
Stress-check take-up rate*	non-consolidated	%	97.3	97.2	98.1	97.9	98.0
Proportion of "highly-stressed" persons	non-consolidated	%	9.6	9.5	10.6	10.0	10.1
Mental health-related investments	non-consolidated	million yen	10.8	11.0	13.0	12.6	12.6

\* Excluding employees on administrative leave

### ◆ Support for Workplaces without a Statutory Occupational Health Physician

Originally, with respect to offices not required to appoint an occupational health physician\*, Nippon Kayaku was regrettably unable to set up occupational health physician interviews post-statutory health check or post-Nippon Kayaku Health Insurance Association Adult Disease Health Check. However, FY2013 saw us review this situation and dispatch our head office occupational health physician to the business sites in question to conduct the relevant interviews.

Since FY2014, this physician has toured every Nippon Kayaku office in the country. In addition to fixing an annual schedule for onsite visits, we also make use of a web meeting system to conduct further health interviews online.



\* Offices not required to appoint an occupational health physician: Under Article 13 of the Occupational Safety and Health Law, and Article 5 of the Occupational Health and Safety Enforcement Ordinance, offices with fewer than 50 employees have no need to appoint an occupational health physician.

### ◆ Health Management Competition

Since FY2018, Nippon Kayaku and a section of its Group companies have been working on health improvement initiatives by holding a companywide health management competition. A total of 2444 employees from across the Group got involved in FY2023, making for a participation rate of 70%.

The Companywide Health Management Competition is held in the March of each year. Every employee must log their health activities over the period of one month and convert them into points. The scores for each business site and Group company are then compiled by the Environmental Safety Division, before being aggregated and analyzed by the Environmental Protection & Safety Division. Among the various matters to be logged are: morning and lunchtime exercise, daily diet, brushing of teeth, sleep, number of paces walked, leisure and sports activities. Employees can choose to participate individually or in a team.

We will keep going with Companywide Health Management Competitions in order to help employees maintain and improve their health.

#### Health Management Competition: Participants and Participation Rates

		Unit	2019	2020	2021	2022	2023
Nippon Kayaku	Participants	Persons	1,349	1,566	1,976	2,105	2,096
	Participation rate	%	49.5	51.4	65.1	69.2	70.1
Group companies	Participants	Persons	280	263	82	317	348
	Participation rate	%	32.5	57.0	32.4	65.0	69.6
Nippon Kayaku Group overall	Participants	Persons	1,629	1,829	2,058	2,422	2,444
	Participation rate	%	45.4	52.1	62.6	68.6	70.0

### ◆ External Evaluations

Nippon Kayaku has been evaluated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi Organization as "an enterprise that thinks about employee health management from a managerial perspective and tackles the issue strategically." We have therefore been approved as a 2024 Health and Productivity Enterprise in the Large-scale Enterprise Category.\*

This is testament to our vast number of initiatives on maintaining and improving employee health, including preserving a 100% take-up rate of periodical health checks, the introduction of stress checks and our mental health training. We also owe the award to our series of policies including: the extraction of health improvement issues to be tackled, coming up with relevant initiatives to improve health check results, introducing passive smoking measures, and setting up health-themed events for all employees. Nippon Kayaku views employee health improvement as essential to increasing corporate prosperity and stakeholder satisfaction, and will therefore continue proactively engaging in health management activities.

\* Health and Productivity Enterprise in the Large Enterprise Category: A company gaining accreditation in the category for large-scale enterprises and medical corporations within the Health and Productivity Accreditation System created in 2016 by the Ministry of Economy, Trade and Industry.

