

External Evaluations and Awards

ESG Index Inclusions and Ratings (as of July 2024)

FTSE Blossom Japan Sector Relative Index



The FTSE Blossom Japan Sector Relative Index, devised by FTSE Russell, is a sector-neutral index which reflects the performance of the Japanese companies with outstanding Environmental, Social and Governance (hereafter: ESG) practices relative to others in their sector. The index has been adopted by the Government Pension Investment Fund (hereafter: GPIF) as one of its benchmark stock indexes.

[FTSE Blossom Japan Sector Relative Index](#)

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Nippon Kayaku Co., Ltd. has been independently assessed according to the FTSE Blossom Japan Sector Relative Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Sector Relative Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE Blossom Japan Sector Relative Index indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

2022	2023	2024
○	○	○

MSCI Nihonkabu ESG Select Leaders Index

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

The MSCI Nihonkabu Select Leaders Index is comprised of MSCI parent index (MSCI Nihonkabu IMI Index) companies that are demonstrating outstanding ESG performance in each industry sector. This index is also among those adopted as a benchmark by the GPIF.

[MSCI Nihonkabu ESG Select Leaders Index](#)

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2022	2023	2024
	○	○

MSCI Japan Empowering Women Index (WIN)

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The MSCI Japan Empowering Women Index is derived from its MSCI Japan IMI Top 700 parent index, and comprises the companies with outstanding records of promoting women's empowerment. This index is also among those adopted as a benchmark by the GPIF.

[MSCI Japan Empowering Women Index \(WIN\)](#)

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2022	2023	2024
○	○	○

MSCI ESG Ratings



MSCI ESG Ratings are derived from MSCI surveys and analysis of the extent to which companies are appropriately managing ESG risks. This seven-grade rating system from AAA to CCC serves as the global index for ESG investment. The Nippon Kayaku Group's rating for 2024 was AA.

[MSCI ESG Ratings](#)

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2022	2023	2024
BBB	A	AA

S&P/JPX Carbon Efficient Index



The S&P JPX Carbon Efficient Index is an environmental stock index jointly developed by S&P Dow Jones Indices. It weights and ranks TOPIX companies based on how well they disclose environmental information and carbon efficiency (carbon emissions per unit of sales), and is also among the indexes adopted as a benchmark by the GPIF.

[S&P/JPX Carbon Efficient Index](#)

2022	2023	2024
○	○	○

Morningstar Japan ex-REIT Gender Diversity Tilt Index

The Morningstar ex-REIT Gender Diversity Tilt Index (hereafter: GenDi J) makes use of the data and evaluation methods supplied by Equileap to rank companies based on the extent to which their gender diversity policies have been instilled throughout the organization, and on how they promote equal opportunities regardless of gender. Companies are placed into one of five groups depending on their score, with the Nippon Kayaku Group currently featuring in GenDi J Group 2. This index is also among those adopted as a benchmark by the GPIF.

[Morningstar Japan ex-REIT Gender Diversity Tilt Index](#)

2022	2023	2024
	○	○

Certification

RBA (Responsible Business Alliance) Audit sees Kayaku Advanced Materials Certified Silver

The RBA (Responsible Business Alliance) is a corporate alliance which promotes social responsibility with respect to the global supply chain. Its remit involves fixing the necessary regulations to guarantee that the global supply chain sees safe working conditions, workers treated with respect and dignity, and due consideration given to the environment in the conduct of corporate activities.

Kayaku Advanced Materials (KAM) underwent an RBA Third-Party Audit (VAP Audit) in both 2021 and 2023. Its appropriate management in the audit areas of Labor, Safety & Health, Environment, Ethics and Management Systems was duly recognized, and deemed worthy of Silver Certification.

2021	2023
Silver Certification	Silver Certification

Recognition and Awards

CDP



CDP is an international NGO that operates a global disclosure system based on examination and evaluation of information demanded from companies and cities on climate change measures, water resource protection and forest conservation. FY2023 saw the Nippon Kayaku Group earn an A- for its Climate Change Report and a B for its Water Security Report.

	2022	2023
Climate Change	A-	A-
Water Security	C	B

EcoVadis

EcoVadis SS (headquartered in France) hosts an ESG rating platform that assesses over 85,000 companies and organizations from 160 countries and 200 sectors. Comprehensive evaluations are made in the four fields of environment, labor and human rights, ethics, and sustainable resource procurement. June 2023 saw the Nippon Kayaku Group earn a bronze medal for its achievements in the sustainability field.

BroadBand Security (Gomez ESG Site Ranking)



The Gomez ESG Site Ranking 2024 was compiled by BroadBand Security, Inc., which rated companies from the five perspectives of: website user-friendliness, ESG sharing, E (environment), S (social) and G (governance), factoring in not only principal users such as shareholders and investors but also a wide range of stakeholders. 2024 saw the Nippon Kayaku Group selected as an "Outstanding Company."

[Gomez ESG Site Ranking \(Japanese\)](#)