

System for the Promotion of Sustainability

We are promoting sustainability activities to realize a sustainable society and increase our corporate value. Our system for the promotion of sustainability is hereby introduced.



We are treating humanity treasuring technology with good care.



We want to be a company that values the bond between people and the development of technologies that are in harmony with the natural environment, and realize dreams with the unlimited potential of chemistry.

Basic Policy of Sustainability

In accordance with our corporate philosophy of "We are treating humanity treasuring technology with good care" Nippon Chemical Industrial endeavors to solve societal issues through dialogue with stakeholders and the creation of value, and will work on realizing the happiness of all people from a global perspective and a sustainable society.

- We will work on reducing our environmental impact and preventing global warming through our business activities.
- We aim to realize a low-carbon society and a recycling-oriented economy by providing environmental contribution products.
- We aim to invigorate local communities and cultivate relationships of trust by proactively promoting activities that contribute to society.
- We will be in strict compliance with all laws and regulations, applicable to our business activities in such areas as human rights, labor, safety, and the environment.

- We will promote the development and sales of products that help in solving societal issues.
- We will promote the building of a workplace environment that attaches importance to diverse modes of work and a work-life balance.
- We will build a robust supply chain that extends from suppliers to customers.

Compliance

Basic Stance

In response to our corporate philosophy and policy on sustainability, we have set forth the basic stance to be taken by the company through our products and technologies, in order to build and maintain positive relationships with our stakeholders (clients, shareholders, business connections, employees, and society). An outline thereof is as follows:

- ① We will comply with laws and ordinances, rules of the international community, agreements, and applicable stipulations, and engage in corporate activities based on socially acceptable courses of action.
- ② We will provide top-level products and services on a timely basis to address the needs of our customers.

- ③ We will maintain the safety of our workplace and protect the health of our employees then secure a sound workplace environment.
- ④ We will promote the development of human resources in a way that respects the personality and individuality of each and every employee in order to enable each of them to live life to the fullest.
- ⑤ We will engage in corporate activities with an awareness of preserving the global environment in a better state.

Basic Compliance Policy

① Respect for human rights and a healthy work environment	③ Protection of Company assets	④ Meeting social demands
(1) Respect for human rights and prohibition of discrimination and harassment	(1) Information management	(1) Environmental conservation
② Compliance with applicable laws and regulations	(2) Appropriate protection and management of intellectual property rights and IT systems	(2) Insulating the Company from relations with antisocial forces
(1) Fair competition	(3) Prohibition of conflicts of interest	(3) Stakeholder engagement
(2) Prevention of corruption		(4) Realization of a sustainable society
(3) Compliance with business laws		

We will fulfill an important role by putting these points into practice as a way of leading by example and focus fully on disseminating and entrenching these points within our organization in order for us to earn a greater level of society's trust.

Risk Management

Risk Initiatives

In connection with crises that could cause significant losses to the Company's management, for avoiding falling into a crisis situation, our company consider the optimal response method from various angles to avoid, reduce, and control potential risks, and works to introduce them while considering cost and effectiveness. Risks are categorized by the Company as follows.

Risk type	Definition	Classifications
Social risks	Risks that are difficult to proactively prevent in the course of carrying out social activities	① Natural disasters (such as earthquakes, typhoons, and tsunami) ② Terrorism, riots, wars, environmental destruction, epidemics, and more
Operational risks	Risks that arise in the course of carrying out business activities	③ Security accidents (such as fires, explosions, industrial accidents, and traffic accidents) ④ Environmental pollution ⑤ Shutdowns of information infrastructure ⑥ Lawsuits, complaints ⑦ Infringements of intellectual property rights ⑧ Bankruptcies of major business connections, difficulties in obtaining key raw materials, and more ⑨ Market fluctuations such as exchange rates, interest rates, and share prices, and more ⑩ Failures in business processing
Human risks	Risks affecting the organization or people that arise in the course of acting collectively as a company	⑪ Leaks of confidential information ⑫ Breaches of compliance requirements ⑬ Threats, whistleblowing, sexual harassment, power harassment, and more

Information Security

The importance of information security is becoming increasingly greater with the development of remote work. We have been endeavoring to educate employees, develop the infrastructure, and otherwise strengthen security measures.

Given that information concerning information security is changing on a daily basis, we strive to obtain the latest information and harness it for our own measures.

Business Continuity Plan (BCP)

As a comprehensive chemical products manufacturing and sales company, we supply a broad range of products both domestically and overseas. Since chemical products are essential for societal activities, we feel immensely responsible for supplying them. In order to stably fulfill our social mission, we have formulated the Nippon Chemical Industrial business continuity plan (NBCP) as a business continuity plan. The policy is as follows:

- ① Endeavor to verify the safety of employees and their family members and ensure their safety.
- ② Endeavor to safeguard the Company's facilities and assets and quickly restore and normalize their functions.
- ③ Endeavor to continue producing and shipping products.
- ④ Fulfill our social responsibilities.
- ⑤ Endeavor to continuously improve systems.

System for Formulating and Implementing the NBCP

