

Materiality

In order to realize our ideal state in 2050 as set out in our long-term business plan "Atelier2050", to be "a future-creating company that grows through seeking to enrich people and nature", and "a group of co-creators that face challenges for change with a strong passion", in FY2022, we reviewed the materiality that we need to address. With the aim of achieving sustainable development for society and the Nissan Chemical Group, we are managing our progress on an annual basis by using the KPIs up to FY2027 set in our mid-term business plan for "Vista2027" as indicators for sustainable management.

Three Materiality of Nissan Chemical Group



Materiality Identification Process



Materiality Initiatives and KPI

Materiality	Materiality factor	Vista2027 Major Initiatives	FY2027 Target	FY2022 Result	Relation with SDGs
Provision of new value for helping to enrich people's lives	Supply of environmental-friendly products and services	<ul style="list-style-type: none"> Development of materials that contribute to the expansion of renewable energy Development of materials that contribute to the achievement of a circular economy Reduction of the application amount of agrochemicals Introduction of recyclable packaging materials Supply of exhaust gas removal materials Supply of disinfectants and water treatment for septic tanks Supply of materials that enable reduction of oil and fat waste 	● Net sales: +10% compared to FY2021	● Net sales: +16% compared to FY2021	2, 3, 6, 7, 9, 11, 12, 13, 14, 15
	Contribution to smart society	<ul style="list-style-type: none"> Supply of materials that contribute to higher capacity/speed of data communication and sensing 	● Net sales: +55% compared to FY2021	● Net sales: +6% compared to FY2021	9, 10, 11, 12, 13, 14, 15
	Contribution to the food issues	<ul style="list-style-type: none"> Supply of agrochemicals to increase crop yields and conserve agricultural labor in food production Contribution to the maintenance of health of livestock 	● Net sales: +15% compared to FY2021	● Net sales: +22% compared to FY2021	2, 3, 9, 11, 12, 13, 14, 15
	Contribution to the improvement of the quality of life	<ul style="list-style-type: none"> Supply of disinfectants for drinking water Contribution to maintaining the health of companion animals 	● Net sales: +15% compared to FY2021	● Net sales: +34% compared to FY2021	3, 9, 11, 12, 13, 14, 15
	Contribution to health issues	<ul style="list-style-type: none"> Supply of generic drugs Offer of contracted manufacturing and service for pharmaceuticals Development of materials for regenerative medicine market Development of drugs for intractable diseases 	● Net sales: +5% compared to FY2021	● Net sales: +4% compared to FY2021	3, 9, 11, 12, 13, 14, 15
	Nissan Chemical Sustainable Agenda	<ul style="list-style-type: none"> Provision of products and services that contribute to solving social issues 	● Maintaining at least 55% in consolidated net sales	● Above 55%	3, 9, 11, 12, 13, 14, 15
Strengthening of Nissan Chemical's business base	Enhancement of R&D capability	<ul style="list-style-type: none"> Acceleration of R&D through the use of AI Expansion of core technologies Further use of open innovation 	● Total number of patent applications (FY2022 to 2027): 2,500	● Number of patent applications: 378	9, 10, 11, 12, 13, 14, 15
	Improvement of products quality	<ul style="list-style-type: none"> Prevention of serious complaints Prevention of quality fraud and data tampering 	<ul style="list-style-type: none"> Number of serious complaints: Zero Attendance rate of quality training: At least 90% 	<ul style="list-style-type: none"> Number of serious complaints: 1 Attendance rate of quality training: 85% 	9, 10, 11, 12, 13, 14, 15
	Maintenance and improvement of employees' health	<ul style="list-style-type: none"> Promotion of measures against lifestyle-related diseases Implementation of mental health measures Awareness activities for employees on maintaining their health Promotion of female's health 	● Rate of employees within appropriate weight*: At least 70% *BMI (body mass index): 18.5 to 25.0	● 68%	3, 5, 8, 9, 10, 11, 12, 13, 14, 15
	Creation of a comfortable workplace	<ul style="list-style-type: none"> Promotion of work-life balance Implementation of measures against harassment Support for childcare and nursing care, encouraging male employees to take parental leaves 	● Utilization rate for annual paid leaves: At least 80%	● 81%	5, 8, 9, 10, 11, 12, 13, 14, 15
	Personnel retention and trainings	<ul style="list-style-type: none"> Introduction of a new personnel system (role grading system) Strengthening of career development Enhancement of self-development support 	● Positive response rate in survey of employee attitude on human resources development: At least 65%	● 60.5%	5, 8, 9, 10, 11, 12, 13, 14, 15
	Promotion of diversity	<ul style="list-style-type: none"> Promotion of active participation of females Recruitment of international students Promotion of employment of persons with disabilities 	<ul style="list-style-type: none"> Proportion of females in the regular position: At least 13% Proportion of female researchers in the regular position: At least 18% 	<ul style="list-style-type: none"> Proportion of females in the regular position: 11.0% Proportion of female researchers in the regular position: 14.8% 	5, 8, 9, 10, 11, 12, 13, 14, 15
	Promotion of fair-trading	<ul style="list-style-type: none"> Holding in-house training sessions, and conduction of other educational and awareness activities Conduction of educational and awareness activities for compliance 	<ul style="list-style-type: none"> Zero violations of antitrust laws Zero bribery of foreign public officials 	<ul style="list-style-type: none"> Number of violations of antitrust laws: 0 Number of bribery of foreign public officials: 0 	5, 8, 9, 10, 11, 12, 13, 14, 15
	Promotion of sustainable procurement	<ul style="list-style-type: none"> Provision of feedbacks on results of sustainable procurement survey Provision of supports in improvement for suppliers that do not meet the Company's standards 	● Provision rate of supports in improvement for suppliers that do not meet the Company's standards: At least 90%	● Provided feedback to suppliers who responded to the previous mid-term business plan and those who responded in the first half of FY2022	5, 8, 9, 10, 11, 12, 13, 14, 15
Adaptation to climate change	<ul style="list-style-type: none"> Maintaining and improving the resilience of business activities in the event of natural disasters 	● Update and maintenance of Business Continuity Plans (BCPs) for products that account for 50% of ordinary income	● Updated or maintained BCPs for products that account for 41% of ordinary income	5, 8, 9, 10, 11, 12, 13, 14, 15	
Continuous improvement of responsible care activities	Mitigation of climate change	<ul style="list-style-type: none"> GHG emissions reduction 	● GHG emissions: Reducing by at least 30% from FY2018 level	● GHG emissions: Reduced by 9.8% from FY2018 level	13, 14, 15
	Promotion of occupational health and safety	<ul style="list-style-type: none"> Strengthening of occupational safety management 	<ul style="list-style-type: none"> Zero accidents requiring staff time off from work Number of occupational accidents: Reducing by half compared to FY2020 	<ul style="list-style-type: none"> Number of accidents requiring staff time off from work: 2 Number of occupational accidents: 7 (FY2020: 8) Held e-learning course on occupational safety (at Nissan Chemical and 2 Group companies) 	13, 14, 15
	Biodiversity conservation	<ul style="list-style-type: none"> Promotion of biodiversity conservation activities 	● Establishment and operation of Bio-Parks at Nissan Chemical's plants	● Established the Saitama Plant Bio-Garden	13, 14, 15
	Management of chemical substances	<ul style="list-style-type: none"> Compliance with laws and regulations regarding the use of chemical substances 	● Continuation of zero serious violations of laws and regulations	● Number of serious violations of laws and regulations: 0 (maintained)	13, 14, 15
	Reduction of industrial waste and pollutant emissions	<ul style="list-style-type: none"> Reduction of industrial waste and pollutant emissions for final disposal 	● Reduction in final disposal ratio at Nissan Chemical's plants (compared to FY2020)	● 22.6% (FY2020: 14.3%)	13, 14, 15
Safety and disaster prevention	<ul style="list-style-type: none"> Strengthening of the management of safety and disaster prevention 	<ul style="list-style-type: none"> Zero fires, explosions and chemical spills Zero safety accidents 	<ul style="list-style-type: none"> Number of fire: 1, Number of explosions: 0, Number of chemical spills: 0 Number of safety accidents: 1 	13, 14, 15	

Materiality and SDGs [Web https://www.nissanchem.co.jp/eng/csr_info/management/materiality.html](https://www.nissanchem.co.jp/eng/csr_info/management/materiality.html)