

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: +9% compared to FY2021 | |
| | 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: +10% compared to FY2021 | |
| | Contribution to 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: +20% compared to FY2021 | |
| | Contribution to 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: +42% compared to FY2021 | |
| | 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: -5% compared to FY2021 | |
| | Rate of total sales of products and services that contribute to solving social issues in consolidated net sales Nissan Chemical Sustainable Agenda | | ● Maintain at least 55% | ● Above 55% | |
| 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 | ● Cumulative number of patent applications since FY2022: 775 (FY2023: 397) | |
| | Improvement of products quality | <ul style="list-style-type: none"> Prevention of serious complaints Prevention of quality fraud and data tampering | ● Number of serious complaints: Zero | ● Number of serious complaints: Zero | |
| | 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 | ● 69.6% | |
| | 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% | ● 85.1% | |
| | 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 programs | ● Positive response rate in survey of employee attitude on human resources development: At least 65% | ● 58.5% | |
| | 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 | ● Proportion of females in the regular position: At least 13% | ● Proportion of females in the regular position: 11.8% | |
| | 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 | ● Zero violations of antitrust laws | ● Number of violations of antitrust laws: Zero | |
| | 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% | ● 83.3% | |
| Continuous improvement of responsible care activities | 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 | |
| | 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 21.5% from FY2018 level | |
| | Promotion of occupational health and safety | <ul style="list-style-type: none"> Strengthening of occupational safety management | ● Zero accidents requiring staff time off from work | ● Accidents requiring staff time off from work: 4 | |
| | Biodiversity conservation | <ul style="list-style-type: none"> Promotion of biodiversity conservation activities | ● Establishment and operation of Bio-Parks at Nissan Chemical's plants | ● Occupational accidents: 10 (FY2020: 8) | |
| | 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 | ● Held e-learning course on occupational safety (at Nissan Chemical and 3 Group companies) | |
| | 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) | ● Serious violations of laws and regulations: Zero (maintained) | |
| Safety and disaster prevention | <ul style="list-style-type: none"> Strengthening of the management of safety and disaster prevention | ● Zero fires, explosions and chemical spills | ● 22.8% (FY2020: 14.3%) | | |
| | | ● Zero safety accidents | ● Fires: 2, Explosions: 0, Chemical spills: 0 | ● Safety accidents: 1 | |

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)