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Web Materiality (priority issues) and SDGs

Our materiality identified in FY2018 was determined by examining its importance to both the Company and our stakeholders. A review was conducted in FY2022 with the launch of the Medium-term Business Plan "Vista2027." Now, with the start of "Vista2027 Stage II" in FY2025, we have revised certain FY2027 targets and major initiatives to better align with the ideal state our Group aims to achieve by FY2027.

With the aim of achieving sustainable development for society and the Nissan Chemical Group, we are positioning these KPIs as indicators for sustainable management, and steadily promoting initiatives while monitoring progress on an annual basis.

## **Three Materiality of Nissan Chemical Group**

Provision of new value for helping to enrich people's lives

We aim to provide new value for helping to enrich people's lives through four businesses based on core technologies.

### Strengthening of Nissan Chemical's business base

We aim to strengthen our business base to improve our ability to respond to increasingly diverse and sophisticated marketing needs.

# Continuous improvement of responsible care activities

We aim to enhance the maintenance of environment, health, and safety through the operation of the Nissan Chemical Responsible Care Management System.

## **Materiality Identification Process**

Gain Understanding About Social Issues and Social Changes Social issues and social changes looking ahead to 2050 and issues to be addressed by Nissan Chemical were discussed across the Company in the "Business Planning Project" led by the President and the Vice President, and it was confirmed that there have been no major changes in social issues and social changes since the previous formulation.

#### Social Issues and Social Changes

# Environment

# Advanced climate

- change

  Global crisis
- Exacerbation of the food
- Increase in requests for consideration of health and safety in the work environment
   Advent of a smart society
- Changes in lifestyleLabor shortage

Worsening health issues

#### Economy

- Intensification of inter-corporate competitions
- Diversification of risk factors
- Increase in requests for sustainability considerations in the supply chain
- Increase in interest in corporate governance reform
- Increase in requests for information disclosure

Review of Materiality and Materiality Factors We reviewed materiality and materiality factors with reference to the SDGs, evaluation items of ESG-related evaluation organizations such as DJSI and FTSE, and sustainability information disclosure guidelines such as SASB, and determined that the materiality identified in the previous medium-term business plan "Vista2021" remains a priority issue for Nissan Chemical. On the other hand, in light of the priority of Nissan Chemical's business base and the results of our activities under Vista2021, we have added "safety and disaster prevention" as a new materiality factor, and summarized into 30 materiality factors.

Management of Impact on Our Group

In regard to the 30 materiality factors, we considered and analyzed the social issues and social changes, and then made arrangements to manage the impact on the Group.

Exchange of Opinions with Directors and Audit & Supervisory Board Members, including Outside Officers

From the perspective of incorporating outside opinions, we exchanged opinions in intensive discussions with directors and audit & supervisory board members, including outside officers, regarding the materiality and materiality factors that had been reviewed in the Business Planning Project.

Identification of Materiality and Materiality Factors (through resolution at the Board of Directors)

The Board of Directors confirmed and resolved the appropriateness of the materiality, materiality factors, and key performance indicators (KPIs) for each materiality factor, which were identified based on the discussions in the Business Planning Project and the opinions of the officers.

## **Materiality Initiatives and KPI**

Materiality	Materiality factor	Vista2027 Major Initiatives	FY2027 Target * New targets from Vista2027 Stage II	FY2024 Result	Relation with SDGs
Provision of new value for helping to enrich people's lives	Supply of environmentally friendly products and services	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: +5% compared to FY2021	2 Manual Section 1 Manu
	Contribution to smart society	Supply of materials that contribute to higher capacity/speed of data communication and sensing	Net sales: +60% compared to FY2021*	Net sales: +33% compared to FY2021	9 NORTH MOUNTAIN
	Contribution to food issues	Supply of agrochemicals to increase crop yields and conserve agricultural labor in food production     Contribution to the maintenance of health of livestock	Net sales: +25% compared to FY2021*	Net sales: +27% compared to FY2021	7 controlled on the controlled
	Contribution to improvement of the quality of life	Supply of disinfectants for drinking water     Contribution to maintaining the health of companion animals	Net sales: +15% compared to FY2021	Net sales: +48% compared to FY2021	12 ESPINABLE DECLARATION IN PRODUCTION
	Contribution to health issues	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: +7% compared to FY2021	13 count crow
	Rate of total sales of produ social issues in consolidate Nissan Chemical Sustainal		● 60% or more*	● 60% or more	15 set soliton
Strengthening of Nissan Chemical's business base	Enhancement of R&D capability	Utilization of informatics for streamlining and accelerating R&D Expansion of core technologies	Number of patented inventions (FY2022 to FY2027): 1,200* Ratio of themes utilizing informatics: At least 10%*	Number of patent applications Target (cumulative FY2022 to FY2027): 2,500 (FY2024: 415 applications)	
	Improvement of products quality	Prevention of serious complaints Prevention of quality fraud and data tampering	Number of serious complaints: Zero     Attendance rate of quality training: 100%*     Rate of correct answers on comprehension tests: At least 90%*     Rate of answer "Increased awareness of fraud prevention": 100%*	Number of serious complaints: 3 Attendance rate of quality training: 100% Rate of correct answers on comprehension tests: At least 90% Rate of answer "Increased awareness of fraud prevention": 100%	5 SONGER
	Maintenance and improvement of employees' health	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%     *1 BMI (body mass index): 18.5 to 25.0	● 66.9%	8 SCOTI PRICADE  9 NOTICE MINISTER  9 NOTICE MINISTER
	Creation of a comfortable workplace	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%	● 82.2%	10 BIDGA SOLUTION CONTROL OF THE SOLUTION CONTROL OF T
	Personnel retention and trainings	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%	● 60%	12 REPORTED NO PRODUCTION
	Promotion of diversity	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 female researchers in the regular position: At least 18%	Proportion of females in the regular position: 12.2% Proportion of female researchers in the regular position: 18.1%	13 comfi
	Promotion of fair-trading	Holding in-house training sessions and conducting other educational and awareness activities     Conduction of educational and awareness activities for compliance	Number of violations of antitrust laws: Zero     Number of cases of bribery of foreign public officials: Zero	Number of violations of antitrust laws: Zero     Number of cases of bribery of foreign public officials: Zero	16 MAIS LIBROR MO TRIMOS  SOCIETADOS  17 PREPASSORPE  18 DE COACI
	Promotion of sustainable procurement	Conduction of sustainable procurement survey for suppliers     Provision of feedback on the results of the sustainable procurement survey     Provision of supports in improvement for suppliers that do not meet the Company's standards	Response rate of sustainable procurement survey (Purchasing Department purchases): At least 90%*	Provision rate of supports in improvement for suppliers that do not meet the Company's standards Target: At least 10% Result: 100%	_ <del>&amp;</del>
	Adaptation to climate change	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	<ul> <li>Updated or maintained BCPs for products that account for 81% of ordinary income</li> </ul>	
Continuous improvement of responsible care activities	Mitigation of climate change	GHG emissions reduction	<ul> <li>GHG emissions: Reducing by at least 30% from FY2018 level</li> </ul>	Reduced by 23.5%	
	Promotion of occupational health and safety	<ul> <li>Strengthening of occupational safety management</li> </ul>	Accidents requiring staff time off from work: Zero	Number of accidents requiring staff time off from work: 1     Number of occupational accident Target: Reducing by half compared to FY2020 Result: 3 (FY2020: 8)	8 DECENT WHISE AND CONSIDER CONSIDER
	Biodiversity conservation	<ul> <li>Promotion of biodiversity conservation activities</li> </ul>	Number of registered sites for "Nationally Certified Sustainably Managed Natural Sites": At least 2" Support for government-owned land: 5,000m² or more*	Establishment and operation of Bio-Parks at Nissan Chemical's plants Target: At all Nissan Chemical's plants Result: Establishment and operation completed at all Nissan Chemical's plants [FY2024: Established the Nagoya Plant Bio-Garden)	12 SEPREMENT SERVICES
	Management of chemical substances	Compliance with laws and regulations regarding the use of chemical substances	<ul> <li>Serious violations of laws and regulations: Zero (maintained)</li> </ul>	Number of serious violations of laws and regulations: Zero (maintained)	14 str rects
	Reduction of industrial waste and pollutant emissions	Reduction of industrial waste and pollutant emissions for final disposal	<ul> <li>Final disposal volume: Reduce by 50% compared to FY2021*</li> </ul>	Reduction of final disposal ratio at Nissan Chemical's plants Target: Reduction compared to FY2020 Result: 8.5% (FY2020: 14.3%) Final disposal volume: Reduced by 40.4%	15 IN STAND
	Safety and disaster prevention	Strengthening of the management of safety and disaster prevention	Number of fires, explosions and chemical spills: Zero     Safety accidents: Zero	Fires: 0, Explosions: 0, Chemical spills: 1     Safety accidents: 1	

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