

## Chemical safety

### Management approach

In order to meet the needs of our customers now and in the future, the NOF Group promotes appropriate risk-based management of chemicals and conducts product safety risk assessments for all products, including new products.

Many countries and regions are now actively enacting or revising laws and regulations related to chemicals management. In cooperation with Group companies in Japan and overseas, NOF is strengthening its ability to gather information on regulatory trends and enhancing its functions using a comprehensive chemicals management system in order to ensure compliance with the following items.

- We maintain a comprehensive understanding of the hazards, risks, and impacts of each product as they relate to all phases of the product's life cycle and intended use(s).
- We update the quality and quantity of information as necessary to ensure global consistency and to comply with local requirements for product information.
- We keep records of all necessary and requested product safety information to ensure that our products are useable throughout their entire life cycle.
- Standardized safety data sheets (SDS) are provided to customers at the time of initial delivery and upon request in local areas. We consistently maintain this critical information provision mechanism, and conduct distribution to all customers worldwide for all products, in compliance with local regulations and in the language requested by the customer.

### Initiatives by the NOF Group

The NOF Group believes that a sound understanding of its products' chemical properties, hazards, and impacts on people and the environment, as well as the management of risks associated with the handling of products, are fundamental to providing the market with a safe and competitive product portfolio in the future. The NOF Group works to ensure reliable operation of the mechanism for providing SDSs so that hazard information related to our products is easily available to our customers and employees, and we continuously provide updates on the latest information.

The NOF Group currently delivers over 5,000 products to markets in 55 countries around the world, and provides SDSs to these markets. We

are also responsible for making revisions in response to changes in laws. We provide customers with appropriate information and technical assistance to ensure thorough understanding of our products and safe usage and handling practices. We are currently introducing a system to manage product information. As laws and regulations evolve, we are collecting more information on the conditions of use of our products to record and assess the associated risks, and reflect this in our SDSs.

In addition, NOF has made a list of controlled substances specified by the POPs Convention,

RoHS Directive, and the like, and promotes thorough management and volume reduction by ranking them as:

- ① All chemicals prohibited to be handled,
- ② Chemicals for which we will consider alternatives and strive to reduce the amount handled, and
- ③ Chemicals to be handled under appropriate management.

We also comply with relevant regional and national chemical regulations, such as REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) in the European Union

(EU), K-REACH in South Korea, and TSCA in the United States.

In FY2022, the NOF Group registered two new REACH applications, bringing the total number of registrations to 44.

Since the implementation of the REACH system, no products have been subject to the system for substances of very high concern (SVHCs).

In addition, in Japan, the Group is promoting making lead-free products for pyrotechnic devices such as detonators, which contain lead that can affect water pollution.

### Initiatives in the supply chain

We are promoting the development of eco-friendly products that are biodegradable and do not contain hazardous substances, which contribute to recycling and energy conservation for the final products. In addition, we conduct screening tests on the risks and harms of all chemical substances we handle during design screening of new products and assessments in the commercial production transition phase, thereby developing products with low environmental impact.

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We verify that new products are manufactured according to plan before commencing commercial production. We work to reduce environmental impact through stable operation of our environmental treatment facilities and optimizing the collection conditions of chemical substances. We started working on Chemical Substances Risk Assessment (RA) in 2008, before relevant laws and regulations made it obligatory in 2016. We conduct a risk assessment and review of chemical substances as needed to contribute to employee health and safety.



We conduct CSR procurement for the raw materials we use, which considers impact on the environment and health in addition to quality, cost, and delivery time. The list of controlled substances regarding hazards and toxicity is determined based on the POPs Convention, RoHS Directive, REACH regulations, and Japan's Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., Industrial Safety and Health Act, and Poisonous and Deleterious Substances Control Act. The list is reviewed once a year.

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In fiscal 2020, NOF built and introduced an SDS creation support system, and has centralized management of SDS throughout the company.

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We are conducting activities with the target of a zero emissions rate\* of 0.1% or less. Substances that are no longer needed are separated. The useful substances are put in the recycling process, while those that are not are thermally recycled. In addition, we promote the separate collection and recycling of waste plastics and work to recycle them. With regard to waste disposal destination, we outsource the waste treatment to external companies that not only have received certification of excellence by the government but also satisfy our certification requirements. We provide them with information on hazard assessment and conduct audits on a regular basis to ensure compliance with the Waste Management and Public Cleansing Act.

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\*NOF's definition of zero emission: Volume of final disposal by landfill/volume of waste, etc. generated × 100 ≤ 0.10