



Occupational Safety and Health Policy

The whole NOF Group, including the staff of cooperating companies assigned to NOF's works, is making all-out efforts to eradicate occupational accidents. In order to clearly express the Group's

determination to make its workplaces secure and safe for all the workers involved in its activities and to realize this ideal, NOF set forth its Occupational Safety and Health Policy in April 2006.

Under this policy, an occupational safety and

health management system is organized, under which required management and improvement are pursued.

Results of activities in FY2022

In fiscal 2022, the Group targeted "completely zero accidents,"¹ and under the slogan of "elimination of unsafe actions and unsafe conditions," worked to strengthen our hazard prediction skills and to identify hazardous locations at cooperating companies. However, we were unable to achieve the goal of "completely zero accidents."

Development status of OSHMS²

The NOF Group, under its Occupational Safety and Health Policy, is undertaking buildup of the Occupational Safety and Health Management System. Referencing the guidelines of the International Labor Organization and the Ministry of Health, Labor and Welfare, we are building up our own system and promoting activities. The Risk Assessment program,³ which started in fiscal 2008 at every works of NOF, is now adopted by domestic member-companies of the NOF Group as well.

Occupational Safety and Health Policy

Fundamental idea

We, as a group of chemical companies, shall endeavor to secure the safety and health of our employees and local communities in the belief that "no business can be viable without safety." All the officers and employees shall be committed to the buildup of "workplaces where we can work safely and securely" in close teamwork consistent with responsible care activities, and positively promote activities for occupational safety and health.

Fundamental principles

- (1) We shall organize an appropriate self-management system regarding occupational safety and health, and continue necessary management and improvement.
- (2) Our target shall be the eradication of labor accidents by improving the working environment, making the equipment intrinsically safe, and carrying out risk-reducing activities in anticipation of future changes in the working environment.
- (3) We shall faithfully observe relevant laws and regulations and our own rules and standards.
- (4) We shall endeavor for the creation of a pleasant working environment and support efforts for keeping and promoting health.
- (5) We shall make the Occupational Safety and Health Policy thoroughly known to all the employees, and review it every year or as necessary. These principles shall be broadly disclosed to the public.

(Amended March 2013)

¹ The NOF Group's own target to achieve zero lost workday accidents and zero accidents not involving lost workdays.

² Acronym for Occupational Safety and Health Management System. A management system that determines the organization, responsibilities, practices, processes, and management resources required for an operator to continuously mitigate potential occupational safety and health risks.

³ Method of identifying, eliminating, and reducing potential risks or hazards in the workplace.



Occupational safety and health | RC activity targets

GRI 403-2,4

Recognizing the importance of safety education, the NOF Group strives to enhance its occupational safety and health management system and reinforce its safety activities including safety education, in an effort to secure the safety and health of its employees.

FY2022 safety activity results and FY2023 RC activity targets

We have been striving for "completely zero accidents" since fiscal 2015. In fiscal 2022, there were 6 labor accidents, and we did not achieve the target.

Therefore, we set "Thorough enforcement of basic safety actions" as an initiative of the RC activity targets for fiscal 2022, and each company in the Group worked on measures in line with this target. In addition, with the aim of strengthening

countermeasures against potential disaster risks in the workplace, we promoted on-site management based on Sangen Shugi (the "three actuals" principle) in which managers actually observe the work sites, recognize problem areas, and make efforts to make the work safer. As a result, compared to fiscal 2021, the number of lost workday-involving accidents decreased to one (down four from the previous fiscal year) and the number of all labor accidents decreased to six (down six from the previous fiscal year), indicating that the measures were effective.

However, an analysis of the six labor accidents that did occur showed that in many cases they were caused by unsafe actions, and we considered it necessary to continue "Thorough enforcement of basic safety actions" going forward. Furthermore, in fiscal 2023, we decided to instill in

all employees an awareness of the importance of "Thorough enforcement of basic safety actions" by focusing on accidents involving falls and working to prevent their occurrence.

Elimination of traffic accidents

In order to reduce the number of accidents during commutes and work-related traffic accidents, which occurred frequently during fiscal 2022, we enhanced our traffic safety measures. Each works, plant, and affiliate implements its own traffic safety activities according to its own circumstances. The activities implemented included distribution of pamphlets during a traffic safety week, a safety lecture by the police, and raising a road safety slogan banner.



Traffic safety education by the Oita East Police Station (Oita Plant)



Traffic banner (Aichi Works)

The NOF Group's targets in RC activities and labor safety initiatives in fiscal 2023

1 Enhancement of sensitivity toward danger and thorough enforcement of basic safety actions
(focus on falls, tumbles, and crash accidents)

- Provide occupational safety education and training
- Strengthen hazard prediction skills

2 Reduction of accident risks

- [Labor safety] • Strengthening of responses based on Sangen Shugi (the "three actuals" principle)
- [Traffic safety] • In-depth investigation of the causes of injury and self-caused damage*
- Strengthening of education to promote awareness

* Injury and self-inflicted injury: Commute accidents and work-related traffic accidents with injury and self-inflicted injury



Safety education by try-and-sense method

The NOF Group has introduced safety education by a try-and-sense method, which aims at labor accident prevention by having the trainees gain a simulated experience of danger with a view to making the employees more sensitive to potential

danger and more conscious of safety.

We offered educational programs mainly for external entities so far, and we are currently working on more field-oriented education for our employees through the introduction of education by experience.



Experience of becoming entangled in rotating equipment (Amagasaki Plant)



Experience of high-elevation falls (Amagasaki Plant)

Each individual's "safe practice declaration" activities (Domestic Group)

The need for enhanced safety awareness to eliminate labor accidents was recognized in fiscal 2011, as a result of the frequent occurrence of such accidents attributable to human factors including the lack of a sense of danger and carelessness. Since fiscal 2012, we have been implementing "each individual's 'safe practice declaration' activities," namely the setting of action targets for labor safety by each individual person and taking action to achieve the targets. This system is implemented in a way considered suitable for each plant, such as safe practice declarations of individuals, including the personnel of cooperating companies at the site, being made open to everybody by posting on a bulletin board.



RC* Education of the NOF Group

To enable all the employees of the NOF Group to deepen their understanding of RC, emphatic efforts are put into RC education. In fiscal 2022, a total of 53,066 people participated in and received RC-related education and training for a total of some 41,000 hours.



Lifesaving first aid training
(Advanced Technology Research Laboratory)



Spill prevention drill (Amagasaki Plant)

FY2022 RC education NOF Group

| Field | Total number of participants | Total time (in hours) |
|-----------------------|------------------------------|-----------------------|
| RC in general | 4,353 | 3,675 |
| Labor safety | 32,803 | 25,355 |
| Environmental safety | 4,406 | 2,630 |
| Product safety | 7,138 | 6,579 |
| Plant safety | 3,137 | 1,426 |
| Transportation safety | 1,229 | 1,263 |
| Total | 53,066 | 40,949 |

* RC: Acronym for "Responsible Care." (See p. 41-43)



BCP training and education

We conducted our first-ever company-wide joint drill with the cooperation of all production sites in Japan, based on the assumption of extensive damage from a nationwide earthquake. The drill focused on establishing a smooth information-sharing and cooperation system between the Emergency Headquarters at the Head Office and each production site to confirm and improve the effectiveness of the BCP that has been formulated.

We are also actively expanding our BCP through ongoing efforts regarding the development of the BCP and education in preparation for emergencies such as infectious disease outbreaks and cyberattacks.



Company-wide joint drill (Head Office)



Company-wide joint drill (Emergency Headquarters at the Head Office)



Company-wide joint drill (online: Kawasaki Works, Aichi Works, Amagasaki Plant, Oita Plant)



Disaster prevention drills

The NOF Group manufactures hazardous materials and explosives, including organic peroxides. We consider minimizing internal and external damage in the event of a disaster to be of the utmost importance, and actively conduct disaster prevention drills. In particular, we regularly conduct joint disaster prevention drills with local organizations to strengthen disaster countermeasures in cooperation with local communities.

We also actively participate in local firefighting technique competitions to improve firefighting skills and appeal to communities by demonstrating our high level of safety awareness.



Joint disaster prevention drill with Taketoyo Town and neighboring fire departments (Aichi Works)



Joint comprehensive disaster prevention drill with the Chidori District Disaster Prevention Association (Kawasaki Works)



High-elevation rescue drill (Amagasaki Plant)



Injured person transportation drill (HOKKAIDO NOF CORPORATION)



Fire extinguisher training (MCNA)



Annual Self-Defense Firefighting Maneuvers Competition (NiGK Corporation)



Awards for safety activities

The NOF Group has received various awards in recognition of its daily safety activities and consistently disaster-free operations at facilities that handle hazardous materials.

The Kawasaki Works received an award from Kanagawa Prefecture recognizing its longstanding management of high-pressure gas.

HOKKAIDO NOF CORPORATION received an award from Bibai City recognizing its achievements in hazardous materials and explosives safety.

Nippon Koki Co., Ltd. received an award from the Japan Explosives Society, which highly evaluated its paper on the NET LAUNCHER crime prevention device.

NICHIYU LOGISTICS CO., LTD. received an award from Oita Prefecture for its consistently accident-free operations.

Encouraged by these awards, we are determined to continue pursuing safety activities and accident prevention and will strive to further promote safety management.

Record of awards for safety activities

| Works/Plants | Date awarded | Name |
|--|--------------|--|
| Amagasaki Plant | 2022/6/7 | Received the award for excellent high-pressure gas safety manager by the Hyogo High-Pressure Gas Safety Organization |
| | 2022/6/13 | Received the award for excellent boiler engineers by the Hyogo Branch of the Japan Boiler Association |
| Aichi Works | 2022/4/21 | Handa association for safety hazardous materials Excellent Hazardous Materials Control Award |
| Kawasaki Works | 2022/6/24 | Kanagawa Prefecture Industrial Safety Award (for excellent high pressure gas production safety manager, etc.) |
| Nippon Koki Co., Ltd. | 2022/5/20 | Excellent Hazardous Materials Control Award, Shirakawa Area Fire and Disaster Prevention Association |
| | 2022/5/24 | Japan Explosives Society Technology Award (achievements related to the advancement of explosive technologies) |
| | 2022/12/14 | METI Minister's Award for Excellent Explosives Security |
| NiGK Corporation | 2022/5/30 | Saitama Prefectural Explosive Safety Association, Excellent Long Service Employee Award |
| HOKKAIDO NOF CORPORATION | 2022/6/1 | Bibai City Association for Safety Management of Hazardous Materials, Award for Employees' Long-time Service |
| | 2023/3/16 | Hokkaido Safe Driving Managers Association, award for excellent safe driving management office |
| Showa Kinzoku Kogyo Co., Ltd. | 2022/12/2 | Chikusei Labor Standards Association, award for excellent workers |
| NOF METAL COATINGS ASIA PACIFIC CO., LTD. | 2023/3/8 | 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (SME category) |
| NICHIYU LOGISTICS CO., LTD. | 2022/8/18 | Zero-Accident Certification Program for SMEs, Category 3: Bronze Prize |



Kanagawa Prefecture Industrial Safety Award (Kawasaki Works)



Japan Explosives Society Technology Award (Nippon Koki Co., Ltd.)



Prize in the Zero-Accident Certification Program for SMEs (NICHIYU LOGISTICS CO., LTD. (Oita))



Award from the Bibai City Association for Safety Management of Hazardous Materials (HOKKAIDO NOF CORPORATION)



Promotion of health-conscious management

NOF strives to create a pleasant working environment and engage in mental health care based on the belief that "securing the safety and health of employees and creating a pleasant working environment are the foundation for sustainable growth of a corporation."

With a view to developing a workplace where employees can enjoy fulfilling lifestyles and maintain motivation for work, NOF designates priority areas of ❶ Creation of a pleasant working environment, ❷ Mental health care, and ❸ Maintenance and promotion of health. Going forward, NOF will proceed with initiatives to maintain and promote employees' health. Additionally, in proceeding with these initiatives, we will strive to enhance the contents mainly by reporting at the meeting of officers.



Periodic health examinations

We conduct periodic health examinations for employees within the company. In addition to the legally required items, we also provide optional tests, such as for tumor markers. After periodic health examinations are conducted, we cooperate with the NOF Health Insurance Association to efficiently and effectively conduct specified health checks and specified health guidance.

Priority areas



1 Creation of a pleasant working environment

- Promote operational efficiency and curb long working hours
- Further expand programs to assist the balance of work and family life
- Prevent passive smoking

Examples of initiatives

- Encouraging employees to take at least 8 days of yearly paid holidays

Utilization rate of yearly paid holidays

| FY2020 (Results) | FY2021 (Results) | FY2022 (Results) |
|------------------|------------------|------------------|
| 69% | 70% | 73.4% |

FY2023 (Targets) **73% or more**



2 Mental healthcare

- Encourage employees to take stress tests
- Raise awareness of self-care through mental health training
- Enhance mental health consultation framework

Examples of initiatives

- Aiming to raise self-care awareness and encouraging employees to take stress tests

Stress test recipient rate (excluding people absent from work, etc.)

| FY2020 (Results) | FY2021 (Results) | FY2022 (Results) |
|------------------|------------------|------------------|
| 100% | 100% | 99% |

FY2023 (Targets) **Maintain 99% or more**



3 Maintenance and promotion of health

- Ensure implementation of health examinations and appropriate health guidance
- Encourage follow-up examinations and understanding of results
- Promote exercise in daily life

Examples of initiatives

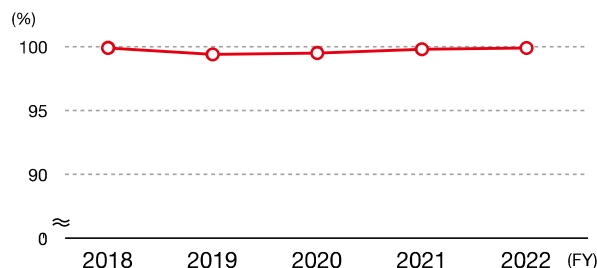
- For the maintenance and promotion of health, encouraging employees to participate in the "Health Promotion Walking" program run by the NOF Health Insurance Association

Participation rate

| FY2020 (Results) | FY2021 (Results) | FY2022 (Results) |
|------------------|------------------|------------------|
| 48% | 49% | 50% |

FY2023 (Targets) **50% or more**

Percentage of employees taking periodic health examinations NOF





Occupational safety and health | Promotion of health

GRI 403-1,3,4,5,6

Mental health initiatives

NOF is taking comprehensive initiatives for the prevention and alleviation of mental health troubles and supporting those suffering from such troubles until they have sufficiently recovered to return to work.

More specifically, these initiatives are taken in teamwork with industrial physicians specializing in mental health to ensure early detection and proper solutions for mental health problems by providing stress checks, setting up out-of-house counseling facilities, and institutionalizing a “return-to-work support program” to support persons absent from work for a long time or on sick leave on account of mental health disorders in ensuring their smooth return to work after recuperation.

In fiscal 2022, mental health care (line care) education was conducted for 33 participants as part of training for career-track employees promoted to manager. Measures are also implemented to maintain and improve the mental health of employees through supervisors.

Smoking cessation program

With the aim of helping habitual smokers improve their own health and preventing passive smoking damage to nonsmokers, we support smoking cessation for habitual smokers by recruiting participants for our online smoking cessation outpatient program.

Smoking cessation program participants

| | | |
|--------|------------------------|-----------------------------------|
| FY2021 | 31 participants | 26 successful participants |
| FY2022 | 11 participants | 9 successful participants |

* The number of successful participants indicates the number of people at the end of the program.



Safety and disaster prevention facility investment

In connection with measures for safety and accident prevention, the NOF Group is carrying out a program of physical projects for prevention of accidents including explosions, fires and leaks, labor safety, and working environment amelioration. Further, to provide against anticipated heavy earthquakes, projects are under way to strengthen buildings.

Major safety and disaster prevention facility investment in FY2022

| Works/Plants | Purpose | Details |
|-----------------|---|--|
| Amagasaki Plant | Disaster prevention and safety work | Replacement of fire extinguishers, construction and renovation of high-elevation work stages |
| Chidori Plant | Disaster prevention | Renewal of fire shutters Expansion of lighting equipment |
| Oita Plant | safety work | Measures to reduce risk of high-elevation work New construction of rainy weather shipping areas |
| Taketoyo Plant | Countermeasures against typhoons and heavy rain | Repair of earthen embankments for explosive warehouses |
| Kinuura Plant | Working environment amelioration | Expansion of air-conditioners Introduction of equipment to prevent lower back pain Modification of the oxygen concentration alarm system |

*1 Accidents involving loss of functions: Accidents that leave the injured person(s) with a disability (disability level 5 or higher) following recovery

*2 Lost workday-involving accidents: Accidents involving loss of more than 1 workday

*3 Includes accidents without lost workdays

*4 Frequency rate = Total labor lost/total actual hours worked x 1000

Occurrence of labor accidents in fiscal 2022

Record of labor accidents in fiscal 2022

| Indicators | Targets | 2020 | 2021 | 2022 |
|---|------------------------|------|------|------|
| Accidents involving death and loss of functions (people)*1 | NOF main group (Japan) | 0 | 0 | 0 |
| | Affiliates (Breakdown) | 0 | 0 | 0 |
| | Japan | 0 | 0 | 0 |
| | Asia | 0 | 0 | 0 |
| | Americas | 0 | 0 | 0 |
| | Europe | 0 | 0 | 0 |
| | Cooperating companies | 0 | 0 | 0 |
| Frequency rate of accidents involving death and loss of functions*4 | 0.00 | 0.00 | 0.00 | |
| Accidents with lost workdays (people)*2 | NOF main group (Japan) | 0 | 3 | 1 |
| | Affiliates (Breakdown) | 1 | 1 | 0 |
| | Japan | 0 | 1 | 1 |
| | Asia | 1 | 0 | 0 |
| | Americas | 0 | 0 | 0 |
| | Europe | 0 | 0 | 0 |
| | Cooperating companies | 2 | 1 | 0 |
| Frequency rate of lost workday-involving accidents*4 | 0.34 | 0.85 | 0.17 | |
| Total damage (people)*3 | NOF main group (Japan) | 2 | 8 | 1 |
| | Affiliates (Breakdown) | 3 | 2 | 3 |
| | Japan | 2 | 2 | 3 |
| | Asia | 1 | 0 | 0 |
| | Americas | 0 | 0 | 0 |
| | Europe | 0 | 0 | 0 |
| | Cooperating companies | 6 | 2 | 2 |
| Frequency rate of all accidents*4 | 1.70 | 2.03 | 1.01 | |