

# ESG DATA BOOK 2022



From the Biosphere to Outer Space

 **NOF CORPORATION**

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### Editorial Policy

This data book is prepared for the purpose of complementing the Integrated Report 2021 and disclosed in PDF format on the NOF CORPORATION's official website.

### Reporting Period

Fiscal 2021 (From April 1, 2021 to March 31, 2022)

\* Activities conducted prior to and after this period have also been included when deemed to be important for deepening the understanding of the reader.

### Guidelines Referenced

ISO26000: 2010 Guidance on Social Responsibility, Japanese Standards Association  
GRI Sustainability Reporting Guidelines Standard

### Scope of the Report

The Report covers the entire NOF Group. If it is necessary to specify the scope of coverage, the following terms are used. The term "NOFGroup" is used to refer to the whole Group.

The term "NOF" is used to refer to NOF CORPORATION alone.

#### Environmental data

Main items of environmental performance data are separately aggregated and stated with respect to domestic and overseas sources. In this Report, NOF and its 13 domestic consolidated subsidiaries are referred to as the "Domestic Group."

#### Social data

Social data primarily covers NOF and includes certain affiliates.

#### Financial data

Financial data covers NOF and its 25 consolidated subsidiaries.

#### Disclaimer

This Report contains forward-looking statements based on management plans and expectations at the time of publication, as well as past and present facts regarding the NOF Group. These forward-looking statements comprise assumptions and judgments based on currently available information, and thus the actual events and outcome of future business activities may differ from those predicted due to changes in various conditions.



# General Topics

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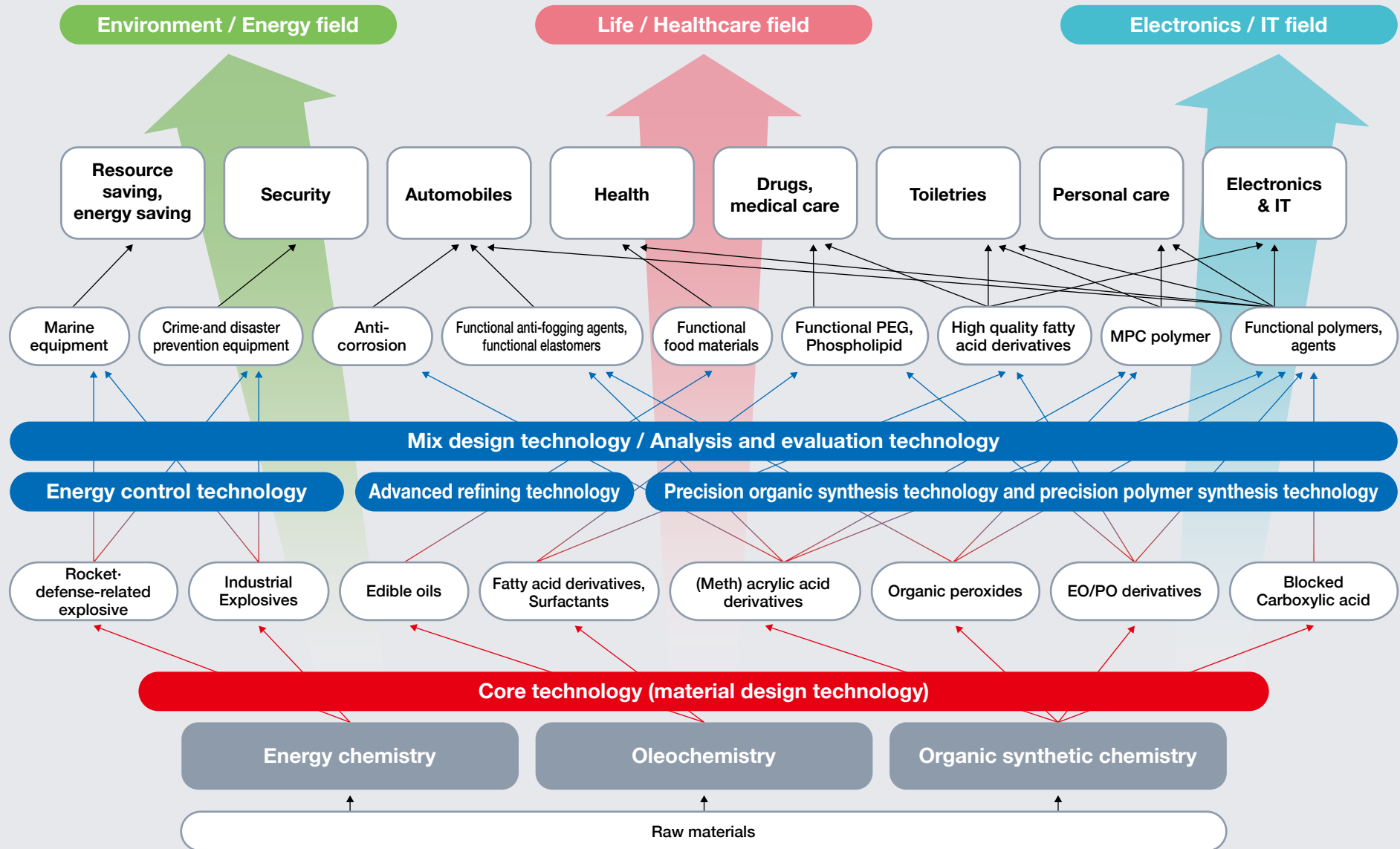
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# Technologies and materials of the NOF Group







## Our Products and Technology ECO Products

GRI 417-1

### NOF Group's Eco-friendly Products

Based on its technologies and experiences built up over the years, the NOF Group continues to develop eco-friendly products.

What the NOF Group means by "eco-friendly products"

- (1) Products that facilitate resource saving and recycling**
- (2) Products reduced in environmental load**
- (3) Products containing neither hazardous nor legally regulated substances**

The products of the NOF Group are almost wholly supplied to corporate users. Some of the products of the NOF Group delivered to corporate users are exhausted as they are used as processed foods or explosives, but many of them are further processed into everyday products. We deliver products that contribute to recycling and energy-saving of everyday products, and eco-friendly products that are biodegradable or that do not contain harmful substances in an effort to reduce environmental loads. Going forward, we

will strive to develop products and technologies that will contribute to reducing the environmental load from the standpoint of the entire life cycle from the procurement of materials to production, distribution, use, disposal, and recycling.





## Our Products and Technology ECO Products

(1) Products that facilitate resource saving and recycling

GRI 417-1

We in the NOF Group are always asking ourselves, "To reduce our environmental loads to the possible minimum, how can we utilize our technology," and are earnestly meeting many different requests from diverse fields.

### Antifog agents for automotive headlamps (Functional Chemicals & Polymers Div., NOF CORPORATION)

Today, LED lamps are in accelerated use for automotive headlamps by virtue of their reduced power consumption, extended service life, contributions to fuel efficiency of cars, and lower greenhouse gas emissions. However, as they do not make the lamp inside as hot as in conventional halogen lamps, LED headlamps involve the problem of susceptibility to fogging by dew drips.



Antifog agents used for automotive headlamps

The MODIPER® H series are used for preventing such fogging within lamps and for keeping their front lenses clear.

**Eco-friendly refrigerating machine oil (Oleo & Specialty Chemicals Div., NOF CORPORATION)**  
HFC (Hydrofluorocarbon) refrigerants, which do not deplete the ozone layer, are increasingly used as refrigerants for air conditioners and refrigerators. Eco-friendly refrigerating machine oil enhances co-solubility with HFC (Hydrofluorocarbon)

refrigerants and improves its thermal stability, electrical insulation performance, and other factors. Moreover, its low viscosity contributes to saving energy consumption. In recent years, refrigerants with a smaller global-warming potential compared with previous products are required, and NOF is now supplying refrigerating machine oil for refrigerants with a low global-warming potential.

### Biodegradable hydraulic fluid (Oleo & Specialty Chemicals Div., NOF CORPORATION)

Leaking of hydraulic fluid (mineral oil) used in construction machinery for outdoor use or dam gates in unforeseen accidents or natural disasters and the resulting contamination of the environment is posing a problem. In view of this circumstance, NOF has developed the hydraulic fluid MILLUBE® that is decomposed by natural bacteria (biodegradable) and is urging replacement of conventional hydraulic oils with this new product. It also supports wind power gear applications that contribute to the reduction of greenhouse gas emissions.



Oil readily biodegradable in the environment (Biodegradability 60% or more in 28 days) (Under OECD 301C tests)

Eco Mark Certification Number

08110006

Name of utilizing contractor:

NOF CORPORATION

Product: MILLUBE® E-22A, E-32A, E-46A, E-56A, G-150A, G-320A

Received the fiscal 2010 Kinki Chemical Society Japan Environmental Technology Award

### Low-VOC\* curing agents (Functional Chemicals & Polymers Div., NOF CORPORATION)

Bath tubs are manufactured by thermally curing unsaturated polyester resin. PERHEXYL® A is a curing agent that can shorten the molding cycle and moreover significantly reduce the VOC, an environmental load that remains in the molded product.

### Anti-sticking agent for asphalt mixtures (Oleo & Specialty Chemicals Div., NOF CORPORATION)

In road construction, asphalt mixtures often stick to the cargo beds and hoppers used within plant facilities, and to prevent this trouble, petroleum-derived adhesion preventers have been used. However, conventional adhesion preventers are not friendly to the environment; they contaminate soil and/or water. ASPHAR-AB®, made from natural oil, contributes to environmental conservation as a highly biodegradable product.

#### Example of use of ASPHASOL®



Used

Where it is not used



Oil readily biodegradable in the environment (Biodegradability 60% or more in 28 days) (Under OECD 301C tests)

Eco Mark Certification Number

12110001

Name of utilizing contractor:

NOF CORPORATION

Product: ASPHARAB® CE-R, LF

\* Volatile Organic Compounds



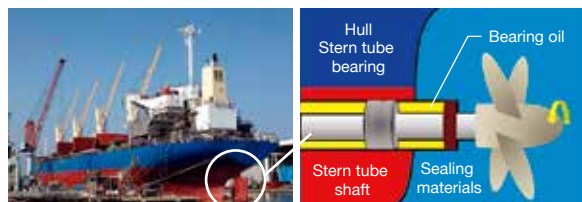
# Our Products and Technology ECO Products

## (1) Products that facilitate resource saving and recycling

GRI 417-1

### Eco-friendly stern tube bearing oil (Oleo & Specialty Chemicals, NOF CORPORATION)

After a major oil spill in the Gulf of Mexico in 2010, the United States' 2013 Vessel General Permit (VGP) regulations came into effect for all vessels in 2013. This regulation has led to growing global demand for biodegradable, eco-friendly lubricants. We developed MILLUBE® ST-100U stern tube bearing oil that meets the needs of the market by greatly improving the lubrication and anti-corrosion performance of conventional biodegradable lubricants offered by other companies. The



Eco-friendly stern tube bearing oil

MILLUBE® ST-100U	Mineral oil	Eco-friendly lubricants supplied by competitors	
		Company A	Company B
After 30 days	After 30 days	After 7 days	After 5 days
No rust or corrosion	No rust or corrosion	Visible rust, corrosion	Visible rust, corrosion

Results of anti-corrosive coatings (The shafts were soaked in the 60°C mixture of lubricant (95%) and natural seawater (5%) for a certain period of time to compare anti-corrosion performance of lubricants.)

product, which satisfies 2013 VGP standards in terms of high biodegradability, low toxicity, and low bioaccumulation, is a superior lubricant that can help conserve marine environments.

### Steam pressure cracking agent, "GANSIZER®" (Nippon Koki Co., Ltd.)

GANSIZER® uses high vapor pressure that is generated during the thermolysis of the agent to crush bedrock, stone, and concrete structures with low vibration and low noise. It has gained a strong reputation as a crushing agent not containing explosives and is friendly towards the surrounding environment. It has a strong track record in situations such as crushing concrete and excavation works near rivers, and it was also used for underwater crushing of breakwaters that were destroyed in the Great East Japan Earthquake.



### Antifreezing agents (HOKKAIDO NOF CORPORATION)

Antifreezing agents such as sodium chloride conventionally used on road surfaces in cold areas have posed the problem of "salt damages." NOF' s antifreezing agent KAMAGU®, an acetic acid-derived chemical containing no chloride, poses no fear of salt damages.

AUTOKAMAGU® JET, an automatic antifreezing agent spraying device, is a sensor-based system that automatically sprays KAMAGU®, an environmentally-friendly acetic acid antifreezing agent, onto snowy or frozen roads. It is able to work 100% on natural energy using solar energy and it can also perform advanced road surface management via remote monitoring and control. AUTOKAMAGU® JET contributes to environmental conservation and road safety together.



KAMAGU®, together with AUTOKAMAGU® JET, is proving highly effective against the freezing of road surfaces.



## Our Products and Technology ECO Products

## (2) Products reduced in environmental load

GRI 417-1

Recycling of material resources is a vital key to the realization of a sustainable society. The NOF Group has proposed diverse resource saving and recycling techniques, which are now in practical use.

### Deposit control agent (YUKA SANGYO CO., LTD.)

Recycled paper resources contain numerous impurities, including sticky substances such as adhesives. These impurities lower the efficiency of the paper recycling process and impact the quality of the product. The pitch control agent MILLSPRAY®, SPANOL® and DETAC® and the removing agent BIOREX® have solved these problems and promote the recycling of waste paper.



These products demonstrate their superior performance in reducing impurities that generate in the paper-making process.

### Vulcanized rubber substitutes (Functional Chemicals & Polymers, NOF CORPORATION)

While large quantities of vulcanized rubber are used in auto parts and sealing materials, which have to be highly resistant to heat and oil, vulcanized rubber can never be molten once they are molded, and therefore cannot be recycled. Unlike them, the NOFALLOY® TZ series, which can be heated for re-melting as many times as wanted for recycling, is extensively utilized as a substitute for vulcanized rubber.

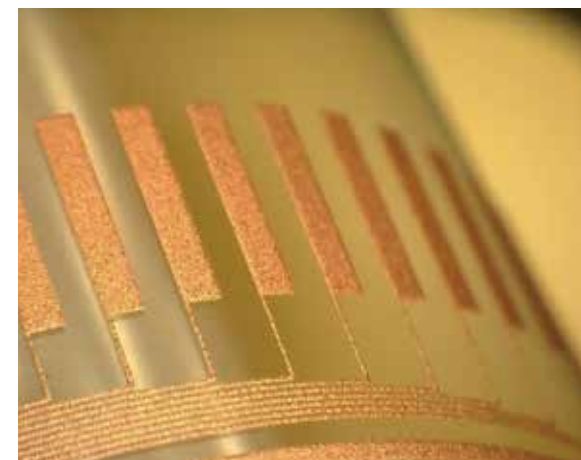


Products made recyclable by the use of NOFALLOY® TZ series

### Copper paste for screen printing

Etching is the standard method for forming copper wiring on electronic circuit boards. However, this method requires waste fluid processing because copper waste fluid is generated as most of copper foil is dissolved.

The copper paste developed by NOF makes it possible to directly draw copper wire on the necessary areas through the screen printing method. For this reason, it is possible to form copper wiring that is not wasteful without generating waste fluid, which in turn makes it possible to use resources efficiently and contribute to environmental preservation.



Example of use in printing of copper paste by screen printing





## Our Products and Technology ECO Products

(3) Products containing neither hazardous nor legally regulated substances

GRI 417-1

As a group of chemical companies manufacturing chemicals and supplying them to society, the NOF Group attaches foremost importance to the safety of products themselves.

### Chrome-free anti-corrosion coatings (NOF METAL COATINGS ASIA PACIFIC CO., LTD.)

GEOMET® is a water-based anti-corrosion coating which contains no chrome compound. Satisfying the requirements of Europe's ELV and RoHS directives, GEOMET® treatment parts are used by automakers across the world.



Parts treated with GEOMET® anti-corrosive coating

### Cement capsule (NiGK Corporation)

Cement capsule is an (inorganic) adhesive-based capsule anchor for post-installed application intended for typical use in anti-earthquake reinforcement work. This product is more resistant to fire than resin products, and excels in safety as it contains no harmful chemicals, which might lead to sick house syndrome.



Example of use in an actual project (anti-earthquake reinforcement of Shinkansen bridge piers)



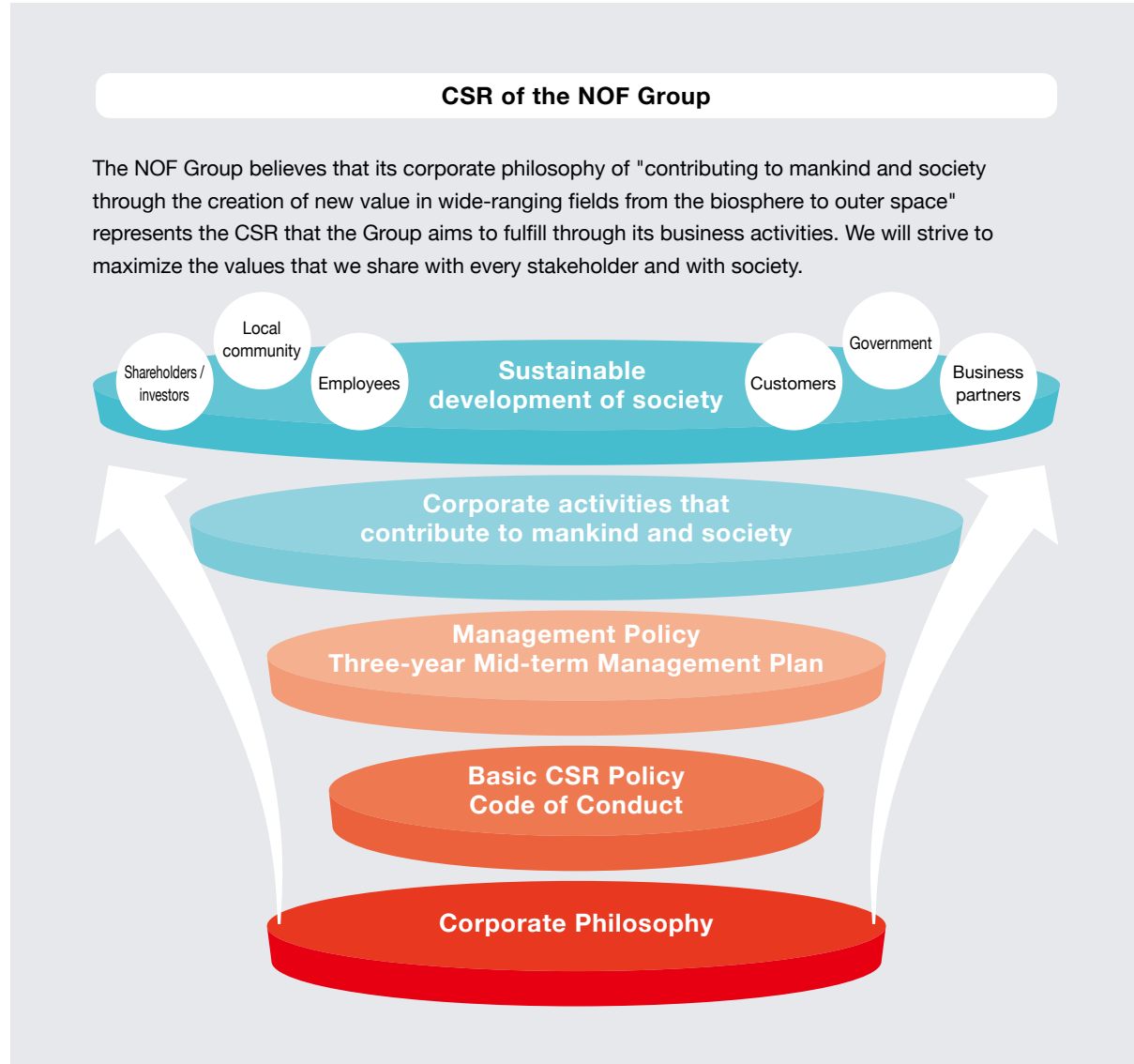
# CSR promotion framework

## Promotion of CSR

We will increase frequency of activities of the CSR Committee, an umbrella organization chaired by the President, as well as the various specialty committees to strengthen risk management system.

### CSR promotion framework

#### Promotion of CSR





# Contribution to the SDGs

GRI 102-12

It is regarded to be important for corporations to contribute to the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. The NOF Group aims to contribute to SDGs through initiatives for materiality as presented in the table below.

Materiality	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
<b>Provide new values to realize a prosperous and sustainable society</b>																	
Innovation through business									●				●				●
Contribution to drug, medical care, and health			●										●				
Contribution through environmentally-friendly products						●	●					●	●	●	●		
Contribution to smart society									●				●				
<b>Strengthen the business foundation</b>																	
Creation of comfortable workplace					●			●		●							
Better performance of human resources				●	●			●									
Promotion of CSR procurement																●	●
Resilience enhancement											●	●					
<b>Promote responsible care activities</b>																	
Response to climate change							●					●	●				●
Management of chemicals			●			●						●		●	●		●
Labor safety			●					●									



## Impact on society through supply chain

GRI 103-1

The businesses of the NOF Group have various impacts on society through its supply chain. The table below shows the relationship between the NOF Group's materiality and value chain.

Materiality	Purchase of raw materials	Development and production	Transportation	Sales	Use	Disposal and recycling
<b>Provide new values to realize a prosperous and sustainable society</b>						
Innovation through business					●	●
Contribution to drug, medical care, and health					●	●
Contribution through environmentally-friendly products					●	●
Contribution to smart society					●	●
<b>Strengthen the business foundation</b>						
Creation of comfortable workplace		●	●	●		
Better performance of human resources		●	●	●		
Promotion of CSR procurement	●	●				
Resilience enhancement	●	●	●	●		
<b>Promote responsible care activities</b>						
Response to climate change	●	●	●	●	●	●
Management of chemicals	●	●	●	●	●	●
Labor safety		●	●	●		





# Response to climate change

## Our fundamental view

Climate change is an urgent issue shared by the entire world. It poses various threats, including an increase in abnormal weather conditions, adverse effects on ecosystems, and a decrease in water resources. The NOF Group has set the reduction of greenhouse gas emissions as one of the goals of its Responsible Care activities, and has been working on various energy-saving measures. In view of the 2050 Carbon Neutral Declaration announced by the government in October 2020 and its new targets to reduce greenhouse gas

emissions announced in April 2021, the NOF Group has decided to set new targets to reduce greenhouse gas emissions. By recognizing the risks and opportunities posed by climate change and promoting countermeasures, the NOF Group will co-create new value with the power of chemistry toward the realization of a prosperous and sustainable society as stated in the NOF VISION 2025.

## Support for the TCFD recommendations

In April 2022, the NOF Group announced its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Based on the TCFD recommendations, the Group will work to reduce climate-related risks and create opportunities for growth, as well as expand our information disclosure.





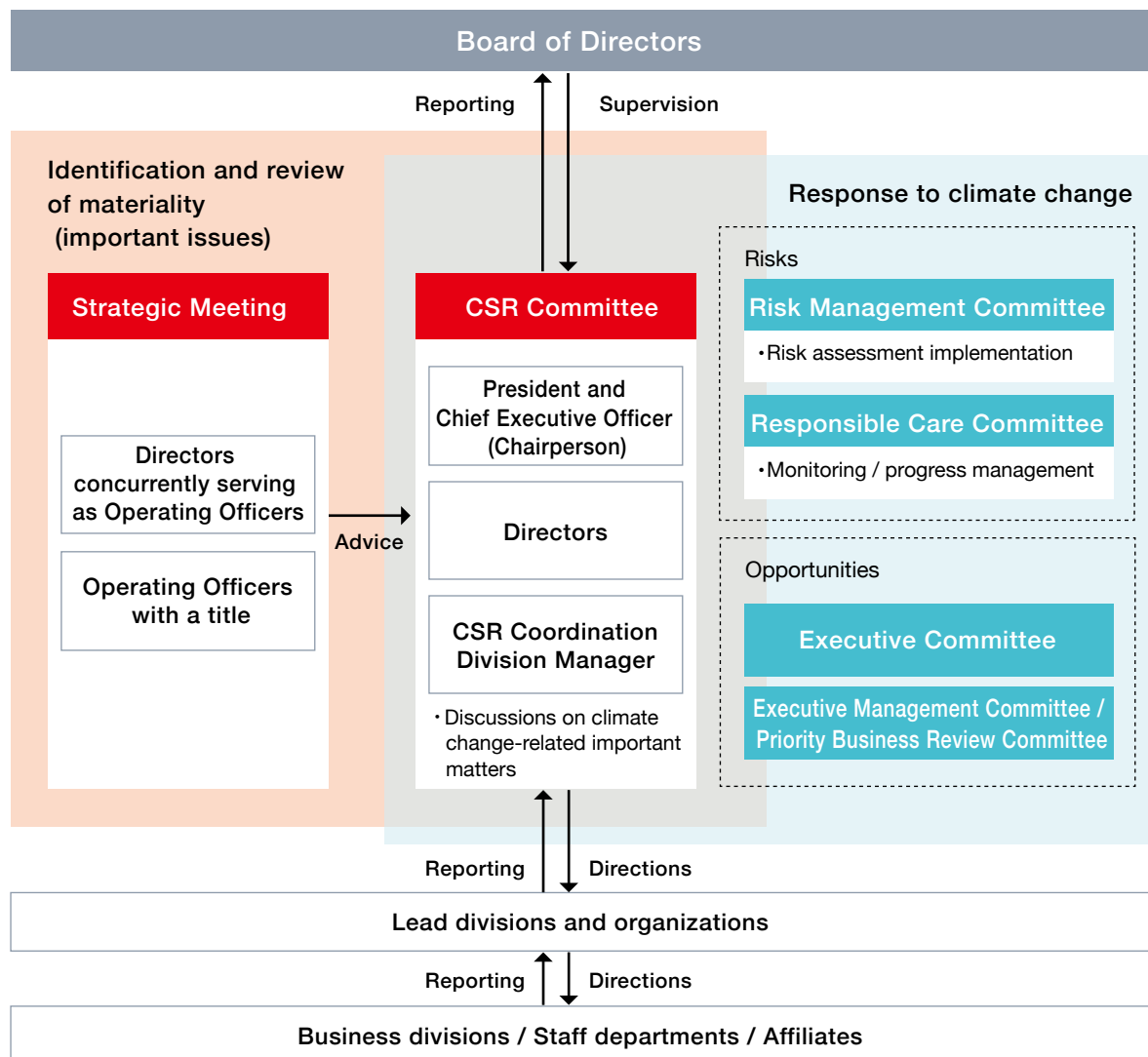
# Response to climate change

## Disclosure in line with TCFD recommendations: Governance

The NOF Group identifies materiality (important issues) related to sustainability through discussions in the Strategic Meeting, which is composed of Directors concurrently serving as Operating Officers as well as Operating Officers with a title, and the CSR Committee, which is chaired by the President. The Board of Directors then approves the materiality. For each materiality issue, KPIs and target values are set and activities are promoted by the supervising organization or department in charge. The progress and results are reported to the CSR Committee. The CSR Committee reviews materiality with the participation of all directors, and examines key issue items, KPIs, target values, and response policies in order to continuously improve the level of activities.

Response to climate change is identified as one of the materiality issues, and important matters including medium- and long-term targets are discussed at the CSR Committee. In regard to risks, the Risk Management Committee conducts a comprehensive assessment, and the Responsible Care Committee supervises monitoring and managing the progress of risk countermeasures and greenhouse gas emission reduction measures. Opportunities are discussed by the Executive Management Committee and the Priority Business Review Committee, and important matters are deliberated by the Executive Committee. A system has been put in place in which the results of these committees and meetings are reported to the Board of Directors at least twice a year for supervision.

Governance structure for climate change response





# Response to climate change

Disclosure in line with TCFD recommendations: Strategy

GRI 201-2

The NOF Group analyzes the risks and opportunities posed by climate change based on the 2°C scenario and 4°C scenario. The key risks and opportunities are as follows.

Category	Scenario	Major risks and opportunities	Overview	Level of impact (2030)	Countermeasures
Transition risks	2°C	Tighter domestic and international regulations	Increased financial burden due to introduction of carbon tax, etc.	Large	• Promotion of measures toward reducing greenhouse gas emissions
		Rise in raw material prices	Sharp rise in prices of raw materials such as petrochemicals and vegetable and animal-based oils due to a decrease in the supply of petroleum, etc. and an increase in demand for biofuels	Large	• Securing stable raw materials through multiple purchases and long-term contracts • Switching from petrochemical-based raw materials to plant-based raw materials • Utilization of biomass chemicals • Carbon recycling (solvent recycling, etc.)
		Changes in the sales destination environment due to the shift to a decarbonized market	Decrease in sales due to decline in market share of gasoline and diesel vehicles	Medium	• Strengthening our response to decarbonized markets, such as electric vehicles and renewable energy
		Deterioration of evaluation/reputation	Deterioration of evaluation from investors in ESG investment and reputation among customers due to delay in climate change countermeasures	Small	• Active promotion of measures to reduce greenhouse gas emissions and information communication
Physical risks	4°C	Natural disasters such as torrential rains, floods, typhoons, storm surges, etc.	Increased risk of business interruption in production sites and supply chains due to increased torrential rainfall, sea level rise, and storm surges caused by stronger typhoons as a result of climate change	Large	• Rain water countermeasures and disaster prevention measures for buildings and facilities • Review the business continuity plan (BCP) and conduct education, training, and audits • Multiple purchases of raw materials
		High temperatures and heat waves	Impact of rising temperatures on refrigeration, air-conditioned storage, etc. in warehouses	Medium	• Ongoing review of capital investment plans
Opportunities	2°C	Growing needs for products that contribute to climate change solutions	Expanding needs for products that contribute to climate change mitigation and adaptation (see page 17-19 for details)	Large	• Development and provision of products that contribute to climate change mitigation and adaptation
		Improvement of evaluation and reputation	Improve evaluation from investors in ESG investment and reputation among customers through active climate change countermeasures	Small	• Development and provision of products that contribute to climate change solutions and communication of information on promotion of greenhouse gas reduction, etc.

\*2°C scenario: A decarbonization scenario that assumes that necessary measures will be implemented to limit temperature increase to 2°C or less compared to pre-industrial times (International Energy Agency (IEA) "Sustainable Development Scenario (SDS)," etc.)  
 \*4°C scenario: A scenario in which climate change has progressed to the point where the average global temperature has increased by 4°C at the end of the 21st century compared to pre-industrial times (UN Intergovernmental Panel on Climate Change (IPCC) "RCP8.5," etc.)



## Financial impacts (selected)

Steam, electricity, and other forms of energy are consumed mainly in the manufacturing processes of the NOF Group. As transition risks brought about by climate change, the financial burden is expected to increase due to rising carbon tax costs and higher unit prices of renewable energy charges,\* and the total impact is estimated to be around 2.4 billion yen. In addition, the NOF Group has established a business continuity plan for physical risks with the 4°C scenario assuming 7.7 billion yen in facilities damage in the event that a typhoon, which occurs once every 500 to several thousand years, breaks through embankments and floods our waterfront plants.

\*Charges for promotion of renewable energy generation

Category	Scenario	Risks	Details of risks	Financial amount of impact	Notes						
Transition risks	2°C	Carbon tax	Financial burden from tax increases	<p>(Hundreds of millions of yen/year)</p> <table border="1"> <tr><th>Fiscal Year</th><th>Impact (Hundreds of millions of yen/year)</th></tr> <tr><td>2020</td><td>0.5</td></tr> <tr><td>2030</td><td>23.7</td></tr> </table>	Fiscal Year	Impact (Hundreds of millions of yen/year)	2020	0.5	2030	23.7	CO <sub>2</sub> equivalent emissions in fiscal 2020, with a carbon price of 15,000 yen per ton of CO <sub>2</sub> in fiscal 2030.
		Fiscal Year	Impact (Hundreds of millions of yen/year)								
2020	0.5										
2030	23.7										
Renewable energy charges	Increased energy costs	<p>(Hundreds of millions of yen/year)</p> <table border="1"> <tr><th>Fiscal Year</th><th>Impact (Hundreds of millions of yen/year)</th></tr> <tr><td>2020</td><td>3.8</td></tr> <tr><td>2030</td><td>5.2</td></tr> </table>	Fiscal Year	Impact (Hundreds of millions of yen/year)	2020	3.8	2030	5.2	The unit price of the renewable energy charge for fiscal 2030 is set at 4.1 yen/kWh based on fiscal 2020 electricity consumption.		
Fiscal Year	Impact (Hundreds of millions of yen/year)										
2020	3.8										
2030	5.2										
Physical risks	4°C	Storm surges	Flooding of facilities due to storm surges <p>(Hundreds of millions of yen/year)</p> <table border="1"> <tr><th>Fiscal Year</th><th>Impact (Hundreds of millions of yen/year)</th></tr> <tr><td>2020</td><td>0</td></tr> <tr><td>2050</td><td>77</td></tr> </table>	Fiscal Year	Impact (Hundreds of millions of yen/year)	2020	0	2050	77	Typhoons and embankment failures every 500 to several thousand years.	
Fiscal Year	Impact (Hundreds of millions of yen/year)										
2020	0										
2050	77										

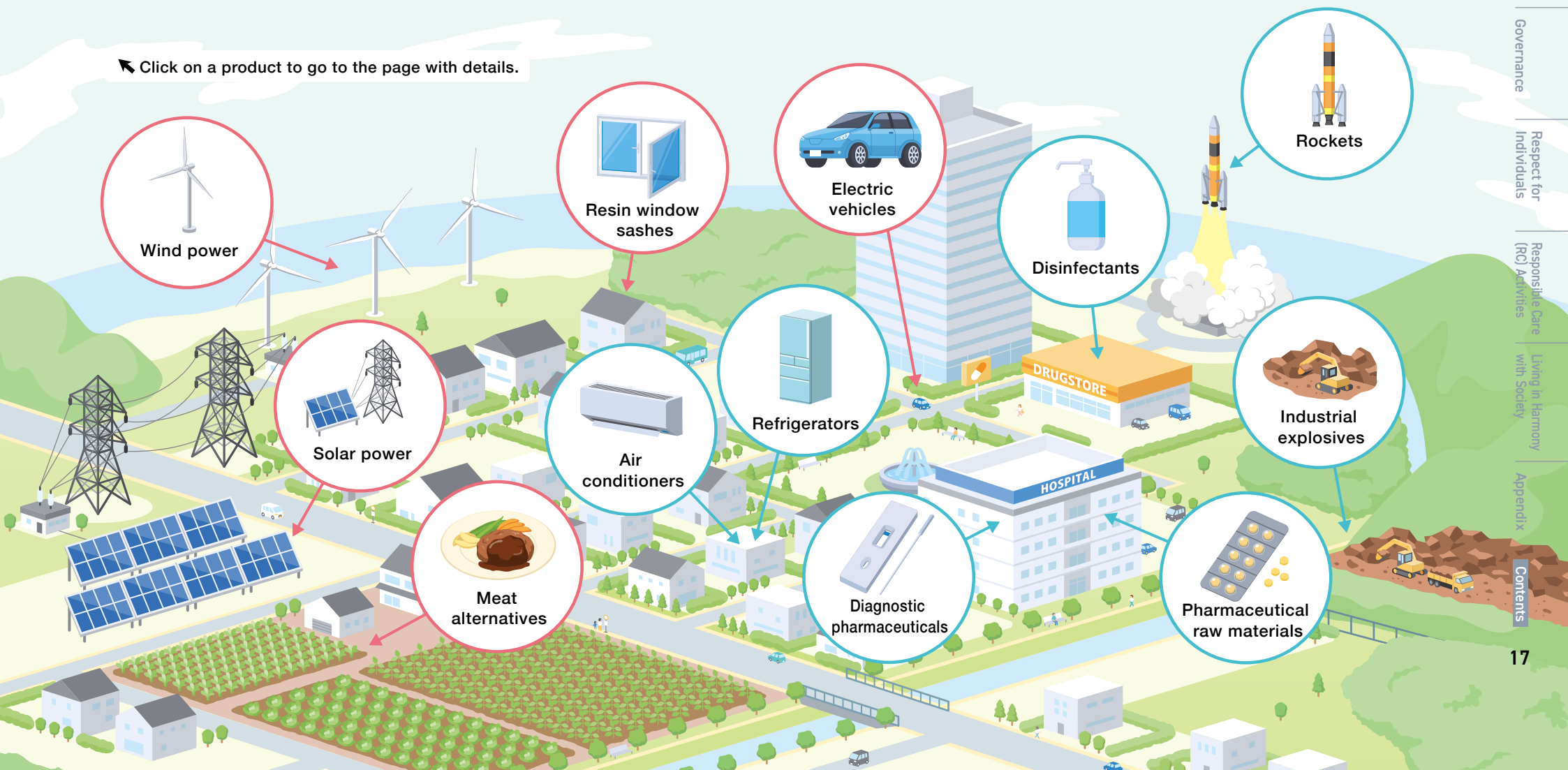




### Illustration of products that contribute to climate change

Based on the risks and opportunities posed by climate change, the NOF Group will co-create new value with the power of chemistry by working to develop and provide products that contribute to the reduction of greenhouse gases to **mitigate** the progression of climate change, and products that contribute to **adaptation** by reducing the impact of climate change.

Click on a product to go to the page with details.





### Mitigation: 2°C scenario

\*Mitigating the progression of climate change by reducing greenhouse gas emissions

#### Electric vehicles

Oleo & Speciality Chemicals | Functional Chemicals & Polymers | Anti-corrosion

Market scale **Large**

Compared to gasoline-powered vehicles, EVs are expected to cause increased demand for additives for in-vehicle electronic components, lubricants for electric units, anti-corrosive coatings, and overcoat materials for LCD color filters due to the increase in electronic components (passive components), electric units, and screws to hold the components in place, as well as more and larger LCD panels. In addition, because LED lights are effective in reducing power consumption of EVs, demand for antifogging agents for LED headlamps is expected to increase. Furthermore, EVs will make vehicles quieter, which is expected to increase demand for resin additives, such as agents that prevent abnormal noises caused by resins rubbing against each other in interior parts.

#### End uses of NOF's products

##### For capacitors and LCD panels

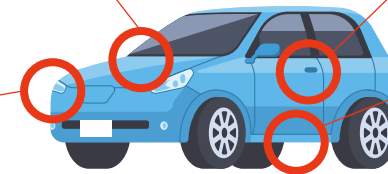
(Additives for electronic components / Lubricants for electric units / Overcoat materials)

##### For agents to prevent abnormal noises in door hinges and interior parts

(Resin additives)

##### For antifogging of LED headlamps

(Antifogging agents)



##### For bolts, nuts, and other parts that hold batteries in place

(Anti-corrosive coatings)

#### Wind power / Solar power

Oleo & Speciality Chemicals | Functional Chemicals & Polymers | Anti-corrosion

Market scale **Medium**

Demand is expected to increase for anti-corrosion coatings for bolts used in wind turbine blades and biodegradable lubricant required for gear lubrication. Demand is also expected to increase for organic peroxides for cross-linked polyethylene, which is used as a coating material for ultra-high-voltage and high-voltage electric wires used to transmit electricity from wind and solar power generation sites.

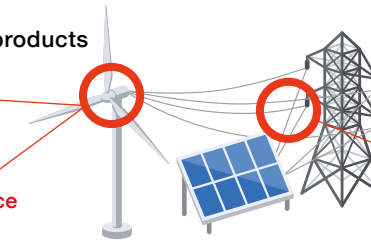
#### End uses of NOF's products

##### For gear oil

(Biodegradable lubricants)

##### For bolts that hold blades in place

(Anti-corrosive coatings)



##### For ultra-high-voltage and high-voltage wire coating materials

(Organic peroxides)

#### Meat alternatives

Functional Foods

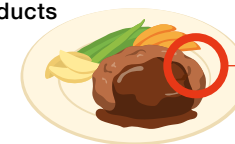
Market scale **Small**

Demand is expected to increase for meat alternative oils and fats that help improve the flavor and texture of plant-derived meat alternatives that reduce environmental impact.

#### End uses of NOF's products

##### For meat alternatives such as soy meat hamburgers

(Oils and fats for meat alternatives)



#### Resin window sashes

Functional Chemicals & Polymers

Market scale **Small**

Demand for organic peroxides is expected to increase with the spread of energy-efficient housing because vinyl chloride resin is used in resin window sashes with high thermal insulation properties.

#### End uses of NOF's products

##### For resin window sashes

(Organic peroxides)





### Adaptation: 2°C scenario \*Reduction of climate change impacts through disaster prevention, etc.

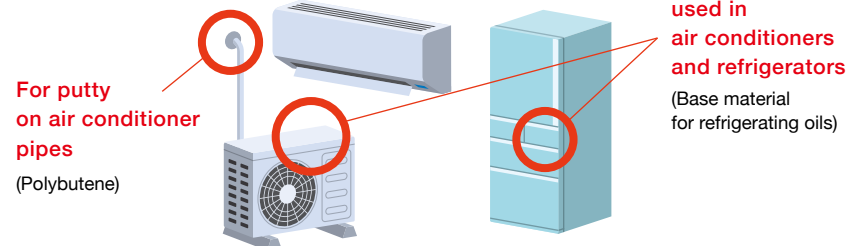
#### Air conditioners / Refrigerators

Oleo & Speciality Chemicals | Functional Chemicals & Polymers

Market scale **Large**

Demand for base material for refrigerating oils, a lubricant for refrigeration equipment, and polybutene for air conditioner putty is expected to increase due to the global increasing need for air conditioners and refrigerators accompanying rising temperatures. The refrigerating machine oil sold by NOF is for alternative CFC refrigerants and contributes to climate change adaptation.

##### End uses of NOF's products



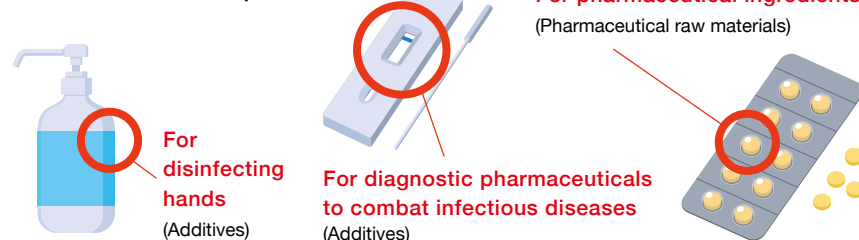
#### Diagnostic pharmaceuticals / Pharmaceutical raw materials

Life Science Products | DDS Development

Market scale **Large**

Due to climate change, there are concerns about the spread of tropical infectious diseases and other diseases and disorders. Therefore, demand for pharmaceutical raw materials is expected to increase due to the rise in disinfectants and additives for diagnostic pharmaceuticals to combat infectious diseases as well as the number of pharmaceutical products against diseases and disorders.

##### End uses of NOF's products



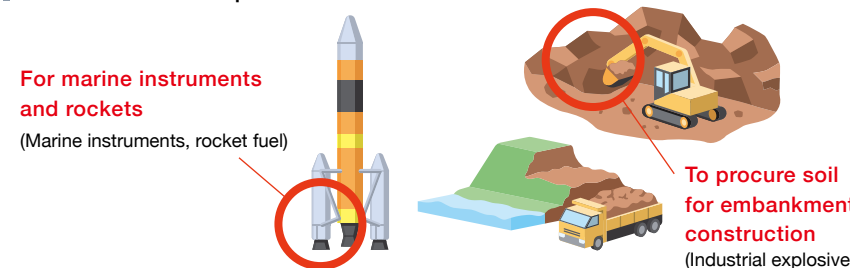
#### Environmental information / Disaster prevention and mitigation products

Explosives & Propulsion

Market scale **Small**

As climate change progresses, the need to survey the entire world, including seawater temperatures, may increase, and the amount of marine instruments, rocket launches, etc., for research may increase. In addition, there may be increased applications for temperature indicator materials (labels, stickers, etc.) for temperature control that change color when a specific temperature is reached. Furthermore, with the increased risk of storm surges and other such conditions, there may be an increase in embankment construction using industrial explosives involving procurement of rocks and soil from mountainous areas.

##### End uses of NOF's products



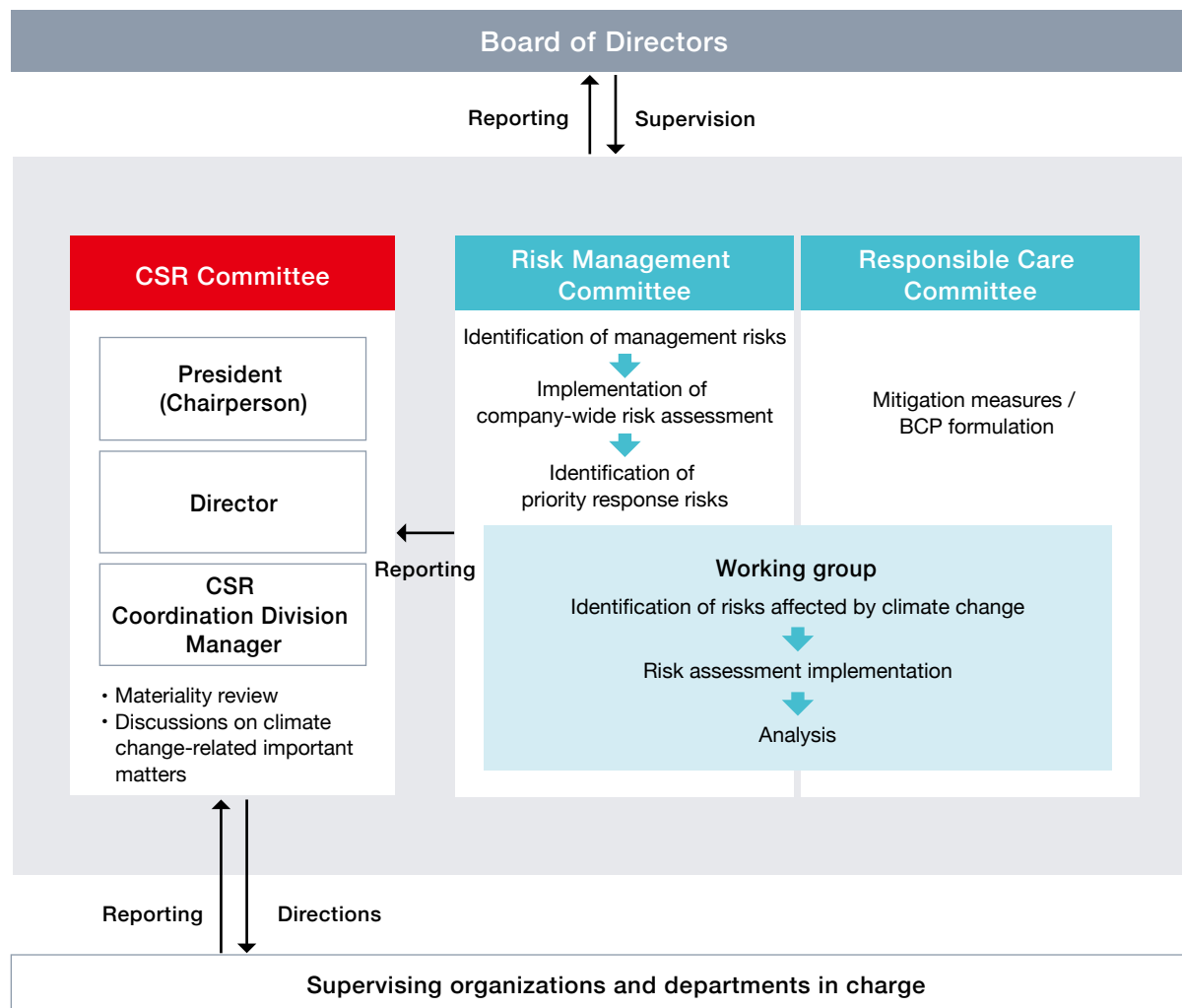


# Response to climate change

## Disclosure in line with TCFD recommendations: Risk management

Within the NOF Group, the Risk Management Committee comprehensively identifies various management risks surrounding its business, and conducts company-wide risk assessment on the level of impact and potential for occurrence of each risk item in order to identify risks that need to be addressed as a priority. In disclosing information based on TCFD recommendations, a working group consisting of members selected from the Risk Management Committee and the Responsible Care Committee plays the central role in identifying the risks that climate change will affect among the various management risks surrounding our business, and conducts risk assessments to determine the degree to which the impact will change in the future. The analysis results are reported to the CSR Committee, and important decisions are made related to climate change risk countermeasures.

Climate change-related risk management organization diagram



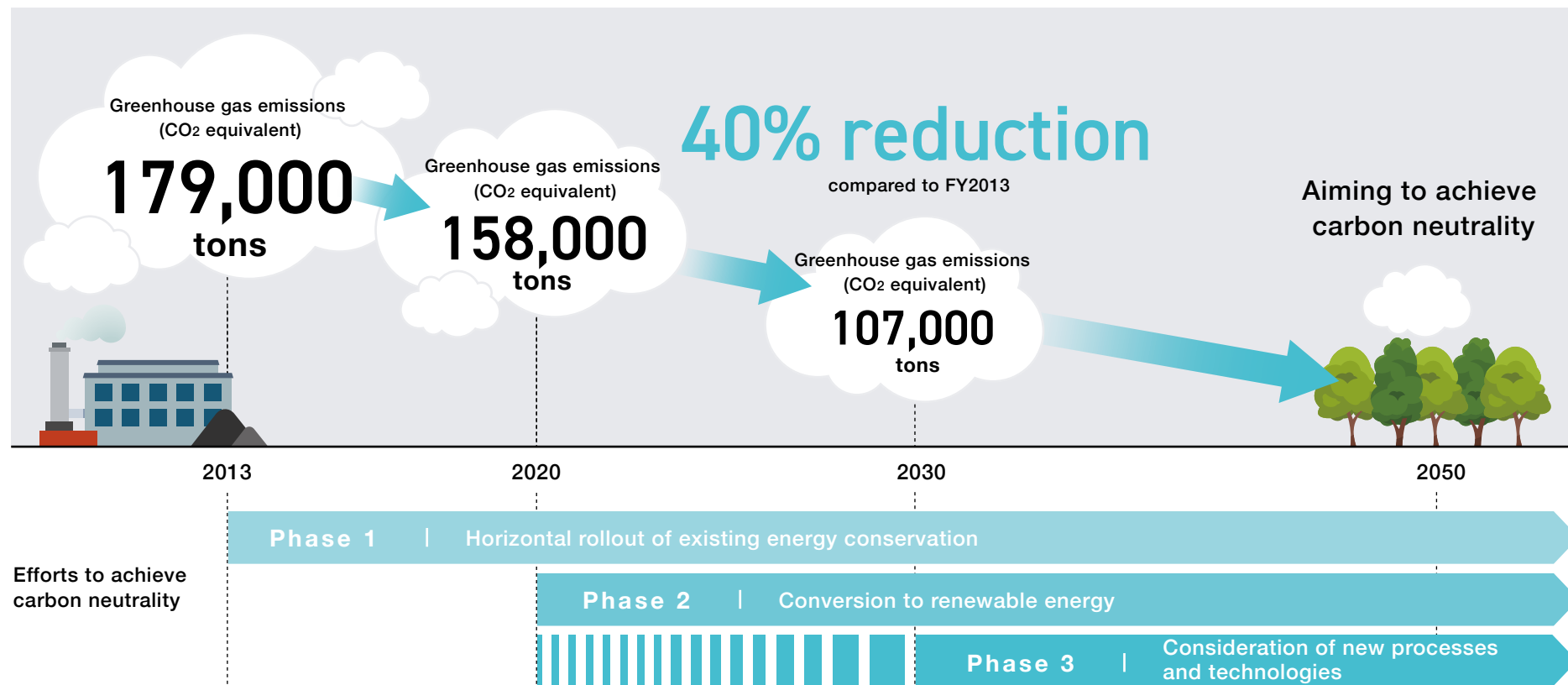




### Roadmap toward reducing greenhouse gas emissions

The NOF Group has created a roadmap toward reducing greenhouse gas emissions and is working to mitigate climate change in its business activities. Considering the possibility of an increase in emissions due to business expansion, the Group will aim for carbon neutrality in 2050 by introducing renewable energy as the new Phase 2 and starting to consider new processes and technologies as Phase 3, while also reducing the financial burden associated with transition risks.

Reduction of GHG (CO2 equivalent) generated by our business activities [Scope 1, 2]





# Response to climate change

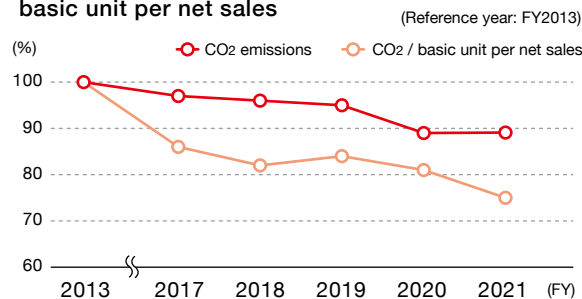
Disclosure in line with TCFD recommendations:  
Metrics and targets

GRI 305-1, 305-2, 305-3

## GHG emission volume

In view of the 2050 Carbon Neutral Declaration announced by the government in October 2020 and its new targets to reduce greenhouse gas emissions announced in April 2021, the NOF Group set a new target of reducing CO2 emissions by 40% by fiscal 2030 compared to fiscal 2013. The Group had already reduced CO2 emissions / basic unit per net sales by about 25% (compared to fiscal 2013) in fiscal 2021, and is aiming to reduce greenhouse gas emissions and achieve carbon neutrality by 2050.

### Results of CO2 emissions and basic unit per net sales



### Scope 1, 2 CO2 emissions (FY2021)

(Thousand tons of CO2)

	Scope 1	Scope 2	Total (Scope 1+2)
NOF	49.1	97.3	146.4
The NOF Group	55.6	103.6	159.2

### Scope 3 CO2 emissions (FY2021)

(Thousand tons of CO2)

Category	FY2021	Calculating method
Purchased products and services	Not determined	—
Capital goods	12.3	Calculated by multiplying acquisition cost of fixed assets by CO2 emission per product in guidelines, etc.
Fuels and energy-related activities not included in Scope 1 or 2	38.2	Calculated by multiplying the sum of electricity consumption and steam consumption by CO2 emission per product in guidelines, etc.
Transportation and distribution (upstream)	Not determined	—
Waste generated in business activities	0.03	Calculated by multiplying the weight of each type of waste generated in production sites by CO2 emission per product in guidelines, etc.
Business travel	0.2	Calculated by multiplying the number of employees by CO2 emission per product in guidelines, etc.
Employee commuting	0.6	Calculated by multiplying the amount of commuting expenses by CO2 emission per product in guidelines, etc.
Leased assets (upstream)	—	Not applicable
Transportation and distribution (downstream)	8.9	Calculated by the ton-kilometer method
Processing of sold products	Not determined	—
Use of sold products	Not determined	—
End-of-life treatment of sold products	Not determined	—
Leased assets (downstream)	—	Not applicable
Franchises	—	Not applicable
Investments	—	Not applicable
<b>Total</b>	<b>60.2</b>	

Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry) was used for calculation.



# Response to climate change

## Status of initiatives to reduce greenhouse gas emissions

GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-5, 305-6

### Energy consumption and CO2 emissions

Energy consumption for fiscal 2021 increased 2.9% from the previous fiscal year for the Domestic Group, and increased 3.3% from the previous year for NOF. The total volume of energy-derived CO<sub>2</sub> emissions increased 1.7% from the previous fiscal year to 144,000 tons for the Domestic Group, and increased 2.5% from the previous fiscal year to 132,000 tons for NOF. Energy intensity perproduct decreased 4.5% from the previous fiscal year to 13.8 GJ/t for the Domestic Group, and decreased 3.7% from the previous fiscal year to 13.9 GJ/t for NOF. NOF will continue to implement energy-saving measures to show even greater results.

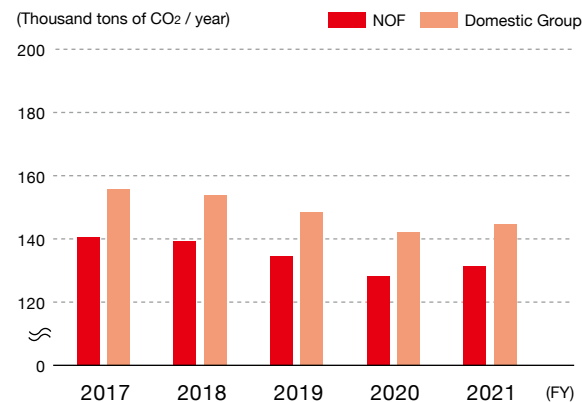
### Non-energy consumption GHG (PFC) emissions

At the Aichi Works, NOF manufactures products for specific purposes using perfluorocarbon (PFC), which has a high global warming coefficient, as the diluent for organic peroxides.

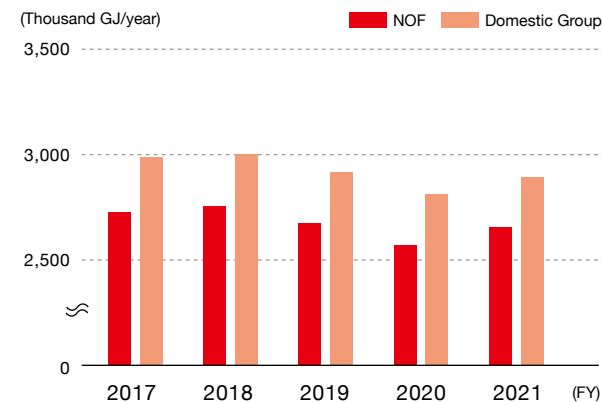
Efforts have been made to reduce PFC emission by improving the manufacturing equipment on numerous occasions. As a result, PFC emission has been reduced substantially compared with that in 1995 (the reference year for PFCs).

In fiscal 2021, PFC emissions decreased approximately 31% from the previous fiscal year. The Company will continue making further efforts for emission cutback including maintaining steady operation of recovery equipment and promoting the use of alternative diluent.

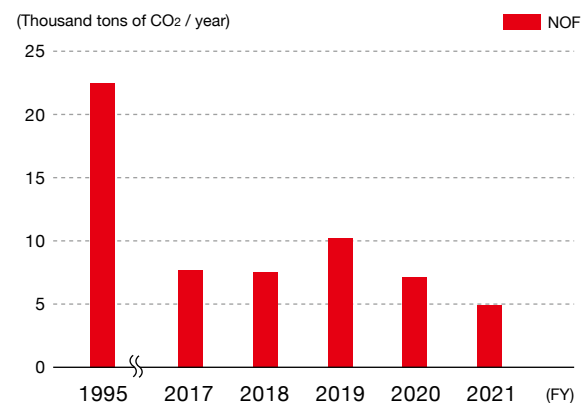
### CO<sub>2</sub> emissions\*1 by energy consumption



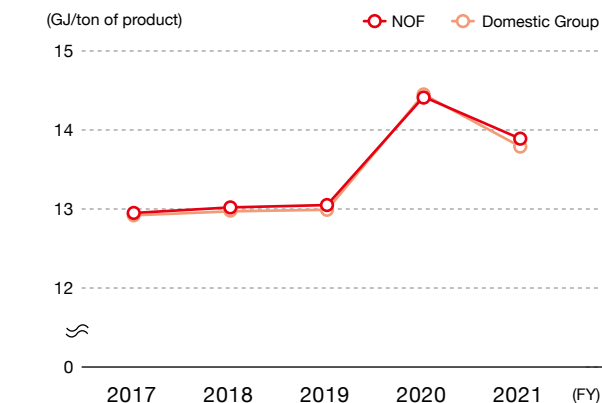
### Energy consumption\*2



### PFC emissions



### Energy intensity per product



\*1: The coefficient used in converting the electricity consumption into CO<sub>2</sub> emissions is the emission coefficient used by electric power supply companies in the fiscal year.

\*2: The energy consumption is estimated using 9.76 kJ/kWh as the coefficient when converting electric power consumption into the calorific value.



### CO2 emission per product by transportation

Starting the operation of an integrated delivery system in fiscal 2006, NOF has since been endeavoring for more efficient transportation. Additionally, NOF has also engaged in modal shifting\* and joint delivery.

With regard to modal shifting, as a result of the shift from trucking to rail transportation, the percentage of rail or marine transport in the total volume of our product transport had been around 18%.

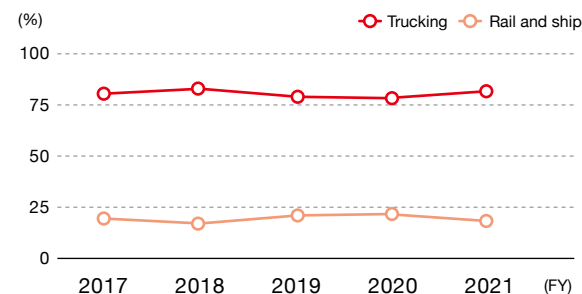
CO2 emission per product by transportation was reduced from 100 in fiscal 2006 to 54.6 in fiscal 2021.



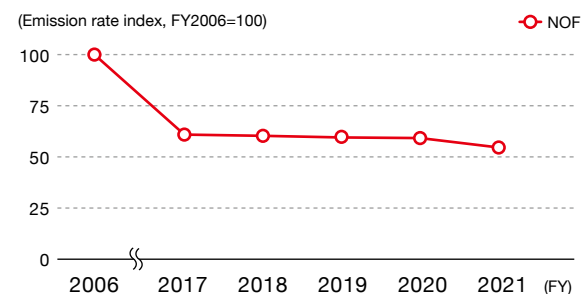
Modal shifting

$$\text{CO2 emission per product by transportation} = \frac{\Sigma (\text{CO2 emitted by each means of transport})}{\text{Net sales}}$$

### Transportation modal shifting (NOF)



### CO2 emission per product by transportation



### Renewable energy measures (Domestic)

As for the NOF Group's initiatives in the area of renewable energy, solar power generation facilities were installed in the Kawasaki Works in 2018 and NiGK Corporation in November 2020 to use renewable energy to provide part of the electricity used in production activities in an effort to realize a low carbon society.

In fiscal 2021, the Kawasaki Works generated 17 MWh/year and NiGK CORPORATION generated 19 MWh/year.



Solar power generation panels at Kawasaki Works



Solar power generation panels at NiGK Corporation

\* Enhancing the efficiency of transport and at the same time reducing energy consumption and environmental loads by shifting the mode of transport to such large per-unit capacity means as cargo trains and ships.



# Governance

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### Development of internal control system

Each NOF Group company has developed an internal control system for ensuring adherence to laws and regulations, the articles of incorporation and various internal rules of the Company, and appropriateness of business operations. Regarding observance of social norms and laws and regulations, the Company's code of conduct is formally spelled out as the NOF Code of Ethical Conduct, based on the NOF Basic CSR Policy, and an Ethics Committee is established to ensure thorough adherence to the code. Further, in order to secure safety in production sectors in the Five Core Components, including the environment, products, plants, transportation, and labor, the Responsible Care (RC) rules are instituted, with the RC Committee checking conduct in actual scenes of production and performing internal auditing.

### Internal audits and audits by Audit and Supervisory Committee

Internal audits are performed by the Internal Control Department, which is an organization reporting directly to the President. The Audit and Supervisory Committee has in place a system for auditing and supervising the business execution of Directors through effective cooperation with the Internal Audit Department, etc. and by having the Committee members, primarily standing Audit and Supervisory Committee members, actively participate in Executive Committee meetings and various

other meetings.

The Audit and Supervisory Committee, the Accounting Auditor, and the Internal Control Department exchange information by sharing their respective audit plans and audit results, etc., and strive to mutually cooperate through methods such as assembling periodically. In addition, Audit and Supervisory Committee members engage in appropriate coordination with the relevant organs by attending the meetings of the competent committees on CSR and risk management, sitting in on internal audits conducted by the internal auditing organs of each committee, and receiving and exchanging opinions on the audit result reports of the internal audit organs of each committee.

### Nomination Committee / Compensation Committee

In order to improve the oversight function of the Board of Directors and strengthen the corporate governance system, the Nomination Committee and Compensation Committee, which are voluntary advisory committees to the Board of Directors, have been established.

The Nomination Committee, in consultation with the Board of Directors, deliberates and reports to the Board of Directors on matters such as the election and dismissal of Directors (excluding Audit and Supervisory Committee members), as well as the selection and dismissal of

Representative Directors and the succession plan.

The Compensation Committee, in consultation with the Board of Directors, deliberates and reports to the Board of Directors on matters related to the compensation of Directors, excluding Audit and Supervisory Committee members. Both committees are chaired by an independent Outside Director, and consist of five independent Outside Directors and one Internal Director. This ensures the committees' independence and objectivity.

### Specialist Committees

The Risk Management Committee, the Compliance Committee, the RC Committee, and the Quality Control Committee analyze management risks, consider countermeasures, and report to the Board of Directors. The CSR Committee conducts integrated assessment of various business risks, including those related to compliance, information management, and environment and safety, as well as confirmation and evaluation of the comprehensiveness of risks.



Outside Directors

Name	Audit and Supervisory Committee Member	Independent Director / Auditor	Reasons for Election
<b>Shingo Unami</b>		●	He has abundant experience and advanced insight in the financial industry, as well as broad experience and knowledge in corporate management, and provides appropriate opinions on overall management from a fair and objective standpoint. The Company deemed that he can play a role going forward in advising management and appropriately supervising business execution from a professional perspective, including HR and labor matters and financial accounting.
<b>Izumi Hayashi</b>		●	As an attorney, she is well versed in corporate legal affairs and has advanced knowledge of intellectual property and corporate compliance. The Company deemed that she can play a role going forward in advising management and appropriately supervising business execution from a global perspective, including legal and risk management.
<b>Kunimitsu Itou</b>	●	●	He is well-versed in accounting and tax practices. He actively comments in Board of Directors meetings using that perspective, and appropriately fulfilled his responsibilities as an Outside Director of the Company, such as through the oversight of business execution. The Company deemed that he can perform his duties such as appropriate auditing and supervision of business execution based on his professional knowledge, including accounting and taxation.
<b>Yuriko Sagara</b>	●	●	She has a high level of expertise and global-based knowledge as an attorney. In addition, as a patent attorney, she has a deep level of insight on intellectual property. The Company deemed that she can perform her duties such as appropriate auditing and supervision of business execution based on her professional knowledge, her global perspective on legal affairs and intellectual property.
<b>Keiichi Miura</b>	●	●	He has abundant experience and advanced insight and capabilities regarding research planning and the like. He has served as an outside director in the chemical industry and has a wide range of experience and knowledge. The Company deemed that he will be able to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on his abundant experience and knowledge of advanced technology as a corporate manager.

Total amount of compensation, etc. by officer category, total amount of compensation, etc. by type, and number of eligible officers

Category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers (people)
		Fixed compensation	Bonuses	Stock compensation	
<b>Directors (Excluding Audit and Supervisory Committee members and Outside Directors)</b>	201	115	72	14	6
<b>Audit and Supervisory Committee members (excluding Outside Directors)</b>	18	18	-	-	1
<b>Audit &amp; Supervisory Board members (excluding outside Audit &amp; Supervisory Board members)</b>	5	5	-	-	1
<b>Outside Officers</b>	42	42	-	-	8

\* At the 98th Annual General Meeting of Shareholders held on June 29, 2021, NOF transitioned to being a company with an Audit and Supervisory Committee.

\* The maximum amount of compensation for Directors (excluding Directors who are members of the Audit and Supervisory Committee) was resolved to be ¥360 million per year (including ¥40 million per year for Outside Directors, but excluding remuneration received as employees) at the 98th Annual General Meeting of Shareholders held on June 29, 2021. There were six Directors as of the conclusion of the aforementioned Annual General Meeting of Shareholders (including two Outside Directors).

\* Based on the resolution of the 98th Annual General Meeting of Shareholders held on June 29, 2021, the Company will contribute up to a maximum of 12,000 points to the performance-linked stock compensation plan (Board Benefit Trust) for Directors who concurrently serve as Operating Officers, per fiscal year (each point awarded to the Directors, etc. is converted into one share of the Company's common stock at the time of the distribution of the Company's shares, etc.). There were four Directors who concurrently served as Operating Officers following the aforementioned Annual General Meeting of Shareholders.

\* The maximum amount of compensation for Directors who are Audit and Supervisory Committee members (¥80 million per year) was resolved at the 98th Annual General Meeting of Shareholders held on June 29, 2021. There were four Directors who concurrently served as Audit and Supervisory Committee members following the aforementioned Annual General Meeting of Shareholders.



## Method of determining policy concerning details of compensation, etc. of individual Directors

Regarding the policy on compensation of Directors, after undergoing deliberation by the Compensation Committee, established via a resolution of the Board of Directors as an advisory body to the Board of Directors, a resolution was reached at the Board of Directors meeting held on June 26, 2019.

## Overview of contents of determination policy

Under the policy to promote sustainable growth and medium- to long-term enhancement of corporate value based on the Company's Corporate Philosophy and reward Directors for business results and other achievements through an appropriate level of compensation, compensation for Directors consists of fixed compensation, bonuses, and stock compensation. In order to maintain incentives, at least a third of the compensation paid is set as performance-linked compensation (bonuses, stock compensation). Compensation for Outside Directors is limited to fixed compensation.

## Reasons why Board of Directors deemed that details of compensation, etc. of individual Directors concerning the fiscal year under review aligned with the determination policy

For matters regarding the compensation system and policy concerning Directors, matters regarding the calculation method in determining specific compensation amounts for Directors, and individual compensation amounts, etc., the Compensation Committee conducts deliberations from a multi-faceted perspective, including compliance with the policy on compensation of Direc-

tors. The Board of Directors respects the results of the deliberations, and deems that they are aligned with the said policy. Furthermore, the Compensation Committee consists of two independent Outside Directors and three Presidents and Chief Executive Officers, and an independent Outside Director serves as the chairperson.

### Fixed compensation (delegation of decisions on compensation, etc. of individual Directors)

Calculation methods, etc. of fixed compensation for Directors were deliberated by the Compensation Committee and resolved at the Board of Directors meeting held on June 26, 2019. The compensation, etc. of individual Directors elected at the Annual General Meeting of Shareholders held on June 29, 2021 (excluding Directors who are Audit and Supervisory Committee members) was resolved at a Board of Directors meeting after undergoing deliberation by the Compensation Committee.

### Bonuses

Calculation methods, etc. of bonuses for Directors (excluding Outside Directors) were deliberated by the Compensation Committee and resolved at the Board of Directors meeting held on June 26, 2019. The calculation method of the said bonuses is based on consolidated operating income, an important indicator related to the Group's business performance evaluation. The Compensation Committee verifies the said calculation method and the amount paid to Directors (excluding Outside Directors) in each term.

### Stock compensation

Based on the resolution of the 96th Annual General Meeting of Shareholders held on June 27, 2019, a new performance-linked stock compensation plan (Board Benefit Trust) has been introduced to further clarify the linkage between compensation for Directors who concurrently serve as Operating Officers (excluding Outside Directors and Audit and Supervisory Committee members) and Operating Officers with a title (hereinafter collectively "Directors, etc.") and financial results of NOF as well as the value of the Company's shares, and to strengthen the awareness of their contribution to the medium- to long-term improvement of financial results and enhancement of

corporate value.

For each fiscal year, the Directors, etc. are awarded points, the number of which is to be decided taking into account their respective positions, achievement level of their performance, etc. based on the Officer Stock Distribution Rules. Each point awarded to the Directors, etc. is converted into one share of the Company's common stock at the time of the distribution of the Company's shares, etc. The number of points held by a Director, etc., which will be used as the basis for the distribution of the Company's shares, etc., is, in principle, the number of points awarded to the said Director, etc. by the time of his/her retirement (hereinafter, the points calculated in such a manner shall be referred to as the "Defined Number of Points"). The said calculation method, etc., which considers such matters as the respective positions and achievement level of performance targets of the Directors, etc., was deliberated by the Compensation Committee and resolved at the Board of Directors meeting held on June 27, 2019.

### 1. Calculation methods of points awarded

The number of points awarded is calculated by multiplying the number of position-based points, decided for each position, by the performance evaluation coefficient, which is determined by the achievement level, etc. of consolidated operating income in the Mid-term Management Plan, an important index for the evaluation of the NOF Group's business performance.

**(Formula)**

**Number of position-based points × Performance evaluation coefficient**

\*Taking into account the achievement level of performance, the value of the performance evaluation coefficient varies between 0 and 1.5.

### 2. Distribution methods

Distribution takes place after the retirement of Directors, etc., and the Company's shares and cash, equivalent to the Defined Number of Points, are distributed (when distributed as survivor benefits, cash is distributed).

### 3. Achievement level of the target for consolidated operating income in the Mid-term Management Plan during the fiscal year under review

The planned target for consolidated operating income in the 2022 Mid-Term Management Plan is ¥29.0 billion (final year of the said plan). The actual result of consolidated operating income in the fiscal year under review was ¥35.5 billion, representing a 125.8% achievement level in the fiscal year, calculated according to the level of growth in the period of the 2022 Mid-Term Management Plan. The Compensation Committee verifies the number of points awarded based on the defined calculation method in each term.



### Analysis and Evaluation of Effectiveness of the Board as a Whole

NOF analyzes and evaluates the effectiveness of the Board of Directors once a year, in principle.

Since fiscal 2016, NOF has implemented an effectiveness evaluation every year. In fiscal 2021, the Company employed a questionnaire form crafted by an external institution, and implemented the Board of Directors effectiveness evaluation questionnaire by surveying all 10 Directors.

By combining a five-level rating scale and open-ended questions, the questionnaire aimed to understand current conditions and identify challenges from both aspects of quantitative and qualitative evaluation.

As the questionnaire was answered by sending responses directly to the external institution, anonymity was ensured. The tallying and analysis of the questionnaire forms was also delegated to an external institution, for the purpose of securing

objectivity and further increasing the effectiveness of the Board of Directors going forward.

Based on the tallying and analysis of the results of the external institution, the Board of Directors conducted a deliberation and evaluation in April and May 2022. The results of the fiscal 2021 effectiveness evaluation and points of improvement for the future are as follows.

#### Summary of results for fiscal 2021 effectiveness evaluation

The NOF Board of Directors ensures a suitable diversity of knowledge, experience, and abilities necessary in light of management strategies and provides appropriate opportunities to utilize the experience and expertise of Outside Directors. Through this, it was confirmed that the Board of Directors is generally operating appropriately, with Outside Directors freely and openly expressing their opinions based on their careers and exper-

tise, and open and active discussions taking place as a Board of Directors.

Among the challenges identified in the fiscal 2020 effectiveness evaluation, regarding the top management succession plan, although improvement was seen including the Board of Directors sharing the status of discussions at the Nominating Committee, there were some comments that it should still be recognized as a challenge.

#### Points of improvement for the future

In addition to improving the top management succession plan, which was recognized as an ongoing challenge, it was confirmed that NOF will enhance its efforts to engage in constructive dialogue with shareholders.

#### Question matters in the questionnaire (30 total questions)

- Roles and functions of the Board of Directors (5 questions)
- Scale and composition of the Board of Directors (4 questions)
- Operation of the Board of Directors (5 questions)
- Cooperation with auditing institutions, etc. (4 questions)
- Relationship with Outside Directors (3 questions)
- Relationship with shareholders and investors (3 questions)
- Future direction of the Board of Directors' function (1 question)
- Degree of Improvement (1 question)
- Open-ended section (4 questions)





**Our fundamental view**

1. The NOF Group comprehensively identifies various management risks surrounding its business, and conducts risk assessment based on the impact and frequency of each factor in order to identify risks that need to be addressed as a priority.
2. We work to minimize the impact on management by taking appropriate measures to reduce the impact of risks that have materialized, as well as measures to reduce the probability of occurrence.
3. We work to objectively verify the effectiveness of risk countermeasures by periodically conducting risk assessments, while working to recognize and evaluate new risks.
4. We promote the risk management of the NOF Group by implementing the above risk management cycle.

**Risk management system**

The Risk Management Committee, the Compliance Committee, the RC Committee, and the Quality Control Committee analyze management risks, consider countermeasures, and report to the Board of Directors. The Board of Directors conducts integrated assessment of various business risks, including those related to compliance, information management, and environment and safety, as well as confirmation and evaluation of the comprehensiveness of risks. The risks are

deliberated at the Board of Directors as necessary.

We manage and monitor Group companies in accordance with the rules on the management of group companies, and offer advice, as necessary; while any important matters that are deemed to materially impact the subsidiary's assets or profit and loss are approved by the NOF Board of Directors or the Executive Committee.

**Confirming "major risks" and identifying "priority risks"**

The NOF Group works to comprehensively identify management risks surrounding the Group, considering the characteristics of each business as well as external environments, including political, economic and social changes. In addition, we evaluate the impact and the frequency of occurrence of each identified risk on Group management, confirming major risks and taking appropriate measures against risks identified as "priority risks," which necessitate enhanced resilience.

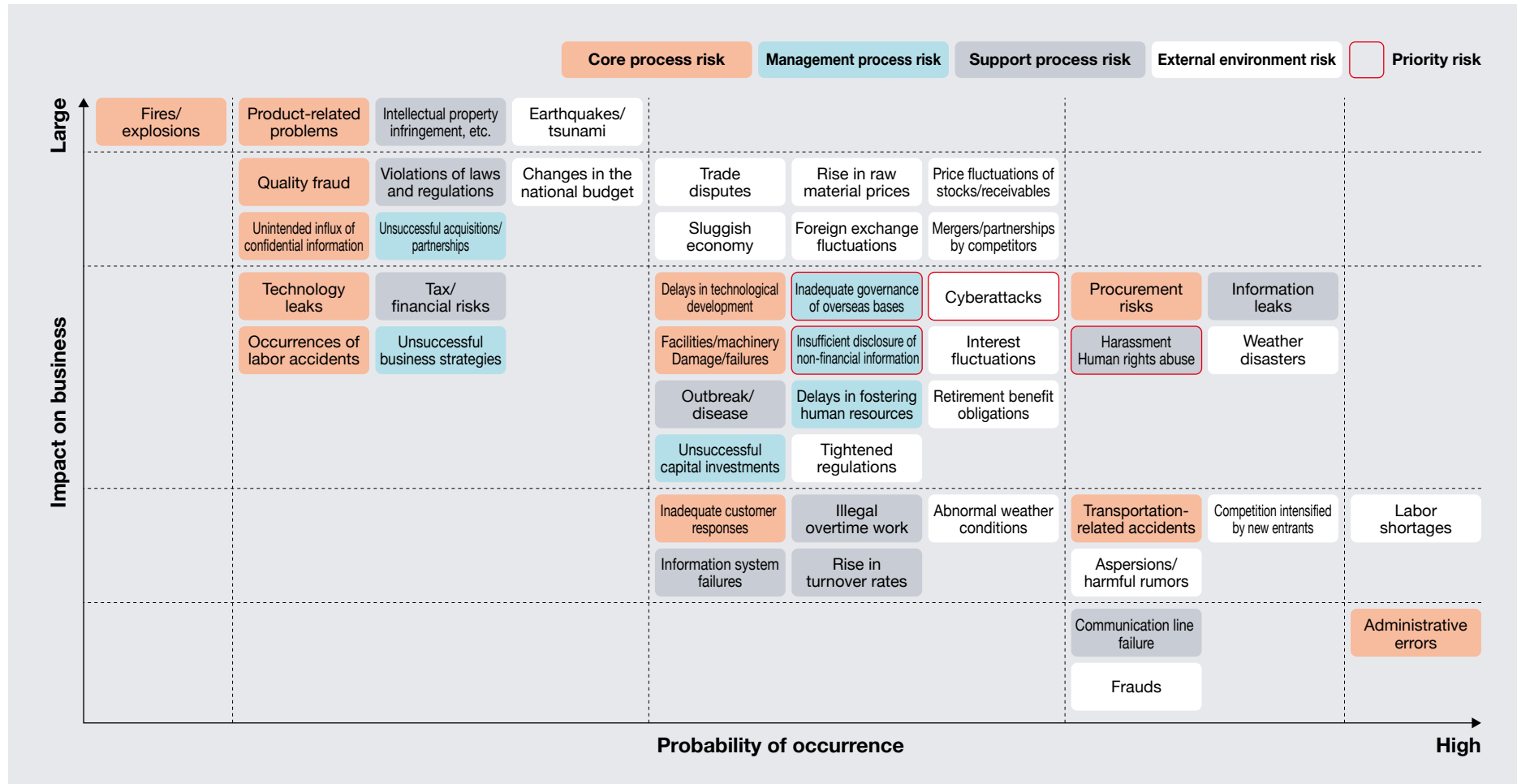
**Flow of Risk Assessment**





**Risk Map (excerpt)**

The risk map is prepared based on the results of the risk evaluation at the directors' workshop. The risk map is revised and priority risks are identified on a yearly basis in order to implement activities aimed at enhancing the NOF Group's resilience.





**Overview of major Risks and Status of Countermeasures (excerpt)**

major risk	Risk description	Ongoing Countermeasures (excerpt)
<b>Earthquakes / tsunami</b>	Possible interruption of production activities or business activities, including sales and distribution, due to earthquakes, tsunami, or other natural disasters	<ul style="list-style-type: none"> <li>Formulate a business continuity plan (BCP)</li> <li>Implement internal audits and training regarding the BCP</li> </ul>
<b>Violation of laws and regulations</b>	Possible suspension of business activities and possible payments of surcharge, etc. following administrative dispositions taken in response to violations of laws and regulations	<ul style="list-style-type: none"> <li>Prepare a Global Compliance Manual and country-specific compliance manuals based on the legal systems of each country</li> <li>Establish compliance training and contact points for whistle-blowing/consultation</li> </ul>
<b>Inadequate governance of overseas bases</b>	Possible decline in trust in the Company due to fraud, such as violations of laws and regulations, as a result of inadequate governance at overseas bases	<ul style="list-style-type: none"> <li>Develop a system for ensuring the appropriateness of business operations</li> <li>Request a regular report on the state of business execution and financial condition, etc.; conduct business audits</li> </ul>
<b>Cyberattacks Information system failures</b>	Possible information leaks and interruption of business activities, due to illicit accesses from outside such as cyberattacks and information system failures	<ul style="list-style-type: none"> <li>Establish the information security management rules and appointed a person responsible for information security management, etc.</li> <li>Implement safety measures at appropriate and rational levels, including development of a defense system against illicit accesses and data backup</li> </ul>
<b>Fires / explosions</b>	Possible casualties among employees and neighborhood residents, possible suspension of business activities, and possible compensation for damages as a result of large-scale fires and explosion accidents at plants	<ul style="list-style-type: none"> <li>Reinforce the maintenance of facilities that manufacture hazardous materials, and promote measures for aging facilities</li> <li>Formulate emergency response manuals and implement trainings</li> <li>Implement joint disaster prevention drills and dialogue activities with local municipalities</li> </ul>
<b>Intellectual property infringement, etc.</b>	Possible compensation for damages and possible orders to suspend manufacturing and shipment, due to infringements of intellectual property rights	<ul style="list-style-type: none"> <li>Develop a check system for intellectual property management and patent infringement</li> <li>Educate employees on intellectual property including patents and trademarks</li> </ul>
<b>Technology leaks</b>	Possible decline in the Group's competitiveness, due to leakages of technology and technical information, and similar products/technologies provided by competitors	<ul style="list-style-type: none"> <li>Establish rules for trade secrets</li> <li>Develop a management system for trade secrets</li> </ul>
<b>Quality fraud</b>	Possible decline in trust in the Company due to quality fraud, falsification of quality inspection results, and other situations	<ul style="list-style-type: none"> <li>Ensure strict management of data related to quality control</li> <li>Enlighten and train employees</li> </ul>
<b>Harassment Human rights abuse</b>	Possible decline in trust in the Company due to human rights abuse, such as abuse of authority and sexual harassment at workplace	<ul style="list-style-type: none"> <li>Establish the Code of Ethical Conduct and the Compliance Manual</li> <li>Set up consultation desks each staffed with a male consultant and a female consultant</li> </ul>
<b>Delays in fostering human resources</b>	Possible stall in development of human resources who will be responsible for the growth of the NOF Group, due to a delay in efforts to foster human resources or an unsuccessful human resource development plan	<ul style="list-style-type: none"> <li>Promote rank-specific trainings for next-generation human resources for specific issues</li> <li>Promote/foster international human resources and human resource rotation</li> </ul>



## Promotion of the Business Continuity Plan (BCP\*)

NOF has formulated a BCP, to enable its core business to be continued or, if damaged, to be restored quickly while minimizing the loss of business assets in the event of a natural disaster such as an earthquake, tsunami or an emergency situation such as the COVID-19 pandemic. The activities of the BCP Task Force to promote the BCP primarily focuses on the formulation of the BCP manual which sets forth the responses to be implemented in normal times and in emergencies, in addition to the preparation and yearly renewal of information on the estimated damages to the plant and various government-, infrastructure- and supply chain-related information, which will be required when resuming operations. Additionally, the BCP Task Force performs annual internal audits and training in an effort to firmly establish the BCP and to enhance its effectiveness.

## Information security management

### (1) Management of trade secrets and protection of personal information

Recognizing the importance of information as one of vital management resources to business

activities and the indispensability of active strengthening of corporate competitiveness by active utilization of information and firm establishment of information security to steady business management, NOF has set forth the Information Security Policy as a basic principle for promoting effective utilization and protection of information. At the same time, recognizing protection of personal information as its obvious social responsibility, NOF has formulated and announced the Privacy Policy.

Under such policies, the Company has set forth specific measures for enhancing the levels of confidentiality, completeness and utility of information and specific ways of handling personal information in its internal rules including information security management rules, personal information protection rules and information system-related sets of provisions, a confidential information handling manual and an information equipment handling manual, and is ensuring their thorough understanding by the staff.

### (2) Management setup

In the organizational aspect, the Information Security Management Subcommittee is set up,

and under its chairperson, who has overall supervising responsibility for information security management, persons responsible for document information security management, electronic information and information system security management, and addressing complaints regarding personal information, as well as a person responsible for management at each level of organizational unit, are appointed to administer the implementation of specific measures. Against illicit accesses from outside and other risk factors including loss, destruction and alteration, safety measures are taken at appropriate and rational levels. In addition, NOF continually reviews through internal auditing setups and measures pertaining to information security management and protection of personal information to improve them wherever necessary.

\* BCP (acronym for Business Continuity Plan) illustrates policies, systems, and procedures designed to prevent important operations from being interrupted even in the face of unforeseen events, such as a major earthquake or other natural disaster, the spread of infectious disease, a terrorist incident, a major accident, a disrupted supply chain (supply network), or a sudden change in our business environment, and, if business is interrupted, that it is restored within the shortest possible timeframe.



## Our fundamental view

NOF and its subsidiaries have developed an internal control system for ensuring adherence to laws and regulations, the Articles of Incorporation, and various internal rules of the Company and appropriateness of business operations. Regarding observance of social norms and laws and regulations, the Company's code of conduct is formally spelled out as the NOF Code of Ethical Conduct, based on the NOF Basic CSR Policy, and the Compliance Committee is established to ensure thorough adherence to the code.

### Basic CSR Policy

We will fulfill our corporate social responsibility and conduct sustainable business activities.

1. We will, each and all, act in accordance with the highest standards of corporate ethics.
2. We will respect human rights, and enable a diversity of personnel to demonstrate their abilities.
3. We will promote responsible care activities, based on the five kinds of safety.
4. We will consider the interests of all our stakeholders.
5. We will contribute to society in cooperation with local communities.

## Overview

The NOF Group instituted the Code of Ethical Conduct in April 2002 to ensure that each member-company and each employee always conforms to social ethics and wins society's trust. In this connection, the Group set up the Ethics Committee (changed the name to Compliance Committee in April 2020) in an effort to strengthen its responsibility to society and ensure the transparency of its business activities. In addition, consultation desks for whistle-blowing and consultations from employees have been set up in the Compliance Committee Secretariat, the Audit and Supervisory Committee's Office, and external third-party institutions.



## Organizational setup

Regular meetings of the Compliance Committee are held twice every year. The Committee also meets as required when a compliance issues arises, identifies issues, and analyzes countermeasures. The results are reported to the Board of Directors and deliberated as necessary.

## Compliance Manual

In order to instill a sense of compliance in its

executives and employees, the NOF Group has prepared a Compliance Manual, which explains the Code of Ethical Conduct in detail and in easily understood terms. The universal Global Compliance Manual has been published in eleven different languages.



- Japanese
- English
- German
- French
- Dutch
- Italian
- Portuguese
- Simplified Chinese
- Indonesian
- Vietnamese
- Korean

## Country-specific compliance manuals

The NOF Group is preparing country-specific compliance manuals based on the legal systems of each country. Following the publication of versions for the U.S.A., China, Indonesia, France, Germany, Belgium, Italy, South Korea, and Brazil where the Group has a large number of employees, the manuals are being utilized in Group companies.





### Compliance-related training

The NOF Group regularly holds compliance-related training sessions for employees.

In fiscal 2021, we continued compliance training for new employees and mid-career hires, as well as ensuring awareness of precautions related to the Act against Delay in Payment of Subcontract Proceeds, Etc. for Subcontractors. In addition, we implemented training on the subcontract act for materials-related personnel of affiliates.

### Obtaining information on the enactment and revision of laws and regulations

We have obtained information on the enactment and revision of laws and regulations by utilizing various sources on a continual basis while taking appropriate actions. In order to reduce risk of overlooking information on the enactment and revision of laws and regulations, the whole Group has introduced a system that enables us to automatically receive information on the enactment and revision of laws and regulations by email.

### Raising awareness by internal magazine

NOF uses its quarterly internal magazine to help raise employees' awareness of compliance. NOF continues activities to raise awareness through relatable articles using cartoon characters.



### Whistle-blowing system

Consultation desks in Japanese, English, Chinese (Simplified Chinese), Korean, Indonesian, and Portuguese have been set up at external third-party institutions as contact points for whistle-blowing / consultation in overseas countries where NOF's business bases are located. Employees can contact the desks if they become aware of a violation or potential violation of compliance rules.

Persons who report or consult on a violation or potential violation of compliance rules will not be treated disadvantageously because of the report or consultation, and the report or consultation will be handled with confidentiality. This system and contact points are communicated to executives and employees of the Group companies worldwide on a regular basis.

There was one report in fiscal 2021, which concerned an issue related to workplace operation. We conducted an investigation in a swift and careful manner, and have taken corrective and preventive measures.

Number of whistle-blowing cases

FY2021 **1 case** ( concerning an issue related to workplace operation )



## Code of Ethical Conduct

In order that we can maintain NOF CORPORATION's position as a good corporate citizen, earn and keep the trust of the community and continue to develop as a company, each and every one of us-employees and executives alike shall abide by this code faithfully.

### 1. Compliance

We shall act in an ethical manner becoming of members of a company and society, and we shall obey the law and other regulations, and respect others' human rights.

### 2. Community

We shall give priority in all processes of our business activities to human safety and health, as well as protection of the natural environment, and we shall work proactively to maintain a harmonious existence in all our local communities worldwide.

### 3. Respect for Individuals

We shall not engage in any act that goes beyond the Company's justifiable interests or that damages the Company's credit or honor, and we shall respect the personality and individuality of all people.

### 4. Business Partners, Government Officers

We shall always treat our trading partners and business partners fairly and equally and in good faith, and we shall not provide any civil servant with any benefits or favors.

### 5. Shareholders, Investors

We are an open company, and we shall disclose the details of our management and business status and other corporate information in a timely fashion as required by relevant laws.

### 6. Company Assets and Information

We shall not use the Company's assets for any purpose other than the Company's official business objectives. We shall record and report accurately our business performance, protect intellectual property rights and hold confidential information and other companies' business secrets in strict confidence.

### 7. Fair Trade

We shall comply with antimonopoly laws and international trade laws, and we shall observe the Financial Instruments and Exchange Law and not engage in insider trading.

### 8. Prohibition of Antisocial Behavior

We shall eliminate the influence of antisocial groups, and shall not provide undue benefits to specific shareholders.



## NOF Group's Basic Anti-Bribery Policy

### Overview

We, the NOF Group, declare that we will, each and all, act in accordance with the highest standards of corporate ethics as our Basic CSR Policy. The Code of Ethical Conduct has been adopted in all NOF Group companies, and we are working to practice and improve compliance. In order to further promote the abovementioned initiatives, we have established the NOF Group's Basic Anti-Bribery Policy ("the Basic Policy"). The Basic Policy applies to all executives and employees working for the NOF Group.

### Declaration

We, the NOF Group, will not make profits by illegal means in any situation, and adhere to anti-bribery laws and regulations in all countries and regions where the NOF Group operates.

May 28, 2021

President and Chief Executive Officer of NOF Corporation **Takeo Miyaji**

### Matters to be adhered to

#### 1. Adherence to laws and regulations

Executives and employees of the NOF Group will adhere to the Basic Policy and anti-bribery laws and regulations in the countries and regions where the NOF Group operates.

#### 2. Development of internal rules and organizational setup

The NOF Group will develop and operate organizational setups to prevent bribery, including operation of each company's Ethics and Compliance Committee and contact points for whistle-blowing in an equitable manner, and preparation of various internal rules and guidelines.

#### 3. Conduct educational activities

The NOF Group will conduct appropriate educational

activities to further raise awareness of NOF Group executives and employees about compliance.

#### 4. Conduct audits

The NOF Group will conduct audits on a regular or irregular basis to confirm that its anti-bribery system is functioning properly.

#### 5. Regular reviews and improvement

The NOF Group will assess and review its anti-bribery system regularly on the basis of the audit results.

#### 6. Recording and management

The NOF Group will, in developing an anti-bribery system, create and manage accurate and proper records of all transactions under an appropriate internal control process.

#### 7. Responses to emergencies

In the event that an executive or employee of the NOF Group violates or is suspected of violating the Basic Policy, the NOF Group will promptly take measures to ensure adherence to laws and regulations and to minimize the spread of violations, and cooperate with investigations by the relevant authorities.

#### 8. Disciplinary action

In the event that an executive or employee of the NOF Group commits bribery or is involved in bribery in violation of the Basic Policy, the NOF Group will take strict disciplinary action in accordance with the rules of employment of the NOF Group companies.

### Definition

(1) "Anti-bribery laws and regulations" refer to the Unfair Competition Prevention Act and National Public Service Ethics Act of Japan, the Foreign Corrupt

Practices Act of the U.S., and the Bribery Act 2010 of the U.K., among others.

(2) "Bribery" refers to (1) giving, or offering or promising to give, any money or other benefits to a civil servant, etc., either directly or indirectly, for the purpose of having the civil servant, etc. act or refrain from acting in a particular way in relation to his or her duties, or having the civil servant, etc. use his or her position to influence another civil servant, etc. to act or refrain from acting in a particular way in relation to that civil servant's duties, in order to obtain illicit gains in business, and (2) receiving, or demanding or promising to receive, any money or other benefits in relation to one's own duties for the purpose of obtaining illicit gains for oneself or a third party.

(3) "Civil servant, etc." refers to any and all of the following:  
 (1) A person engaged in public duties for the national or local governments of Japan or a foreign country;  
 (2) A person engaged in the affairs of government-related organizations of Japan or a foreign country;  
 (3) A person engaged in the affairs of public bodies of Japan or a foreign country;  
 (4) A person engaged in public duties of international organizations established to carry out specific affairs related to the public interest;  
 (5) A person to whom authority is delegated by a Japanese or foreign national government;  
 (6) A political party or a staff member thereof; and  
 (7) A candidate for public office.

(4) "Executive(s) and (or) employee(s)" refer to all executives and employees of the NOF Group, as well as all other persons who have employment contracts with the NOF Group companies including part-time and temporary employees.



# Respect for Individuals

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## Basic Approach to Human Rights

Under the corporate philosophy of contributing to mankind and society through the creation of new value "from the biosphere to outer space," the NOF Group has clearly codified respect for human rights in its Basic CSR Policy and Code of Ethical Conduct and promotes its initiatives for respecting human rights. In the course of developing its business on a global basis, the NOF Group shall support and respect international standards on human rights, including those established by the United Nations and the International Labour Organization (ILO), and fulfill its responsibility for respecting human rights across all of its corporate activities.

### NOF Group Human Rights Policy

#### 1. Principles and Purpose

With the profound awareness that human rights are essential to the pursuit of happiness and affluent life for all people, and guided by the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the Japanese Government's National Action Plan on Business and Human Rights (2020–2025), and other international standards, the NOF Group will clarify its attitude to commit to its initiatives for respecting human rights, going beyond compliance with national and regional laws and regulations.

#### 2. Scope of Policy

This policy shall apply to all officers and employees of the NOF Group. The NOF Group will also continue to encourage its business partners and suppliers with the expectation that they will support this policy and participate in similar initiatives, and work together to promote initiatives for respecting human rights.

#### 3. Responsibility for Respecting Human Rights

The NOF Group will fulfill its responsibility for

respecting human rights by ensuring that it does not violate the human rights of people who are affected by the Group's own business activities and also by taking appropriate actions to remedy issues in the event of adverse impacts on human rights being inflicted by the Group's own business activities. In the event where adverse impacts on human rights are being inflicted by business partners or suppliers, or in the process of supplying products, the NOF Group will require that they take appropriate actions.

#### 4. Human Rights Due Diligence

The NOF Group will build mechanisms for human rights due diligence, investigate and identify issues in a preventive manner and remedy them through appropriate means, and strive continuously to prevent or mitigate adverse impacts on human rights.

#### 5. Remedy

In the event where it is revealed that the NOF Group has caused or furthered adverse impacts on human rights, it will remedy the situation through appropriate procedures.

#### 6. Dialogue and Consultation

The NOF Group will conduct dialogue and consultation with relevant stakeholders in the event where adverse impacts on human rights are being inflicted or if there is a risk of such impacts.

#### 7. Education

The NOF Group will continue to provide appropriate education to ensure that correct understanding of this policy is instilled both within and outside the Group and that the policy is put into practice effectively.

#### 8. Information Disclosure


The NOF Group will disclose the status of its initiatives on respecting human rights.

Established on November 1, 2021  
Takeo Miyaji  
President & Chief Executive Officer  
NOF Corporation





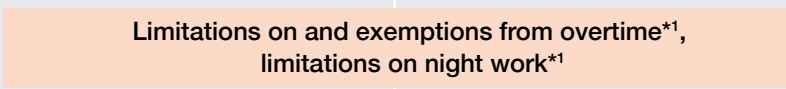
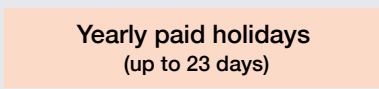
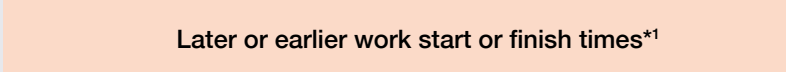
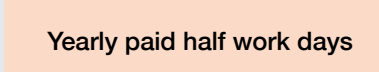
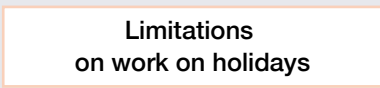
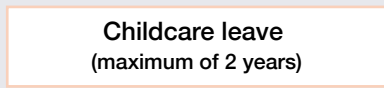
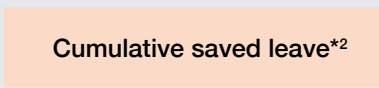
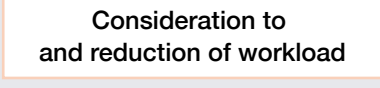
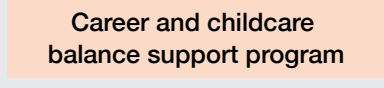
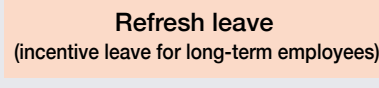
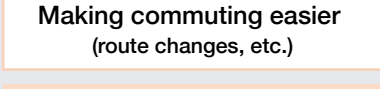
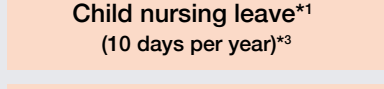
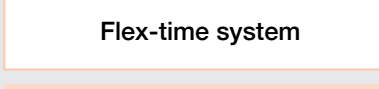
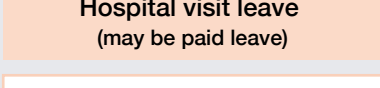
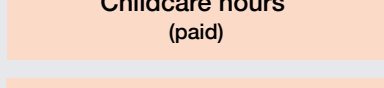
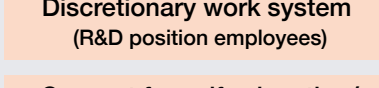
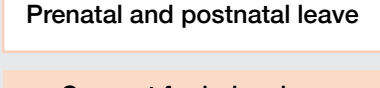
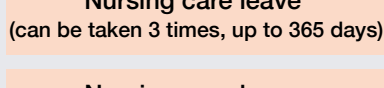
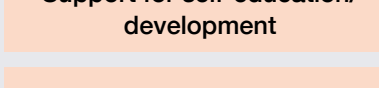
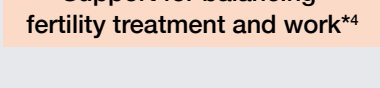
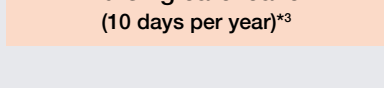
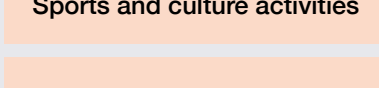
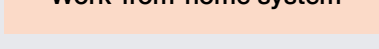
**Promotion of work-life balance**

NOF is developing a work environment in which the staff can work well motivated while attaching due importance to the work-life balance between work and non-work activities including child care, nursing care, hobbies, studies, rest and community activities. In light of the importance NOF attaches to the work-life balance of its employees, it has adopted systems to provide specific support shown in the table on the right. The items with the  symbol in the table indicate NOF's own systems or systems that go above and beyond the scope of law.

**Workstyle reform**

NOF is working to ensure proper labor management with a view to reducing work hours by improving operational efficiency and productivity and promoting fulfilling lifestyles outside of work, while making efforts to reduce work hours mainly through restricting work after the designated time and introducing a work interval system.

Systems that support diverse working styles

Pregnancy and childbirth	Support for childcare and nursing care	Other
 <b>Limitations on and exemptions from overtime*<sup>1</sup>, limitations on night work*<sup>1</sup></b>		 <b>Yearly paid holidays (up to 23 days)</b>
 <b>Later or earlier work start or finish times*<sup>1</sup></b>		 <b>Yearly paid half work days</b>
 <b>Limitations on work on holidays</b>	 <b>Childcare leave (maximum of 2 years)</b>	 <b>Cumulative saved leave*<sup>2</sup></b>
 <b>Consideration to and reduction of workload</b>	 <b>Career and childcare balance support program</b>	 <b>Refresh leave (incentive leave for long-term employees)</b>
 <b>Making commuting easier (route changes, etc.)</b>	 <b>Child nursing leave*<sup>1</sup> (10 days per year)*<sup>3</sup></b>	 <b>Flex-time system</b>
 <b>Hospital visit leave (may be paid leave)</b>	 <b>Childcare hours (paid)</b>	 <b>Discretionary work system (R&amp;D position employees)</b>
 <b>Prenatal and postnatal leave</b>	 <b>Nursing care leave (can be taken 3 times, up to 365 days)</b>	 <b>Support for self-education/development</b>
 <b>Support for balancing fertility treatment and work*<sup>4</sup></b>	 <b>Nursing care leave (10 days per year)*<sup>3</sup></b>	 <b>Sports and culture activities</b>
		 <b>Work-from-home system</b>

\*1: In the case of childcare, the systems apply for employees raising a child up to the third grade of elementary school.

\*2: The cumulative saved leave is a system in which expired yearly paid holidays may be accumulated. This may be used for personal illness or injury, childcare, nursing of a family member, nursing care, self-education/development, or volunteer activities.

\*3: Can be taken in hourly increments.

\*4: The short hour work system, flex-time system, fertility treatment leave, and the like may be taken.



### Recommending employees to take yearly paid holidays

NOF is developing a work environment in which the staff can work well motivated while attaching due importance to work-life balance. NOF encourages all employees to take their yearly paid holidays. Additionally, one such initiative is to encourage them to take yearly paid holidays in their respective birth months, and in this way an atmosphere that makes it easier to take yearly paid holidays is developed in the work environment.

Utilization rate of yearly paid holidays

FY2021 **70%**

### Refresh leave system (incentive leave for long-term employees)

NOF provides a system under which employees having worked with the Company for 10, 20 or 30 years are given seven consecutive paid holidays (which otherwise would be workdays) so that they can refresh themselves both mentally and physically away from everyday duties, and find opportunities to expand their fields of vision and to increase the flexibility of thinking.

### Days on which employees are encouraged to leave work on time

NOF encourages employees to work efficiently and sets one day or more of the week as a day on which employees are encouraged to leave work on time on a company-wide basis.

### Childcare support program

A "career and childcare balance support program" was introduced at NOF from April 2016. Under this program, throughout periods of childcare leave, there is regular distribution via the Internet of useful information on childcare as well as information on events to lift one's spirit during the struggles of childcare. There is also a contact point for childcare consultations, providing multi-faceted support for childcare. In addition, as the latest internal company information is regularly distributed and a wide range of contents for brushing up business skills are provided, this program supports a balance between childcare and work by assisting with skill improvements during childcare leave and a smooth return to work. The program has been used by many employees, including male employees, and has a favorable reputation.

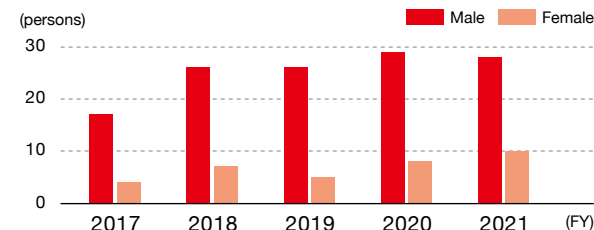


Number of employees utilizing childcare leave

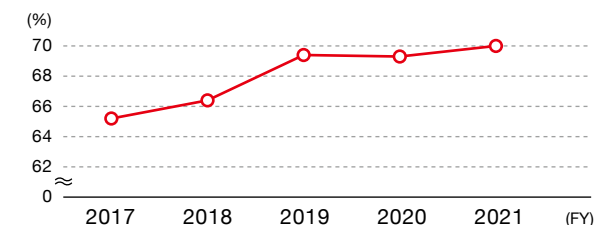
FY2021 **28 men and 10 women**

### Employee data (NOF non-consolidated)

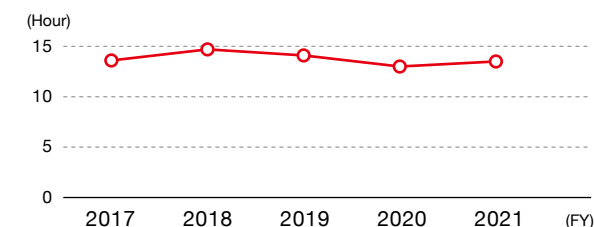
#### Number of employees utilizing childcare leave



#### Utilization rate of yearly paid holidays



#### Monthly average overtime work hours



\* Based on the data as of March 31 each year.

\* The utilization rate of yearly paid holidays is calculated for the period from September 21 of the previous year to September 20 of the current year (12-month period to take yearly paid holidays at NOF).



## Work-Life Balance |

## Support for childcare and nursing care / Health-conscious management

GRI 403-6

### Support for raising the next generation (Support for childcare and nursing care)

NOF provides a system that makes child-rearing/nursing care and working compatible with each other, and has proactively adopted support measures including raising the age limit of children for eligibility for the short hour work system and extending the duration of the nursing care leave and childcare leave. The requirements for utilizing the cumulative saved leave were expanded for nursing and nursing care from April 2016.

In June 2010, as its initiatives and records in the implementation of the action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children were appreciated, the Tokyo Labor Bureau recognized NOF as an "enterprise active in supporting childrearing." In our subsequent action plan, we have been promoting the utilization and implementation of childcare leave for our male employees as an initiative aimed at establishing an environment that facilitates a balance between work and childcare/nursing care.

In April 2017, NOF prepared a handbook that summarized information such as basic knowledge of the Long-Term Care Insurance System, how to balance work and nursing care, and internal systems related to nursing care, to enable employees to continue working and achieve balance when they face nursing care.



### 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 ① Creation of a pleasant working

environment, ② Mental health care, and ③ 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.



### 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 (Targets)
69%	70%	70% 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 (Targets)
100%	100%	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 (Targets)
48%	49%	50% or more



## Approach to diversity

In order to fulfill our Corporate Philosophy to "Encourage employees to take on new challenges, working to create a rewarding place to work and fulfilling lifestyles," the NOF Group accepts and respects diversity in the attributes of our people, such as nationality, gender, race, and whether or not they have a disability. That acceptance and respect also extends to diversity of work styles, including shortened working hours, and of working conditions, such as employment status and working location. We aim to establish and are currently building an organization in which willing and capable employees are properly evaluated in every aspect including recruitment, treatment after recruitment and promotions, and are allowed to demonstrate their capabilities.

## Appointment of international human resources and mid-career hires

Recognizing the importance of securing superior



Global Mind Seminar

human resources regardless of nationality, the NOF Group will secure appropriate human resources, including experienced workers, particularly for the expansion of our overseas businesses. Our overseas Group companies (overseas local subsidiaries) will continue to step up their efforts to recruit local employees and promote them to management positions.

As for mid-career recruitment, we are actively advancing hiring of human resources with knowledge and experience required by NOF (career personnel), appointment of managers, and hiring in accordance with our business expansion.

Furthermore, as NOF develops human resources and promotes them to management positions regardless of their nationality or career path, we do not set any target figures for the ratio of international human resources or mid-career hires to managerial positions.

## Employment of the disabled

In order for persons with disabilities to demonstrate their capabilities and work actively in their respective workplaces, NOF is promoting the employment of people with disabilities, upon developing a favorable working environment. The proportion of people with disabilities employed in March 2022 was 2.43% (48 people), surpassing the legally prescribed proportion (2.3%).

The NOF Group will continue its efforts to

expand employment of people with disabilities and establish a workplace environment where they can work comfortably.

### Employment rate of people with disabilities

FY2021 **2.43%** (48 people)

## Re-employment system (Re-employment of retirees)

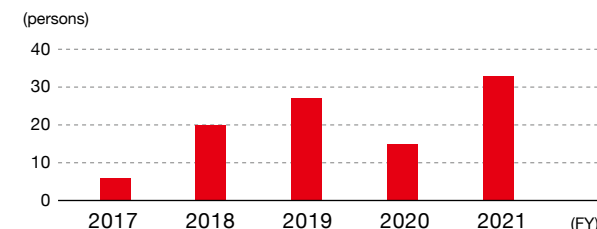
NOF has introduced a reemployment system intended to provide age-limit retirees with opportunities to remain active in society and achieve self-fulfillment through working, and at the same time enable them to fully utilize their high-level professionalism, skills and experience in their extended careers.

### Re-employment results

FY2021 **33** people

## Employee data (NOF non-consolidated)

### Re-employment of retirees





# Better Performance of Human Resources

## Promotion of the active participation of women

GRI 401-1, 404-2, 405-1

### Promotion of the active participation of women

The active participation of women is promoted at NOF. There were 13 women among the 36 new graduate career-track hires in FY2021.

In addition to the active recruitment of women, NOF strives to enhance its workplace environment in which women are able to participate actively. We strive to realize diversity in workstyles, including shortened working hours through our various childcare and nursing care support systems, as well as working conditions such as employment status and working locations. We also promote creating a multifaceted internal environment through efforts such as implementing training to promote the advancement of women for newly

hired employees and newly appointed managers, and effectively developing the skills of each

employee according to his or her job type and individual characteristics.

Percentage of female new graduates recruited for career-track positions (target)

**30% or more**

(target achieved every fiscal year since 2016)

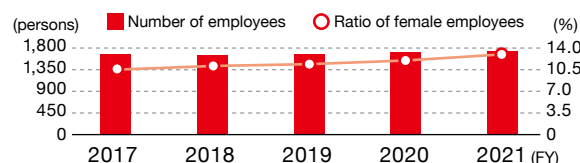
Number of female management-level employees (target)

**More than 3-fold**

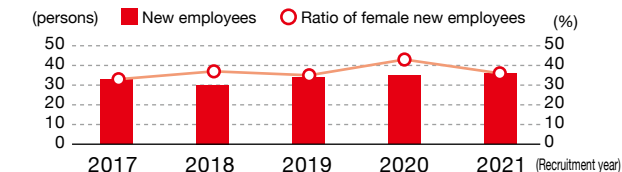
(by FY2030 starting from the end of FY2021)

### Employee data (NOF non-consolidated)

#### Number of female employees / ratio among employees



#### Number of new female employees / ratio among new employees



### Action plans of general business operators based on the "Act on Advancement of Measures to Support Raising Next-Generation Children" and "Act on the Promotion of Women's Active Participation in Their Occupational Lives"

#### 1. Plan Period

April 1, 2018 to March 31, 2023 (5 years)

#### 2. Details

(1) Developing an employment environment that supports a balance between work and family life for workers who are raising children

##### Target 1

**Implement initiatives aimed at developing an environment that facilitates a balance between work and child-rearing/nursing care.**

##### Measures

(1) Study and implement new policies to support a balance between work and child-rearing/ nursing care.

(2) Establishing various working conditions that contribute to revision of workstyles

##### Target 2

**Implement measures to encourage taking of yearly paid holidays**

##### Measures

(1) Continue to raise awareness of taking yearly paid holidays and encourage employees to take holidays in their birth month.  
(2) Study new policies to enhance the yearly paid holiday system and encourage taking of yearly paid holidays.

##### Target 3

**Promote efficient workstyles**

##### Measures

(1) Study and implement new policies to reduce overtime work hours.

(3) Establishing an employment environment that enables active participation by women

##### Target 4

**Implement measures for continuous employment of women.**

##### Measures

(1) Achieve a percentage of women among career-track hires of 30% or higher, and study and implement policies aimed at diversifying workstyles.





## Better Performance of Human Resources

## Performance support system and support

GRI 404-2

### Internal recruiting system

NOF has introduced an internal recruiting system that aims to foster independent human resource development by providing employees with opportunities to select work, etc. and assign motivated human resources to appropriate posts in order to improve employee morale and revitalize the organization.

### Rewards for employee achievements

On July 1 of each year, NOF recognizes the accomplishments of employees who have contributed to the perpetual development of the Company's businesses.

### Employee invention reward

In April each year, NOF examines employee inventions and awards invention rewards to inventors.

### 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 solution of 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 disorder in ensuring their smooth return to work after recuperation.

In fiscal 2021, mental health care (line care) education was conducted for 26 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.

### Addressing sexual harassment / power harassment problems

The NOF Group has declared its position to prevent and prohibit sexual harassment and power harassment in its Guidebook on the Code of Ethical Conduct, the Compliance Manual and other internal notifications, and is taking steps to make the code and other relevant norms extensively known and understood. For consultation desks regarding sexual harassment and power harassment, one each of male and female consultants is appointed to make the workplaces transparent and pleasant.



# Talent Development

GRI 404-2

NOF promotes a multifaceted talent development system including support for "correspondence courses," in which each employee is allowed to choose his/her own training menu, "training at the organizational level," which is made to suit employees with different issues in different hierarchy, as well as "training regarding specific issues," which is suited to enhance the employees' expertise and is made in accordance with specific issues that arise in execution of duties.

This system effectively promotes talent development suited to each individual and his/her work, while at the same time making work more rewarding, invigorating the organization, establishing a sustainable business foundation and enabling stable employment.

## Support for self-education/development

NOF provides a wide range of self-education/development programs such as various correspondence courses and e-learning courses (e.g. business skills and languages) to support the spirit of challenge of the motivated employees and to encourage further skill development and the



"Correspondence Course Guide" booklet

Number of correspondence course and e-learning course participants

FY2021 **251** people

self-realization of each individual. In fiscal 2021, a total of 251 employees took advantage of the various correspondence courses and e-learning courses.

## Promoting training at the organizational level and regarding specific issues

In an effort to provide a more effective training program, NOF has set up an education system that combines training at the organizational level and training regarding specific issues. The relatively junior employees mainly undergo training at the

organizational level, while management-level employees undergo training regarding specific issues. Each organizational unit and division also plans and carries out, as necessary, training suited to their respective business operations. In fiscal 2021, a total of 728 employees took part in the training programs.

Training program participants  
FY2021 **728** people

### Training at the organizational level

- Initial training for new career-track employees
- Follow-up training for new career-track employees
- Preparatory training for the study report conference for career-track employees
- Study report conference for career-track employees
- Follow-up training on the study report conference for career-track employees
- Training for supervisors
- Training for core employees promoted to manager
- Training for career-track employees promoted to manager
- Training for employees promoted to executive positions
- Mandatory training for promotion candidates (correspondence course for candidates for senior instructional level positions, candidates for manager positions and candidates for executive positions)

Other training



### Training regarding specific issues

- Training for those performing personnel evaluations
- Business skill reinforcement training
- Training for new sales staff
- Sales practices training
- Business R&D training for R&D position employees
- Training for managerial candidates
- Short-term overseas language training
- Training prior to overseas assignments
- Practical English skills training
- Training for accepting foreign national human resources
- Japanese business communication training
- Mental health training

Other training





# Talent Development

GRI 404-2

## Promotion for acquiring official qualifications

The NOF Group supports employees' efforts to acquire official qualifications in many aspects. In fiscal 2021, a total of 362 people newly acquired 33 types of such qualifications at the Domestic Group.

Number of acquired types of qualifications

FY2021 **33** types

People who acquired qualifications

FY2021 **362** people

FY2021 Number of qualifications obtained

Qualifications	Total number of people who acquired the qualification
Energy control	2
Pollution control	7
Sanitation control	5
Specified chemicals control	40
Organic solvents control	34
Hazardous materials control	94
High pressured gas control	13
Explosive production control	3
Explosive handling control	22
Poisonous and toxic substances handling	8
Pressure vessels handling	5
Breathing safety control	12
Forklift	24
Crane	9
Hooking using cranes, etc.	9
Boilers	13
Fire prevention	4
Drying equipment work chief	1
X-ray work	2
14 other types of qualifications	55
<b>Total</b>	<b>362</b>



# Safety Education

GRI 403-5

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.

### 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 2021, a total of 41,347 people participated in and received RC-related education and training for a total of some 32,000 hours.



Life-saving first-aid education (Kawasaki Works)



Education on heatstroke (Oita Plant)

### FY2021 RC Education

Field	Total number of participants	Total time (in hours)
RC and Environmental Safety	4,283	2,487
Labor and Plant Safety	31,208	24,088
Product safety	4,608	3,638
Transportation safety	1,248	1,436
<b>Total</b>	<b>41,347</b>	<b>31,649</b>

\* RC: Acronym for "Responsible Care." (See page 51)



# Responsible Care (RC) Activities

## 51 RC management

- 51 Promotion system
- 53 Management system

## 55 Environmental safety

- 55 Environmental Loads Ensuing from Business Activities
- 56 Environmental accounting
- 57 Recycling of resources
- 58 PRTR
- 60 Atmosphere, water quality, biodiversity, etc.

## 62 Labor safety

- 62 Occupational Safety and Health
- 63 Safety education

## 65 Plant safety

- 65 BCP
- 66 Safety and disaster prevention
- 67 Awards

## 68 Product safety / Chemical safety

## 71 Transportation safety





### Management policy regarding RC

For a chemical company to live together with society as one of its vitally important members, it has to seek harmony with social environment and natural environment, and be recognized, appreciated and accepted by society. With this fundamental awareness in mind, NOF has set forth its Management Policy Regarding Responsible Care as a set of norms to be faithfully observed by every officer and employee of the Group companies with a view to winning even greater trust from

society.

Furthermore, NOF became a signatory of the Responsible Care Global Charter, proposed by the International Council of Chemical Associations in 2014, and declared its support of the Charter and its commitment to practice RC activities both in Japan and overseas.

### The Five Components of Safety

The NOF Group classifies its RC activities into "Five Core Components" including 1) environmen-

tal safety, 2) labor safety, 3) plant safety, 4) product safety and 5) transportation safety, and according to this classification each works sets priority items, which are practiced in specific activities. Since 2003, "dialogue with society" has been added to the Five Core Components as a theme of activities.



### Management Policy Regarding Responsible Care

NOF is dedicated to protecting the safety and health of customers, the public and employees, as well as the environment, ecosystems and resources. For this purpose, based on the principles of Responsible Care, NOF, its group companies, and all executives and employees observe the following management policies on safety concerning the five areas of environment, products, plants, transportation, and labor.

- (1) Retain an awareness concerning safety issues involving the social and natural environments.
- (2) Conduct activities based on appropriate self-management along with close collaboration with other business units.
- (3) Conduct highly reliable safety checks and adhere to all laws and regulations.
- (4) Everyone must work to minimize the impact of products on the environment, safety and health. This covers every aspect of products, from their development and manufacture through retail, use and disposal.

(Amended September 2001)

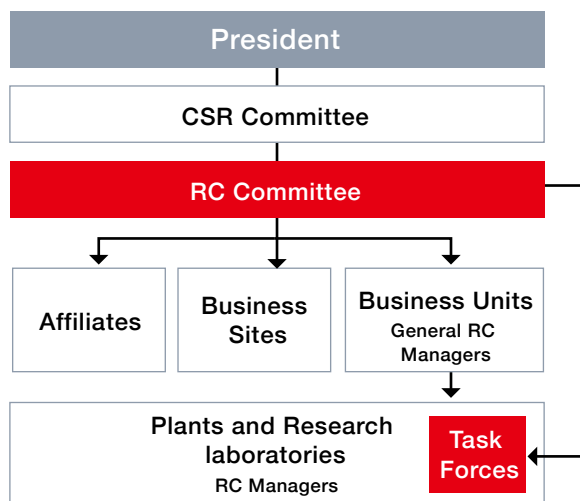


### RC promoting organization

The RC Committee, chaired by the general manager of the Responsible Care & Production Engineering Department (concurrently director and executive operating officer), has 12 other members (division managers and staff department managers).

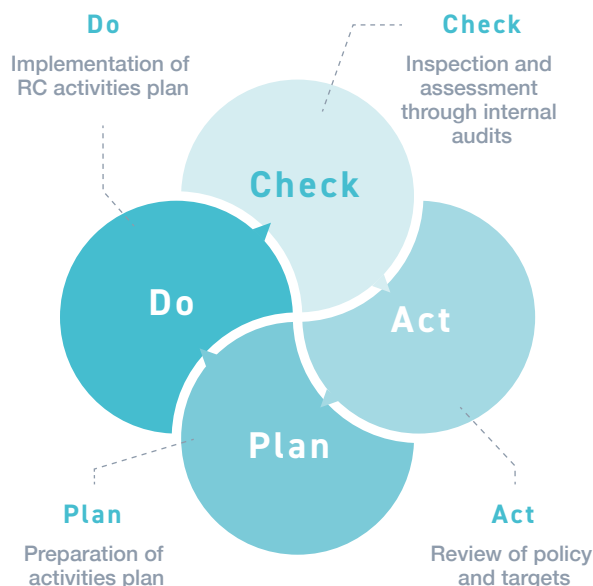
The RC Committee, whose decisions are immediately made thoroughly known as the policy of the NOF Group, has an executive function as a body to which authority is delegated by the President. A general RC manager is appointed to each business division, and an RC manager to each plant or research laboratory, to ensure concrete representation of environmental targets.

#### RC promoting organization diagram



### Flowchart of RC activities

RC activities are conducted by keeping the cycle of CAPDo (Check-Act-Plan-Do) turning without interruption.



If any item needs improvements, the progress is assessed at the time of the next auditing, a half year afterwards, and completion is checked.



The NOF Group is promoting the acquisition of certification by competent outside bodies as a means of improving transparency and objectivity of RC activities.

**Development status of EMS\*1 (Environmental Management Systems)**

Every works and plants of NOF with production sectors have acquired ISO14001 certification, and are implementing systematic environmental improvement activities, with the particulars of business and local characteristics taken into consideration. Seven of the companies affiliated with NOF have acquired ISO14001 certification, and one more is seeking for new acquisition. Also, Nichiyu Logistics has obtained Green Management certification from the Foundation for Promoting Personal Mobility and Ecological Transportation.



**Development status of OSHMS\*2 (Occupational Safety and Health Management System)**

The NOF Group, under its labor 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.

**Development status of QMS\*4 (Quality Management Systems)**

NOF is building up the optimal QMS for each product line. The Daishi Plant has acquired certificates under FSSC22000\*5 (Food Safety Management System) in January 2019, in addition to ISO9001. The DDS Plant exercises control conforming to the GMP for pharmaceuticals. ISO9001 certificates have been acquired by 14 of the Group companies.

- \*1: Acronym for Environmental Management System. A management system comprising a framework for an organization to formulate implement, review and maintain its environment policy; and encompassing planning activities, responsibilities, practices, processes and resources.
- \*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.
- \*4: Acronym for Quality Management System. A system by which an organization formulates policies and sets targets in order to dictate and manage its quality, and achieve such targets.
- \*5: Acronym for Food Safety System Certification 22000. It comprises individual specifications established for each food industry as Prerequisite Programs (PRP) based on ISO22000 (Food Safety Management System) and original FSSC22000 standards as additional requirements.

Through food defense and management including management of allergens, more reliable food safety management can be ensured. (A certification scheme recognized by non-profit organization GFSI)



How much we can improve the effectiveness of internal auditing is an important point of RC activities.

**Status of internal auditing**

We have been conducting RC auditing of all NOF factories since fiscal 1998 and of our domestic subsidiaries with manufacturing sectors since fiscal 2005 in order to strengthen our autonomous inspecting activities and promote RC activities.

We conducted RC audits at Changshu NOF Chemical Co., Ltd. in China and PT.NOF MAS CHEMICAL INDUSTRIES (NMC) in Indonesia in fiscal 2010, and at NOF METAL COATINGS NORTH AMERICA INC. (MCNA) in the United States and at NOF METAL COATINGS EUROPE S.A. (MCEU S.A.) in France in fiscal 2020, with the aim of further improving RC activities by the NOF Group.

In fiscal 2021, RC audits in most locations were

conducted remotely due to the COVID-19 pandemic. (Conducted twice a year at NOF's seven domestic plants and once a year at seven domestic subsidiaries' locations with manufacturing divisions)

Four overseas subsidiaries were audited in writing.

Priority audit themes in recent years are listed below.

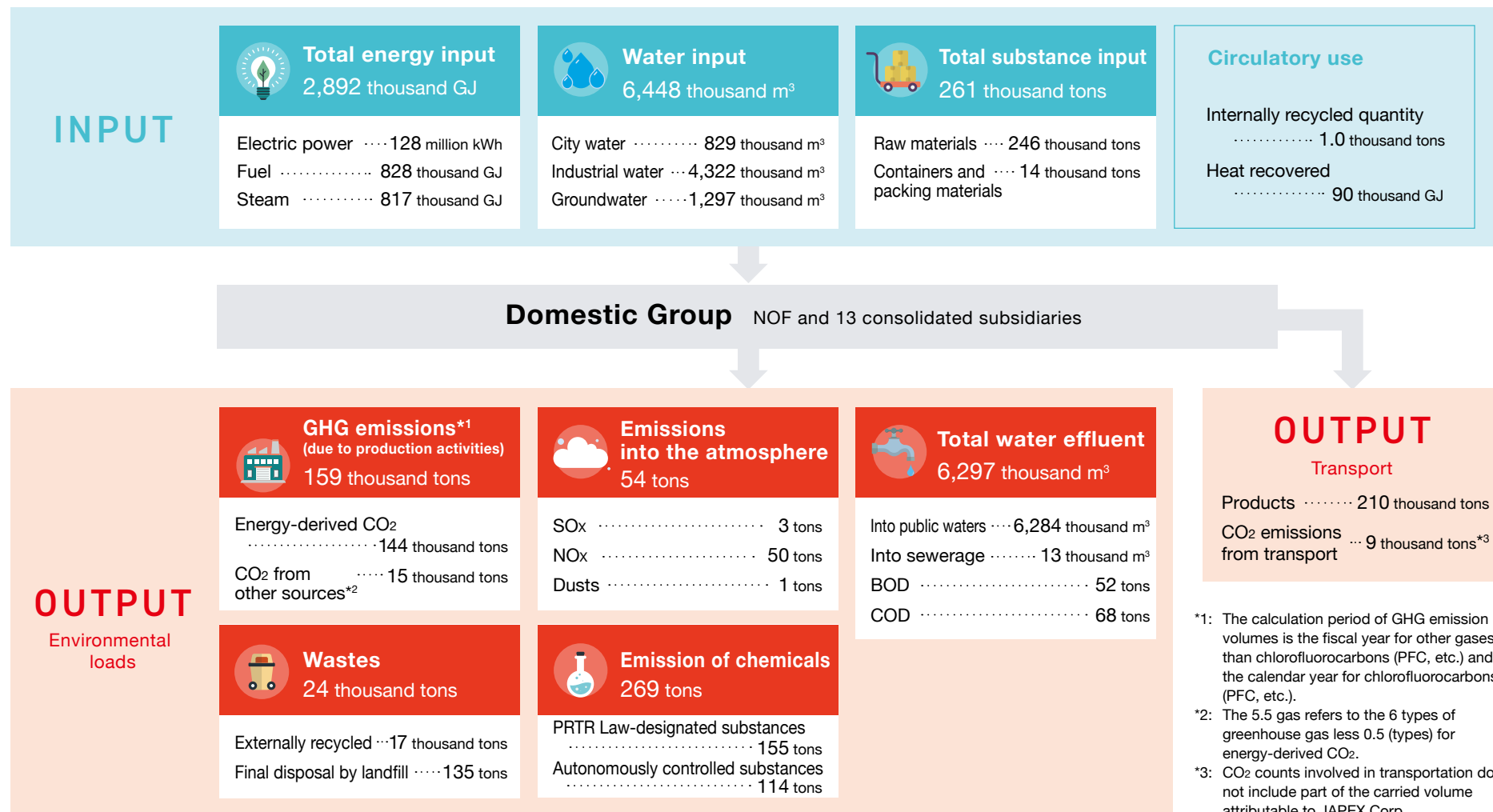
**Implementation status of internal auditing**

Term	Priority theme in audit
1st half, FY2017	Confirmation of implementation status of "pointing and calling" method and safety measures
2nd half, FY2017	Confirmation of Amended Waste Management and Public Cleansing Act (mercury waste), PCB waste management
1st half, FY2018	Details of measures for past labor accidents, reconfirmation of actions for prevention
2nd half, FY2018	Confirmation of measures to enhance understanding of rules and manuals
1st half, FY2019	Confirmation of the status of maintenance and management for environmental facilities and the status of SDS management
2nd half, FY2019	Confirmation of safety upon delivering hazardous materials and the status of management of specific chemical substances
1st half, FY2020	Confirmation of the preparedness for earthquakes and tsunamis, confirmation of PCB waste disposal
2nd half, FY2020	Confirmation of safety measures for movable objects and monitoring of legal and regulatory changes
1st half, FY2021	Confirmation of proper use of hoses, Ordinance on Prevention of Organic Solvent Poisoning and Ordinance on Prevention of Dangers Due to Specified Chemical Substances
2nd half, FY2021	Confirmation of appropriate protective equipment decisions and check usage control status, as well as energy management status



The standing of environmental loads ensuing from business activities by the Domestic Group in fiscal 2021 is shown below.

**Main environmental performance factors (Domestic Group)**







The environmental accounting\*1 of the Domestic Group in fiscal 2021 is stated below. The period covered is from April 1, 2021 through March 31, 2022.

Environmental expenses		(in million yen)		
Category	Major activities	Investment	Expenses	
(1) Business area expenses	-1 Pollution prevention	Enhancement of wastewater treatment facilities, enhancement of air pollution control facilities	406	968
	-2 Global environmental protection	Upgrade to energy-saving facilities, replacement of fluorescent lamps to LED	874	402
	-3 Resource recycling	Waste heat recovery equipment, waste disposal costs	20	1,026
(2) Upstream/downstream expenses	Reduction in containers and packaging materials	0	0	
(3) Management activity expenses	Environmental audits/improvements/personnel	0	357	
(4) R&D expenses	R&D to curb environmental impact	0	392	
(5) Community activity expenses	Support for regional environmental activities	0	10	
(6) Environmental damage response expenses	—	0	0	
<b>Total*2</b>		<b>1,300</b>	<b>3,155</b>	

Environmental benefits			
Benefit item	Item	FY2021	vs FY2020
(1) Benefit from resources used in business activities	Total energy input (thousand GJ)	2,892	82
	Total substance input (thousand tons)	261	30
	Water resource input (thousand m <sup>3</sup> )	6,448	13
(2) Benefit from environmental impact and waste materials of business sites	Gas emissions (thousand tons of CO <sub>2</sub> )	168	2
	Production activities: Energy-related	144	2
	Production activities: Others	15	△1
	Transportation-related	9	1
	PRTR chemical releases (tons)	155	8
	Plant emission volumes (tons)	23,796	△380
	Final disposal of waste by landfill (tons)	135	△546
	Waste water volumes (thousand m <sup>3</sup> )	6,297	135
	COD emission volumes (tons)	68	8
	NOx emission volumes (tons)	50	△3
SOx emission volumes (tons)	3	0	

Real economic effects		(in million yen)
Particulars of effects		Sum
1) Profits	Business income from recycling of wastes from main business or recycling of used products, etc.	392
	Other business income	0
2) Costs saved	Reduction in energy cost by energy saving	37
	Reduction in waste disposal ensuing from materials saving or recycling	20
	Other reductions	4
<b>Total*2</b>		<b>453</b>

Changes from the past						
Category	Item	FY2017	FY2018	FY2019	FY2020	FY2021
Environmental Expenses	Investment (million yen)	623	593	686	1,203	1,300
	Expenses (million yen)	2,739	2,741	2,657	3,136	3,155
Resource volumes used in business activities	Total energy input (thousand GJ)	2,987	3,004	2,917	2,809	2,891
	Total substance input (thousand tons)	280	273	253	231	261
	Water resource input (thousand m <sup>3</sup> )	6,374	6,352	6,376	6,435	6,448
Environmental loads ensuing from business activities	Greenhouse gas emissions (thousand tons of CO <sub>2</sub> )	182	181	178	166	168
	Production activities: Energy-related	156	154	149	142	144
	Production activities: Others	17	18	20	16	15
	Transportation-related	9	9	9	8	9
	PRTR chemical releases (tons)	166	177	158	147	155
	Plant emission volumes (tons)	23,466	25,976	23,662	24,176	23,796
	Waste sent to landfills (tons)	117	95	81	681	135
	Waste water volumes (thousand m <sup>3</sup> )	6,030	5,532	6,042	6,162	6,297
	COD emission volumes (tons)	73	66	60	60	68
	NOx emission volumes (tons)	62	60	52	53	50
SOx emission volumes (tons)	6	6	5	3	3	

\*1: In business activities, Environmental Accounting is a procedure necessary for communicating quantitatively the results based on costs and effect for the environmental conservation activities by the monetary unit or material quantity, the purpose of which is to promote efficiently and effectively the environment conservation, keeping the good relationship with the society.

\*2: Rounding of fractions may sometimes make the total inconsistent with individual figures.



# Environmental Safety

## Recycling of resources

GRI 303-1, 303-3, 303-5, 306-3, 306-4, 306-5

### Promotion of drive toward Zero Emissions\*

The volume of waste discarded by the Domestic Group for final disposal by landfill was 135 tons in fiscal 2021, with the Zero Emissions rate standing at 0.077%.

Meanwhile, NOF's final landfill volume was 53.6 tons, with the Zero Emissions rate standing at 0.031%.

NOF will continue to promote the separate

collection and recycling of waste, and will strive to reduce the volume of final landfill disposal.

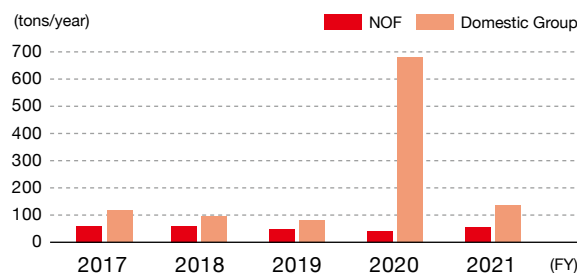
### Recycling of valuables from waste

In fiscal 2021, the sales of recycled waste matter amounted to approximately ¥391 million. We will continue our efforts to recycle valuables from waste matter.

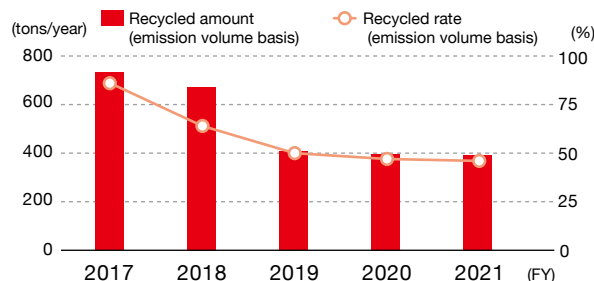
### Consumption of water resources

NOF has been carrying out the efficient use of water resources by estimating the amount of water consumption. The volume of water used by the Domestic Group in fiscal 2021 amounted to 6,448 thousand m<sup>3</sup>, of which 1,297 thousand m<sup>3</sup> was groundwater and 829 thousand m<sup>3</sup> was city water.

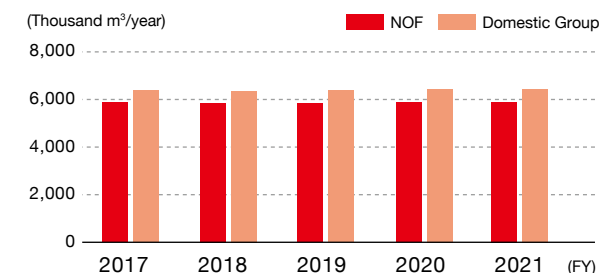
#### Final disposal volume by landfill



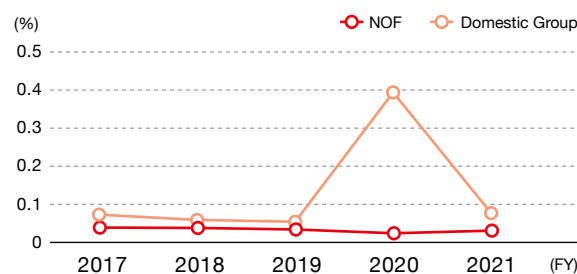
#### Changes in recycling of waste plastics



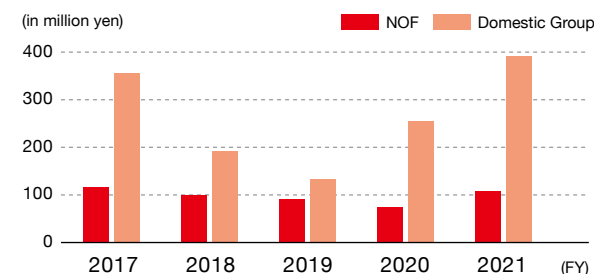
#### Water consumption



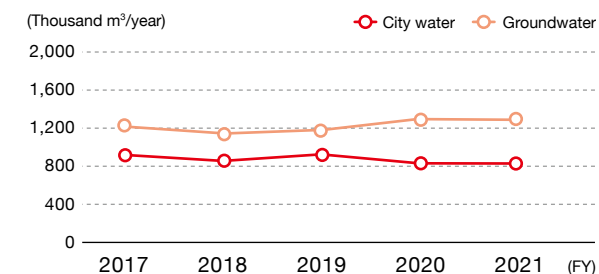
#### Zero Emissions rate



#### Sum of valuables sold



#### Volumes of city water and groundwater used



\* Here, this means an endeavor to make the disposal quantity of industrial waste close to zero.  
NOF's definition of zero emission: Volume of final disposal by landfill/volume of wastes, etc. generated × 100 0.10



## Initiatives to reduce emissions of chemical substances

Each member-company of the Domestic Group is making efforts to reduce emissions of chemical substances by assessing and making notifications of PRTR Act\*1-controlled substances.

## PRTR Act-controlled substances\*2

The emission volume of PRTR Act-controlled substances by the Domestic Group in fiscal 2021 was 154.7 tons, a decrease by approximately 5% from 146.7 tons in fiscal 2020. As a result, 43% reduction of emission volume was achieved from the 269 tons in fiscal 2010, the reference year of the Mid-term Target. The outcome was due to the

full-scale operation of treatment facilities installed at each plant.

PRTR Act-controlled substances with an emission volume of 10 tons or more are indicated in the table below.

## Measures to reduce emissions of PRTR Act-controlled substances

Regarding measures to reduce emissions of PRTR Act-controlled substances, we substantially reduced the emission volume by installing cumene deodorizing equipment at the Kinuura Plant and an allyl chloride (3-chloropropene) recovery system at the Chidori Plant in 2015. At NOF Metal Coatings Asia Pacific Co., Ltd., we had been studying the

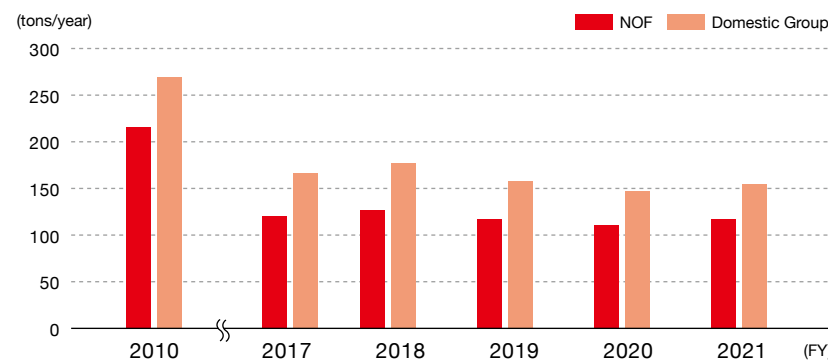
use of alternative solvents to dichloromethane that was used in large quantities in the metal cleaning process prior to the application of GEOMET®, a corrosion prevention agent. The study work was completed in fiscal 2020 and we have completely abolished the use of dichloromethane in our facilities. Additionally, in fiscal 2021, we installed a new cumene recovery system at the Kinuura Plant, achieving an approximately eight-ton reduction in cumene emissions per year.

Moreover, we have set an emissions target of 170 tons per year or less in response to newly designated substances that will come into effect from fiscal 2023, and the entire Group will continue efforts to reduce emissions.

Substances high in volume (10 tons or more, total volume by the Domestic NOF Group) discharged into the environment

Cabinet order No.	Name of substance	Emission volume (tons/year)
300	Toluene	36.9
186	Dichloromethane	31.4
128	Chloromethane	21.0
83	Cumene	20.0
392	Normal hexane	13.9
<b>Total emission volume</b>		<b>154.7</b>

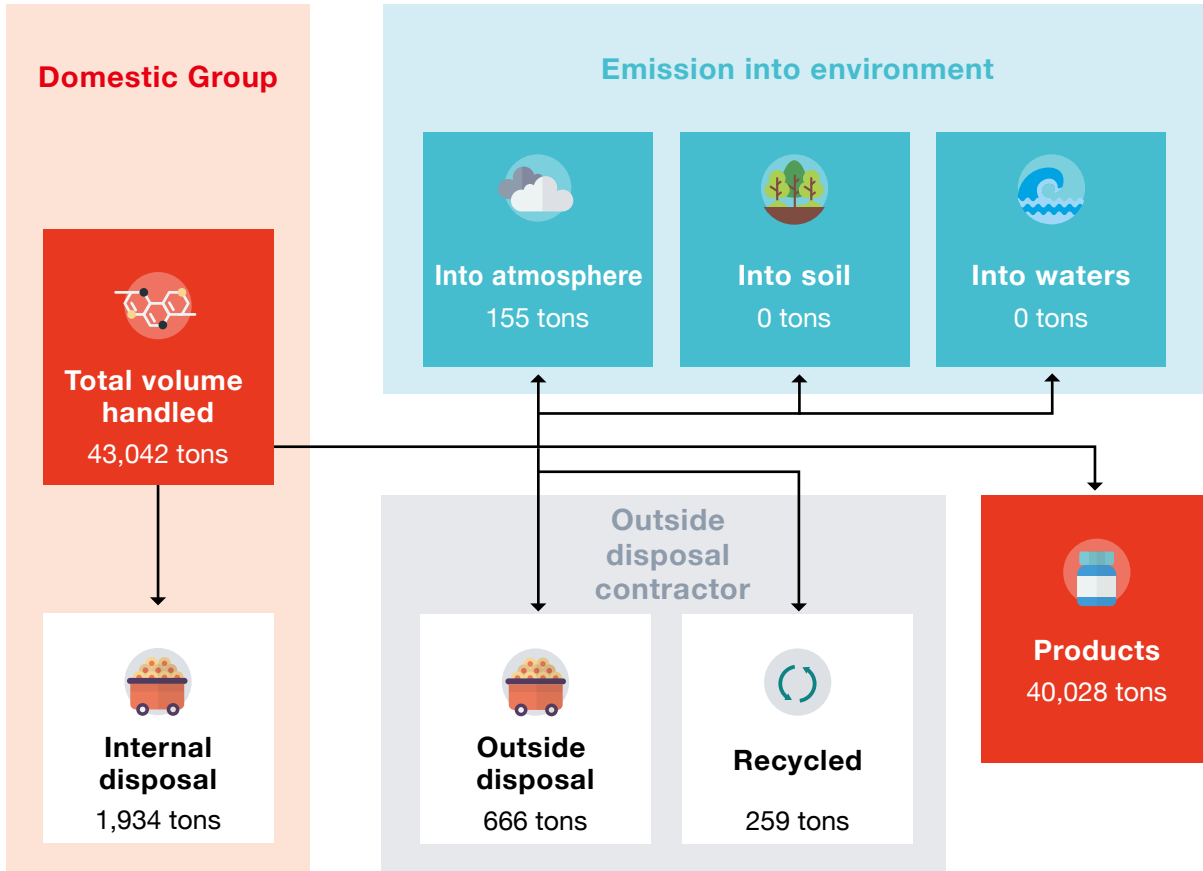
Emissions of PRTR Act-controlled substances



\*1: Pollutant Release and Transfer Register Act (PRTR Act, or PRTR). The Act is intended to promote and improve chemical substance control and prevents the occurrence of problems in environmental conservation in Japan.  
\*2: PRTR Act: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management thereof



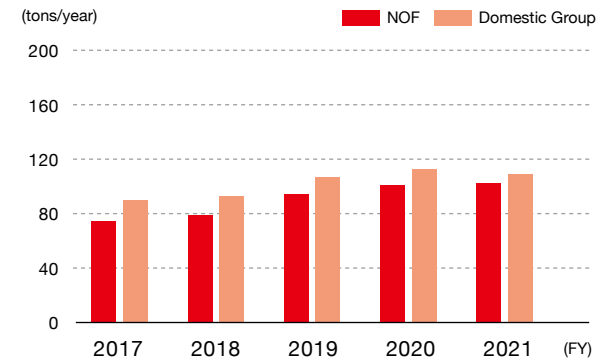
Balance of emissions of PRTR Act-controlled substances in fiscal 2021 (Domestic Group)



Substances under JCIA-recommended autonomous control

The Domestic Group is also engaged in initiatives to assess and reduce emissions of substances recommended by the Japan Chemical Industry Association (JCIA). The total quantity of such substances emitted in fiscal 2021 was 109 tons, a decrease of approximately 4% from the previous year of 113 tons.

Emissions of substances under JCIA-recommended autonomous control



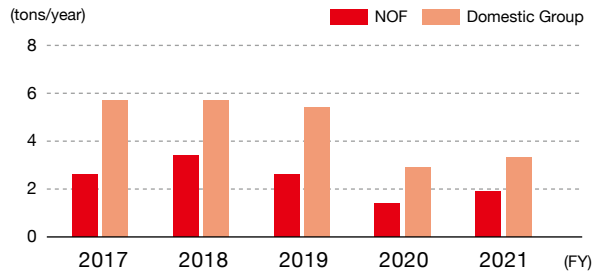
Note: In this report, the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management thereof is referred to as the PRTR Act.



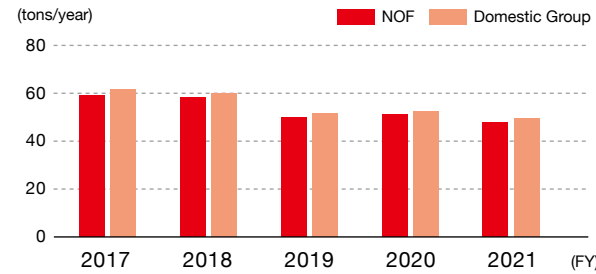
Eco-friendly action: Air

For exhaust gas from boilers and other combustion equipment, we regularly measure sulfur oxides (SOx), nitrogen oxides (NOx), soot and dust\*1 among others to conform our operation and management to prescribed limits.

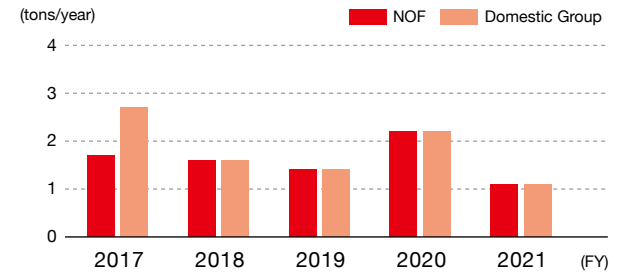
SOx emissions



NOx emissions



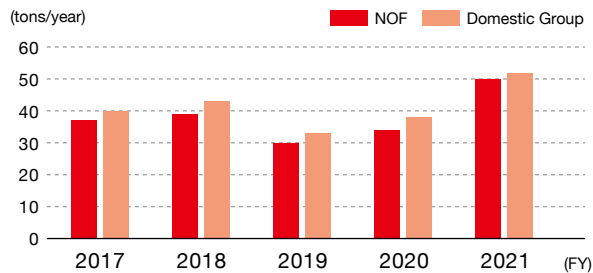
Soot-dust emissions



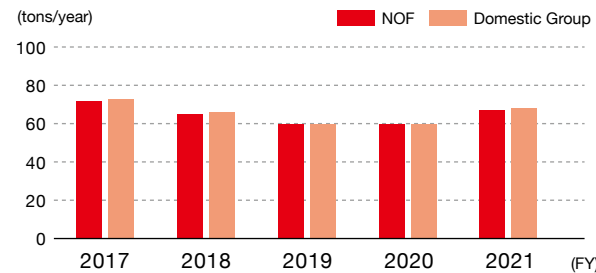
Eco-friendly action: Water

Regular measurement of biochemical oxygen demand (BOD), chemical oxygen demand (COD) and suspended solids\*2 among others contained in drainage discharged in connection with production activities is another aspect of our dedication to operation and management conforming to prescribed limits.

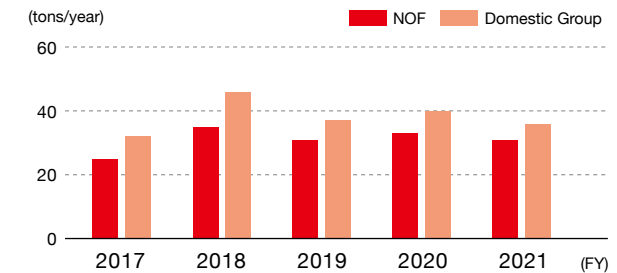
BOD emissions



COD emissions



Suspended solid emissions



\*1: Out of particulate substances arising from operations in plants and other business establishments, those generated in conjunction with the combustion of fuel or any other substance.

\*2: Particulate substances of 2 mm or less in diameter floating or suspended in water; one of the indicators of water quality.





## Environmental Safety | Atmosphere, water quality, biodiversity, etc.

GRI 304-3, 306-2, 307-1

### Actions for biodiversity conservation

The NOF Group is committed to the conservation of the environment from preserving the immediate environment to addressing environmental problems on a global scale, as well as the conservation of ecosystems and natural resources.

From fiscal 2010, the NOF Group took up "Promoting conservation of biodiversity" as one of the targets of its RC activities, and from October 2012, NOF joined the Round-table on Sustainable Palm Oil (RSPO\*) as "Palm Oil Processors and Traders" to contribute to the healthy development of the palm oil industry. Since 2014, the NOF Group has participated in the Japan Business and Biodiversity Partnership, which promotes initiatives towards biodiversity by business operators. NOF currently endorses the Declaration of Biodiversity and Action Policy by Keidanren (2018 revised edition). Furthermore, in April 2019, NOF became a founding member of the Japan Sustainable Palm Oil Network (JaSPON), which comprises 18 companies and organizations including manufacturers, retailers and non-governmental organizations, and also engages in activities to encourage the entire industry to procure and use RSPO certified palm oil.

Additionally, NOF joined the Japan Initiative for Marine Environment (JaIME), which was launched in fiscal 2018, with strong recognition that ocean plastic waste is one of the issues that the chemicals industry needs to take the lead in addressing.

### Proper management of polychlorinated biphenyl (PCB)

The NOF Group properly stores and manages PCB waste in accordance with the Law Concerning Special Measures Against PCB Waste, and disposes of such waste by commissioning disposal operators as prescribed by laws and regulations.

Registered with the Japan Environmental Storage & Safety Corporation, NOF disposes of its high-concentration polychlorinated biphenyl (PCB) wastes sequentially. NOF also disposes of its low-concentration PCB wastes systematically upon confirming the disposal operators.

### Compliance status to Acts related to the environment

There was no violation of environmental protection law.

\* RSPO is an acronym for the Roundtable on Sustainable Palm Oil, established in 2004 with an eye to promoting sustainable production and profitability of palm oil through the formulation of globally creditable authentication standards and participation of stakeholders. RSPO is headquartered in Zurich, Switzerland.



## 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 labor 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 fiscal 2021

In fiscal 2021, the Group targeted "completely zero accidents,"\* 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."

### 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 Labor 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.

(Revised in March 2013)

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



Occurrence of labor accidents in fiscal 2021

Record of labor accidents in fiscal 2021

Indicators	Targets	2019	2020	2021
Accidents involving death and loss of function (people)*1	NOF main group (Japan)	0	0	0
	Affiliates	0	0	0
	(Breakdown) Japan	0	0	0
	Asia	0	0	0
	Americas	0	0	0
	Europe	0	0	0
Accidents with lost workdays (people)*2	NOF main group (Japan)	2	2	4
	Affiliates	1	1	1
	(Breakdown) Japan	1	0	1
	Asia	0	1	0
	Americas	0	0	0
	Europe	0	0	0
Total damage (people)*3	NOF main group (Japan)	4	7	10
	Affiliates	1	3	2
	(Breakdown) Japan	1	2	2
	Asia	0	1	0
	Americas	0	0	0
	Europe	0	0	0

\*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

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.



VR training (Amagasaki Plant)



External experiential training (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.



## Safety activities in fiscal 2022

We have been striving for "completely zero accidents" since fiscal 2015. In fiscal 2021, there were 12 labor accidents, and we did not achieve the target.

The results of the analysis of the causes of occupational accidents that occurred in fiscal 2021 suggest that there is a need to improve the level of understanding of "basic safety behaviors." Therefore, we have set "Thorough implementation of basic safety actions" as an initiative of the RC activity targets, and each company in the Group will work on measures in line with this target to promote the elimination of occupational accidents. In addition, with the aim of strengthening counter-measures against potential disaster risks in the

workplace, we promote 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.

With regard to traffic safety, we believe it is important for drivers to be aware of hazards in advance in order to prevent accidents, so we have decided to deepen Naze-naze Bunseki (five whys analysis) that has been conducted in the past and use it as an educational resource.

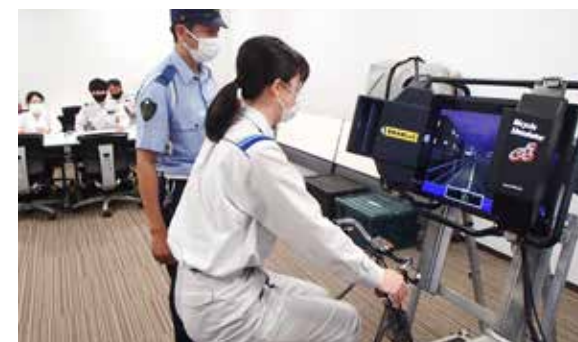
## Elimination of traffic accidents

In order to reduce the number of accidents during commutes and work-related traffic accidents, which occurred frequently during fiscal 2021, we

enhanced our traffic safety measures. Each business workplace 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 "Safety Bungo" (Oita Plant)



Bicycle simulator training (Amagasaki Plant)

**The NOF Group's target in RC activities in fiscal 2022**  
**Labor safety initiatives**

<p><b>1 Enhancing sensitivity towards danger and thoroughly enforcing basic safety actions</b></p>	<ul style="list-style-type: none"> <li>● Provide occupational safety education and training</li> <li>● Strengthen hazard prediction skills</li> </ul>
<p><b>2 Reduction of disaster risks</b></p>	<p>[Labor safety] ● Strengthen responses based on Sangen Shugi</p> <p>[Traffic safety] ● In-depth investigation of the causes of injury and self-caused damage*</p> <p>● Strengthen education to promote awareness</p>

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

### BCP training and education

A joint BCP drill was conducted in cooperation with the Emergency Headquarters at the Head Office and online, with the premise that the Kawasaki Works, which consists of three plants that produce chemicals, foods, and pharmaceutical raw materials, was severely damaged by an earthquake directly under the Tokyo metropolitan area.

BCP improvement and education is being continuously implemented at each location. We will continue to strengthen our earthquake response capabilities through training and education.



Joint BCP training (Head Office)



Joint BCP training (Kawasaki Works, online video)



BCP education (Tsukuba Research Center)





### Safety and disaster prevention capital 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.

### Strengthening cooperation with the community

In providing against accidents that might happen, close collaboration with local disaster-fighting organizations is indispensable. The NOF Group is actively trying to create opportunities to strengthen its disaster preparedness by engaging in joint drills with local organizations for damage prevention. Joint disaster-fighting drills and emergency support drills with neighboring companies are increasingly adapted to practical needs year after year. Large-scale drills have become frequent with the participation of local fire and police stations.

The Kawasaki Works entered into an agreement with the municipal government of Kawasaki to offer itself as a refuge facility against tsunami, and would open its general office building to general citizens seeking help. Besides these drills, individual works also participate in local disaster-fighting drills at the request of organizations they belong to.

### Disaster prevention drills



Disaster prevention drill (Kawasaki Works)



Disaster prevention drill (Oita Plant)



Disaster prevention drill (HOKKAIDO NOF CORPORATION)



Fire extinguisher training (Nippon Koki Co., Ltd.)



Disaster prevention drill (Amagasaki Plant)



Evacuation drill (Tsukuba Research Center)



### 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 Amagasaki Plant has received an award from Hyogo Prefecture for its management of high-pressure gas and boilers.

Nippon Koki Co., Ltd. and NiGK Corporation have received awards for their achievements in hazardous materials and explosives safety.

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



Received the award for excellent high-pressure gas safety manager by the Hyogo High-Pressure Gas Safety Organization (Amagasaki Plant)



Explosives Safety Kanto and Tohoku Industrial Safety Inspection Department's Tohoku Branch Chief Safety Merit Award (Nippon Koki Co., Ltd.)

### Record of awards for safety activities

Works/Plants	Date awarded	Name
Amagasaki Plant	2021/4/5	Received the Kinki Chemical Society Japan Environmental Technology Award
	2021/6/9	Received the award for excellent boiler engineers by the Hyogo Branch of the Japan Boiler Association
	2021/6/15	Received the award for excellent high-pressure gas safety manager by the Hyogo High-Pressure Gas Safety Organization
Nippon Koki Co., Ltd.	2021/5/21	Excellent Hazardous Materials Handler Award (Awarded by the Shirakawa Area Fire and Disaster Prevention Association)
	2021/12/13	Explosives Safety Kanto and Tohoku Industrial Safety Inspection Department's Tohoku Branch Chief Safety Merit Award
	2022/2/4	Received the Fukushima Minposha Award of the Fukushima Industrial Awards
NiGK Corporation	2021/6/11	Saitama Prefectural Explosive Safety Association Safety Merit Award and Excellent Long Service Employee Award
HOKKAIDO NOF CORPORATION	2021/12/1	Received the award for excellent safe driving management office from the Hokkaido Safe Driving Managers Association
Nippo Kogyo Co., Ltd.	2021/5/18	Received the award for excellent drivers from the Safety Operations Manager Selection Office
Nichiyu Kogyo Co., Ltd.	2021/7/30	Received commendation for outstanding security supervisors from the Takatsuki Fire Department Hazardous Materials Facility (Accidents Prevention Office)
NICHIYU LOGISTICS CO., LTD.	2021/4/27	Received the "First Special Excellence Award" for no accidents from the Amagasaki Labor Standards Association



## Response to international chemical substance management

Chemical substances are being subject to stricter control on a global basis. At the World Summit on Sustainable Development (WSSD) held in 2002, a target was set as part of the international agenda to "use and produce chemicals in ways that minimize significant adverse effects on human health and the environment by 2020," in an effort to realize sustainable development. Based on this agenda, countries around the world including the emerging countries are being encouraged to adopt and firmly establish risk-based management of chemicals and implement GHS\*1. In terms of chemical substances, there is a rising trend requiring control of relevant risks from the standpoint of the entire supply chain, i.e. from manufacture to disposal, while also being required to disclose information on the risks caused by chemical substances and its control to the general public including our customers and consumers.

The NOF Group is implementing control of chemical substances in line with this trend to tighten controls over chemical substances by complying with the laws of each country and region. To this end, in fiscal 2020, NOF introduced and built a company-wide SDS (safety data sheets) creation support system, and has begun centralized management of SDS throughout the company.

## Domestic correspondence

In Japan, prior notification of new chemical substanc-

es is mandatory, pursuant to the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. and the Industrial Safety and Health Act.

In order to make proper notifications, when starting to manufacture a new chemical substance, the Responsible Care & Production Engineering Department confirms compliance with laws, and such substances remain under strict control as internal audits are conducted to ensure that there are no excesses beyond the volume that has been authorized for manufacture or import. NOF also trains its responsible personnel regarding related regulatory matters in order to keep them up-to-date with the latest information.

In terms of reports on the actual quantity of general chemical substances manufactured, we practice appropriate control with the cooperation of our clients.

We also positively disclose information on the risks and other negative aspects of chemical substances through the Japan Initiative of Product Stewardship, which is the chemical industry's institution for voluntary activities for the control of chemicals.



Education on new chemical substances (Kawasaki Works)



Education on new chemical substances (Oita Plant)

In addition, we participate in the Long-Range Research Initiative (LRI) implemented through the Japan Chemical Industry Association (JCIA), support research that leads to safety and security from a viewpoint that a company should "meet the needs of society," and work together to solve social issues.

## REACH compatible

REACH\*2 is a comprehensive system of registration, evaluation, authorization, and restriction of chemical substances within the EU. REACH aims to protect human health and the environment, and to maintain and enhance competitiveness of the EU chemicals industry, among others, and includes almost all chemical substances exported to the EU within its jurisdiction.

The NOF Group engages in active exports to the EU region and complies with REACH in accordance with the export volume of the chemical substance involved. We practice appropriate compliance by obtaining the latest information from industrial associations and related authorities.

## Other countries and regions

There has been increasing legislation of late for stricter controls over chemical substances not only in the US but also in Asian countries and regions such as South Korea, China, and Taiwan, and we are gathering the latest information regarding exports to such countries, and practicing appropriate compliance, when the situation arises.

\*1 Abbreviation for Globally Harmonized System of Classification and Labelling of Chemicals, which classifies the hazardous properties of chemicals according to certain globally standardized criteria and displays them in an easy-to-understand manner using pictorial labels and other means.

\*2 Acronym for Registration, Evaluation, Authorization & Restriction of Chemicals. REACH represents the EU's quality control regulations on chemicals and is applied to the registration, evaluation, authorization, and restriction of chemicals.

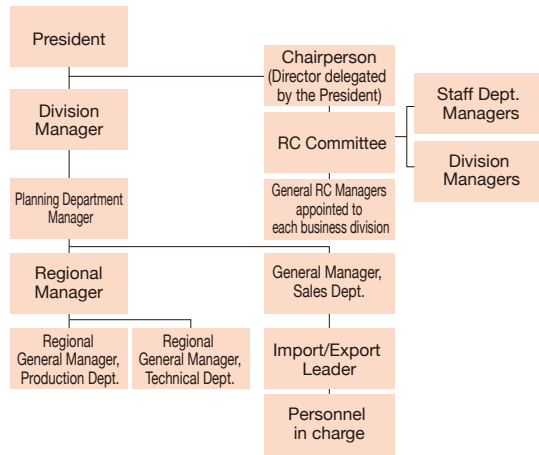




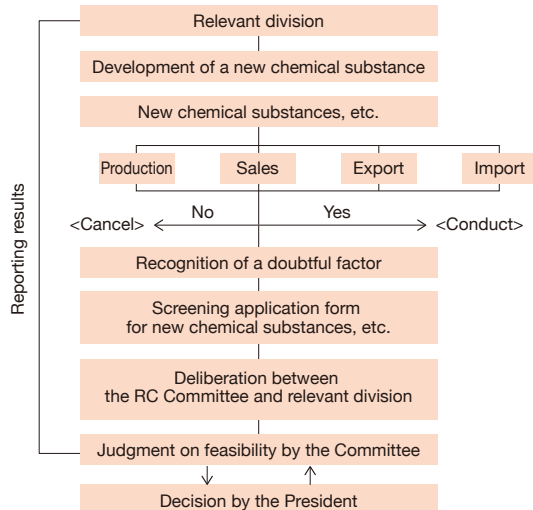
# Product safety / Chemical safety

GRI 102-11, 417-1

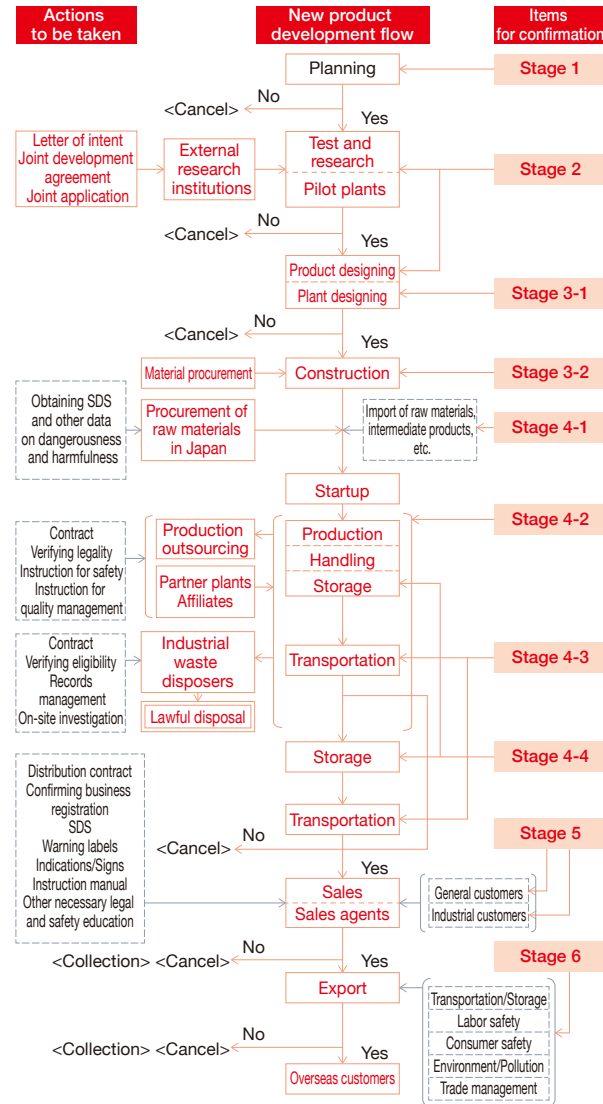
## System diagram of sales, production, export, and import of new chemical substances, etc.



## Management flow of new chemical substances, etc.



## Management flow chart of new chemical substances, etc.



## Items for confirmation in management flow of new chemical substances, etc.

Stage	Principal items for confirmation
1	(1) Quality planning (terms of use and impact on the environment, quality of competitors' products, performance demanded by customers, selling points), (2) Trademark/Patent, Response plan to laws and regulations in Japan and overseas, (3) Development plan (system, schedule, R&D expenses, safety test expenses, etc.), (4) Production plan (production processes, facilities for research and trial experiments), (5) Sales and export plan, (6) Budget
2	(1) Confirmation of the details of marketability and salability (functions, safety, container/package, transportation method, measures against industrial wastes, expenses for production and selling, sales prices, energy saving issues, etc.), (2) Establishment of production processes and analysis/inspection method, (3) Research for the necessity of GLP and GMP (4) Research for specific value, reactivity, and explosiveness, (5) Confirmation of safety test expenses, etc., (6) Application of new chemical substances (Act on the Regulation of Manufacture and Evaluation of Chemical Substances and Industrial Safety and Health Act), (7) Research for CAS, TSCA, HCS, CEPA, WHMIS, EINECS, FD&C Act, etc., (8) Confirmation of SDS, warning labels, indications and signs, instruction manual, information on each type of toxicity, (9) Sales manual, (10) Contract details, (11) Application for patent and trademark, (12) Retention of documents and records
3-1	(1) Evaluation of cleaner production (reduction of wastes and prevention of generation), (2) SA on safety and disaster prevention for equipment, processes, and operations (including health problems), (3) Judgment on the effectiveness of the investment
3-2	(1) Industrial Safety and Health Act, (2) High Pressure Gas Safety Law, (3) Fire Service Act, (4) Explosives Control Act, (5) Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, (6) Air Pollution Control Act, (7) Ozone Layer Protection Act, (8) Energy Saving Law, (9) Water Pollution Prevention Act, (10) Noise Regulation Law, Vibration Regulation Law, (11) Offensive Odor Control Law, (12) Waste Management and Public Cleansing Act, (13) Act on Prevention of Marine Pollution, (14) Building Standards Act, (15) Poisonous and Deleterious Substances Control Act, (16) Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, (17) Food Sanitation Act, (18) Act on the Regulation of Manufacture and Evaluation of Chemical Substances, (19) Agricultural Chemicals Regulation Act, (20) Act on Prevention of Radiation Hazards due to Radioisotopes, etc., (21) Act on Port Regulations, (22) Civil Aeronautics Act, (23) Road Transportation Act, (24) Factory Location Act, (25) Municipal ordinances on prevention of fire, pollution, etc.
4-1	(1) Prior confirmation of the presence of dangerous and harmful substance, (2) Examination of laws and regulations for the relevant substance, (3) Securing sufficient labor for SDS, warning labels, indications and signs, instruction manual, and others
4-2	(1) Building Standards Act, (2) Fire Service Act, (3) Act on the Regulation of Manufacture and Evaluation of Chemical Substances, (4) Explosives Control Act, (5) High Pressure Gas Safety Law, (6) Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, (7) Act on the Rational Use of Energy, (8) Electricity Business Act, Gas Business Act, (9) JIS, (10) Law for the Promotion of Effective Utilization of Resources (11) Waste Management and Public Cleansing Act, (12) Act on the Regulation of Manufacture and Evaluation of Chemical Substances, (13) Industrial Safety and Health Act (Article 57-4 Ordinance on Prevention of Organic Solvent Poisoning, Ordinance on Prevention of Lead Poisoning, Ordinance on Prevention of Dangers Due to Dust, Ordinance on Prevention of Ionizing Radiation Dangers), (14) Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, (15) Poisonous and Deleterious Substances Control Act, (16) Food Sanitation Act, (17) Agricultural Chemicals Regulation Act, (18) Act on Prevention of Radiation Hazards due to Radioisotopes, etc., (19) Implementation of SA, SOP and measures for health problems, (20) PM system, QA (ISO 9000 series and JIS 2900 series), and the completion of SDS, warning labels, indications and signs, instruction manual, etc.
4-3	(1) Explosives Control Act, (2) High Pressure Gas Safety Law, (3) Poisonous and Deleterious Substances Control Act, (4) Fire Service Act, (5) Act on Prevention of Radiation Hazards due to Radioisotopes, etc., (6) Railway Operation Act, (7) Road Transport Vehicle Act, (8) Road Act (underwater tunnel), (9) Ship Safety Act, (10) Act on Port Regulations, (11) Act on Prevention of Marine Pollution, (12) Maritime Traffic Safety Act, (13) Civil Aeronautics Act, (14) Postal Act, (15) Others (carrying documents, qualification, vehicle, container, loading standards, and indications and signs)
4-4	(1) Confirmation of precautions for indication/sign, (2) Confirmation of precautions for storage
5	(1) General and industrial customers: distribution of warning labels, indications and signs, and instruction manual, (2) Industrial customers: SDS, quality warranty card, contract, confirmation of business registration
6	<ul style="list-style-type: none"> <li>○ Transportation/Storage</li> <li>(1) UN, IMO (each code of IMDG · IBC · BC), ICAO, IATA</li> <li>(2) Europe: ADR, RID, EC Directives, (3) The US: 49CFR, CHEMTREC, NFPA, HCS, etc.</li> <li>○ Labor safety</li> <li>(4) HCS, SDS, warning labels, indications and signs, instruction manual, etc.</li> <li>○ Consumer safety</li> <li>(5) In addition to items presented in (4) above, product liability insurance and warranty card (limitation of warranty)</li> <li>○ Environment/Pollution</li> <li>(6) The US: CAA, CWA, RCRA, CERCLA, SARA, TSCA, HCS</li> <li>(7) Canada: CEPA, WHMIS, (8) Europe: The Sixth and Seventh EEC Directives for Amendment, etc.</li> <li>○ Trade management</li> <li>(9) Materials for chemical weapons, (10) Materials for narcotic drugs, (11) Harmful chemical substances, (12) Strategic materials (management and operation standards for strategic materials)</li> </ul>



## Product safety / Chemical safety

GRI 417-1

### Joint Article Management Promotion-consortium (JAMP)

JAMP\* was formed in 2006 for the purpose of establishing and promoting specific structures for facilitating the disclosure and communication of information over the whole supply chain by appropriately managing and disclosing information on chemical substances. The NOF Group utilizes the chemSHERPA tool for sharing information recommended by JAMP to supply downstream users with information on chemical substances.

### Construction and operation of NOF's company-wide SDS creation support system

GHS is a criteria for the classification of health, environmental, physical and chemical hazards of chemical substances and mixtures according to a given set of standards. This information must be reflected in the SDS and GHS labels to reflect the latest information, and all parties involved in handling chemical substances, including users, distributors, and transporters, must be alerted to the need for safe handling.

To this end, in fiscal 2020, NOF introduced and built a company-wide SDS creation support

system, and has centralized management of SDS throughout the company. This system enables us to manage all chemical substances used in our products on a company-wide server, and to provide our customers with the latest information on chemical substances in our products by timely updating SDS and GHS labels issued by each business unit to reflect changes in the laws and regulations of major countries. We plan to further upgrade the version to quickly respond to the revision of the PRTR Act from fiscal 2023 and the revised Industrial Safety and Health Act from fiscal 2024.



\* Acronym for Joint Article Management Promotion-consortium. JAMP was inaugurated in September 2006 by 17 companies subscribing to the underlying idea as promoters to serve as a cross-sectorial body to promote safety activities.





# Transportation safety

GRI 417-1

## Transportation safety

The NOF Group is promoting the reduction of the environmental load in transportation, while at the same time engaging in activities to ensure the safety of products in transport. The Group has always treated transportation safety with desirable care, as it handles a wide range of hazardous materials.

## Yellow card

Should an accident occur during the transportation of chemical substances, it could have dire consequences on human life, the neighboring area, the cargo, and the road. The Yellow Card states the measures transport operators, the fire brigade, and the police should take as well as contact and notification information, in the event of such an accident. The NOF Group strictly requires that such cards should be provided to transport operators involved, who are also required to carry the card with the corresponding product while in transportation.



Forklift training session, NICHYU LOGISTICS CO., LTD.





**73** Promote CSR-based procurement

**76** Dialogue Activities

**77** Socially Beneficial Activities

**79** Information Disclosure

# Living in Harmony with Society



## Promote CSR-based procurement

GRI 308-2, 414-2

### Promote CSR-based procurement

The importance of CSR initiatives in the international community is becoming increasingly diverse and sophisticated, and their scope is expanding beyond the company's own efforts to include the entire supply chain.

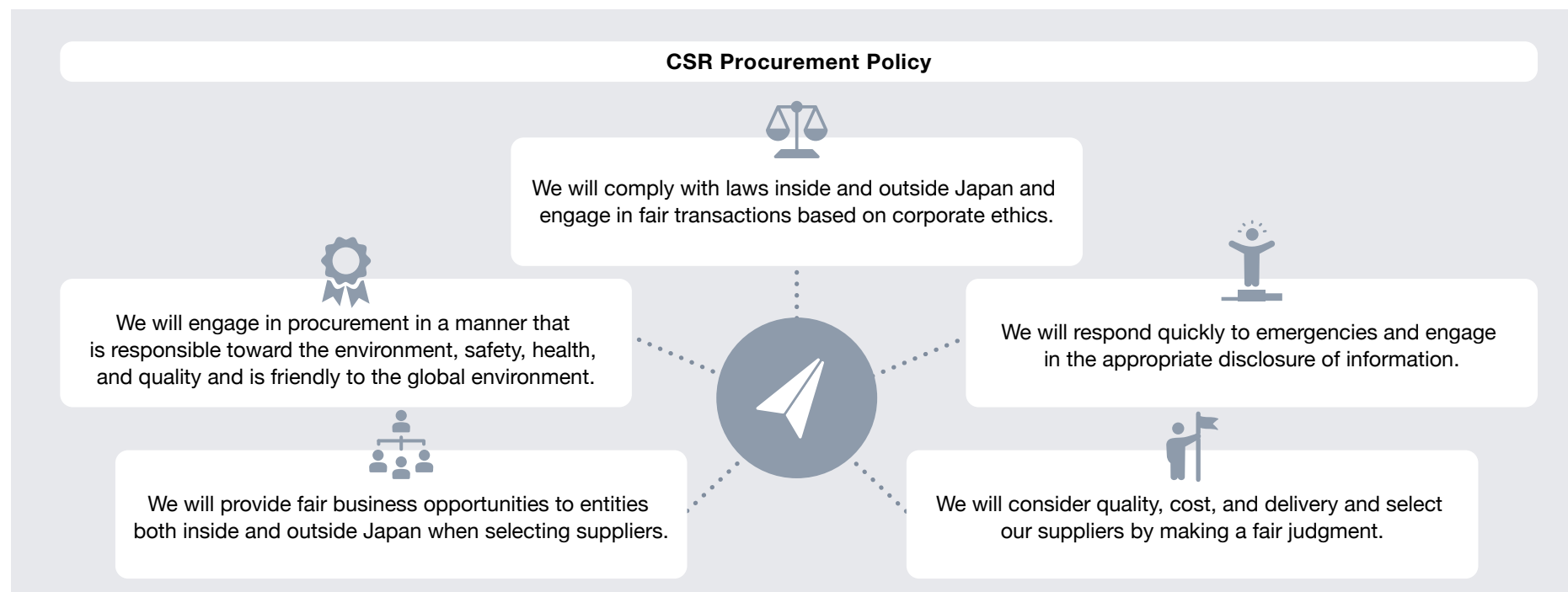
To address these issues and ensure stable and sustainable procurement, NOF has established the CSR Procurement Policy. Furthermore, we have

compiled the CSR Procurement Guidelines that we implement and request our business partners to implement. We request that our business partners understand the purpose of this policy and guidelines, and work together with NOF to implement initiatives in accordance with these guidelines.

### CSR Procurement Policy

In the procurement of its raw materials, NOF will

fulfil its social responsibility by viewing the entire supply chain in order to respect human rights, comply with laws and regulations, and give due consideration to labor conditions, the environment, and safety. In order to realize its corporate philosophy, NOF is committed to deal sincerely with its suppliers based on the concept that all of them are important partners.





## Promote CSR-based procurement

GRI 102-13, 308-2, 414-2

### CSR Procurement Guidelines

NOF established CSR Procurement Guidelines in fiscal 2022.

>  [CSR Procurement Guidelines](#)

### Inclusion of CSR clauses in basic purchasing contracts

When signing a new basic purchasing contract, we decided to add a clause stating efforts to comply with NOF's CSR Procurement Policy and CSR Procurement Guidelines.

In addition, we will gradually revise our basic purchasing contracts that have already been concluded.

### CSR questionnaire

In the procurement unit, we will provide our main suppliers with necessary explanations on NOF's CSR Procurement Policy and commence questionnaires on the status of CSR activities at our main suppliers.

We had used our own format until fiscal 2019, but we decided to use the global compact format from fiscal 2020 to improve the objectivity of the survey.

### Business continuity plan (BCP)

As part of our business continuity planning (BCP), our procurement unit is striving to purchase multiple raw materials and reviewing our supply chain in order to ensure stable raw materials procurement in the event of an emergency, such as a natural disaster, equipment malfunction, or transportation disruption.

### Fair trade practices

The NOF Group is promoting fair trade practices by stipulating compliance with laws such as the antimonopoly act and the subcontract act, as well as the prohibition of bribery, in the Global Compliance Manual and the Compliance Manual (Japan version) and carrying out ongoing employee education.

In May 2021, the NOF Group prepared the NOF Group Anti-Bribery Policy in order to further promote the above-mentioned measures. In addition, in order to avoid the risk of violating the "prevention of delay in payment" and "prohibition of reduction of payment" under the Subcontract Act, the NOF Group has standardized payment terms and conditions that comply with the Subcontract Act in a comprehensive and uniform manner at all group companies in Japan.

### Green Procurement

NOF has added "environmental friendliness" to its previous criteria for procurement of materials,

which are "quality, cost and delivery time." In order to confirm the status of suppliers or products in terms of environmental measures, and to procure products with lower environmental load from suppliers that make greater environmental efforts, we have established a list of managed substances, based on which we conduct a survey of suppliers. The managed substances list is decided on the basis of the POPs treaty, RoHS directives, REACH regulations, 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, and is reviewed once a year.

### Procuring sustainable palm oil

NOF joined the Round-table on Sustainable Palm Oil (RSPO) in 2012 and obtained supply chain certification from the organization in 2014. NOF, a founding member of the Japan Sustainable Palm Oil Network (JaSPON) which was launched in Japan in 2019, conducts activities to procure sustainable palm oil.



## Promote CSR-based procurement

GRI 308-2, 414-2

### Dealing with conflict minerals

When using the four minerals of tin, tantalum, tungsten and gold, we use the prescribed Conflict Minerals Reporting Template (CMRT) agreed by the Responsible Minerals Initiative (RMI) and conduct questionnaire surveys of all key business partners to investigate their origins, to avoid using conflict minerals, or the four minerals extracted in the Democratic Republic of Congo and neighboring countries, which may potentially impact human rights, among other things.

### Education on CSR procurement

NOF holds meetings for materials-related personnel twice a year, which are attended by materials-related personnel from the Head Office and plants, to exchange information and discuss solutions to issues related to CSR procurement.

In addition, with the aim of extending the CSR procurement activities implemented at NOF to our affiliates, a meeting of materials-related personnel of manufacturing-related affiliates is held once a year with the participation of materials-related personnel from those companies.

### Participation in the Declaration of Partnership Building

We have announced the "Declaration of Partnership Building" in support of the aims of the "Council on Promoting Partnership Building for Cultivating the Future" promoted by the Cabinet Office, the Small and Medium Enterprise Agency, and others. We aim to build new partnerships by promoting collaboration, co-existence, and co-prosperity with our supply chain business partners and businesses that create value.







## Dialogue Activities

GRI 413-1

The NOF Group has been engaged in various dialogue activities over the years to pursue our corporate activities and promote understanding among local communities and societies. However, in fiscal 2021 as we did in fiscal 2020, we had to cancel nearly all the dialogues with communities and factory tours that we used to hold every year on a regular basis due to COVID-19. Once the situation improves, we plan to resume interaction and communication with members of local communities.



Acceptance of interns in fiscal 2021 (Oita Plant)



Information exchange meeting with the Kawagoe District Fire Department (NiGK Corporation)

Works/Plants	Date	Topic	Details
Kawasaki Works	2022/1/30	13th Kawasaki Region Responsible Care Community Dialogue	Held in writing form, participation by 7 companies
Oita Plant	2021/7/26	Accepted interns	We accepted three second-year students studying chemical engineering at Prefectural Tsurusaki Technical High School.
	2021/11/10	Accepted interns	We accepted four second-year students studying industrial chemistry at Prefectural Oita Technical High School.
	2022/2/28	12th Oita Region Responsible Care Community Dialogue	Held in writing form, participation by 11 companies
NiGK Corporation	2021/6/16	Information exchange meeting with the Kawagoe District Fire Department	Information exchange meeting held in conjunction with Explosives Safety Week
Showa Kinzoku Kogyo Co., Ltd.	2022/2/11	Exchange with local residents	We paid a courtesy call and distributed memorial gifts to 40 neighborhoods and landowners. (79th anniversary commemorative event)



# Socially Beneficial Activities

GRI 304-3, 413-1

## Volunteers Participation in "Amagasaki Forest Central Green Space Forest Planting"

In November 2021, four employees from the Amagasaki Plant participated in the "Amagasaki Forest Central Green Space Forest Planting," one of the initiatives of the "Amagasaki 21st Century Forest Project" promoted by Hyogo Prefecture.

Participants cooperated with other volunteers and organizers and helped plant trees and do weeding.

In addition to learning about the process of reforestation and the importance of biodiversity, they also experienced the satisfaction of nurturing rich natural forests.



## Cleaning volunteer activities

The NOF Group is actively engaged in volunteer activities to clean the areas surrounding its plants.



Participation in a village-wide cleanup in Nishigo Village (Nippon Koki Co., Ltd. on July 4, 2021)



Road-cleaning activity along the Amaho Line (Amagasaki Plant on September 30, 2021)



Sunagawa Park cleanup volunteers (Aichi Works on October 23, 2021)

## Donating the Sacred Fire Torch®

Nippon Koki Co., Ltd. donated the Sacred Fire Torch® for sports day to 20 elementary schools in six municipalities near its Shirakawa Plant.

This activity has been ongoing from 2016 to 2021. It has splendidly livened up the sports day at

each school amidst the restrictions caused by COVID-19.



## Sponsored model rocket-making class and rocket launch contest

The Taketoyo Plant sponsored the Sky Cup model rocket-making class and launch tournament that took place at the Yumetaro Plaza in May 2021.

After NOF employees gave a lecture on how to make rockets, participants launched the rockets they made.





# Socially Beneficial Activities

GRI 413-1

## Event related to the Hayabusa2 project

Nippon Koki Co., Ltd. developed and manufactured a small impactor for the Hayabusa2 project to form an artificial crater on the asteroid Ryugu.

The "made in Fukushima" equipment contributed to the success of the world's first mission of this kind, and received the "Fukushima Minposha Award" of the "7th Fukushima Industrial Awards" for giving courage to the people of Fukushima Prefecture who are advancing toward recovery from the Great East Japan Earthquake and the nuclear accident.



Receiving the Fukushima Minpo Award (Nippon Koki Co., Ltd.)

The Aichi Works sponsored the Hayabusa2 return capsule exhibition at Yumetaro Plaza in February 2022. In addition to exhibition of the actual return capsule and a lecture by the Hayabusa2 project manager, a model of the H-IIA rocket and other items were displayed.



The Hayabusa2 exhibition (Taketoyo Plant)

## Cooperation with blood donation activities

The NOF Group actively engages in blood donation activities by inviting blood donation buses of nearby Red Cross Blood Centers to its plants.



Amagasaki Plant blood donation car (Amagasaki Plant on April 19, 2021)



Receiving the award for merit as a blood donation organization from the Japanese Red Cross Society (Showa Kinzoku Kogyo Co., Ltd. on January 13, 2022)

## Cooperation with activities to eliminate violence

HOKKAIDO NOF CORPORATION received a letter of thanks from the Bibai Police Station for its many years of core efforts in violence prevention activities in the Bibai area and its major contribution to the creation of a bright, violence-free community.



## Various donations

### Donations aimed at raising the next generation

- Welfare And Medical Service Agency Fund to Support Children's Future
- Keidanren Ishizaka Memorial Foundation
- Keidanren Global Human Resource Development Scholarship Program Fundraising
- Hatachi Fund
- People's Hope Japan

### Donations aimed at protecting the global environment

- World Wide Fund For Nature (WWF) Japan
- National Land Afforestation Promotion Organization, Green Fund
- Keidanren Nature Conservation Fund
- Japan National Trust

### Relief donations

- Japanese Red Cross Society's Ukraine Humanitarian Crisis Relief Fund

## Recognition from Outside the Company

- Ranked 226 in the 16th Toyo Keizai CSR Ranking by TOYO KEIZAI INC.
- Selected as a constituent of the Japan Empowering Women Index (WIN) by MSCI
- Other  
NOF received a letter of thanks on June 22, 2021, from the Cabinet Office for its donation to the Fund to Support Children's Future.





# Information Disclosure

## Information disclosure

In today's age of ceaseless globalization and advancement in information technology, disclosing of corporate information has become indispensable in order for an entity to fulfill its responsibility to society. Disclosure of corporate information is also becoming increasingly important for the NOF Group, as we strive to win the trust of society as an "open group" both inside and outside the Group. The NOF Group engages in timely disclosure of its corporate information including management information and business activities to its shareholders and the capital markets in accordance with relevant laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act.

## Notice of General Meeting of Shareholders

NOF sends its Notice of Annual General Meeting of Shareholders three weeks prior to the meeting. In addition, we strive to provide information promptly by disclosing both Japanese and English versions as digital information four weeks in advance of the day of the meeting.

## Publishing of CSR Reports

The Environmental Reports (Report on Responsible Care Activities) that had been published since fiscal 1995 have been published as the CSR Report since fiscal 2015 to report CSR activities of the NOF Group.

From fiscal 2020, the former CSR Report is combined into and issued as an Integrated Report,

and items that were previously included in the CSR Report are compiled into an ESG Data Book to complement the information in the Integrated Report.

## Business results briefings

The NOF Group conducts IR activities geared towards shareholders and investors that focus on the reliability and fairness of its investment information. NOF makes efforts to provide timely, appropriate and fair disclosures by holding business results briefings for institutional investors twice a year and posting the briefings materials on the Company's website for general investors. Additionally, in fiscal 2020, the NOF Group held 142 small meetings for institutional investors and analysts.

## Information dissemination

The NOF Group proactively releases information on its new products and technology. In fiscal 2020, in addition to our 40 news releases, we responded actively to mass media coverage, which resulted in 93 mentions of the NOF Group businesses in the newspapers. We also present NOF Group products at various exhibitions and trade shows.

## Fair disclosure

Fair disclosure rules legally mandating fair disclosure of information by listed companies were introduced following the enforcement of the Amended Financial Instruments and Exchange Act on April 1, 2018. NOF discloses information in a

timely and appropriate manner in accordance with various laws and regulations, including the Financial Instruments and Exchange Act and the Rules on Timely Disclosure set by the Tokyo Stock Exchange. In addition, among information that does not fall under the scope of the Rules on Timely Disclosure, we conduct fair and impartial disclosure of information which we consider to have significant impact on the investment decisions of shareholders and investors, and we have made the "Disclosure Policy" available on our website.

**"Naruhodo NOF!"**  
(Company website, Japanese only)

"Naruhodo NOF!" on the Company website introduces the businesses of the NOF Group.

We use easily understood, user-friendly terms to explain our business, in an effort to further the understanding of the general public towards our undertakings.

Can be accessed from NOF's Corporate Information page.

Company information of NOF CORPORATION  
(<https://www.nof.co.jp/english/company>)

Top page of "Naruhodo NOF!"  
(<https://www.nof.co.jp/contents/about/>)



# Appendix

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# Environmental Performance Data

Changes in performance data

GRI

301-1, 302-1, 303-1, 303-2, 303-3, 303-5, 305-7, 306-1, 306-3, 306-4, 306-5

## NOF Group

Item	Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021
Production volume	[thousand tons]	216	214	217	219	231	232	225	194	210
Gross-energy input	[thousand GJ]	3,033	3,039	3,016	3,018	2,987	3,004	2,917	2,810	2,892
Total material input	[thousand tons]	256	259	263	267	280	273	253	231	261
Water resource input	[thousand m <sup>3</sup> ]	6,454	6,396	6,389	6,560	6,374	6,352	6,376	6,435	6,448
GHG emission	[thousand tons-CO <sub>2</sub> ]	179	184	182	181	173	172	169	158	159
SOx emission	[tons]	13	6	7	9	6	6	5	3	3
NOx emission	[tons]	86	87	60	90	62	60	52	53	50
Soot and dust emissions	[tons]	4	3	3	4	3	2	1	2	1
BOD emissions	[tons]	35	32	39	28	40	43	33	38	52
COD emissions	[tons]	71	61	78	68	73	66	60	60	68
Suspended solid emissions	[tons]	38	35	41	39	32	50	37	40	36
Waste quantity emitted by plants	[tons]	19,395	19,966	20,508	21,351	23,466	25,976	23,662	24,176	23,796
Internal recycling quantity	[tons]	2,242	5,100	3,929	1,177	1,190	955	1,182	1,165	953
External recycling quantity	[tons]	13,025	14,011	14,576	16,696	17,267	18,676	16,002	17,320	17,138
Finally disposed waste quantity	[tons]	149	159	111	157	117	95	81	681	135
Emissions of substances regulated by PRTR law	[tons]	233	232	187	170	167	177	158	147	155

## NOF

Item	Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021
Production volume	[thousand tons]	194	193	198	200	211	211	205	178	191
Gross-energy input	[thousand GJ]	2,725	2,751	2,753	2,739	2,728	2,753	2,673	2,572	2,658
Total material input	[thousand tons]	234	236	243	248	259	253	233	214	244
Water resource input	[thousand m <sup>3</sup> ]	5,832	5,760	5,838	5,967	5,879	5,843	5,832	5,874	5,889
GHG emission	[thousand tons-CO <sub>2</sub> ]	162	166	166	164	158	157	155	145	146
SOx emission	[tons]	10	2	3	4	3	3	3	1	2
NOx emission	[tons]	84	85	58	88	59	58	50	51	48
Soot and dust emissions	[tons]	1	1	2	2	2	2	1	2	1
BOD emissions	[tons]	31	29	35	25	37	39	30	34	50
COD emissions	[tons]	70	60	78	68	72	65	60	60	67
Suspended solid emissions	[tons]	32	29	33	31	25	35	31	33	31
Waste quantity emitted by plants	[tons]	18,694	19,156	19,716	20,350	22,372	25,061	22,721	22,529	22,822
Internal recycling quantity	[tons]	2,242	5,100	3,929	1,177	1,190	955	1,182	1,165	953
External recycling quantity	[tons]	12,631	13,466	14,017	16,132	16,355	17,965	15,235	16,489	16,374
Finally disposed waste quantity	[tons]	63	55	60	66	61	60	50	40	54
Emissions of substances regulated by PRTR law	[tons]	192	188	143	123	121	127	118	111	117



# Environmental Performance Data

Performance data by organizational unit (Fiscal 2021 Results)

GRI	301-1, 302-1, 303-1, 303-2, 303-3, 303-5, 305-7, 306-1, 306-3, 306-4, 306-5
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## Plants, Works of NOF

Item	Unit	Amagasaki Plant	Kawasaki Works	Oita Plant	Aichi Works	NOF, etc.
Production volume	[thousand tons]	95.3	60.4	18.5	17.1	-
Gross-energy input	[thousand GJ]	1,186	614	290	558	11
Total material input	[thousand tons]	104.3	63.6	38.5	37.2	-
Water resource input	[thousand m <sup>3</sup> ]	3,353.0	819.1	418.3	1,297.1	1.8
GHG emission	[thousand tons-CO <sub>2</sub> ]	66.9	29.6	17.5	32.0	0.5
SOx emission	[tons]	0.03	0.00	0.10	1.75	-
NOx emission	[tons]	36.50	3.06	4.73	3.74	-
COD emissions	[tons]	22.3	1.8	4.7	38.6	-
Waste quantity emitted by plants	[tons]	11,480.6	4,980.7	510.1	5,846.5	4.4
Internal recycling quantity	[tons]	0.0	0.0	0.0	953.0	-
External recycling quantity	[tons]	8,803.0	4,865.7	57.0	2,648.0	0.5
Finally disposed waste quantity	[tons]	26.5	1.5	0.0	25.5	0.0
Emissions of substances regulated by PRTR law	[tons]	37.8	56.3	0.7	22.5	0.0



# Environmental Performance Data

Performance data by organizational unit (Fiscal 2021 Results)

GRI	301-1, 302-1, 303-1, 303-2, 303-3, 303-5, 305-7, 306-1, 306-3, 306-4, 306-5
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## Companies of the NOF Group

Item	Unit	Nippon Koki	NIKG	Showa Kinzoku	HOKKAIDO NOF	Nippo Kogyo	YUKA SANGYO
Production volume	[thousand tons]	2.7	2.3	0.4	2.4	0.1	2.3
Gross-energy input	[thousand GJ]	108.9	30.7	10.5	37.4	3.1	1.7
Total material input	[thousand tons]	3.2	2.6	0.4	5.2	0.1	1.3
Water resource input	[thousand m <sup>3</sup> ]	443.0	17.1	19.1	20.8	3.0	4.6
GHG emission	[thousand tons-CO <sub>2</sub> ]	6.2	1.5	0.5	2.5	0.1	0.1
SOx emission	[tons]	0.40	0.00	0.00	1.00	0.00	0.00
NOx emission	[tons]	1.00	0.00	0.00	0.00	0.00	0.00
COD emissions	[tons]	0.0	0.0	0.0	0.1	0.0	0.0
Waste quantity emitted by plants	[tons]	130.0	84.5	128.3	117.8	20.9	170.2
Internal recycling quantity	[tons]	0.0	0.0	0.0	0.0	0.0	0.0
External recycling quantity	[tons]	109.0	65.2	97.2	8.7	15.0	170.2
Finally disposed waste quantity	[tons]	3.8	0.0	3.8	71.5	2.0	0.0
Emissions of substances regulated by PRTR law	[tons]	4.5	2.6	0.0	0.0	0.0	0.5

Item	Unit	Nichiyu Kogyo	NOF METAL COATINGS	NIKKA COATING	NICHYU LOGISTICS	Other Domestic total	Overseas total
Production volume	[thousand tons]	2.2	3.0	2.9	-	-	39.8
Gross-energy input	[thousand GJ]	8.0	7.8	13.3	6.9	5.4	484.8
Total material input	[thousand tons]	2.2	2.2	-	-	-	-
Water resource input	[thousand m <sup>3</sup> ]	41.0	8.2	1.0	-	-	1,971.9
GHG emission	[thousand tons-CO <sub>2</sub> ]	0.4	0.3	0.7	0.4	0.2	27.5
SOx emission	[tons]	0.00	0.00	0.00	-	-	0.00
NOx emission	[tons]	0.56	0.00	0.00	-	-	0.00
COD emissions	[tons]	0.1	0.0	0.0	-	-	86.3
Waste quantity emitted by plants	[tons]	54.1	196.0	72.0	-	-	5,367.8
Internal recycling quantity	[tons]	0.0	0.0	0.0	-	-	0.0
External recycling quantity	[tons]	52.2	187.7	58.2	-	-	549.7
Finally disposed waste quantity	[tons]	0.3	0.1	0.0	-	-	814.7
Emissions of substances regulated by PRTR law	[tons]	0.0	0.0	29.7	-	-	-



**Domestic Group**

(tons/year)

Cabinet order No.	Substance	Emission quantity				Transfer quantity	Recycling quantity
		Air	Water	Earth	Total		
4	Acrylic acid and its water-soluble salts	1.5	0.0	0.0	1.5	0.0	0.0
8	Methyl acrylate	0.3	0.0	0.0	0.3	180.0	0.0
13	Acetonitrile	0.1	0.0	0.0	0.1	115.0	41.9
68	1,2-epoxypropane	4.2	0.0	0.0	4.2	0.0	0.0
80	Xylene	2.5	0.0	0.0	2.5	1.2	0.0
83	Cumene/Isopropylbenzene	20.0	0.0	0.0	20.0	11.9	138.4
123	3-chloropropene	4.4	0.0	0.0	4.4	13.4	0.0
127	Chloroform	2.6	0.0	0.0	2.6	26.1	0.0
128	Chloromethane	21.0	0.0	0.0	21.0	0.0	0.0
131	3-chloro-2-methyl-1-propene	5.2	0.0	0.0	5.2	0.0	0.0
186	Dichloromethane	31.4	0.0	0.0	31.4	55.8	16.6
262	Tetrachloroethylene	3.1	0.0	0.0	3.1	1.2	0.0
281	Trichlorethylene	1.1	0.0	0.0	1.1	1.2	0.0
300	Toluene	36.9	0.0	0.0	36.9	102.8	1.5
308	Nickel	0.0	0.0	0.0	0.0	9.0	0.0
330	Bis (1-methyl-1-phenylethyl) peroxide	0.0	0.0	0.0	0.0	0.1	1.4
366	tert-Butyl hydroperoxide	0.4	0.0	0.0	0.4	59.3	0.0
392	n-hexane	13.9	0.0	0.0	13.9	54.1	0.0
400	Benzene	0.0	0.0	0.0	0.0	5.4	0.0
407	Poly (oxyethylene)=alkyl ether (limited to alkyl group with C numbers of 12 to 15 and mixtures thereof)	0.0	0.0	0.0	0.0	4.0	0.0
414	Maleic anhydride	0.0	0.0	0.0	0.0	3.1	0.0
436	alpha-Methylstyrene	0.3	0.0	0.0	0.3	18.0	57.7
440	1-Methyl-1-phenylethyl hydroperoxide	0.0	0.0	0.0	0.0	0.2	1.8
–	Other substances (101 materials)	5.4	0.2	0.0	5.6	3.8	0.0
<b>Total</b>		<b>154.5</b>	<b>0.2</b>	<b>0.0</b>	<b>154.7</b>	<b>665.6</b>	<b>259.3</b>

**NOF**

(tons/year)

Cabinet order No.	Substance	Emission quantity				Transfer quantity	Recycling quantity
		Air	Water	Earth	Total		
4	Acrylic acid and its water-soluble salts	1.5	0.0	0.0	1.5	0.0	0.0
8	Methyl acrylate	0.3	0.0	0.0	0.3	180.0	0.0
13	Acetonitrile	0.1	0.0	0.0	0.1	115.0	41.9
68	1,2-epoxypropane	4.2	0.0	0.0	4.2	0.0	0.0
83	Cumene/isopropylbenzene	20.0	0.0	0.0	20.0	11.9	138.4
123	3-chloropropene	4.4	0.0	0.0	4.4	13.4	0.0
127	Chloroform	2.6	0.0	0.0	2.6	26.1	0.0
128	Chloromethane	21.0	0.0	0.0	21.0	0.0	0.0
131	3-chloro-2-methyl-1-propene	5.2	0.0	0.0	5.2	0.0	0.0
186	Dichloromethane	1.5	0.0	0.0	1.5	55.7	0.0
300	Toluene	36.5	0.0	0.0	36.5	102.5	0.1
308	Nickel	0.0	0.0	0.0	0.0	9.0	0.0
330	Bis (1-methyl-1-phenylethyl) peroxide	0.0	0.0	0.0	0.0	0.1	1.4
366	tert-Butyl hydroperoxide	0.4	0.0	0.0	0.4	59.3	0.0
392	n-hexane	13.9	0.0	0.0	13.9	54.1	0.0
400	Benzene	0.0	0.0	0.0	0.0	5.4	0.0
407	Poly (oxyethylene)=alkyl ether (limited to alkyl group with C numbers of 12 to 15 and mixtures thereof)	0.0	0.0	0.0	0.0	4.0	0.0
414	Maleic anhydride	0.0	0.0	0.0	0.0	3.1	0.0
436	alpha-Methylstyrene	0.3	0.0	0.0	0.3	18.0	57.7
440	1-Methyl-1-phenylethyl hydroperoxide	0.0	0.0	0.0	0.0	0.2	1.8
–	Other substances (87 materials)	5.0	0.2	0.0	5.2	2.1	0.0
<b>Total</b>		<b>117.2</b>	<b>0.2</b>	<b>0.0</b>	<b>117.4</b>	<b>660.0</b>	<b>241.3</b>



# Outline of NOF Group Companies | ISO certification acquisition status

## NOF CORPORATION

Business location	Address	Contact	ISO-14001	ISO-9000's
Head Office	20-3, Ebisu 4-chome, Shibuya-ku, Tokyo 150-6019, Japan	+81-3-5424-6670 (Responsible Care & Production Engineering Dept.)	—	—
Amagasaki Plant	56, Ohamacho 1-chome, Amagasaki, Hyogo 660-0095, Japan	+81-6-6419-7292 (Environmental Safety Administration Office)	BV 4363598-2A Renewed on Oct. 1, 2019	BV 4371906 Renewed on Oct. 21, 2019
Kawasaki Works (Chidori Plant) (Daishi Plant) (DDS Plant)	3-3, Chidori-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-0865, Japan	+81-44-288-2153 (Environmental Safety Administration Office)	JP022321 Renewed on Mar. 24, 2022	[Chidori Plant] BV 4330794 Renewed on July 15, 2019 [Daishi Plant] FSSC22000 JMAQA-FC270 ISO22000 JMAQA-F348 Renewed on Dec. 17, 2021
Oita Plant	2, Oaza-Nakanosu, Oita, Oita 870-0111, Japan	+81-97-527-5201 (Environmental Safety Administration Office)	BV 4567142 Renewed on Feb. 19, 2021	BV 4534002 Renewed on Oct. 24, 2020
Aichi Works (Kinuura Plant) (Taketoyo Plant)	61-1, Aza-Kitakomatsudani, Taketoyo-cho, Chita-gun, Aichi 470-2379, Japan	+81-569-72-1955 (Environmental Safety Administration Office)	BV 4437880 Renewed on Nov. 22, 2019	[Kinuura Plant] BV 4341946 Renewed on Jun. 25, 2019 [Taketoyo Plant] JQA-AS0183 Renewed on May. 21, 2021

## Group Companies (8 Sales Companies)

Business location	Address
JAPEX Corp.	Shinbashi Chuo Bldg., 11-5 Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105-0003, Japan
NICHIYU TRADING CO., LTD.	Ebisu Neonato, 1-18 Ebisu 4-chome, Shibuya-ku, Tokyo 150-0013, Japan
NOF METAL COATINGS EUROPE S.A.	ZAET Creil Saint Maximin, 120 rue Galilee, CS 50093, 60106 CREIL CEDEX, France
NOF AMERICA CORPORATION	One North Broadway, Suite 912, White Plains, N.Y. 10601, U.S.A.
NOF (Shanghai) Co., Ltd.	Room 3405-3406, 34F, Zhaofeng Plaza No.1027 Changning Road, Changning District, Shanghai 200050, China

Business location	Address
NOF EUROPE GmbH	Hamburger Allee 2-4, 60486, Frankfurt am Main, Germany
CACTUS Co., Ltd.	Sengoku Coathouse Bldg., 37-4 Sengoku 4-chome, Bunkyo-ku, Tokyo 112-0011, Japan
SIE s.r.l.	Via Livorno, 60 c/o Environment Park - Lab. B2 10144 TORINO, ITALY
NOF METAL COATINGS SHANGHAI CO., LTD.	3rd Floor West, Gems Bldg, No.487 Tianlin Rd, Shanghai 200233, China





# Outline of NOF Group Companies | ISO certification acquisition status

## Group Companies (16 Manufacturing Companies)

Business location	Address	Contact	ISO-14001	ISO-9000's
Nippon Koki Co., Ltd. Shirakawa Plant	Aza Tsuchio 2-1, Oaza Nagasaka, Nishigomura, Shirakawa-gun, Fukushima 961-8686, Japan	+81-248-22-3691 (Environmental Safety Control Office)	JSAE741 Renewed on Dec. 5, 2021	JSAQ2282 Renewed on Mar. 17, 2021
NiGK Corporation	2 Matoba Shinmachi 21, Kawagoe, Saitama 350-1107, Japan	+81-49-231-2103 (Environmental Security Control Office)	—	LRQA 0066885 Renewed on Feb. 3, 2020
HOKKAIDO NOF CORPORATION	549 Koshunai, Bibai, Hokkaido 079-0167, Japan	+81-126-67-2211 (Administration Dept.)	—	—
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	3-3, Chidori-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-0865, Japan	+81-44-280-3024 (Operation Planning Dept.)	JP021946 Renewed on Oct. 22, 2021	BV 4448171 Renewed on Nov. 29, 2019
Showa Kinzoku Kogyo Co., Ltd.	Iwase 2120, Sakuragawa, Ibaraki 309-1211, Japan	+81-296-76-1811 (Environmental Safety Planning Dept.)	—	02479-2011-AQ-KOB-JAB Renewed on Mar. 1, 2022
NICHYU LOGISTICS CO., LTD.	3-2, Chidori-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-0865, Japan	+81-44-280-0560 (General Affairs Dept.)	Green Management T140069 Renewed on Nov. 10, 2021	—
Nippo Kogyo Co., Ltd.	Chabatake 1838, Susono, Shizuoka 410-1121, Japan	+81-55-992-0476 (Operations Dept.)	—	—
YUKA SANGYO CO., LTD. Yamato Plant	13-13, Yanagibashi 5-chome, Yamato-shi, Kanagawa 242-0022, Japan	+81-46-267-2684 (Production Technology Dept.)	—	BV 4106832 Renewed on Apr. 14, 2021
Nichiyu Kogyo Co., Ltd.	22-1, Dou-cho 4-chome, Takatsuki, Osaka 569-0011, Japan	+81-72-669-5141 (Production Dept.)	—	—
Changshu NOF Chemical Co., Ltd.	36, Wan fu road, Riverside Industrial Park, Chang shu Economic Development Zone, Jiang Su Province 215537, China	+81-3-5424-6838 (Planning Office, Functional Chemicals & Polymers Div., NOF)	CN20/21620 Renewed on Jan. 8, 2021	CN20/21619 Renewed on Jan. 4, 2021
PT.NOF MAS CHEMICAL INDUSTRIES	Kawasan Industri Bekasi Fajar, Blok D-1 Mekar Wangi, MM2100 Industrial Town Phase III, Cibitung-Bekasi 17520, Indonesia	Ditto	—	ID00/18019 Renewed on Mar. 20, 2020
NOF METAL COATINGS NORTH AMERICA INC.	275 Industrial Parkway Chardon, Ohio 44024-1083, U.S.A.	+81-44-280-3024 (Operation Planning Dept. of NOF METAL COATINGS ASIA PACIFIC CO., LTD.)	—	66561-IS8 Renewed on Jul, 2021
NIKKA COATING CO., LTD.	Higashi-Saitama Technopolis, 3-6 Asahi, Yoshikawa Saitama 342-0008, Japan	+81-48-991-9854	—	JICQA 3357 Renewed on Jan. 20, 2022
NOF METAL COATINGS EUROPE N.V.	Bouwelven 1, Industriezone Klein-Gent, BE-2280 Grobbendonk, Belgium	+81-44-280-3024 (Operation Planning Dept. of NOF METAL COATINGS ASIA PACIFIC CO., LTD.)	ANT10200 Renewed on Oct. 3, 2019	ANT10200 Renewed on Oct. 3, 2019
NOF METAL COATINGS KOREA CO.,LTD.	9F Munhwailbo B/D, 22, Saemunan-ro, Jung-gu, Seoul 04516, Korea	Ditto	—	IATF16949 Renewed on Nov. 13, 2020
NOF METAL COATINGS SOUTH AMERICA IND. E COM.LTDA.	Rua Minas Gerais No85 Vila Oriental CEP 09941-760 Diadema Sao Paulo, Brazil	Ditto	320993UM15 Renewed on Dec. 28, 2020	320993QM15 Renewed on Dec. 28, 2020



This refers to information related to items of GRI Standard as a reference, but does not indicate that this report is in accordance with GRI Standard. "Not Applicable" indicates that the corresponding items are not relevant or have no cases relevant to any critical levels. "-" indicates no information.

	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
	<b>1. Organizational profile</b>	
	<b>102-1</b> Name of the organization	NOF website <b>[Corporate Information]</b> Corporate Overview <a href="https://www.nof.co.jp/english/company/outline">https://www.nof.co.jp/english/company/outline</a>
	<b>102-2</b> Activities, brands, products, and services	NOF website <b>[Business]</b> <a href="https://www.nof.co.jp/english/business/oleo">https://www.nof.co.jp/english/business/oleo</a>
	<b>102-3</b> Location of headquarters	NOF website <b>[Corporate Information]</b> Corporate Overview <a href="https://www.nof.co.jp/english/company/outline">https://www.nof.co.jp/english/company/outline</a>
	<b>102-4</b> Location of operations	NOF website <b>[Corporate Information]</b> Business Locations <a href="https://www.nof.co.jp/english/company/plant">https://www.nof.co.jp/english/company/plant</a>
	<b>102-5</b> Ownership and legal form	NOF website <b>[Corporate Information]</b> Corporate Overview <a href="https://www.nof.co.jp/english/company/outline">https://www.nof.co.jp/english/company/outline</a>
	<b>102-6</b> Markets served	NOF website <b>[Corporate Information]</b> Segment Information <a href="https://www.nof.co.jp/english/company/structure">https://www.nof.co.jp/english/company/structure</a> Securities Report <a href="https://www.nof.co.jp/english/ir/library/financial-statements">https://www.nof.co.jp/english/ir/library/financial-statements</a>
	<b>102-7</b> Scale of the organization	Securities Report <a href="https://www.nof.co.jp/english/ir/library/financial-statements">https://www.nof.co.jp/english/ir/library/financial-statements</a>
	<b>102-8</b> Information on employees and other workers	Integrated Report <b>[Materiality]</b> Strengthen the business foundation (FY2021 data) ...P36
	<b>102-9</b> Supply chain	—
	<b>102-10</b> Significant changes to the organization and its supply chain	—
	<b>102-11</b> Precautionary Principle or approach	Data Book <b>[RC management]</b> ...P51 <b>[Product safety/Chemical safety]</b> Management flow of new chemical substances, etc. ...P69 <b>[Plant Safety]</b> Tightened collaboration with the local community ...P66 <b>[Risk management]</b> Information security management ...P34
	<b>102-12</b> External initiatives	Data Book <b>[Contribution to the SDGs]</b> ...P11 <b>[RC management]</b> Responsible Care Global Charter ...P51
	<b>102-13</b> Membership of associations	Data Book <b>[CSR Procurement]</b> Procuring sustainable palm oil (RSPO, JaSPON) ...P74 <b>[Product safety/Chemical safety]</b> Japan Initiative of Product Stewardship (JIPS) ...P68 LRI (The Long-range Research Initiative) ...P68
	<b>2. Strategy</b>	
	<b>102-14</b> Statement from senior decision-maker	Integrated Report <b>[Message from the President]</b> ...P10-15
	<b>102-15</b> Key impacts, risks, and opportunities	Integrated Report <b>[Value Creation Process]</b> ...P28-29 <b>[Materiality]</b> ...P32-33 <b>[Risk management]</b> ...P64-65 Data Book <b>[Risk management]</b> Risk map ...P32-33

GRI 102  
General Disclosures  
2016



	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
	<b>3. Ethics and integrity</b>	
	<b>102-16</b> Values, principles, standards, and norms of behavior	Integrated Report <b>[Message from the President]</b> ...P10-15 NOF website <b>[Corporate Information]</b> Corporate Philosophy <a href="https://www.nof.co.jp/english/company/management">https://www.nof.co.jp/english/company/management</a> <b>[Corporate Information]</b> Code of Conduct <a href="https://www.nof.co.jp/english/company/conduct">https://www.nof.co.jp/english/company/conduct</a> Data Book <b>[Compliance]</b> Basic CSR Policy ...P35 The Code of Ethical Conduct ...P37 The NOF Group Anti-Bribery Policy ...P38 <b>[Human rights]</b> NOF Group Human Rights Policy ...P40
	<b>102-17</b> Mechanisms for advice and concerns about ethics	Data Book <b>[Compliance]</b> Whistle-blowing system ...P36
	<b>4. Governance</b>	
	<b>102-18</b> Governance structure	Corporate Governance Report <a href="https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf">https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf</a> Data Book <b>[Corporate Governance]</b> ...P26-30
	<b>102-19</b> Delegating authority	Corporate Governance Report <a href="https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf">https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf</a>
	<b>102-20</b> Executive-level responsibility for economic, environmental, and social topics	Data Book <b>[Corporate Governance]</b> Organizational setup for corporate governance/Schematic diagram of corporate governance system ...P26-27
	<b>102-21</b> Consulting stakeholders on economic, environmental, and social topics	—
	<b>102-22</b> Composition of the highest governance body and its committees	Corporate Governance Report <a href="https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf">https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf</a> Data Book <b>[Corporate Governance]</b> ...P26-27
	<b>102-23</b> Chair of the highest governance body	Corporate Governance Report <a href="https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf">https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf</a>
	<b>102-24</b> Nominating and selecting the highest governance body	Corporate Governance Report <a href="https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf">https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf</a>
	<b>102-25</b> Conflicts of interest	Corporate Governance Report <a href="https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf">https://www.nof.co.jp/files/ir/english/home/corporate_governance.pdf</a>
	<b>102-26</b> Role of highest governance body in setting purpose, values, and strategy	—
	<b>102-27</b> Collective knowledge of highest governance body	—
	<b>102-28</b> Evaluating the highest governance body's performance	Data Book <b>[Corporate Governance]</b> Analysis and Evaluation of Effectiveness of the Board as a Whole ...P30
	<b>102-29</b> Identifying and managing economic, environmental, and social impacts	Data Book <b>[Risk management]</b> ...P31-34
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**GRI 102**  
 General Disclosures  
 2016



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<b>GRI 102</b> General Disclosures 2016	<b>102-31</b> Review of economic, environmental, and social topics	—	
	<b>102-32</b> Highest governance body's role in sustainability reporting	—	
	<b>102-33</b> Communicating critical concerns	—	
	<b>102-34</b> Nature and total number of critical concerns	—	
	<b>102-35</b> Remuneration policies	<a href="#">Data Book</a> <b>[Corporate Governance]</b> Officer Compensation System ...P28-29	
	<b>102-36</b> Process for determining remuneration	<a href="#">Data Book</a> <b>[Corporate Governance]</b> Officer Compensation System ...P29	
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	<b>102-40</b> List of stakeholder groups	—	
	<b>102-41</b> Collective bargaining agreements	—	
	<b>102-42</b> Identifying and selecting stakeholders	—	
	<b>102-43</b> Approach to stakeholder engagement	—	
	<b>102-44</b> Key topics and concerns raised	—	
	<b>6. Reporting practice</b>		
	<b>102-45</b> Entities included in the consolidated financial statements	<a href="#">Securities Report</a> <a href="https://www.nof.co.jp/english/ir/library/financial-statements">https://www.nof.co.jp/english/ir/library/financial-statements</a>	
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	<b>102-49</b> Changes in reporting	—	
<b>102-50</b> Reporting period	<a href="#">Integrated Report</a> <b>[Editorial Policy: Scope of the Report]</b> ...P77		
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	<b>102-54</b> Claims of reporting in accordance with the GRI Standards	—
	<b>102-55</b> GRI content index	Data Book <b>[GRI Standards Content Index]</b> ...P87~97
	<b>102-56</b> External assurance	—
<b>GRI 103</b> Management Approach 2016	<b>103-1</b> Explanation of the material topic and its Boundary	Integrated Report <b>[Materiality]</b> ...P30~33 Data Book <b>[Impact on society through supply chain]</b> ...P12
	<b>103-2</b> The management approach and its components	Integrated Report <b>[Materiality]</b> ...P32~33 <b>[Process of identifying materialities]</b> ...P30 <b>[Materiality matrix]</b> ...P31
	<b>103-3</b> Evaluation of the management approach	Integrated Report <b>[Process of identifying materialities]</b> ...P30





	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
<b>GRI 201</b> Economic Performance 2016	<b>201-1</b> Direct economic value generated and distributed	—
	<b>201-2</b> Financial implications and other risks and opportunities due to climate change	<b>Data Book [Response to climate change]</b> Disclosure in line with TCFD recommendations ...P13~22
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	<b>201-4</b> Financial assistance received from government	—
<b>GRI 202</b> Market Presence 2016	<b>202-1</b> Ratios of standard entry level wage by gender compared to local minimum wage	—
	<b>202-2</b> Proportion of senior management hired from the local community	—
<b>GRI 203</b> Indirect Economic Impacts 2016	<b>203-1</b> Infrastructure investments and services supported	—
	<b>203-2</b> Significant indirect economic impacts	—
<b>GRI 204</b> Procurement Practices 2016	<b>204-1</b> Proportion of spending on local suppliers	—
<b>GRI 205</b> Anti-corruption 2016	<b>205-1</b> Operations assessed for risks related to corruption	—
	<b>205-2</b> Communication and training about anti-corruption policies and procedures	<b>Data Book [Compliance] ...P35~38</b>
	<b>205-3</b> Confirmed incidents of corruption and actions taken	Not Applicable
<b>GRI 206</b> Anti-competitive Behavior 2016	<b>206-1</b> Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable
<b>GRI 207</b> Tax 2019	<b>207-1</b> Approach to tax	—
	<b>207-2</b> Tax governance, control, and risk management	<b>Data Book [Risk management] ...P31~33</b>
	<b>207-3</b> Stakeholder engagement and management of concerns related to tax	—
	<b>207-4</b> Country-by-country reporting	—



	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
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	<b>302-3</b> Energy intensity	<b>Data Book</b> <b>[Response to climate change]</b> Energy intensity per product ...P23
	<b>302-4</b> Reduction of energy consumption	<b>Data Book</b> <b>[Response to climate change]</b> Energy consumption and CO2 emissions ...P23
	<b>302-5</b> Reductions in energy requirements of products and services	—
<b>GRI 303</b> Water and Effluents 2018	<b>303-1</b> Interactions with water as a shared resource	<b>Data Book</b> <b>[Environmental Safety]</b> Main environmental performance ...P55 Environmental benefits / Changes from the past ...P56 Water consumption / Volumes of city water and groundwater used ...P57 <b>[Environmental Performance Data]</b> Changes in performance data (NOF Group and NOF) ...P81 Performance data by organizational unit (Fiscal 2021 Results) ...P82-83
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	<b>304-2</b> Significant impacts of activities, products, and services on biodiversity	—
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<b>GRI 305</b> Emissions 2016	<b>305-1</b> Direct (Scope 1) GHG emissions	<b>Data Book</b> <b>[Response to climate change]</b> Scope 1, 2 CO <sub>2</sub> emissions ...P22 CO <sub>2</sub> emissions by energy consumption ...P23
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<b>GRI 306</b> Waste 2020	<b>306-1</b> Waste generation and significant waste-related impacts	<b>Data Book</b> <b>[Environmental Safety]</b> Main environmental performance ... <b>P55</b> Environmental benefits / Changes from the past ... <b>P56</b> <b>[Environmental Performance Data]</b> Changes in performance data (NOF Group and NOF) ... <b>P81</b> Performance data by organizational unit (Fiscal 2021 Results) ... <b>P82~83</b>
	<b>306-2</b> Management of significant waste-related impacts	<b>Data Book</b> <b>[Environmental Safety]</b> Compliance status to Acts related to the environment / Proper management of polychlorinated biphenyl (PCB) ... <b>P61</b>
	<b>306-3</b> Waste generated	<b>Data Book</b> <b>[Environmental Safety]</b> Final disposal volume by landfill / Zero Emissions rate / Sum of valuables sold ... <b>P57</b> <b>[Environmental Performance Data]</b> Changes in performance data (NOF Group and NOF) ... <b>P81</b> Performance data by organizational unit (Fiscal 2021 Results) ... <b>P82~83</b>
	<b>306-4</b> Waste diverted from disposal	<b>Data Book</b> <b>[Environmental Safety]</b> Final disposal volume by landfill / Zero Emissions rate / Sum of valuables sold ... <b>P57</b> <b>[Environmental Performance Data]</b> Changes in performance data (NOF Group and NOF) ... <b>P81</b> Performance data by organizational unit (Fiscal 2021 Results) ... <b>P82~83</b>
	<b>306-5</b> Waste directed to disposal	<b>Data Book</b> <b>[Environmental Safety]</b> Final disposal volume by landfill / Zero Emissions rate / Sum of valuables sold ... <b>P57</b> <b>[Environmental Performance Data]</b> Changes in performance data (NOF Group and NOF) ... <b>P81</b> Performance data by organizational unit (Fiscal 2021 Results) ... <b>P82~83</b>
<b>GRI 307</b> Environmental Compliance 2016	<b>307-1</b> Non-compliance with environmental laws and regulations	<b>Data Book</b> <b>[Environmental Safety]</b> Compliance status to Acts related to the environment ... <b>P61</b>
<b>GRI 308</b> Supplier Environmental Assessment 2016	<b>308-1</b> New suppliers that were screened using environmental criteria	—
	<b>308-2</b> Negative environmental impacts in the supply chain and actions taken	<b>Data Book</b> <b>[Promote CSR-based procurement]</b> ... <b>P73~75</b>



	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
<b>GRI 401</b> Employment 2016	401-1 New employee hires and employee turnover	<a href="#">Data Book</a> <b>[Better Performance of Human Resources]</b> Employee data ...P45
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
	401-3 Parental leave	<a href="#">Data Book</a> <b>[Work-Life Balance]</b> Promotion of work-life balance ...P41 Childcare support / Employee data ...P42
<b>GRI 402</b> Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	—
<b>GRI 403</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<a href="#">Data Book</a> <b>[RC management]</b> Flowchart of RC activities ...P52 Development status of OSHMS (Occupational Safety and Health Management System) ...P53 <b>[Labor Safety]</b> Occupational Safety and Health Policy ...P62 Safety activities in fiscal 2022 ...P64 <b>[Plant Safety]</b> Investment in safety and physical prevention of accidents ...P66
	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">Data Book</a> <b>[RC management]</b> Flowchart of RC activities ...P52 Status of internal auditing ...P54 <b>[Labor Safety]</b> Safety activities in fiscal 2022 ...P64
	403-3 Occupational health services	<a href="#">Data Book</a> <b>[Labor Safety]</b> Occupational Safety and Health Policy ...P62
	403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">Data Book</a> <b>[RC management]</b> RC promoting organization ...P52 Status of internal auditing ...P54 <b>[Plant Safety]</b> The Business Continuity Plan ...P65 Disaster prevention drill ...P66 Awards ...P67
	403-5 Worker training on occupational health and safety	<a href="#">Data Book</a> <b>[Safety Education]</b> RC Education of the NOF Group ...P49 <b>[Labor Safety]</b> Safety education by try-and-sense method ...P63
	403-6 Promotion of worker health	<a href="#">Data Book</a> <b>[Work-Life Balance]</b> ...P41~43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
	403-8 Workers covered by an occupational health and safety management system	—
	403-9 Work-related injuries	<a href="#">Data Book</a> <b>[Labor Safety]</b> Occurrence of labor accidents in fiscal 2021 ...P63
	403-10 Work-related ill health	—





	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
<b>GRI 404</b> Training and Education 2016	<b>404-1</b> Average hours of training per year per employee	—
	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	Data Book <b>[Better Performance of Human Resources] ...P44-46</b> <b>[Talent Development] ...P47-48</b>
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	—
<b>GRI 405</b> Diversity and Equal Opportunity 2016	<b>405-1</b> Diversity of governance bodies and employees	Data Book <b>[Better Performance of Human Resources] ...P44-45</b>
	<b>405-2</b> Ratio of basic salary and remuneration of women to men	There is no difference in basic salary between men and women
<b>GRI 406</b> Non-discrimination 2016	<b>406-1</b> Incidents of discrimination and corrective actions taken	Not Applicable
<b>GRI 407</b> Freedom of Association and Collective Bargaining 2016	<b>407-1</b> Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Applicable
<b>GRI 408</b> Child Labor 2016	<b>408-1</b> Operations and suppliers at significant risk for incidents of child labor	Not Applicable
<b>GRI 409</b> Forced or Compulsory Labor 2016	<b>409-1</b> Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Applicable
<b>GRI 410</b> Security Practices 2016	<b>410-1</b> Security personnel trained in human rights policies or procedures	—
<b>GRI 411</b> Rights of Indigenous Peoples 2016	<b>411-1</b> Incidents of violations involving rights of indigenous peoples	Not Applicable
<b>GRI 412</b> Human Rights Assessment 2016	<b>412-1</b> Operations that have been subject to human rights reviews or impact assessments	—
	<b>412-2</b> Employee training on human rights policies or procedures	—
	<b>412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
<b>GRI 413</b> Local Communities 2016	<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	Data Book <b>[Dialogue Activities] ...P76</b> <b>[Socially Beneficial Activities] ...P77-78</b>



	Disclosures	Relevant Section in Data Book (or Disclosure outside this report)
<b>GRI 413</b> Local Communities 2016	<b>413-2</b> Operations with significant actual and potential negative impacts on local communities	Not Applicable
<b>GRI 414</b> Supplier Social Assessment 2016	<b>414-1</b> New suppliers that were screened using social criteria	—
	<b>414-2</b> Negative social impacts in the supply chain and actions taken	<b>Data Book [Promote CSR-based procurement] ...P73~75</b>
<b>GRI 415</b> Public Policy 2016	<b>415-1</b> Political contributions	—
<b>GRI 416</b> Customer Health and Safety 2016	<b>416-1</b> Assessment of the health and safety impacts of product and service categories	—
	<b>416-2</b> Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
<b>GRI 417</b> Marketing and Labeling 2016	<b>417-1</b> Requirements for product and service information and labeling	<b>Data Book [Our Products and Technology ECO Products] ...P5~9</b> <b>[Product safety/Chemical safety]</b> Meeting international requirements for control of chemical substances / Meeting domestic requirements / Compliance with REACH / Other countries and regions ...P68 Management flow of new chemical substances, etc. ...P69 Joint Article Management Promotion-consortium (JAMP) / SDS (Safety data sheets) / GHS ...P70 <b>[Transportation safety]</b> Yellow Card ...P71
	<b>417-2</b> Incidents of non-compliance concerning product and service information and labeling	Not Applicable
	<b>417-3</b> Incidents of non-compliance concerning marketing communications	Not Applicable
<b>GRI 418</b> Customer Privacy 2016	<b>418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable
<b>GRI 419</b> Socioeconomic Compliance 2016	<b>419-1</b> Non-compliance with laws and regulations in the social and economic area	Not Applicable



# ISO26000 Content Index

	Core subject and issues	Relevant Section in Data Book (or Disclosure outside this report)
6.2	Organizational governance	<p>Integrated Report [Message from the President] ...P10~15</p> <p>Data Book [CSR promotion framework] ...P10</p> <p>[Corporate Governance] ...P26~30</p> <p>[Compliance] ...P35~38 [Risk management] ...P31~34</p>
6.3	Human rights	<p>Code of Ethical Conduct Page4 ...PDF Page6</p> <p>Data Book [Human rights] ...P40</p>
6.3.3	Due diligence	—
6.3.4	Human rights risk situations	Data Book [Better Performance of Human Resources] Approach to diversity ...P44
6.3.5	Avoidance of complicity	<p>Data Book [Promote CSR-based procurement] ...P73~75</p> <p>Code of Ethical Conduct Page4 ...PDF Page6</p>
6.3.6	Resolving grievances	<p>Integrated Report [Compliance] ...P66~67</p> <p>Data Book [Compliance] ...P35~36</p>
6.3.7	Discrimination and vulnerable group	Data Book [Better Performance of Human Resources] ...P44~46
6.3.8	Civil and political rights	<p>Data Book [Compliance] ...P35~38</p> <p>Code of Ethical Conduct Page5 ...PDF Page7</p>
6.3.9	Economic, social, and cultural rights	Data Book [Work-Life Balance] Health-conscious management ...P43 [Dialogue Activities] ...P76
6.3.10	Fundamental principles and rights at work	Data Book [Work-Life Balance] ...P41~43 [Better Performance of Human Resources] ...P44~46 [Promote CSR-based procurement] ...P73~75
6.4	Labour practices	Data Book [RC management] ...P51~54
6.4.3	Employment and employment relationships	<p>Data Book [Compliance] ...P35~38</p> <p>[Better Performance of Human Resources] ...P44~46</p> <p>Code of Ethical Conduct Page5 ...PDF Page7</p>
6.4.4	Conditions of work and social protection	Data Book [Work-Life Balance] ...P41~43 [Better Performance of Human Resources] ...P44~46

	Core subject and issues	Relevant Section in Data Book (or Disclosure outside this report)
6.4.5	Social dialogue	Data Book [Talent Development] ...P47~48 [Better Performance of Human Resources] Rewards for employee achievements ...P46
6.4.6	Health and safety at work	Data Book [RC management] ...P51~54 [Labor Safety] ...P62~64 [Plant Safety] ...P65~67
6.4.7	Human development and training in the workplaces	Data Book [Talent Development] ...P47~48 [Safety Education] ...P49
6.5	The environment	Data Book [RC management] ...P51~54
6.5.3	Prevention of pollution	Data Book [Environmental Safety] Environmental Loads Ensuing from Business Activities ...P55 PRTR ...P58~59 Atmosphere, water quality, biodiversity, etc. ...P60~61
6.5.4	Sustainable resource use	Data Book [Environmental Safety] Environmental Loads Ensuing from Business Activities ...P55 Recycling of resources ...P57
6.5.5	Climate change mitigation and adaptation	Data Book [Environmental Safety] Environmental Loads Ensuing from Business Activities ...P55 [Response to climate change] ...P13~24
6.5.6	Protection of the environment, biodiversity and restoration of natural habitats	Data Book [Environmental Safety] Actions for biodiversity conservation ...P61 [Socially Beneficial Activities] Volunteers Participation in "Amagasaki Forest Central Green Space Forest Planting" ...P77
6.6	Fair operating practices	<p>Data Book [Promote CSR-based procurement] ...P73~75</p> <p>Code of Ethical Conduct Page6 ...PDF Page8</p>
6.6.3	Anti-corruption	<p>Data Book [Compliance] ...P35~38</p> <p>Code of Ethical Conduct Page7 ...PDF Page9</p>
6.6.4	Responsible political involvement	Data Book [Compliance] ...P35~38
6.6.5	Fair competition	<p>Data Book [Promote CSR-based procurement] ...P73~75</p> <p>Code of Ethical Conduct Page10 ...PDF Page12</p>
6.6.6	Promoting social responsibility in the value chain	Data Book [Product safety/Chemical safety] ...P68~70 [Transportation safety] ...P71 [Promote CSR-based procurement] ...P73~75



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	Core subject and issues	Relevant Section in Data Book (or Disclosure outside this report)
6.6.7	Respect for property rights	<a href="#">Data Book</a> <b>[Compliance]</b> ...P35~38
6.7	Consumer issues	—
6.7.3	Fair marketing, factual and unbiased information and fair contractual practices	<a href="#">Data Book</a> <b>[Product safety/Chemical safety]</b> ...P68~70 <b>[Transportation safety]</b> ...P71 <b>[Promote CSR-based procurement]</b> ...P73~75
6.7.4	Protecting consumers' health and safety	<a href="#">Data Book</a> <b>[RC management]</b> Development status of QMS (Quality Management Systems) ...P53 <b>[Product safety/Chemical safety]</b> ...P68~70
6.7.5	Sustainable consumption	<a href="#">Data Book</a> <b>[Our Products and Technology ECO Products]</b> ...P5~9
6.7.6	Consumer service, support, and complaint and dispute resolution	<a href="#">Data Book</a> <b>[RC management]</b> Development status of QMS (Quality Management Systems) ...P53 <b>[Outline of NOF Group Companies]</b> ...P85~86
6.7.7	Consumer data protection and privacy	<a href="#">Data Book</a> <b>[Compliance]</b> ...P35~38 <b>[Risk management]</b> Information security management ...P34
6.7.8	Access to essential services	<a href="#">Data Book</a> <b>[Risk management]</b> Promotion of the Business Continuity Plan (BCP) ...P34
6.7.9	Education and awareness	<a href="#">Data Book</a> <b>[Talent Development]</b> ...P47~48 <b>[Safety Education]</b> ...P49 <b>[Labor Safety]</b> ...P62~64
6.8	Community involvement and development	—
6.8.3	Community involvement	<a href="#">Data Book</a> <b>[Socially Beneficial Activities]</b> ...P77~78
6.8.4	Education and culture	<a href="#">Data Book</a> <b>[Socially Beneficial Activities]</b> ...P77~78
6.8.5	Employment creation and skills development	—
6.8.6	Technology development and access	<a href="#">Data Book</a> <b>["Naruhodo NOF!" on the Company website]</b> ...P79
6.8.7	Wealth and income creation	—

	Core subject and issues	Relevant Section in Data Book (or Disclosure outside this report)
6.8.8	Health	<a href="#">Data Book</a> <b>[Work-Life Balance]</b> Health-conscious management ...P43 <b>[RC management]</b> ...P51~54 <b>[Socially Beneficial Activities]</b> ...P77~78
6.8.9	Social investment	<a href="#">Data Book</a> <b>[Socially Beneficial Activities]</b> ...P77~78



# TCFD Content Index

## Governance

**Recommendation:** Disclose the organization's governance around climate-related risks and opportunities.

Recommended disclosure content	Relevant Section in Data Book (or Disclosure outside this report)
<b>a)</b> The Board of Directors' oversight system for climate-related risks and opportunities.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Governance ...P14
<b>b)</b> Management's role in assessing and managing climate-related risks and opportunities.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Governance ...P14 Disclosure in line with TCFD recommendations: Risk management ...P20

## Strategy

**Recommendation:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Recommended disclosure content	Relevant Section in Data Book (or Disclosure outside this report)
<b>a)</b> Climate-related risks and opportunities the organization has identified over the short, medium, and long term	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Strategy ...P15-19
<b>b)</b> Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Strategy ...P15-19
<b>c)</b> Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Strategy ...P15-19

## Risk Management

**Recommendation:** Disclose how the organization identifies, assesses, and manages climate-related risks.

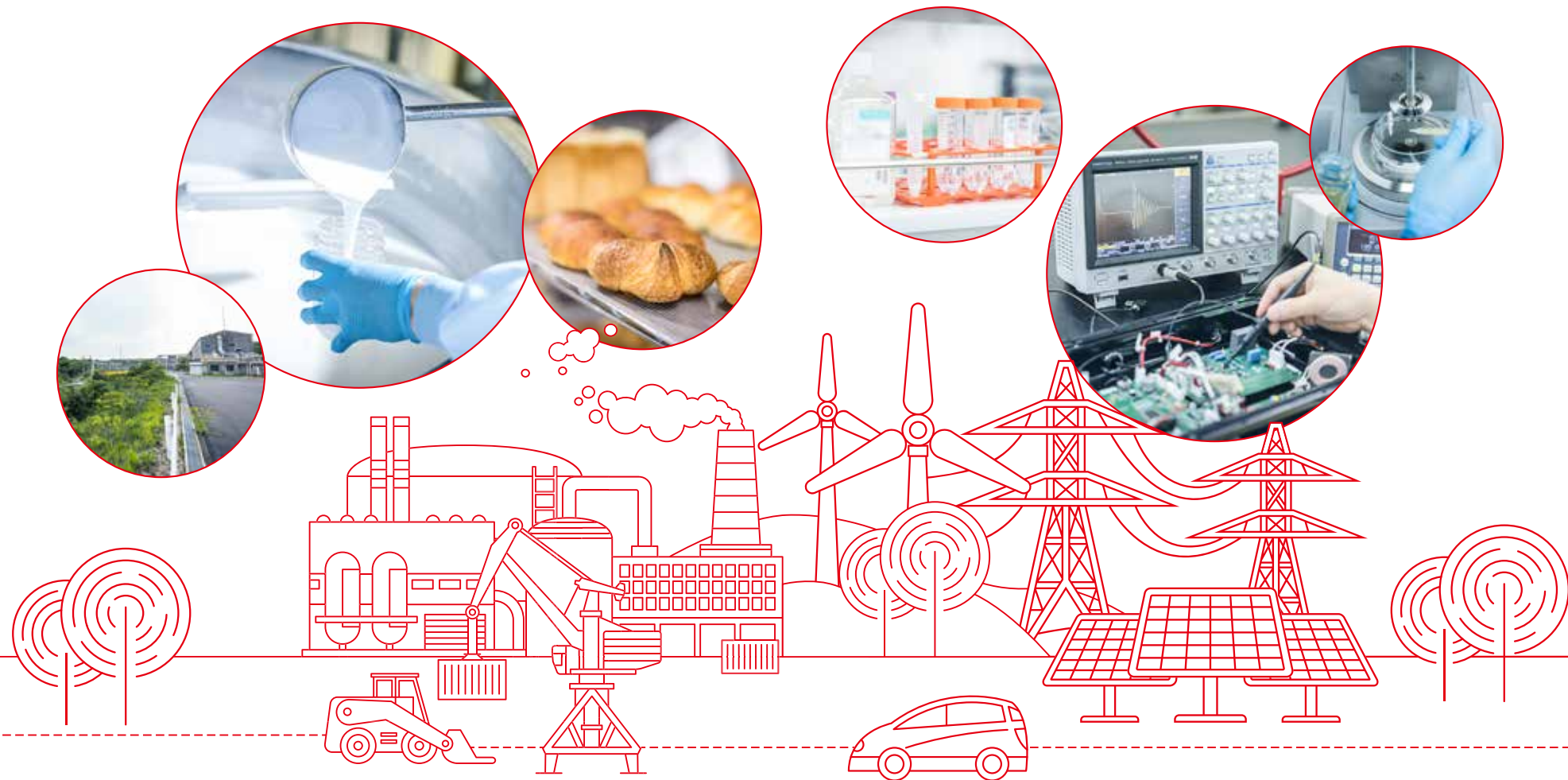
Recommended disclosure content	Relevant Section in Data Book (or Disclosure outside this report)
<b>a)</b> Organization's processes for identifying and assessing climate-related risks.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Governance ...P14 Disclosure in line with TCFD recommendations: Risk management ...P20
<b>b)</b> Organization's processes for managing climate-related risks.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Risk management ...P20
<b>c)</b> How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Risk management ...P20

## Metrics and Targets



**Recommendation:** Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.



Recommended disclosure content	Relevant Section in Data Book (or Disclosure outside this report)
<b>a)</b> Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Metrics and Targets ...P21
<b>b)</b> Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Metrics and Targets (GHG emission volume) ...P22
<b>c)</b> Targets used by the organization to manage climate-related risks and opportunities and performance against targets	<b>Data Book</b> <b>[Response to climate change]</b> Disclosure in line with TCFD recommendations: Metrics and Targets ...P21





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