

Responsible care initiatives



Responsible Care is a voluntary initiative by businesses that manufacture and handle chemicals to understand and reduce impact on the environment, health, and safety. Responsible Care targets the entire lifecycle of chemicals, from development to manufacturing, distribution, use, consumption, recycling, and disposal. In addition to complying with laws and regulations, Responsible Care ensures appropriate initiatives for the environment, health, and safety by publishing the results of activities and promoting communication with the local community and society.

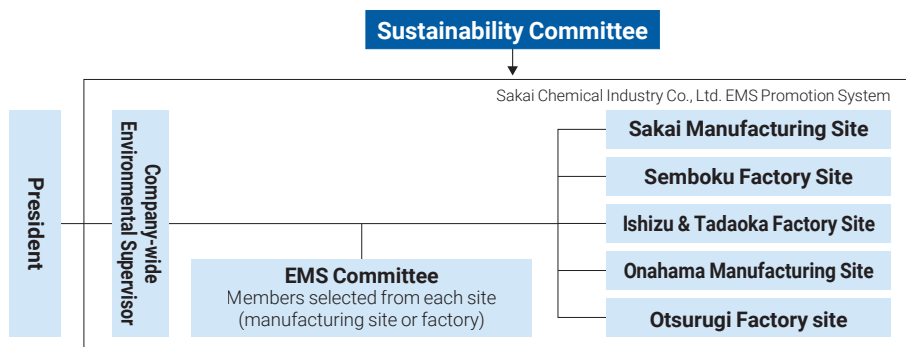
Sakai Chemical Industry Co., Ltd. is a member of the Japan Chemical Industry Association and promotes Responsible Care.

Environmental preservation

Sakai Chemical Industry Co., Ltd. has established and maintains an environmental management system (EMS) based on ISO 14001. The purpose of this system is to conduct effective environmental conservation activities; specifically, reducing the environmental impact of the Company's activities, preventing pollution, and actively conducting business activities that are in harmony with nature.

Promotion structure

We hold meetings of our EMS Committee, which has the mission of confirming and reviewing the effectiveness of company-wide EMS, and grasping the status of environmental initiatives at each site. Furthermore, EMS Site Committees chaired by the environmental managers of each site discuss issues/countermeasures and share information within the sites.



Check by an environmental consultant

In fiscal 2022, an environmental consultant checked the status of our compliance with environmental laws and regulations. In fiscal 2023, we worked to address the issues identified in that check. The Company will continue efforts to reduce environmental risks by checking and improving the compliance status of our organization.



Takeru Niitsuma

Environment Protection Section, Onahama Manufacturing Site Sakai Chemical Industry Co., Ltd.

We received third-party feedback and advice from specialized perspectives, which helped us to reduce environmental risks. This was a useful opportunity to ensure compliance with laws and regulations, as well as to develop an environmental mindset. We will continue to utilize this experience in our future efforts.

Fiscal 2023 goals and results

In order to achieve the materiality goals of the Sakai Chemical Group, the Sakai Chemical Industry Co., Ltd. has set environmental goals and is working to achieve those goals. The degree of achievement for fiscal 2023 is as follows.

○: Target achieved x: Target not achieved

Type		Targets	Results	Assessment	FY2024 target
Initiatives to mitigate climate change	CO ₂ emissions reduction	Reducing CO ₂ emissions by 30% (versus the FY2013 level) by FY2030	32% reduction	○	Continuing to strive for the same target
	Energy conservation	Reducing energy intensity by 1% year on year	0.5% increase	x	Continuing to strive for the same target
Resource recycling initiatives		Reducing industrial waste by 25% (versus the FY2021 level) by FY2025	29% reduction	○	Industrial waste emissions improved from previous year
Initiatives to prevent pollution and reduce environmentally hazardous substances		Meeting numerical regulation standards	Minor and temporary exceedance of standard values (in three indicators)	x	Compliance with legal and ordinance standards
Biodiversity initiatives		Conducting environmental impact post-assessment on the occasion of the construction of an in-house disposal site Continued introduction of Carbon Offset City Gas	<ul style="list-style-type: none"> No progress on construction of the Company's in-house disposal site Carbon Offset City Gas newly introduced at Otsurugi Factory 	○	Water usage improved from previous year
Environmental compliance initiatives		Zero serious environmental accidents	Zero serious environmental accidents	○	Continuing to strive for the same target

* Assessment based on values calculated in accordance with the former Act on Rationalizing Energy Use and the Act on Promotion of Global Warming Countermeasures

Occupational safety and health

Sakai Chemical Industry Co., Ltd. promotes safety and health activities based on the following concept as stated in our Basic Safety and Health Policy: "Under the strong leadership of top management and supervisors, all of us will work together to achieve the goal of 'zero accidents and zero illnesses.'" Sakai Chemical Industry Co., Ltd. is also earnestly involved in the safety and health activities of group companies. We are striving to create workplaces that protect the safety of employees across the entire Group.

New occupational safety and health activities

To achieve zero accidents and zero illnesses, it is important that each individual contributes to creating an ideal workplace and achieving goals.

After repeated discussion, top management at Sakai Chemical Industry Co., Ltd. has decided to implement five new activities. The head of each business site announces a "My Safety Declaration" to all employees. This declaration states the ardent desire to achieve zero accidents and zero illnesses.

Ideal state

A workplace where each person is interested in their coworkers, where everyone warns each other about unsafe conditions and unsafe work, and where everyone is grateful for such information. (Transformation from dependent to independent safety activities)

Goals

The Company will achieve and embody safety activities with total participation as stated in our Basic Safety and Health Policy as "under the strong leadership of top management and supervisors, all of us will work together to achieve the goal of 'zero accidents and zero illnesses.'"

1 The three safety leaders set an example (lead by example)

- (1) The three safety leaders issue a "My Safety Declaration" and take an oath
- (2) The three safety leaders conduct surprise patrols

2 Establish clear safety rules (standards, regulations, manuals, etc.)

Establish and develop basic rules for safety and health

3 Create and implement a specific education system

- (1) Systematize company-wide safety education
- (2) Use of e-learning

4 Aim for permanent measures by improving equipment

- (1) Eliminate equipment factors extracted from cases
- (2) Eliminate equipment factors indicated during safety patrols and external audits

5 Stimulate safety and health activities

- (1) Give presentations on safety and health activities
- (2) Each committee proposes countermeasures to repeated cases, etc.

"My Safety Declaration" by the three safety leaders* at each site of Sakai Chemical Industry Co., Ltd. (FY2023)

	Onahama area		Kansai area
Chairperson Okamoto	I always greet everyone I meet, both day and night, regardless of how many times I greet people during a day.	Chairperson Tabata	I always check both ways when stopping at a stop sign.
Vice Chairperson Tokunaga	When using a crosswalk, I am always sure to stop, point and call out.	Vice Chairperson Fukada	I always wear a set consisting of a helmet and safety glasses.
Vice Chairperson Takahashi	I always wear safety glasses.	Vice Chairperson Iwakura	I ensure that safety glasses are worn.

* At Sakai Chemical Industry Co., Ltd., the chairperson and two vice chairpersons of the Health and Safety Committee at each site are called the "three safety leaders."

Promoting safety and health activities at group companies

The Sakai Chemical Group holds biannual group safety meetings to share various information and exchange opinions. In fiscal 2023, in light of the number of industrial accidents, the Group held an emergency safety meeting and we once again requested the thorough implementation and establishment of point and call, hazard prediction, and the 5S methodology (sorting, set-in-order, shining, standardizing, sustaining the discipline).

In terms of education, we have started health and safety education, including for group companies. We are working to raise safety awareness throughout the Group with the goal of creating safe-work environment without accidents.

Source of value creation (capital)

Process safety and disaster prevention

Process safety and disaster prevention are important pillars in promoting Responsible Care. Sakai Chemical Industry Co., Ltd. periodically conducts disaster prevention drills at each of our business sites to enable fast response in the event of an emergency.

At the Sakai Manufacturing Site, we held an evacuation drill and a comprehensive disaster prevention drill in conjunction with the "Osaka 8.8 Million Person Drill." During the drills, participants checked the movement to evacuation sites, the safety confirmation system, and the communication function of emergency IP radios.

At the Onahama Manufacturing Site, we held a firefighting drill as part of joint disaster-preparedness drills with the Onahama Fire Department and the Onahama Joint Disaster Prevention Council. In the drill, the Sakai Chemical Industry Co., Ltd. self-defense fire brigade began initial firefighting activities and then handed over activities to the firefighters that rushed to the scene. The drill covered activities to fight a fire up until the spraying of water by fire engines. The drill helped ensure that firefighting activities can be carried out smoothly in the event of an emergency.



Sakai Manufacturing Site:
Comprehensive Disaster Prevention Training



Onahama Manufacturing Site: Joint disaster prevention training with the Onahama Fire Department and the Onahama Joint Disaster Prevention Council

Safety in logistics

To prepare for any accidents or disasters in the process of transporting chemicals, we ascertain legal and regulatory trends both in Japan and overseas, ensure appropriate management of hazardous chemical substances during transportation, and establish rules for emergency measures.

To ensure the safe transportation of products, we hold monthly safety and quality meetings with participation from logistics companies. In addition to thorough safety management, we share information and hold discussions on maintaining the quality of products handled by the Company. We also hold a safety seminar once a year to ensure thorough safety measures.



Sakai Chemical Industry Co., Ltd.
Sakai Logistics Section

To prepare for accidents in the process of transporting chemicals, we have created an emergency contact card ("Yellow Card"), which carries information about what the driver, firefighters, the police, and other persons involved must do in the event of an accident. Copies of the card have been distributed to logistics companies.

Product stewardship

We manage the risks of danger and toxicity to the environment, health, and safety throughout the entire product lifecycle, from raw materials procurement to production, logistics, sales, use, and disposal.

To ensure that our products can be used safely by customers, Sakai Chemical Industry Co., Ltd. uses safety data sheets (SDS) and chemSHERPA to provide the latest information on chemical substances in products. We also periodically obtain information on applicable laws and regulations, and share that information throughout the Sakai Chemical Group.

Responding to amendment of laws on industrial safety and health

In order to prevent industrial accidents caused by chemical substances, the Ordinance on Industrial Safety and Health was partially revised in April 2023. Sakai Chemical Industry Co., Ltd. has established and began operation of a system to respond to this revision. We are also supporting this response by introducing case studies to each company in the Sakai Chemical Group.

- (1) Appointment of "Chemical Substance Manager" and "Protective Equipment Usage Manager"
- (2) Implementation of risk assessment of target substances and establishment of a system/start of operation to record assessment
- (3) Start of deliberation on the results of risk assessment
- (4) Establishment of a system and start of operation of a system to appropriately provide the latest SDS at the time of delivering products

An SDS is an important document for communicating information on the hazards, harmfulness, and handling of chemical substances (products). The Quality Assurance Department is working to improve the efficiency of our maintenance and management by utilizing SDS creation support tools so that the latest SDS can be quickly provided to customers.



Sakai Manufacturing Site
Quality Assurance Department
Sakai Chemical Industry Co., Ltd.

Communication with the public

14th Responsible Care Sakai-Semboku Regional Dialogue (February 9, 2024)

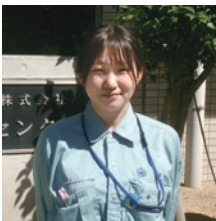


Takayo Nogami
Sakai Chemical Industry Co., Ltd.
Sakai Manufacturing Site
Environment Protection Section

A meeting for dialogue with the local community was held at Sakai Chemical Industry Co., Ltd. The meeting was co-hosted by chemical manufacturers who are based in the Sakai and Semboku regions and who are members of the Responsible Care Committee. In addition to hearing reports on activities, the dialogue meeting also gave local residents an opportunity to tour the factory. The Company received many questions and opinions from participants. The dialogue was a meaningful opportunity to deepen mutual understanding.



Sakai Science Education Festa (July 13, 2024)



Mizuki Honda
Sakai Chemical Industry Co., Ltd. Cosmetic Innovation Department

We held a chemistry experiment for local children to learn about the theme of sunscreen. The children wore white lab coats and learned about measuring and mixing. The children were interested and amazed in the effect of sunscreen materials. Going forward, we would like to continue to carry out similar initiatives to convey the fun of chemistry to children who will lead the future.



Iwaki-Odori Dance Onahama Tournament (August 4, 2023)



Tatsuro Hisa
Onahama Manufacturing Site, Otsurugi Factory
Sakai Chemical Industry Co., Ltd.

To express our gratitude to the local community and help revitalize the region, the Company participates in various local events. We also sponsor the operation of events. We participated in the 2023 Iwaki-Odori Dance Onahama Tournament. Our dancers brought energy to the tournament and won first prize!



Special Feature

Undergoing evaluation of sustainability activities and being interviewed by EcoVadis

Companies need to address a myriad of issues including environmental measures, occupational safety and health care, and human rights measures across the entire supply chain, as well as procurement activities based on the above. Such efforts are essential to attain true sustainability.

Sakai Chemical Industry Co., Ltd. checks the level of our daily activities through third-party evaluation by EcoVadis. EcoVadis is an organization headquartered in France that evaluates sustainability from four aspects: environment, labor and human rights, ethics, and sustainable material procurement. The aim of EcoVadis is to improve the environmental and social practices of companies. The following table shows trends in the Company's score over the four years since our first evaluation in 2020. The gradual improvement in our score is evidence of the results of daily, steady efforts being made on-site. In January 2024, during an interview by EcoVadis, we explained why we started evaluation and our thoughts on sustainability.

* Details of the interview are available via the URL or QR code below.

Sakai Manufacturing Site							
Update work period	Status period	Evaluation	Overall score	Environment	Labor and human rights	Ethics	Sustainable material procurement
FY2020	FY2021	Gold	67	70	70	60	50
FY2021	FY2022	Gold	68	70	70	60	60
FY2022	FY2023	Silver	68	70	70	60	60
FY2023	FY2024	Silver	69	70	70	70	60

Onahama Manufacturing Site							
Update work period	Status period	Evaluation	Overall score	Environment	Labor and human rights	Ethics	Sustainable material procurement
FY2020	FY2021	Gold	71	80	70	60	50
FY2021	FY2022	Gold	72	80	70	60	60
FY2022	FY2023	Gold	72	80	70	60	60
FY2023	FY2024	Gold	74	80	70	70	70



[Website]
The Sustainability Climb: How EcoVadis Supported Sakai Chemical Industry's Key Goals | EcoVadis

