Materiality and Key Performance Indicators (KPIs) for Sakai Chemical

Management Mission > **Chemistry for a Friendly Future**
—Creating materials that support the comfort and security of society through compassion and technological innovation—

Organizational Vision > わくわくカンパニー®

Social Issues > SUSTAINABLE DEVELOPMENT GOALS

Theme	Issue of materiality	Our major initiatives	Key performance indicators (KPIs)		
			KPIs	Targets	Results
Make People Happy	(1) Foster human resources and create a corporate culture where employees can feel their growth	Building mechanisms to allow employees to take up new challenges and act on their own initiative Promoting diversity	Results of stress checks Deviation value of the score for the evaluation item "Consideration for employees' career development"	Exceed the deviation value of chemical companies' stress check scores and aim to rank higher Reach a deviation value of 50.4 in the chemical industry for FY2021 (Sakai Chemical Industry's actual deviation value for FY2021: 46.9)	Deviation value in the chemical industry for FY2022: 50.5 (Sakai Chemical Industry's actual deviation value for FY2022: 47.5)
	(2) Create a comfortable working environment	Introducing a new personnel system Improving the working environment (in terms of both time and space) Making each workplace livelier	Frequency rate (number of occupational fatalities and injuries per one million actual working hours) Severity rate (number of working days lost due to accidents per 1,000 actual working hours) Promotion of digital transformation (DX)	Create a safety-first workplace environment Eclipse a frequency rate of 0.93 in the chemical industry for FY2020 (Sakai Chemical Industry's actual frequency rate for FY2020: 0.70) Eclipse a severity rate of 0.03 in the chemical industry for FY2020 (Sakai Chemical Industry's actual severity rate for FY2020: 0.00) Continue to promote DX	Frequency rate in the chemical industry for FY2021: 1.07 (Sakai Chemical Industry's actual frequency rate for FY2021: 0.69) Severity rate in the chemical industry for FY2021: 0.02 (Sakai Chemical Industry's actual severity rate for FY2021: 0.00)
	(3) Contribute to local communities	Having close dialogue with local communities Supporting or participating in local associations	Number of opportunities for dialogue that Sakai Chemical Industry has with local communities through the Responsible Care® and other initiatives Number of social contribution activities in which Sakai Chemical Industry participates among those conducted by the local associations that the Company supports or has a membership in	Have one or more dialogue opportunities a year Participate in one or more social contribution activities a year	Had dialogue opportunities through the Watanabe Shimomachi-ku Specialist Committee, the Shimogawa Studies Group, the Izumi Furusato Festival, and the Sakai Festival Participated in the Iwaki Sunshine Marathon, Sakai Science Education Festa, etc.
Protect the Global Environment	(4) Manage chemical substances appropriately, reduce environmental impact, and implement measures to improve product safety	Making a fuel switch from crude oil to LNG; replacing motors and lights with highly efficient motors and LED lights, respectively; installing solar power panels; working to recover NH_3, CO_2, and H_2; raising levels of pollution prevention and chemicals management	CO_2 emissions reduction rate (versus the FY2013 level) Number of serious environmental accidents	Achieve a 30% reduction by FY2030 Achieve zero accidents throughout the year	FY2021: Achieved a 14% reduction FY2022: One incident occurred (a fire at the Onahama Manufacturing Site)
	(5) Reduce industrial waste emissions	Promoting the 3Rs ("reduce," "reuse" and "recycle") Reconsidering raw materials, fuels, and the manufacturing processes Recycling industrial waste	Industrial waste reduction rate (versus the FY2021 level)	Achieve a 25% reduction by FY2025	
	(6) Give consideration to biodiversity	Continuing to conduct monitoring activities near disposal plants Contributing to biodiversity using voluntary credits for carbon neutral LNG (CNL)	Status of surveying animals, plants and ecosystems as a post-assessment after an environmental impact assessment Introduction of CNL	Conduct a survey on the occasion of disposal plant construction work Continue to use CNL	FY2022: Continued to use CNL
Solve Social Issues through Manufacturing	(7) Create products and services that help solve environmental and social issues	Developing and/or manufacturing solid-state battery materials, synthetic ammonia catalysts, substitute products for microplastic beads, 5G-related (low-expansion, heat-radiating, low-dielectric-loss, and/or flame-retardant) materials, carbon recycling catalysts, and antibacterial and antiviral materials	Number of developments certified as Smart Material®	Launch five Smart Material® products by FY2030	
	(8) Promote responsible procurement	Providing information to suppliers and asking for their cooperation; auditing business partners; etc.	Percentage of business partners whom we request to conduct a customer satisfaction survey	100%	Started conducting the survey in FY2023
Build a Transparent and Strong Management System	(9) Increase the effectiveness of the Board of Directors	Implementing an annual questionnaire to evaluate the effectiveness of the Board of Directors Making improvements based on the questionnaire results Formulating plans to develop management human resources Operating the Nomination and Compensation Committee	Following indicators based on the results of the questionnaire on the effectiveness of the Board of Directors 1) Number of challenges identified 2) Number and total hours of discussion sessions on each challenge 3) Number of countermeasures devised 4) Number of countermeasures implemented	Identify challenges based on the results of the questionnaire on the effectiveness of the Board, and make necessary improvements	FY2022: Identified challenges based on the questionnaire results and made necessary improvements
	(10) Understand risks and take countermeasures	Conducting risk and compliance education, training and awareness-raising activities Operating committees and subcommittees effectively	Number of serious compliance violations Ability to maintain a Company-wide risk management system	Achieve zero serious compliance violations throughout the year Maintain the effectiveness of the system	FY2022: Achieved zero violations throughout the year FY2022: Maintained system effectiveness
	(11) Ensure timely and appropriate information disclosure	Stimulating IR and PR activities; enhancing PR for crisis management	Compiling and providing an integrated report or information equivalent to the content of such a report	Provide an integrated report or information equivalent to the content of such a report from FY2022	Planning to issue an integrated report for FY2023 while abandoning the plan for a FY2022 report