

Materiality for Sakai Chemical

Management Mission



Creating a sustainable future through chemistry

—Creating materials that support the comfort and security of society through compassion and technological innovation—

Theme	Issue of materiality	Our major initiatives
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
	(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
	(3) Contribute to local communities	Having close dialogue with local communities Supporting or participating in local associations
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
	(5) Reduce industrial waste emissions	Promoting the 3Rs (“reduce,” “reuse” and “recycle”) Reconsidering raw materials, fuels, and the manufacturing processes Recycling industrial waste
	(6) Give consideration to biodiversity	Continuing to conduct monitoring activities near disposal plants Contributing to biodiversity using voluntary credits for carbon neutral LNG (CNL)
Solve Social Issues through Manufacturing	(7) Create products and services that help solve environmental and social issues	Fuel cell materials, 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, antibacterial and antiviral materials
	(8) Promote responsible procurement	Providing information to suppliers and asking for their cooperation; auditing suppliers; etc.
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
	(10) Understand risks and take countermeasures	Conducting risk and compliance education, training and awareness-raising activities Operating committees and subcommittees effectively
	(11) Timely and appropriate information disclosure	Stimulating IR and PR activities; enhancing PR for crisis management

Organizational Vision



Social Issues



KPI

Indicators

Targets

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 49 in the chemical industry for FY2021 (Sakai Chemical Industry's actual deviation value for FY2021: 46.9)
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) Promoting 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) Promote DX to allow employees to work more easily
Having close dialogue with local communities through the Responsible Care® initiative Engaging in social contribution activities conducted by the local associations that Sakai Chemical supports or participates in	Hold more than one dialogue session a year Participate in more than one social contribution activity a year
CO ₂ emissions reduction rate (versus the FY2013 level) Number of severe environmental accidents	Achieve a 30% reduction by FY2030 Achieve zero accidents throughout the year
Waste reduction rate (versus the FY2021 level)	Achieve a 25% reduction by FY2025
Survey on 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
Number of developments certified as Smart Material®	Launch five Smart Material® products by FY2030
Percentage of suppliers whom we request to conduct a customer satisfaction survey	100%
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
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
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