Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Global Innovator for Crop & Life

# CSR Report 2021

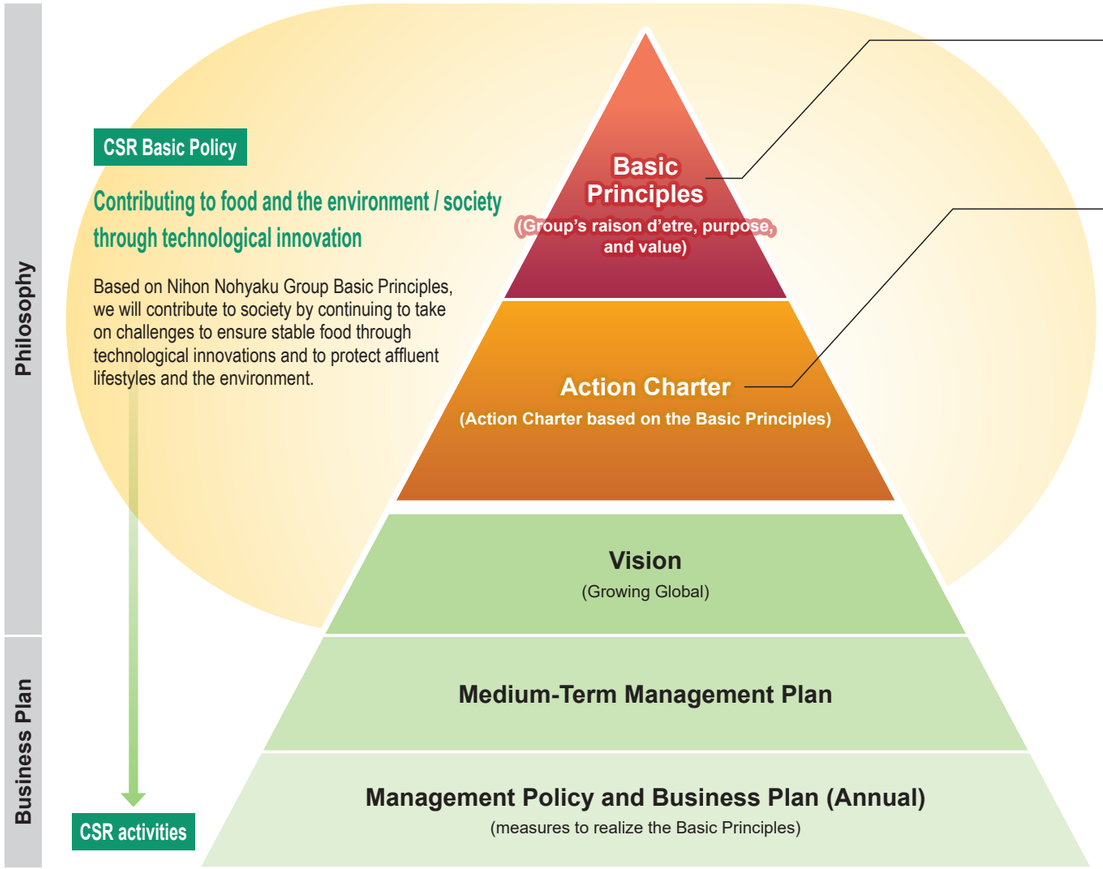
Corporate Social Responsibility Report 2021

NIHON NOHYAKU CO., LTD.

# Philosophy Structure of the Nihon Nohyaku Group

**In FY2020, Nihon Nohyaku newly established a CSR basic policy to organize its philosophy structure.**

### Philosophy Structure




## Creating Agrochemicals to Improve the Quality of Life for All

### The Basic Principles of the Nihon Nohyaku Group

- We contribute to society by ensuring a safe and steady food supply and improving the quality of life for all.
- We fulfill market needs by creating superior values with innovative technologies.
- We commit to being a trustworthy company for all stakeholders through our fair and vigorous business activities.

### The Nihon Nohyaku Group Action Charter

1. We improve the quality of life for all by providing safe and effective products and services that satisfy our customers.
2. We conduct fair and transparent business operations, respecting social ethics and complying with related laws, regulations and the spirit thereof.
3. We contribute to the realization of a sustainable society, considering the global environment.
4. We actively communicate and contribute to our communities as a good corporate citizen.
5. We properly manage corporate information and disclose it in a timely and appropriate manner.
6. We recognize the importance of personal data, intellectual property and other information, and safeguard it under proper protection and management.
7. We ensure a safe and comfortable work environment for our employees, always respecting human rights and the diversity in people and cultures.
8. We entirely exclude involvement with antisocial forces and organizations, and resolutely refuse unreasonable requests.
9. We contribute to the development of each country and region in line with globalization, adhering to international rules as well as local laws, culture and customs.
10. We promote the sound and sustainable growth of Nichino Group for social contribution.

**Nichino style**

### Corporate Statement

The Nichino Group also applies "Global Innovator for Crop & Life" as a corporate statement that further solidifies the principles of our Basic Principles and Action Charter. Through this statement, we challenge ourselves to ensure a safe and steady food supply and to improve the quality of life for all through technical innovation.

* Nichino is an abbreviation for Nihon Nohyaku.

Global Innovator for Crop & Life

## CSR Report 2021 Contents



### Editorial Policy

This CSR Report summarizes The Nihon Nohyaku Group activities using the following as references: Environmental Reporting Guidelines (2018) by the Japanese Ministry of the Environment, Environmental Accounting Guidelines (2003) by the Japan Chemical Industry Association (JCIA), and JIS Z 26000: 2012 Guidance on Social Responsibility by the Japanese Standards Association, etc.

| | |
|---|---|
| Scope of applicability | Unless otherwise noted, performance data is from Nihon Nohyaku Co., Ltd. and Nichino Service Co., Ltd. Unless otherwise noted, the scope of applicability of the Nihon Nohyaku Group covers Nihon Nohyaku Co., Ltd. and nine consolidated Group companies. |
| Data aggregation period | Unless otherwise noted, the 2020 fiscal year (the 122nd fiscal year, April 2020 to March 2021, denoted in this text simply as "fiscal year"). Capital, numbers of employees, net sales, etc., displayed in this text are as of end of March 2021. |
| Issue | September 2021 (Next: Planned for September 2022) |

* Pursuant to the Partial Amendment to the Articles of Incorporation approved at the 120th Ordinary General Meeting of Shareholders held on December 20, 2019, Nihon Nohyaku has changed its fiscal year end from September 30 to March 31, effective from the 121st fiscal year.

### About CSR (Corporate Social Responsibility)

CSR is the general term for activities focused on achieving sustainable development for the company and society based on the philosophy that the responsibility of a corporation is not simply to adhere to the law and pursue profits for the company, but also to fulfill responsibilities to society based on an ethical code.

Based on the above Basic Principles, the Nihon Nohyaku Group is pushing forward the establishment of a CSR promotion system.

# At a glance

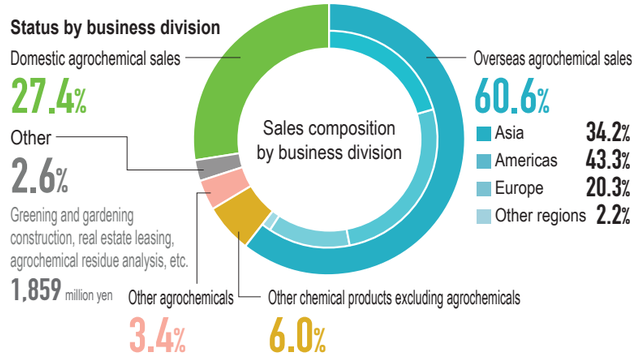
## About the Nihon Nohyaku Group

Nihon Nohyaku was founded in 1928 as the first Japanese agrochemical manufacturer. As a corporation "protecting food supply and greenery," Nihon Nohyaku has been working on technological innovation in its core business involving research and development, and promotion of agrochemicals. To perform the mission and role of helping agricultural production activities aimed at ensuring a stable supply of crops, we will continue to create and provide agrochemicals superior in effects, cost performance, and safety in Japan and overseas. In addition, we will strengthen the foundation of creating agrochemicals and business competitiveness by promoting growth strategies from a global viewpoint. We will contribute to food supply and agriculture in the future, while also being actively engaged in CSR activities.

### Summary of Performance Results for FY2020

| | |
|---|---|
| **Sales** | **71,525** million yen |
| **Operating profit** | **6,981** million yen |
| **Ordinary profit** | **5,722** million yen |
| Profit attributable to owners of parent | **4,344** million yen |
| **ROE** | **7.4** % |
| **Liabilities** | **45,897** million yen |
| **Net assets** | **62,071** million yen |
| **Total assets** | **107,969** million yen |
| **Equity ratio** | **56.4** % |

### Status by business division




### Mainstay products

**Domestic agrochemical sales**

Sales
19,581 million yen

**Overseas agrochemical sales**

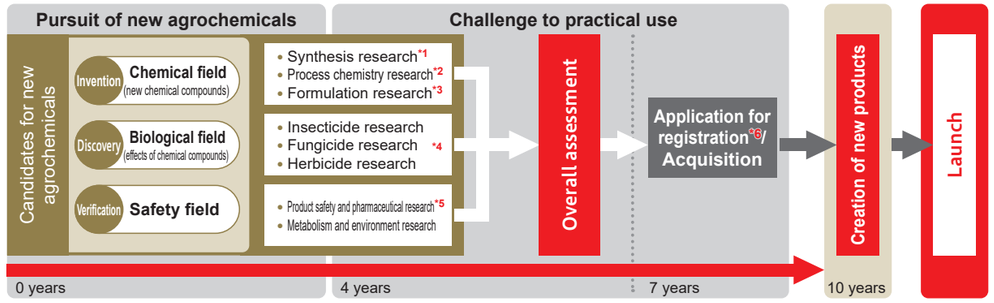
Sales
43,344 million yen

**Other chemical products excluding agrochemicals**

Sales
4,279 million yen

## Business Model of Nihon Nohyaku

The creation of new agrochemicals takes more than ten years, requiring many processes from research and development to launch as new products. Under such circumstances, we have continued to develop one new agrochemical every three years.




***1 Synthesis research**
For new chemical compounds with pest infestation and weed control effects, we try to find substances that could become new agrochemicals, by using unique ideas and the latest research methods such as computational science.

Creating something from nothing!

***2 Process chemistry research**
We develop a manufacturing method to turn chemical compounds with complex structures into commercial products and seek for a low-cost production method to provide customers with products at a more reasonable price.

***3 Formulation research**
We conduct formulation research to maximize the performance of agrochemicals and seek for their ease of use, while making sure not to impair the effects and safety of chemical compounds.

Formulation technology enables small amounts of agrochemicals to be applied uniformly over large fields.

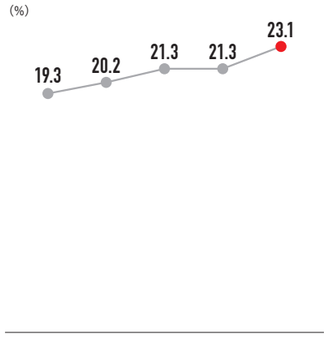
***4 Biological research**
We assess all the effects that chemical compounds have on pest infestations and weeds to determine their potential as agrochemicals.

***5 Product safety and pharmaceutical research**
We thoroughly verify safety to check how chemical compounds impact living organisms and the environment. In addition, we apply our own technologies to research and develop pharmaceuticals.

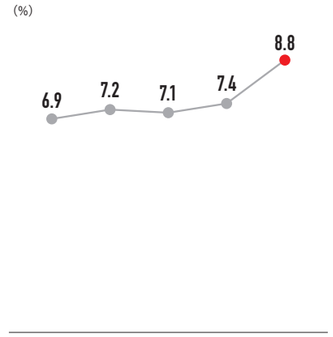
***6 Application for registration**
According to the provisions of the Agricultural Chemicals Regulation Act, test results such as on the effects, safety, toxicity and persistency of agrochemicals must be submitted to the Ministry of Agriculture, Forestry and Fisheries, and approved (registered).
Unless registered, agrochemicals cannot be manufactured, sold or used.

## Non-financial Information*1

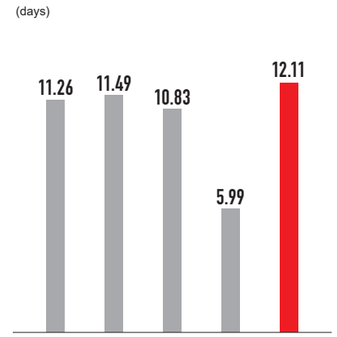
### Rate of female employees
(Nihon Nohyaku Co., Ltd.)



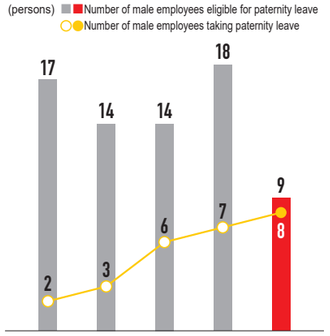

### Rate of female managers
(Nihon Nohyaku Co., Ltd.)




### Paid leave days used*2
(Nihon Nohyaku Co., Ltd.)

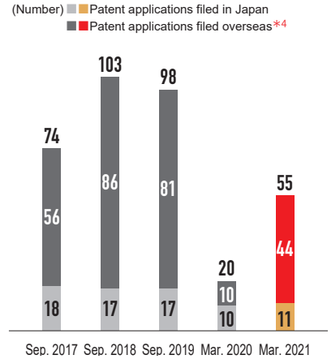



### Number of male employees taking paternity leave*3
(Nihon Nohyaku Co., Ltd.)

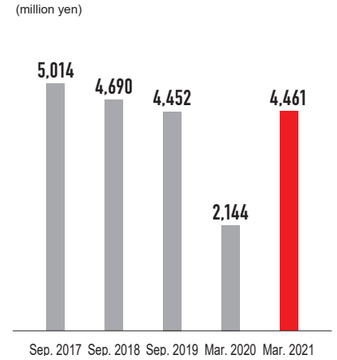



Female employee maternity leave usage rate was 100%

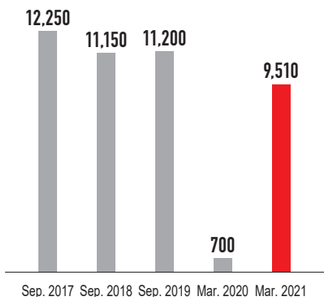
### Number of patent applications filed
(Nihon Nohyaku Co., Ltd.)



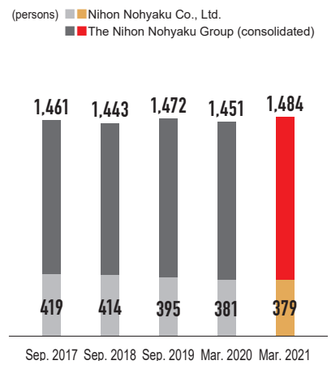

### R&D expenses
(Group consolidated)




### Charitable donations
(Nihon Nohyaku Co., Ltd.)




### Number of employees




*1 For FY2019, represents the period from October 1, 2019 to March 31, 2020 due to the change of fiscal year end.
*2 Applies to regular full-time and temporary full-time employees, and does not include contract employees.
*3 Includes persons employed at that time who have since retired. Applies to regular full-time and temporary full-time employees, and does not include contract employees.
*4 Number of PCT international applications filed (by transfer country) + Paris route or Number of standard applications filed

# Commitment of Top Management

## We aim to be a company that can contribute to society across generations, enhancing the structure and promoting CSR management.

Nihon Nohyaku has supported the evolution of Japan's agriculture for over 90 years. Today, our businesses have expanded around the globe, to incorporate fields including chemicals and pharmaceuticals. The demands placed on us change with each new era, but our commitment remains the same: to ensure a safe and steady food supply and improve the quality of life for all. We will continue to contribute to society, taking pride in our mission as an agrochemical manufacturer.

**Yosuke Tomoi**
President and
Representative Director

### Supporting progress in agricultural production as an agrochemical manufacturer

The spread of COVID-19 has battered the global economy and there is still no end in sight. However, agricultural production has continued to grow even during what can be called a once in a 100 year crisis and demand for agrochemicals is increasing. Moreover, despite the severe restrictions on movement of people and goods during the COVID-19 pandemic, the movement of goods in the agriculture sector around the world has actually accelerated to ensure stability of agricultural products with the appropriate and timely use of agrochemicals. This has once again highlighted that agrochemicals are indispensable agricultural materials to support the food of people around the world.

Nihon Nohyaku will go beyond national boundaries and beyond the era to continue fulfilling our mission.

Nihon Nohyaku has advanced in tandem with the history of Japan's agrochemical industry since our founding as Japan's first agrochemical manufacturer in 1928. Pest infestations and weeds cause major damage to agricultural products. We have focused our efforts on research and development of new agrochemicals to suppress such damage, and researched and developed ground-breaking agrochemicals that meet the needs of the changing times. By dispatching agrochemicals with superior efficacy of pest and weed control around the world and undertaking activities to spread awareness of their proper use, we have maintained the quality of agricultural products and ensured stable production volume, while contributing to labor savings in agricultural production.

Furthermore, since the 1990s, we have also accelerated overseas development, and continued to grow as a global agrochemical group supporting increased food production for the world's growing population. In addition, with agrochemicals as our core technology, we have expanded into areas such as chemicals, pharmaceuticals and animal health care products.

With a mission to ensure safe and steady food supply and to improve the quality of life for all, we respond to the trust placed in us by all our stakeholders through our business activities and by creating superior values with innovative technologies. This is still at the heart of our convictions as set out in the "Basic Principles of the Nihon Nohyaku Group," which we share with all employees.

### Enhancing the CSR management system to resolve new social issues in new era

However, the current environment surrounding the agrochemical industry is becoming increasingly complex. We forecast an ongoing increase in the global population, so concerns about stable global food supply are likely to become more serious. In Japan, the shortage of agricultural workers and aging population have become structural issues and there are heightened expectations for smart agriculture with developments in digital technologies. In addition, moves for stricter regulations concerning agrochemical registration are accelerating worldwide.

On the other hand, there have been more calls for social responsibility such as reductions in the environmental impact and respect for human rights even in relation to business activities. Sustainable Development Goals (SDGs) were adopted at the United Nations summit held in 2015, and industry, government and academia are aggressively promoting initiatives, even in Japan.


We must also evolve to respond to the demands of this new era. Nihon Nohyaku has already conducted business activities to ensure safe and steady food supply to fulfill the social responsibilities put forward in our Basic Principles. However, we also newly established the CSR Committee in October 2020 to steadily progress measures needed to improve CSR management. This committee is on the same level as the Management Committee, which is responsible for business execution, and has adopted the policy for company-wide CSR activities and priority initiatives. Furthermore, we have enhanced the structure to ensure company-wide activities such as with the establishment of the CSR Working Group and Human Rights/ Labor Practices Subcommittee as the actual working units.

Following deliberations by this CSR Committee, the Board of Directors resolved and enacted the “CSR Basic Policy” in March 2021. We will sincerely advance CSR management with the basic policy of “Contributing to food, the environment, and society through technological innovation” based on The Basic Principles of the Nihon Nohyaku Group.

## Identifying seven CSR priority issues and formulating a specific action plan

We commenced Nihon Nohyaku’s new medium-term management plan “Ensuring Growing Global 2” (EGG2) from April 2021. We continue to strengthen the business base needed to consolidate “growing global,” which was established in the Group Vision, so that the previous medium-term management plan EGG 2021 outcomes will flourish even more in a second act.

We aim to strengthen CSR activities and ESG management and set major pillars in the new medium-term management plan EGG2 as “Improve profitability,” “Technological innovation and establishment of next-generation businesses” as well as “Sustainable growth in corporate value.” In particular, we established seven CSR priority issues, set quantitative targets and incorporated them into a specific action plan.

The seven CSR priority issues are as follows.

In regard to “Enriching compliance and risk management,” we aim to build a global internal reporting system and strengthen the BCP (Business Continuity Plan).

**Nichino Group Vision**

***Nichino Group - Growing Global***

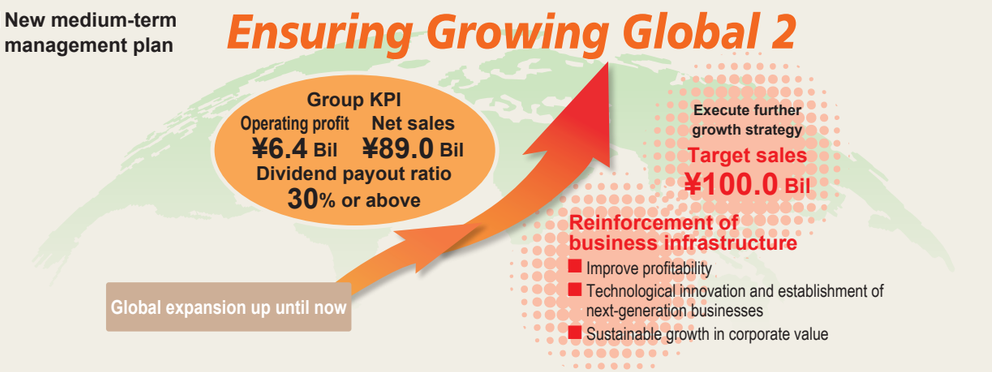
- Supporting agricultural production and healthy lifestyles by providing advanced technologies that meet customer needs, such as new agrochemicals, pharmaceuticals, and animal health care products
- Contributing to a sustainable society by expanding products and services that contribute to the SDGs, such as products with low environmental impact and labor saving technologies

**New Corporate Statement**

「Global Innovator for Crop & Life」

Global Innovator for Crop & Life

**New medium-term management plan**




**Basic Policy for the three years of the new Medium-Term Management Plan**

**Improve profitability**

- Expansion of priority products
- Strengthening domestic agrochemicals sales
- Cost reduction through optimal active ingredient manufacturing systems
- Expansion of group synergies

**Technological innovation and establishment of next-generation businesses**

- Promotion and global expansion of research and development
- Expansion of non-agrochemical areas
- DX initiatives

**Sustainable growth in corporate value**

- Strengthening CSR activities and ESG management
- Promotion of operational reform and workstyle reform

In regard to “strengthening corporate and organizational governance,” we are further enhancing internal audits including at overseas group companies, aiming to improve the effectiveness of the Board of Directors through measures such as having an active Governance Committee and introducing external evaluations.

In regard to “raising the level of environmental management,” we set specific numerical targets and are making progress in reducing $CO_2$ emissions and the energy intensity rate as well as the modal shift. We are also deliberating a proposal to introduce environmental accounting.

In regard to “expansion of human rights management,” we have set a Basic Policy on Human Rights, and making efforts to respect human rights in the supply chain as the highest priority issue. We are also strongly promoting diversity & inclusion and, with regard to the promotion of the empowerment of women in particular, we are aiming for a 40% ratio of women in selecting candidates for new graduate employees and a 13% ratio of female employees in management positions

In regard to “enhancing the tradition of safety,” we continue to aim for zero labor and commuting accidents, while improving the quality management and guarantee system, with the aim of zero product returns. Furthermore, we have commenced initiatives to manage data in advance to prepare for the risk of dust explosions at production sites.

In regard to “community involvement,” we are engaged in enhancing the CSR Report and strengthening the brand strategy. We are also deliberating regional revitalization through business activities such as utilizing fallow land and enhancing dialogue with stakeholders.

Then in regard to “development of technologies and products that meet the needs of society,” we aim to tie-up with various agricultural platforms by providing labor saving products, developing non-agrochemical materials such as biotic pesticides and biostimulants, enhancing AI image diagnosis technologies and utilizing drone control technologies and other areas.

## Discover new areas using originality as a weapon

The new medium-term management plan EGG2 is not an extension of the current measures. We have planned the direction and specific measures based on back casting from our future vision. Even with the enormous change taking place in the world, we have to think about the ideal goals for the Nihon Nohyaku Group. Our biggest strength is without doubt the proprietary technologies generated from our research and development capabilities. We will continue to pursue the originality cultivated from many years of research and development in agrochemicals and generate new customer value.

To achieve this, we will protect the “honesty” we have inherited as our corporate culture since foundation while changing into a corporate culture that takes on challenges.

With strong conviction towards new challenges, we updated our corporate statement to “Global Innovator for Crop & Life” in April 2021. Our mission is to provide advanced technologies in response to societal needs in wide-ranging areas such as agrochemicals as well as pharmaceuticals and animal health care products and to support people’s health and lives.

Nihon Nohyaku will continue to take on challenges, unafraid of change to be a company that continues to contribute to society.

# CSR Initiatives of the Nihon Nohyaku Group

Nihon Nohyaku has, ever since its establishment in 1928, worked on agrochemical sales and promotion, the development of pest control technologies and education on their safe and appropriate use, with the mission of ensuring a safe and sufficient food supply, improving the quality of life for all and protecting the environment, as the first agrochemical manufacturer in Japan. Amid increasing concerns over the sufficient food supply such as the ever-increasing world population and emerging risks of climate change, we will continue to contribute to food and agriculture in the future by responding to the trust placed in us by all of our stakeholders and fulfilling our responsibility as an enterprise through our business activities while newly establishing a CSR basic policy and a basic human rights policy, strengthening CSR management to solve social issues in the new era and respecting the human rights of all our stakeholders.

### CSR Basic Policy

**"Contributing to Food and the Environment / Society through Technological Innovation"**

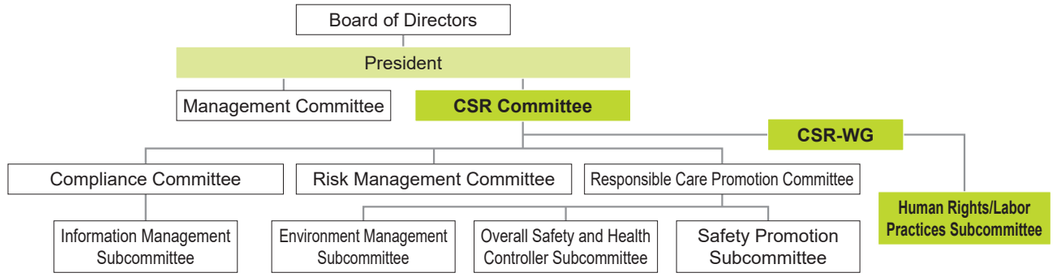
Based on the Basic Principles of the Nihon Nohyaku Group, we will contribute to society by continuing to take on challenges to ensure stable food through technological innovations and to protect affluent lifestyles and the environment.

### Basic Human Rights Policy

The Nihon Nohyaku Group respects the human rights and diverse values of all our stakeholders, including our customers, and aims to achieve a society free of discrimination and prejudice.

## CSR Promotion System

With the aim of enhancing our CSR activities, we newly established the CSR Committee in October 2020 as an organization that deliberates on priority issues in our business activities, by unifying the three Committees of Compliance, Risk Management, and RC Promotion. We have developed a system to further promote our CSR management with the establishment of the CSR Working Group (CSR-WG) and Human Rights/Labor Practices Subcommittee as a task force under the CSR Committee.




## Seven CSR Priority issues

| Priority area | Priority issue | Major initiatives | KGI/KPI targets to be achieved by 2030 | KGI/KPI targets for the new Mid-Term Business Plan for 2023 |
|---|---|---|---|---|
| E Environment | **Raising the level of environmental management** (Environmental preservation, RC activities) | • Set and manage numerical targets to reduce environmental impact<br>• Establish global environmental management<br>• Global expansion of RC environmental preservation activities<br>• Promote modal shift/reduce $CO_2$ emissions from manufacturing plants | • Acquire ISO14001 certification for Nihon Nohyaku Co., Ltd.<br>• Reduce $CO_2$ emissions: -6.5% compared to 2013*<br>• Energy saving: maintain -1% of energy intensity on average over 5 years*<br>• Develop a process for achieving carbon neutrality by 2050<br>• Introduce and implement specific initiatives at overseas sites (India and Brazil)<br>• Advance environmental management through environmental accounting | • Reduce $CO_2$ emissions: -3.8% compared to 2013*<br>• Energy saving: achieve -1% of energy intensity on average over 5 years*<br>• Modal shift in/between group companies: 20%<br>• Commence RC initiatives at overseas sites (India)<br>• Consider introduction of environmental accounting |
| S Society | **Expansion of human rights management** (Diversity & inclusion (D&I), and human resource development) | • Advance human rights management by establishing the Human Rights/ Labor Practices Subcommittee<br>• Global expansion of human resources training<br>• Promote female participation in the workplace (advance relevant indicators)<br>• Promote the employment of persons with disabilities<br>• Ensure human rights at all stages of the supply chain | • Raise awareness and understanding of human rights policies and personnel policies (overseas subsidiaries/supply chain)<br>• Complete the next personnel system reform<br>Completely eliminate age and gender factors<br>• Consistently promote female participation in the workplace<br>Percentage of women in the final interview for new graduate recruitment: 40% (quota system)<br>Percentage of women among employees: 30% or more<br>Percentage of women in management positions: 22%<br>• Achieve the statutory number of persons with disabilities employed<br>• Enhance global personnel exchanges | • Operation of the Human Rights/Labor Practices Subcommittee<br>Formulate and disseminate human rights policies and personnel policies<br>• Understand personnel information at overseas subsidiaries<br>• Develop a plan to introduce a global personnel system<br>• Develop an environment for promotion of female participation in the workplace<br>Percentage of women in the final interview for new graduate recruitment: 40% (quota system)<br>Percentage of women among employees: 30% (3-year average of 2022-2024)<br>Percentage of women in management positions: 13%<br>• Achieve the statutory number of persons with disabilities employed<br>• Commence global personnel exchange (research and registration) |
| | **Enhancing the tradition of safety** (Occupational safety & health, product safety) | • Promote global zero accidents (RC occupational safety & health activities)<br>• Establish a global occupational safety audit system<br>• Promote Product Stewardship through the product life cycle<br>• Avoid accidents in the research stage<br>• Eliminate serious accidents at production sites<br>• Provide high quality products*<br>• Promote white logistics* | • Aim to achieve zero (0) work-related injuries and traffic accidents while commuting<br>• Enhance risk assessment (complete the development of process safety records at all factories)<br>• Have complete dust explosion data (active ingredients, isolated intermediate agents: fully developed)<br>• Fully develop a risk assessment system<br>• Zero product recall<br>• Share product safety information among domestic and overseas group companies | • Aim to achieve zero (0) work-related injuries and traffic accidents while commuting<br>• Strengthen the identification of potential risks<br>• Advance risk assessment, enrich dust explosion data (active ingredients: 70%, isolated intermediate agents: 50%)<br>• Zero product recall<br>• Educate on and share product safety information among domestic and overseas group companies |
| | **To develop technologies and product that meet needs of society** (Pursue to satisfy our customers) | • Create the system for the selection of products that contribute to society and share them within the Group<br>• Create new agrochemicals that reduce environmental impact (environmental-conscious agrochemicals)<br>• Contribute to smart agriculture (adopt advanced technologies)<br>• Strengthen communication with our customers | • Continuously create new environmental-conscious agrochemicals (3 agrochemicals)<br>• Respond to labor-saving technologies/reduction of environmental impact<br>• Product development and provision of materials that lead to customer satisfaction<br>• Enhance non-agrochemical materials/environmentally friendly agrochemicals<br>• Biotic pesticides: 4.0 billion yen, biostimulants: 1.7 billion yen (both on a consolidated basis)<br>• Develop antifungal agents in Japan and overseas (5 cases)<br>• Strengthen customer communication and attract new customers<br>Expand areas for executing image diagnosis technologies and provide them overseas (targeting 1.0 million users)<br>• Gradually expand new business fields<br>• Select products that contribute to society in a timely manner (6 cases + 2 cases) | • Respond to labor-saving technologies/reduction of environmental impact<br>Acquire registration of application using drones (59 cases in total), high-density treatment (10 agrochemicals), side dressing (5 agrochemicals)<br>• Product development and provision of materials that lead to customer satisfaction<br>Commercialize non-agrochemical materials/frost damage prevention chemicals<br>• Biotic pesticides: 400 million yen, biostimulants: 300 million yen (both on a consolidated basis)<br>• Develop antifungal agents in Japan and overseas (3 cases)<br>• Advance the development of smart agriculture (AI diagnosis application) (expansion of application fields: 19 crops)<br>• Expand new business fields (commercialization of one theme)<br>• Standardize the selection of products that contribute to society and select them in a timely manner (currently 5 cases + 1 case) |
| | **Community Involvement** (Dialogue with stakeholders) | • Improve our CSR Reports<br>• Promote the enhancement of our corporate value (brand strategy)<br>• Support regional revitalization<br>• Appropriate support activities in the event of disaster | • Issue integrated reports<br>• Strengthen our ability to distribute information utilizing social media and other means<br>• Enhance plant tours, regularize the dispatch of lecturers to external institutions<br>• Expand business based on regional revitalization plans | • Improve our CSR Reports<br>• Strengthen and promote our branding strategies<br>• Enhance plant tours (50 tours/year: Research Center), dispatch lecturers to external institutions (5 dispatches/year)<br>• Seek regional revitalization plans through business activities |
| G Governance | **Strengthening corporate and organizational governance** (Corporate governance, CSR management) | • Rebuild audit systems<br>• Enhance and strengthen internal control systems<br>• Develop CSR-related systems and functions (integration of CSR and management)<br>• Expand CSR audits globally | • Conduct efficient and effective auditing by the Audit and Supervisory Committee, J-SOX audits, internal audits, and RC audits<br>• Invigorate the Governance Committee, conduct external evaluations of the effectiveness of the Board of Directors<br>• Collaboration between RC audits and other audits (global CSR auditing) | • Conduct internal audits (including overseas subsidiaries)<br>• Continue to develop basic rules for group companies<br>• Invigorate the Governance Committee, conduct external evaluations of the effectiveness of the Board of Directors<br>• Collaboration between RC audits and other audits (domestic CSR auditing) |
| General For all ESG | **Expansion of compliance and risk management** (Sustainability management: BCP) | • Global expansion and management<br>• Enhance BCP (in Japan: an earthquake directly hitting Tokyo, natural disasters, infectious diseases)<br>• Raise awareness of and promote the SDGs, global expansion | • Utilize a global internal reporting system<br>• Respond in advance of tightening of regulations for agrochemical registration systems in various countries<br>• Stable procurement of Nichino's active ingredients (build a global SCM system)<br>• Appoint a manager dedicated to risk management<br>• Firmly establish SDGs-related matters within the Group | • Strengthen global compliance/risk management systems (India, Taiwan and Brazil)<br>• Build a global internal reporting system<br>• Respond to tightening of regulations for agrochemical registration systems in various countries<br>• Develop BCP (large-scale disasters, infectious diseases, overseas risk management)/each office<br>• Participate in the Japan Chemical Industry Association's SDGs network |

* In cooperation with Nichino Service Co., Ltd.

# Corporate Governance

## Corporate Governance Structure

### 1) Basic Approach to Corporate Governance

We have established “Basic Principles of the Nihon Nohyaku Group” as the base for all our activities. We have established the Nihon Nohyaku Group Vision to define our vision for the future, to achieve sustained growth of the Nihon Nohyaku Group, and to improve medium to long term corporate value based on these Basic Principles. Then, as the backbone for such vision, we have set “Contributing to food, the environment, and society through technological innovation” as the CSR basic policy.

Based on the Nihon Nohyaku Group Action Charter, the Group Vision, and the CSR Basic Policy, we aim to be a corporate group that is trusted by various stakeholders including shareholders, customers, business partners, employees and local communities, and have constructed the following corporate governance structure (see Chart below). Note for the year ended March 31, 2021, to engage in CSR as a core aspect of management, we established a new CSR Committee on the same level as the Management Committee in October 2020, and are aiming to promote CSR management and accelerate initiatives for SDGs.

In addition, when building this governance structure, Nihon Nohyaku respects the intent and spirit of the Corporate Governance Code, which is a listing regulation of the Tokyo Stock Exchange. We have established the “Nihon Nohyaku Corporate Governance Guidelines” and act in accordance with such guidelines.

Nihon Nohyaku and the Group companies report to the Compliance Committee and the Group Compliance Council on the status of compliance with laws and regulations and various internal regulations.

In addition, Nihon Nohyaku and the Group companies report to the Risk Management Committee and the Group Risk Management Council on risk management issues, etc., after identifying their respective risks.

### 2) Governance Committee

Nihon Nohyaku has established the “Governance Committee” as an advisory body to the Board of Directors to further improve our corporate governance.

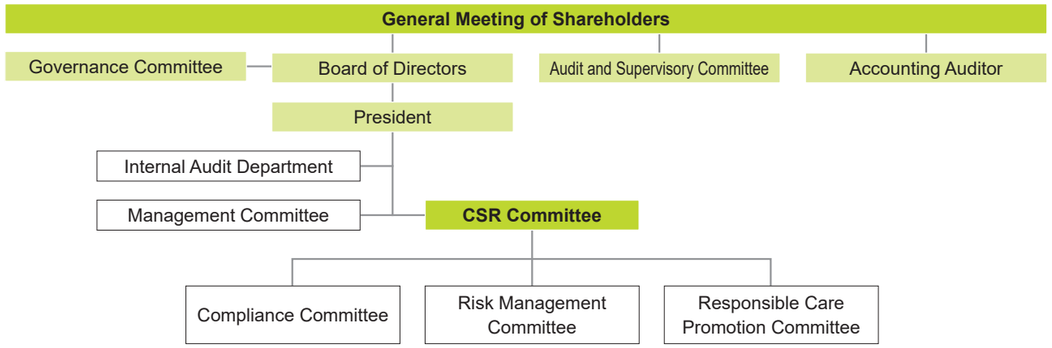
The Governance Committee deliberates and reports on the appropriateness, etc., of the process for appointing and dismissing candidates for Director of Nihon Nohyaku, their qualifications and reasons for appointment/dismissal, the independence standards for appointing independent officers, evaluations of the overall effectiveness of the Board of Directors, the officers’ remuneration system and other matters upon a consultation request from the Board of Directors.

In principle, a majority of the members of the Governance Committee shall be independent officers.

The Board of Directors, upon receipt of the reports from the Governance Committee, shall select candidates for Director and determine the officers’ remuneration system, etc.

Governance Committee meetings were held four times in the fiscal year ended March 2021. It reported on advice concerning the appointment and remuneration of officers and conducted an evaluation of the effectiveness of the Board of Directors.

**Corporate Governance Diagram**




## Message from our independent officers

### Activity Report from an Audit and Supervisory Committee Member

Yoshiko Oshima
Outside Director (Audit and Supervisory Committee Member) (Governance Committee Member)

Nihon Nohyaku is a R&D focused company with a social mission to ensure steady food supply and protect the quality of life. We aim to increase corporate value under the new medium-term management plan EGG2 (Ensuring Growing Global 2), which covers the three years commencing April 1, 2021 (the year ending March 31, 2022 to the year ending March 31, 2024), through measures such as developing global sustained business activities and the life science business. We have strengthened the corporate governance structure by enhancing the supervisory function of the Board of Directors and improving the CSR promotion structure, as outlined below.

**(1) Establishment of Audit and Supervisory Committee**

Nihon Nohyaku shifted to “a Company with an Audit & Supervisory Committee” from “a Company with a Board of Corporate Auditors” in accordance with a resolution to amend the Articles of Incorporation at the Ordinary General Meeting of Shareholders held on June 26, 2020.

Due to this change of structure, the corporate governance structure was further enhanced with Independent Outside Directors comprising the majority of Audit & Supervisory Committee members, and enhancement of the Board of Directors supervisory function with the addition of deliberations, etc. concerning the authority of management evaluation to the previous matters deliberated at the Board of Corporate Auditors.

**(2) Improve the effectiveness of the Governance Committee’s supervisory function**

Nihon Nohyaku already has a Governance Committee consisting mostly of Independent Outside Directors as an advisory body to the Board of Directors, which advises and reports on the selection of candidates and remuneration for officers and evaluating the effectiveness of the Board of Directors from an objective and independent perspective. However, the establishment of the Audit and Supervisory Committee has created a stronger corporate governance structure, building the relationship or synergies between both committees, which is in accordance with the trends in the June 11, 2021 revision of the Corporate Governance Code.

**(3) Improving the CSR promotion structure**

With the endorsement of SDGs (Sustainable Development Goals), Nihon Nohyaku has formulated a CSR Basic Policy and established the new CSR Committee on October 20, 2020 as a body to deliberate and decide on matters necessary to promote business activities such as internal controls, compliance, risk management, responsible care, and respect for human rights, as a CSR promotion structure. We have built and improved the corporate governance structure to fulfill Nihon Nohyaku’s social responsibilities.

I intend to do my utmost and strive to earn the trust of all stakeholders so that the Company can contribute to society by aiming to ensure impartiality in business activities and transparency in management’s decision-making process by being attentive to the execution of my duties in my role and position at Nihon Nohyaku (Audit and Supervisory Committee Member, Independent Outside Director, Governance Committee member) utilizing my career history, etc. (independence and expertise as an administrative lawyer, inhouse lawyer for a global company, and experience working at a US law firm, etc.) in this position. This includes promoting the aforementioned types of CSR activities and in trends such as strengthening the corporate governance structure, strengthening the supervisory functions of the Board of Directors, and securing global personnel through diversity & inclusion based on various views and sense of values.

Special feature

# Initiatives toward smart agriculture

## Achieve labor savings and improved efficiency with the use of cutting-edge technologies

Nihon Nohyaku has contributed to the development of Japanese agriculture since its foundation. Utilizing our knowledge as an agrochemical manufacturer, we have accelerated our efforts for “smart agriculture” to solve agriculture related issues making use of cutting-edge technologies.

**Tadashi Tanimoto**
Executive Officer
General Manager, Smart Agriculture Promotion Department

### To embark on smart agriculture ahead of others as an agricultural manufacturer

Nihon Nohyaku has, over the 90 years since its foundation, responded to societal demands for more advanced and efficient agricultural production capacity through the production and supply of agrochemicals.

In addition, we set “Contributing to food, the environment, and society through technological innovation” as the basic policy in the CSR Basic Policy formulated in March 2021. In the future development of agriculture in Japan and the world, we believe it will be important for us to contribute not only with agrochemicals but also cutting-edge technologies.

There are many issues currently facing Japanese agriculture. Of particular note is the lack of increase in new farmers and the decline in agricultural producers over many years, as well as the pronounced aging of the farming community. In recent years, the demand for food has declined in line with the decline in population and a change in strategy has increasingly become an urgent issue. Specifically, it is vital to achieve agriculture that can be expected to be high quality and high yielding even when the size of farming land per producer is increasing and producers have limited experience.

The focus under such circumstances is “smart agriculture.” According to Japan’s Ministry of Agriculture, Forestry and Fisheries (MAFF), smart agriculture is defined as new agriculture that achieves labor savings, more accurate and high quality production, etc. utilizing robot technologies and information and communications technologies (ICT).

Nihon Nohyaku commenced investigation of the development of new technologies such as cloud services for agriculture, AI technologies, power assist suit development and use of drones from 2014 in preparation for commercialization of smart agriculture. In particular, we decided to become involved in the business of platforms with WEB diagnostics at the core and we proceeded with preparation such as building a basic business model and selecting business partners. Our participation in a project contracted from MAFF since 2017, helped us to discover societal needs and become involved in solving problems at the field sites level.

In terms of our internal structure, we established a virtual “Smart Agriculture Promotion Preparation Department” centered on the Corporate Planning Division and Domestic Sales Division in August 2019. Furthermore, in August 2020, we created the “Smart Agriculture Promotion Department” as part of the Domestic Sales Division, and strengthened this to a team of six under a General Manager. In addition, we launched the cross-organizational “Smart Agriculture Promotion Project” with the aim of expanding business development beyond Japan and also to promote development to group companies in Japan and overseas.

### Contributing to new farmers to skilled producers with image diagnostic services utilizing AI technologies

Nihon Nohyaku’s biggest strengths are the experience and extensive knowledge of agriculture cultivation sites acquired over many years and our abundant know-how concerning pest infestations and weed control. We utilize such strengths to the full even in the smart agriculture business, while providing total solutions focused on agrochemical sales, mainly for large-scale producers.

We are positioning image diagnosis of pest infestations and weeds utilizing AI technologies as the core service. As a first step, we released the free smartphone app “LeiMe AI Disease, Pest & Weed Analysis” in April 2020.

Images in the database, forming the basis of the diagnosis, enable highly precise diagnosis with an enormous volume collected by persons in charge of technologies and researchers from Nihon Nohyaku going to the sites and photographing appropriate images for teaching.

The crops initially targeted for diagnosis were rice paddies, but image diagnosis is now possible for six crops with the addition of cabbages, napa cabbages, broccoli, lettuces, and leeks, and we are increasing the number of target crops. More than 40% of users are producers or JA (Japan Agricultural Cooperatives) related parties and the level of interest in the agricultural sector is steadily growing.

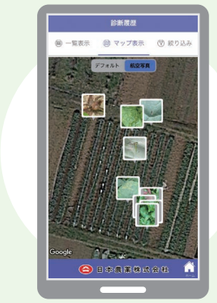
This not only contributes to improving the production efficiency of new farmers and producers with limited experience, but is also used by skilled producers as a reference for revising control methods since the app can be used as a database for incidents of pest infestations and weeds.

**Main functions of the “LeiMe AI Disease, Pest & Weed Analysis” app**


**Select diagnosis method**
Able to select the diagnosis method from “AI exam,” which selects an image photographed with a smartphone or an image from the database within the app, and “medical record diagnosis,” which compares against illustrations while doing one’s own diagnosis.


**AI diagnostic results**
Diagnosis by AI based on image data such as diseases and pest infestations in crops and weeds in fields.


**Introduce agrochemicals**
Propose a list of effective pesticides for control based on the diagnostic results. Detailed information can be confirmed if selecting the pesticide, which can be registered and saved as a favorite.




**Diagnostic record**
Since the diagnostic details can be saved for a certain period, it is possible to confirm at a later time, or label the place of the photograph and place of diagnosis on a map.

### Check the health of cultivated fields by combining with drones

In April 2021, we entered into a technological alliance with DJI Japan, a Japanese subsidiary of DJI, a world leader in consumer drones and aerial photography technology. Agriculture needs to be more efficient to solve the problem of labor shortage due to the declining birth rate and aging population. As part of this, it is essential to improve the technology to check the health condition of cultivated fields more easily. Through this alliance, DJI’s drones will detect abnormalities in cultivated fields from above, which when combined with “LeiMe AI Disease, Pest & Weed Analysis” is aimed at proposing solutions that will lead to the best control.

We are also proceeding with the development of herbicides, insecticides and fungicides that are appropriate for dispersion via drones that have loading weight restrictions.

In addition to these services, in terms of smartphone apps we also provide “Agrochemicals Adjustment Support app,” which enables the confirmation of examples of major combinations of Nihon Nohyaku agrochemicals, and the automatic calculation of the amount of required pesticide from information such as the dilution multiple and liquid measure of dispersion.

In future, we will strive to enhance services to reflect the needs of the time and we are currently jointly promoting “LeiMe AI Disease, Pest & Weed Analysis” with three agrochemical manufacturers (Nissan Chemical Corporation, Mitsui Chemicals Agro, Inc. and Nippon Soda Co., Ltd.) that share the same perspective. The number of downloads reached 47,000 by the end of June 2021, and we are aiming for 100,000 downloads by March 31, 2022. Along with re-teaching AI by reinforcing teaching image data and upgrading to third-generation, we continue our efforts to improve the percentage of correct answers in the diagnostic results by focusing on user awareness of the appropriate photographic methods. We plan to increase the number of crops carried to 15 within the next three years.

In addition, we are proceeding with alliances in sensing technologies and cultivated field management clouds such as drones based on smartphone apps and have built the Nichino AI Pest Control Support System.

In future, we will aim to develop new solutions through complete digitalization and smart control of pest infestations and weeds, while utilizing the control data accumulated through this to develop new businesses such as digital marketing and the provision of control information.

In parallel with this, we will accumulate knowledge in Japan, where diverse crops are cultivated, and engage in overseas development focused on our own Group companies. We plan to release the app in multiple languages, initially in regions in Asia such as India, Vietnam and Taiwan.

We will continue to contribute to the development of agriculture in Japan and the world, while making use of cutting-edge technologies.

# Responsible Care Activities in the CSR Promotion System

The Nihon Nohyaku Group established the CSR Committee in October 2020 that governs our CSR activities. We are working on Responsible Care (RC) activities, which are promoted by the global chemical industry as one of the main pillars of CSR activities by linking the Compliance Committee, the Risk Management Committee and the RC Promotion Committee under the CSR Committee. Furthermore, we have established the CSR Working Group (CSR-WG) that is responsible for the overall CSR activities and a subcommittee dedicated to working on issues related to human rights and labor practices, and established our CSR promotion system.

Nihon Nohyaku belongs to the JCIA RC Committee, and has registered four domestic consolidated subsidiaries with the Committee as affiliate companies in our RC activities. In promoting RC activities, the Nichino Group has established the RC Mid-Term Targets and is carrying out the systematic activities based on the RC promotion policies established by each of our domestic companies. This initiative also leads toward the SDGs.

The Nihon Nohyaku Group is striving for future growth and more efficient operations through its CSR and RC activities by further enhancing communication with ADEKA Corporation, our capital and business alliance partner, to strengthen our cooperation and collaboration system.

### What is Responsible Care (RC)?

RC encompasses voluntary activities wherein each company handling chemical substances secures “the environment, safety and health” and publishes the results of its activities, maintaining a dialogue and communication with society regarding all its processes, ranging from R&D through manufacturing, sales, logistics, use, and final consumption, to the disposal and recycling of the chemical substances. We have six fields of implementation for Responsible Care, namely “RC codes”, consists of “Environmental Preservation”, “Occupational Safety and Health”, “Process Safety & Disaster Prevention”, “Logistics Safety”, “Product Stewardship (Chemical Materials and Product Safety)” and “Communication with Society” in Japan, we work to improve activities through the continued implementation of the PDCA (Plan→Do→Check→Act) cycle.

This is an initiative that the global chemical industry is integrally promoting to safely manage chemicals over their life cycles through its activities, such that products can contribute to improving the quality of life and sustainable development.

## RC Management

### 1 RC Promotion Structure

Under our CSR promotion structure governed by the CSR Committee, the RC Promotion Committee is responsible for the RC activities of the entire domestic Nichino Group. Three Subcommittees (figure below) are in charge of activities in each RC field.

**Positioning of RC in the CSR promotion structure**


The Environment Safety Department of Nihon Nohyaku, as administrative office of the RC Promotion Committee, conducts annual RC audits of all business sites of domestic Group companies to confirm progress of RC activities. The RC codes for which each panel is responsible are shown below.

| Subcommittee | RC code |
|---|---|
| Safety and Health Supervisors Subcommittee | Occupational Safety & Health, Process Safety & Disaster Prevention |
| Environment Management Subcommittee | Environmental Preservation |
| Safety Promotion Subcommittee | Logistics Safety, Product Stewardship (including quality management and poisonous material management), Communication with Society |

### 2 RC Global Charter

In 2014, Nihon Nohyaku’s (then) President Kohyama signed the RC Global Charter, proclaiming its commitment to abide by the international principles of RC and strengthening its RC initiatives. As of May 31, 2021, 594 companies around the world have signed this charter (ICCA*). President Tomoi re-signed the charter in January 2019.

* International Council of Chemical Associations

**Responsible Care Global Charter**


### 3 Certified Management System

The Nichino Group has acquired the following certifications for the management system and is working to continuously improve its operations. With the establishment of ISO45001 (Occupational Safety & Health Management System), Nichino Service has completed a transition from OHSAS to ISO, promoting initiatives to integrate with Quality Management System and Environment Management System.

| International Standards | Company name (applicable office) |
|---|---|
| ISO9001<br>ISO14001 | • Nichino Service Co., Ltd.<br>• Nichino India Pvt. Ltd.<br>• Nichino Chemical India Pvt. Ltd.<br>• Sipcam Nichino Brasil S.A. |
| ISO45001 | • Nichino Service Co., Ltd. |
| OHSAS18001 | • Nichino India Pvt. Ltd. (Balanagar)<br>• Nichino Chemical India Pvt. Ltd. (Humnabad)<br>• Sipcam Nichino Brasil S.A. |
| ISO17025 | • Nihon Ecotech Co., Ltd. (Osaka Analytical Center) |

### 4 RC Mid-Term Targets and Activity Results/Plans

#### 1) About the Nichino Group RC Mid-Term Targets (April 2020 – March 2025)

| RC Activities | RC Mid-Term Targets |
|---|---|
| General | 1. Contribution to food, the environment, society, and the SDGs through technological innovation, and promotion of RC activities with CSR in mind<br>2. Expansion of action codes of domestic subsidiaries and commencement of RC activities at overseas subsidiaries |
| Occupational Safety & Health, Process Safety & Disaster Prevention | 1. Zero work-related injuries and traffic accidents while commuting<br>2. Maintaining zero serious accident on the equipment<br>3. Ensuring implementation of risk assessment |
| Environmental Preservation | 1. Promoting energy saving and reducing $CO_2$ emissions<br>・Energy saving: reduction of 1% or more of energy intensity*1 on average over 5 years (specified business operators of the Group, designated plants, etc.)<br>Promoting appropriate evaluation of energy intensity (unspecified business operators)<br>・$CO_2$ emissions (continuing initiatives for a low-carbon society)<br>Reduction compared to the previous year, aiming to achieve 4.9% group-wide reduction in 2025 compared to 2013, and zero emissions in 2050<br>2. Zero environmental accidents<br>3. Reducing waste, zero emissions*2 and addressing plastic resource recycling strategy issues (continuing green purchasing and green procurement) |
| Logistics Safety | 1. Maintaining zero accidents caused by scattering or spillage in logistics<br>2. Continuing to hold logistics conferences with logistics companies<br>3. Maintaining and promoting modal shift |
| Product Stewardship (Chemical Materials & Product Safety) | 1. Promoting product development and field testing considering the environment, health and safety<br>2. Managing centrally safety information on chemical substances on a global basis and sharing it within the Group<br>3. Improvement of product quality and thorough management |
| Communication with Society | 1. Maintaining good relationship with governments, industry associations and local communities<br>2. Participating in the preparation of CSR reports with the SDGs in mind, and receiving third-party verification as appropriate |

*1 An index showing the efficiency of energy consumption that divides annual energy consumption by figures related to business (for example production amount, office surface area, etc.). A lower energy intensity indicates better energy consumption efficiency.

*2 The final landfill amount of waste shall be 1% or less of the volume.

## 2) FY2020 Activity Results and Internal Evaluation, RC Activities in FY2021

Nihon Nohyaku and four domestic consolidated subsidiaries actively engaged in activities aimed at achieving our Group Vision as the first year of our RC Mid-Term Targets.

| RC Activities | FY2020 | | | | FY2021 |
|---|---|---|---|---|---|
| | Major plans | Results | Evaluation*1 | Page | Activities |
| General | 1. Building CSR promotion system and formulating policies on CSR<br>2. Promoting activities in line with the new RC Mid-Term Targets, with the new fiscal year in mind<br>3. Expanding activities to overseas subsidiaries through providing the RC information, etc. | 1. Established the CSR Committee (including establishment of the Human Rights/Labor Practices Subcommittee) and formulated the CSR Basic Policy.<br>2. Studied the expansion of action codes associated with the transfer of products to domestic subsidiaries.<br>3. Provided relevant information to overseas subsidiaries, etc. to expand RC activities. | ☀ | 15-18 | 1. Promoting RC activities under our CSR promotion system.<br>2. Cooperating with ADEKA Corporation.<br>3. Expanding activities to overseas subsidiaries (providing theRC information, etc.). |
| Occupational Safety & Health, Process Safety & Disaster Prevention | 1. Continuing education and training to raise safety awareness and sensitivity to risks to achieve zero work-related injuries and traffic accidents while commuting<br>2. Conducting periodic maintenance and training to keep zero serious accidents at production facilities<br>3. Conducting systematic risk assessment, SOP*2 education, near misses and risk finding and safety indications at workplaces | 1. Achieved zero accidents with workdays lost and three accidents without workdays lost occurred. Conducted training and education for emergency response while taking measures to prevent infection of COVID-19.<br>2. Maintained zero serious accidents.<br>3. Conducted systematic risk assessment and education to raise sensitivity to risks. | ☁ | 19-21 | 1. Continuing safety education and training to achieve zero work-related injuries and traffic accidents while commuting.<br>2. Conducting maintenance and periodic training to keep zero serious accidents at production facilities.<br>3. Conducting systematic risk assessment, SOP education, near misses and risk finding and safety indications at workplaces. |
| Environmental Preservation | 1. Promoting energy saving (goal: reduction of energy intensity from the previous year, reduction of 1% or more on average over 5 years), continuing study on the calculation methods to refine energy intensity, continuing the evaluation of energy intensity based on the form of business and continuing initiatives to reduce $CO_2$ emissions<br>2. Maintaining green purchasing rate of 95% or higher and improving green procurement rate<br>3. Promoting 3Rs*3 and reducing waste by maintaining and expanding zero emissions<br>4. Continuing initiatives for a low-carbon society (Locavore*4) | 1. ・Energy intensity (5-year average) Nihon Nohyaku -0.1%, Nichino Service -3.7%<br>・$CO_2$ emissions (compared to the previous year) Nihon Nohyaku -0.9% Nichino Service +7.1%<br>Evaluation of the energy intensity continued at other domestic subsidiaries.<br>2. Green purchasing rate at 99.9%<br>Green procurement rate at 96.7%<br>3. 3R initiatives were promoted at each plant. Waste amount was 6,735t (-17% compared to the previous year), and Nichino Service Saga Plant maintained zero emissions.<br>4. Continued to hold “The Contest for number of times of one pot dish”. | ☁ | 22-25 | 1. Promoting energy saving (goal: reduction of 1% or more of energy intensity on average over 5 years), continuing study on the evaluation methods for energy intensity, continuing the evaluation of energy intensity based on the form of business and considering initiatives to reduce $CO_2$ emissions.<br>2. Maintaining green purchasing rate of 95% or higher and improving green procurement rate.<br>3. Promoting 3Rs and reducing waste by maintaining and expanding zero emissions.<br>4. Continuing initiatives for a low-carbon society. |
| Logistics Safety | 1. Conducting training to maintain zero serious accidents (scattering/spillage) in logistics<br>2. Continuing to hold regular logistics conferences with transport and warehouse companies<br>3. Continuing to provide Yellow Cards*5 and White Cards*6 and strengthening their linkage to prevent accidents<br>4. Continuing to promote modal shift*7 | 1. Maintained zero serious accidents in logistics.<br>2. Information exchange with transport and warehouse companies was held by the SCM Dept. and each Nichino Service Plant, and efforts were made to prevent any potential logistics issues from arising.<br>3. Continued at each plant.<br>4. ditto. | ☀ | 26 | 1. Conducting training to maintain zero serious accidents (scattering/spillage) in logistics.<br>2. Holding regular logistics conferences with transport and warehouse companies.<br>3. Preventing problems through continued provision of Yellow Cards and White Cards and their stronger linkage.<br>4. Continuing to promote modal shift and promoting white logistics. |
| Product Stewardship (Chemical Materials & Product Safety) | 1. Continuing efforts to avoid using NPE*8 and reducing PRTR*9 inert ingredients in new products. Substituting 50% of NPE in existing products.<br>2. Continuing appropriate management of chemical substances and conducting necessary education and training<br>3. Conducting risk assessment and continuing measures to prevent accidents due to chemical substances<br>4. Promoting SDS*10 information sharing within the Nichino Group worldwide. Starting full operation of the automated SDS preparing system.<br>5. Continuing to provide information on revisions to laws and regulations concerning chemical substances | 1. Continued non-use of NPE in new products, and reduction of use in existing products.<br>2. Confirmed the continuation of appropriate management at each plant, and conducted systematic education and training and risk assessment.<br>3. ditto.<br>4. Completed application of the automated SDS preparing system for some groups of chemical compounds, and continuing to work toward full operation.<br>5. Shared information on revisions to laws and regulations among relevant plants and departments. | ☀ | 27-28 | 1. Continuing efforts to avoid using NPE and reducing PRTR inert ingredients in new products. Substituting 50% of NPE in existing products.<br>2. Continuing appropriate management of chemical substances and conducting necessary education and training.<br>3. Conducting risk assessment and continuing measures to prevent accidents due to chemical substances<br>4. Promoting SDS information sharing within the Nichino Group worldwide. Starting full operation of the automated SDS preparing system.<br>5. Continuing to provide information on revisions to laws and regulations of chemical substances. |
| Communication with Society | 1. Participating in community activities, continuing to collaborate with local communities to improve the environmental conditions around the plants<br>2. Strengthening exchange with stakeholders through issuance of CSR Reports and disseminating information on our website<br>3. Continuing activities toward the JCPA VISION 2025 of Japan Crop Protection Association | 1. Continued collaboration through remote work, etc. while taking measures to prevent infection at each company and plant.<br>2. Provided CSR Report 2020 (English version in August) and CSR Report Data Book: October 1, 2019-March 31, 2020 (Japanese version in September, English version in October).<br>3. Continued activities as an executive meeting member company of Japan Crop Protection Association. | ☀ | 29-30 | 1. Continuing to participate in community activities, collaborating with local communities to improve the environmental conditions around the plants.<br>2. Strengthening exchange with stakeholders through issuance of CSR Report 2021 (Japanese version) and disseminating information on our website.<br>3. Continuing activities toward the JCPA VISION 2025. |

*1 Internal evaluation of actual results: ☀ Achieved ☁ Partially not achieved 🌧 Not achieved
*2 Standard Operating Procedure
*3 Reduce, Reuse and Recycle of the waste.
*4 A composite word with the term “Local” and the term “-vore (meaning an animal that eats something)” meaning “people who eat local food”. It indicates an activity that leads to a reduction of $CO_2$ when combined with “local consumption of local products” and expanded consumption of “domestic agricultural and marine products”.
*5 Cards, established by JCIA, which include concise indications of contact information, handling methods and precautions for prompt response to an accident during the transport of toxic substances, poisons or hazardous materials/designated flammable substances stipulated by the Fire Service Act.
*6 Original Card by Nihon Nohyaku that indicates similar information as Yellow Cards for products for which the carrying of a Yellow Card is not required.
*7 Switching the transportation of raw materials and products from trucking to rail freight and transshipment with less $CO_2$ emissions.
*8 Polyoxyethylene nonylphenyl ether
*9 Pollutant Release and Transfer Register
*10 Safety Data Sheet

# Occupational Safety & Health, Process Safety & Disaster Prevention

## 1 Occupational Safety & Health

### 1) Efforts to Reform Workstyles, Ensure Work-life Balance and Diversity

We promote personnel development that fosters to maximize the unique capabilities and senses of each employee. In order to maintain and promote the health of our employees and support their work-life balance, we have established various programs and made some of them over and above those required by the relevant laws and regulations (table below). In FY2020, for preventing the spread of COVID-19 (hereinafter, the COVID-19 response), among other reasons, we reviewed the working from home system and the flex-time system to promote the establishment of a working environment that allows for a more flexible working style. In addition, we proactively work on diversity by the "Diversity Special Mission Promotion Manager", to create a working environment in which employees with diverse values (gender, age, nationality, workstyle, sexual orientation, gender identity, etc.) are able to demonstrate their capabilities at their full potential.

| Field | Major internal programs |
|---|---|
| Maintaining and promoting the health of employees | Medical examinations for all employees (full physical examinations for employees over age 40) and long-term sick leave |
| Support for work-life balance | Allocating refresh vacations and travel coupons based on the number of consecutive years of employment, Half-day paid leave, Family care leave (paid), Volunteer leave (paid), Childcare leave ("Mama Papa Child Care Leave Plus", "Child Care Leave for Dads", Expansion of those applicable for child nursing care leave (paid), etc.) Company-sponsored provision of allowance during childcare leave period Shorter working hours system for childcare, expectant and nursing mothers, family care, injury and sickness treatment, Working from home system, Flex-time system |

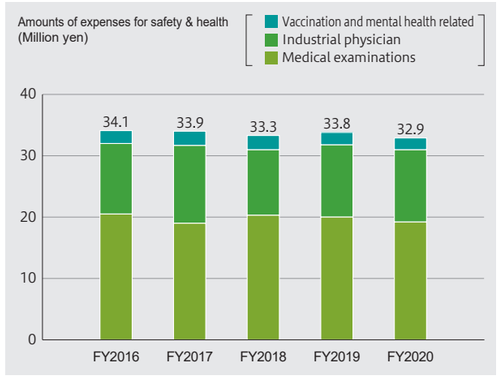
### 2) Promotion of Safety and Health Management

All sites hold regular safety and health committee meetings, through which we formulate goals, execute action plans, and conduct progress status check and risk assessments. Through these meetings, we work to eliminate work-related injuries, create a pleasant work environment, and improve our safety and health levels. At the Head Office and Research Center, which both have more than 50 employees, we have contracts with industrial physicians and mental health professionals to create a system that allows employees the opportunity to consult with experts on mental health and other issues. In addition to consultation with industrial physicians at these offices, at companies and offices without a dedicated industrial physician being required, we use web conferencing systems to enable sessions with the Head Office industrial physician. Furthermore, we also use external contractors to establish the Nichino Group Consultation Desk, where employees and their families can consult on all types of health issues, including mental health.

As for stress checks, we continue to reach out to those working in specific departments according to the results of organizational analysis, in an effort to enable employees to work in a better environment. We also maintain a high participation rate in the specified health guidance and data health plan sponsored by the health insurance society.

### 3) Expenses for Safety & Health

In FY2020 we spent 19.2 million yen on medical examinations, 11.8 million yen on industrial physicians, and 1.9 million yen on mental health related expenditure such as stress checks and external health consultations, in a total of 32.9 million yen. We will continue to allocate necessary expenses to improve the standard of safety and health, and towards mental healthcare.




* Aggregation period: FY2016 to 2018: October in the previous year to September in each fiscal year
FY2019 to 2020: April in each fiscal year to March in the following year

### 4) Working Condition Improvement at Production Sites

To prevent worker health damage, fire or explosions, and other accidents related to chemical substances, at Nichino Service we have outlined "Work Management Standards for Handling Chemical Substances" and voluntarily established Acceptable Operator Exposure Limits for each chemical substance handled. We conduct measurements regularly to manage these standards.

### 5) Incident Rate[*1] and Record of Zero-Occupational Accident[*2]

In FY2020, at business sites subject to the aggregation, we achieved a zero-incident rate concerning accidents with workdays lost and a zero-incident rate concerning accidents without workdays lost, both falling below the level for JCIA members. However, at domestic Group companies not covered by the aggregation, there were three accidents without workdays lost. We will continue to promote the prevention of work-related injuries as we aim for zero accidents.

*1 A scale for indicating the severity of work-related injuries calculated using the formula [workdays lost/total work hours (per 1,000 hours)]
*2 Record of No. of days and work hours without an accident with workdays lost.
*3 A scale for indicating the frequency of accidents without workdays lost, calculated using the formula {number of accidents without workdays lost (persons)/total working hours (in millions of hours)} (including accidents without workdays lost while commuting).

**Record of Zero Occupational Accidents** (as of March 31, 2021)

| Site | | Total No. of Days | Total Hours (1,000 hours) |
|---|---|---|---|
| Nihon Nohyaku | Research Center | 3,774 | 3,024 |
| | Osaka Office | 1,705 | 540 |
| Nichino Service | Fukushima Plant | 2,620 | 1,846 |
| | Kashima Plant | 2,844 | 1,012 |
| | Saga Plant | 756 | 331 |

## 2 Process Safety & Disaster Prevention

### 1) Ready for Disaster

Nihon Nohyaku engages in education and training for emergency response. In FY2020, we checked evacuation routes at workplaces and confirmed the development status of a safety confirmation system for emergency situations instead of holding an evacuation training to avoid closed, crowded and close-contact settings as a precaution against COVID-19.

### 2) Safety Management of Facilities

We conducted planned risk assessments and mandated inspections for facilities and equipment. We monitor waste water based on voluntarily managed standards and work to prevent accidents. In FY2020, we had no serious facility accidents or leaks of agrochemicals, etc.

### 3) Training for Emergency

Topics are introduced below.

#### Nihon Nohyaku

We canceled our regular evacuation training as a precaution against COVID-19. At the Head Office, branches and sales offices, we checked the emergency evacuation routes.

At the Research Center, we conduct large-scale disaster prevention training each year, in preparation for an emergency situation. In FY2020, to minimize the risk of COVID-19, we conducted evacuation, fire extinguisher and emergency call training that did not involve crowded places.

At the Osaka Office, we conducted leak response training on account of the site's role as a logistics center, in addition to disaster prevention training.

Large-scale disaster prevention training (Research Center: November 2020)

## Nichino Service

At each site, we conducted firefighting training and emergency situation training to address potential raw material or product leaks caused by natural disaster or unexpected accidents, as well as safety lectures and other activities for Nichino Service Safety Day. In addition, we continued the Kiken Yochi (risk prediction) activities to improve sensitivity to risks.

Firefighting and evacuation training (Fukushima Plant: October 2020)

Firefighting training (Kashima Plant: May 2020)

Water discharge training (Saga Plant: August 2020)

## Nichino Ryokka, Nihon Ecotech, and AgriMart

We conducted education and other programs related to emergency response similar to those conducted at the branches and sales offices of Nihon Nohyaku.

### 4) Other Topics

The Research Center conducts educational activities for all employees, to mark “4-4 Feel Safety Day”, an annual event held on April 4 every year, based on lessons learned from the incident due to an equipment malfunction within the radiation management zone that occurred in 2002. Following-on from the previous year, the General Manager held a seminar, refreshing our memory of the incident and calling for attention to accidents.



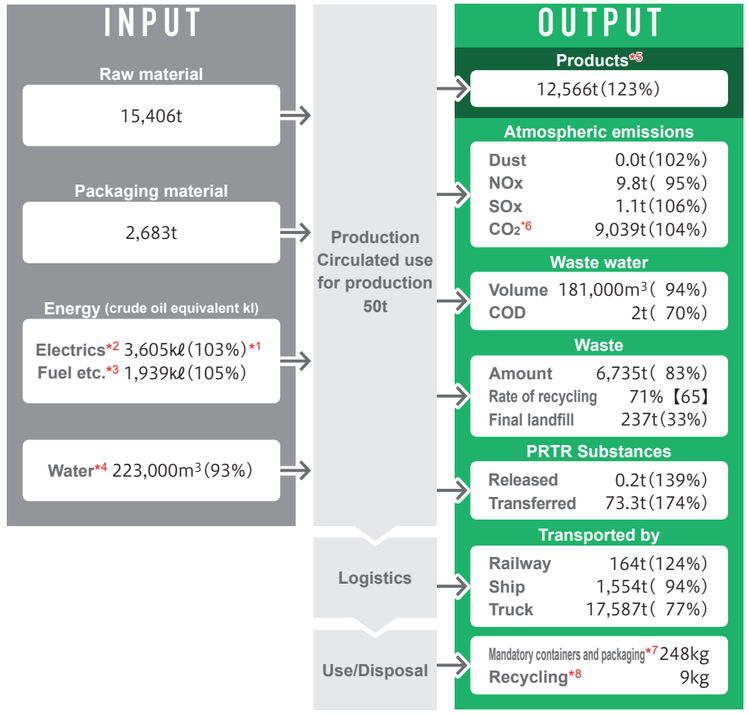


# Environmental Preservation

## 1 Flow of Resources and Energy Input to Product Output and Environmental Load

The following shows the amounts of raw materials, energy and water used in our business activities, along with the matters discharged in the process of production / products consumption and disposal.

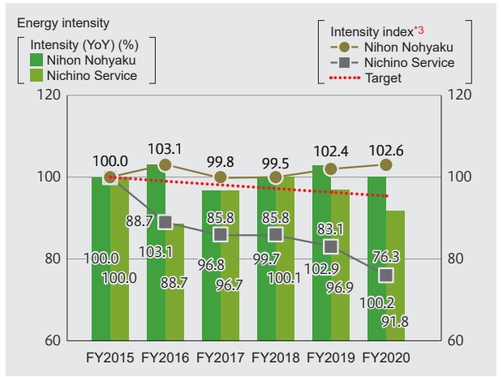
*1 The round brackets indicate comparisons with the previous year. The square brackets indicate the percentage for the previous year.
*2 Purchased electricity calculated as crude oil equivalent.
*3 Amount of heavy oil, light oil, kerosene, gasoline, city gas, LP gas, and purchased steam are expressed in crude oil equivalent.
*4 Total sum of tap water, well water, and industrial water for Research Center, Osaka Office, and Nichino Service Plants.
*5 Product amount = (active ingredient production amount) + (formulation production amount) - (active ingredient amount used for formulation production)
*6 Used emission factors were referred to in the Act on Promotion of Global Warming Countermeasures.
*7 Containers and packaging amount of agrochemical products for home and garden use sold during the 2020 fiscal year (Aggregation period: October 2019 – March 2020).
*8 Amount consigned to the Japan Containers and Packaging Recycling Association (Aggregation period: October 2019 – March 2020).




## 2 Environmental Impact

### 1) Efficiency of Energy Consumption

As specified business operators defined in the Energy Conservation Act*1, Nihon Nohyaku and Nichino Service are promoting energy conservation with the goal of lowering our energy intensity compared to the previous fiscal year and by 1% or more on average in the past five years. Nichino Service has steadily reduced its energy intensity index, despite fluctuations between fiscal years. Nihon Nohyaku failed to reach the target but Nichino Service achieved the target, with the past five-year average reduction rate of 0.1% and 3.7% respectively. Nichino Service was officially recognized for excellence in energy conservation (S Class) under the Business Classification System of the Energy Conservation Act*2 for the fifth consecutive year. We also set standards according to the business forms, and continued to examine and evaluate efficiency of energy consumption at other domestic Group companies as part of efforts to optimize energy consumption.

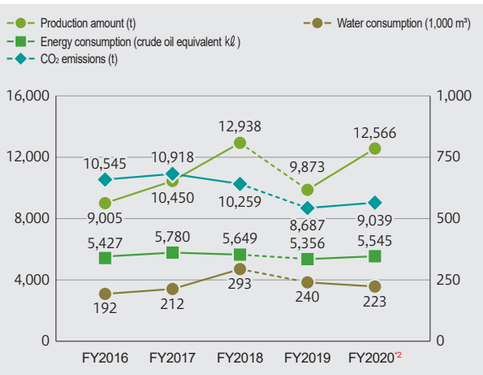



*1 Abbreviation for the “Act on the Rational Use, etc. of Energy”
*2 A system under which business operators are officially recognized for excellence in energy conservation (S Class) if they meet the nonbinding targets defined by the Japanese Government (annual reduction of 1% or more on average) or the benchmark targets (e.g., the figure of energy consumption in the manufacture of iron and steel with blast furnaces, divided by the amount of crude steel should be 0.531 kℓ/t or lower for the iron industry, with blast furnaces) in the past five-year average of the year-on-year changes in the efficiency of energy consumption to be reported on a periodic basis to the government. The operators are categorized into four ranks: S, A, B and C.
*3 Index for each fiscal year when the efficiency of energy intensity for FY2015 is set as 100.

## 2) Energy Consumption, $CO_2$ Emissions, and Water Consumption

Due to an increase in the production amount, energy consumption (crude oil equivalent) increased by 3.5% from the previous year, and $CO_2$ emissions*1 increased by 4.1%. Water consumption decreased by 7.1% from the previous year due to increased efficiency in production.

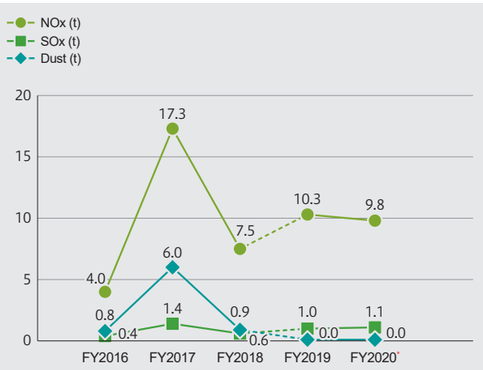
*1 The $CO_2$ emissions are calculated using the latest emission coefficient and the following formula. $CO_2$ emissions (t) = Σ{consumption volume by type of fuel x energy conversion coefficient by type of fuel (fixed) x $CO_2$ emission coefficient by type of fuel (fixed)} + Σ{power consumption volume by power company x $CO_2$ emission coefficient by power company (variable)}
*2 Aggregation period: From October of the previous year to September of the current year for FY 2018 and earlier, and from April of the current year to March of the following year for FY2019 onward




## 3) Emission to Atmosphere

Nitrogen oxides (NOx) emissions derived from exhaust gasses from boilers, etc. decreased by 5.2% from the previous year due to the optimization of operating conditions of boilers. Sulfur oxides (SOx) and dust emissions were both at relatively low levels, despite slight increases due to an increase in the production amount at Nichino Service. Exhaust gases are appropriately managed to comply with the exhaust level standard and other standards.

* Aggregation period: From October of the previous year to September of the current year for FY 2018 and earlier, and from April of the current year to March of the following year for FY2019 onward




## 4) Waste

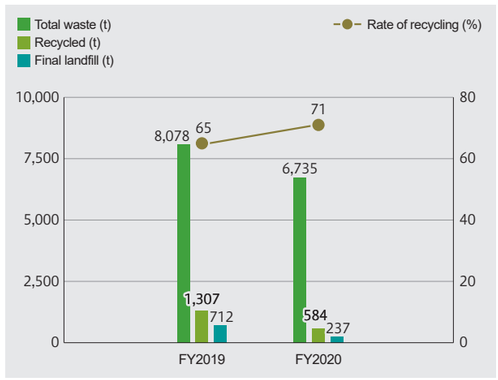
### (1) Amount of waste

The amount of waste decreased by 17% from the previous year, due to a significant decrease in the disposal of excavated soil derived from redevelopment works at the Osaka Office.

### (2) Reduction of final landfill

All plants separate waste and work to reduce final landfill by practicing the 3R (reduce, reuse, and recycle of waste) system. In FY2020, the final landfill amount decreased due to changes in the types of waste, although the disposal of defective products increased. The rate of recycling* increased from the previous year due to the decrease in the final landfill amount. The Nichino Service Saga Plant and Kashima Plant achieved zero emissions, with the final landfill amount accounting for less than 1% of the total waste.

* Rate of recycling = recycled amount / (recycled amount + final landfill amount)




### (3) Survey and inspection of waste disposal contractors

We outsource waste disposal to contractors capable of properly treating waste, inspect statutory manifests, and continue on-site surveys and inspections of the final landfill sites.

### (4) Waste containing polychlorinated biphenyls (PCBs)

We store highly concentrated PCB wastes and waste containing minimum amounts of PCBs*1, under strict leakage prevention system and dispose systematically in accordance with the PCBs Special Measures Act*2. Disposal of the waste containing PCBs stored at the Research Center, Osaka Office and Nichino Service Saga Plant has been completed.

*1 Refers to electrical device waste products that unintentionally contain minimum amounts of PCBs, manufactured after the termination of PCBs manufacturing.
*2 Abbreviation for the "Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes"

## 5) PRTR Law*1 Applicable Hazardous Substance Released and Transferred Amount*2

(Aggregation period: April 2020 – March 2021)

Both the released amount*3 (up 39.5% YoY) and the transferred amount*4 (up 74.1% YoY) increased from the previous year, due primarily to changes in the handled and produced items and transfers as waste.

*1 PRTR is an abbreviation of Pollutant Release and Transfer Register, defined under the Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances into the Environment and Promotion of Improvements to the Management Thereof.
*2 Scope of calculation includes Nihon Ecotech Fukushima and Osaka Analytical Technology Center.
*3 Release to atmosphere, public waters, soil, and landfill.
*4 The amount of substances including those transferred to sewer works and for which disposal was consigned to a waste disposal contractor (excluding the amount shipped as commercial products).
*5 Agrochemical active ingredient. *6 Agrochemical inert ingredient.

**Released and transferred amount: Top 10 substances by amount**

| Amount of emissions | | | |
|---|---|---|---|
| Rank | | Substance name | (kg) |
| Current Y | Previous Y | | |
| 1 | 1 | *n* - Hexane | 84.0 |
| 2 | — | Sodium poly(oxyethylene) dodecyl ether sulfate | 23.0 |
| 3 | 2 | Triethylamine | 22.0 |
| 4 | 3 | Xylene | 17.8 |
| 5 | 6 | Buprofezin*5 | 17.0 |
| 6 | 5 | Ethylbenzene | 13.7 |
| 7 | 4 | 1,2-Dichloroethane | 11.0 |
| 8 | 9 | Flutolanil*5 | 8.4 |
| 9 | — | Acetonitrile | 6.0 |
| 10 | 7 | Isoprothiolane*5 | 4.5 |
| | | Other | 19.7 |
| | | Total | 227.1 |

| Transferred amount | | | |
|---|---|---|---|
| Rank | | Substance name | (t) |
| Current Y | Previous Y | | |
| 1 | 2 | Xylene | 35.8 |
| 2 | 1 | Chlorobenzene | 21.1 |
| 3 | 4 | Ethylbenzene | 4.3 |
| 4 | 3 | *n* - Hexane | 3.7 |
| 5 | 6 | Carbaryl*5 | 1.2 |
| 6 | — | Acetonitrile | 1.1 |
| 7 | — | Zinc compounds (water-soluble)*6 | 1.1 |
| 8 | 9 | Poly(oxyethylene) alkyl ether*6 | 0.6 |
| 9 | 5 | Oxine-copper*5 | 0.4 |
| 10 | 8 | Phenmedipham*5 | 0.4 |
| | | Other | 3.6 |
| | | Total | 73.3 |

# 3 Investments and Costs Related to Environmental Preservation

Total investments and expenses*1 related to environmental preservation both decreased from the previous year. Of the expenses, 72% were related to environmental preservation spending within R&D.

Environmental preservation is one of the important social responsibilities of a corporation, and we will continue to allocate appropriate expenditures for investments and expenses.

**Environmental Preservation Costs (Unit: million yen)*2**

| Classification | | Details of major initiatives | Investments | Expenses |
|---|---|---|---|---|
| 1. Costs within business area | (1) Pollution prevention | Prevention of air pollution, water pollutant, bad odor | 32 (−4) | 82 (−19) |
| | (2) Global environmental preservation | Prevent global warming by energy conservation | 2 (−4) | 7 (−10) |
| | (3) Resource recycling | Industrial waste, general waste disposal | 20 (+1) | 136 (−200) |
| 2. Upstream/Downstream | | Cost of switching to environmental preservation type raw materials | 1 | 5 (+1) |
| 3. Management activity | | Research Center, office neighborhood greenification, environmental load monitoring | 0 | 3 (+3) |
| 4. R&D costs | | R&D for products contributing to environmental preservation | 39 (−16) | 595 (+81) |
| 5. Social activity costs | | Donations/support for organizations involved in environmental preservation | 0 | 1 |
| 6. Environment damage recovery costs | | Pollutant collection costs | 0 | 0 |
| Total | | | 92 (−24) | 828 (−144) |

*1 Expense amounts: Maintenance and management expenses for facilities used for environmental measures as well as personnel and other expenses related to other environmental measures (including depreciation).
*2 ( ) indicates change from previous fiscal year, no figures indicated if unchanged.

# 4 Green Purchasing and Green Procurement

Nihon Nohyaku is enrolled in the Green Purchasing Network, through which we proactively promote green purchasing in tandem with our domestic Group companies. The green purchasing rate for our entire Group is 99.9%, surpassing our goal (95% or higher). We will continuously promote the purchase of goods and items taking into consideration not only quality and prices, but also environmental friendliness.

The green procurement rate was 96.7%, largely unchanged from the previous year. We will continue to improve our green procurement rate.

### The Nichino Group green procurement standards

Each green supplier of chemical materials should satisfy the condition A) and, in addition, satisfy at least one of conditions B1) to B3).

**A) Providing SDS (Safety Data Sheet) or equivalent GHS-related information.**
**B1) Actively promoting environmental preservation*1.**
**B2) Suppling products with less environmental impact and without highly hazardous substances*2.**
**B3) Not using any highly hazardous substances during processing and manufacturing*2.**

*1 Activity examples: acquired environment management system certification, involved in Responsible Care activities, participating in national environmental preservation activities (Fun to Share, etc.), issuing environmental reports, acquired environmental ranking
*2 Hazardous substance examples: POPs, PRTR substances (excluding agrochemical active ingredients), substances subject to major regulations in other countries (e.g. SVHC in the EU), chemical substances not allowed in foods, etc.

# 5 Efforts towards Creating a Low-Carbon Society

## 1) Supplying Renewable Energy

We installed solar power generators in Nichino Service Saga Plant. All power generated by the facility (1,697 MWh) is sold to power companies, which contributes to $CO_2$ emission reductions for the whole of Japan, by reducing the emission coefficient of the power company.

Solar power generators (Nichino Service Saga Plant)

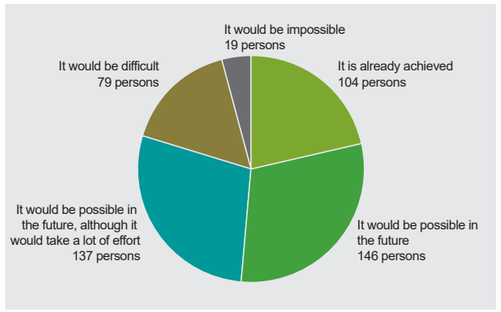
## 2) Activities Related to Climate Change Campaign “Fun to Share”

The Nichino Group companies registered their activity declarations with “Fun to Share” promoted by the Ministry of the Environment, on a plant basis, using “Locavore (local consumption of local products)” as the common word in the declarations. By sharing the latest wisdom on measures to address global warming with each plant, employees, and their families, we will continue to raise awareness of such measures to encourage small actions at home. In addition, the Environment Safety Department issues “Environment Safety News” to share information with all employees. The newsletter features recent information related to environmental safety.

### Activities at home

As part of Fun to Share, we focus on one pot dish (nabe) cuisine, which contributes to consumption of agricultural and marine produce with a high rate of domestic self-sufficiency, and continue to hold a contest in winter to see who makes one pot dishes most often. While we shortened the contest period this year due to the COVID-19 pandemic and the number of participants decreased from the previous years, the contest still saw 314 participants which account for approximately a half of our employees. They cooked one pot dishes 6.4 times on average, and the winner did 35 times. The Group also conducted a survey in June 2021, the Environment Month, to create an occasion for each employee to think about environmental preservation. To achieve the government’s 2030 $CO_2$ emissions reduction target, each person needs to reduce 300 kg of $CO_2$ at home.

Presenting examples of energy saving activities at home that lead to $CO_2$ reduction, the questionnaire survey asked whether it would be possible to achieve the 300 kg reduction through the activities in the examples. The respondents were asked to select their answers based on the actions they already take and would be able to take in the future, and approximately 80% of them said that it would be possible. This indicates an increased awareness of the activities (see figure below).





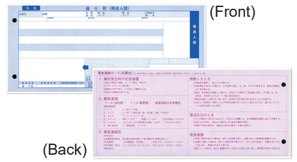



# Logistics Safety, Product Stewardship (Chemical Materials & Product Safety)

# 1 Logistics Safety

## 1) Safety Management During Transport

To prepare for the event of an accident during the transport of poisonous materials or hazardous materials/designated flammable substances stipulated by the Fire Service Act, we ask drivers to carry Yellow Cards, which include a concise indication of emergency contact information, handling methods, and precautions for emergencies. To account for the difficulty in using Yellow Cards for mixed shipments or for small-lot shipments after reloading cargo at relay points, we use Container Yellow Cards, which show the guideline number and UN number on the outside of the container to indicate emergency response measures. These are both measures recommended by the JCIA. We created White Cards in FY2010 and have been using them to indicate similar information as Yellow Cards on the back of invoices for products for which carrying a Yellow Card is not required, thereby striving to promote logistics safety.

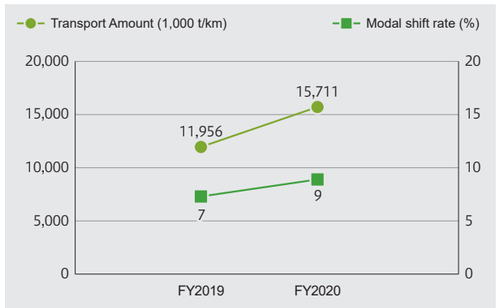


(Front)
(Back)
Our original invoice with the White Card

## 2) Promotion of Modal Shift

The transported amount of products and intermediate agents increased from the previous year, due to higher production amounts. $CO_2$ emissions related to logistics were 2,686 t (up 32% YoY). As a result of modal shift initiatives to convert the method of transport mainly between Nichino Service plants from trucking to railway or marine freight to reduce $CO_2$ emissions, our modal shift rate* in FY2020 was 9%, up 2 percentage points from the previous year. We will continue to focus on efficient transport that emphasizes this modal shift.

* Modal shift rate (ratio of railway freight and marine transport) = (railway freight and marine transport amount) / (total transport amount) x 100




## 3) White Logistics

Nihon Nohyaku has endorsed the White Logistics Movement, an initiative put forward by Japan’s Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Ministry of Economy, Trade and Industry (METI) and Ministry of Agriculture, Forestry and Fisheries (MAFF), and submitted our Declaration of Voluntary Action.

### Aim of the White Logistics Movement

**<Initiatives>**
Recognize that ensuring sustained and steady logistics necessary for the business activities of participating companies is an industry issue, and support to advance initiatives for continuous improvement of logistics at participating companies under the mutual understanding and cooperation of affiliated parties such as business partners and logistics operators to achieve highly productive logistics and workstyle reforms.

**<Take account of compliance with laws and regulations>**
Conduct a necessary awareness campaign so that participating companies and their logistic operating business partners comply with labor-related laws and regulations and motor truck transportation business related laws and regulations such as by appropriately responding to revisions of contract details and transportation details in the event of concerns about violation of laws and regulations violation.

**<Clarify and comply with contract details>**
Call upon participating companies for the clarification of contract details for transport and non-transportation services such as cargo handling and inspections, and strive for compliance thereof by obtaining the cooperation of affiliates such as business partners and logistics operators.

**Nihon Nohyaku’s Declaration of Voluntary Action for White Logistics***

| No. | Classification number | Initiative item | Initiative details |
|---|---|---|---|
| 1 | A ① | Cooperate with proposals to improve logistics | Sincerely respond through discussion if there are requests from logistics operators such as reducing waiting times and loading and unloading of cargo undertaken manually by drivers or the rationalization of ancillary work, and proactively make proposals. |
| 2 | A ③ | Use pallets, etc. | Expand use of pallets, etc. to reduce cargo handling time |
| 3 | A ⑩ | Extend lead times | Negotiate with recipients in an effort to extend lead times |
| 4 | A ⑪ | Use expressways | Sincerely negotiate with logistics operators if there are inquiries about the use of expressways and the burden of tolls |
| 5 | A ⑭ | Make a modal shift towards sea and rail | Promote a modal shift, secure new transportation methods as well as making an effort to reduce the environmental impact such as reducing carbon dioxide emissions |
| 6 | B ① | Promote documentation of transport contracts | Promote documentation of transport contracts |
| 7 | D ② | Cancel or suspend operations when there is abnormal weather, etc. | Do not request unreasonable transport in the event that there is or anticipated to be abnormal weather such as typhoons, torrential rain or heavy snowfalls, etc. In addition, in the event that logistics operators decided it necessary to cancel or suspend operations, respect such decision. |

* https://white-logistics-movement.jp/wp-content/themes/white-logistics/docs/declarations/01646.pdf

## 2 Product Development Considering Environment / Safety and Animal Welfare

Agrochemicals are used to protect agricultural products from pest infestations and weeds for the stable production of food supply. Agrochemicals today must not only be effective against pest infestations and weeds, but at the same time must give due consideration to the safety of agrochemical users and end consumers of crops, as well as the impact on the natural environment surrounding farmlands. We not only respond to domestic and overseas laws and regulations, but are developing agrochemicals more aligned with the perspectives of the environment, safety and health utilizing the latest scientific knowledge. In addition, our acceleration of safety research and more efficient development helps us to provide even better products quickly.

In the research stage, we conduct multifaceted safety research from the initial stages while confirming the safety of researchers and the environment. We establish internal regulations for the required testing and also conduct autonomous audits of the process (small-scale field-test audits, etc.) as we continue our efforts toward “Responsible Consumption and Production,” one of the SDGs. In addition, through research utilizing cultured cells and computer modelling, we have consistently strived to find ways to acquire accurate data while reducing conventional testing on animals, which contributes to the promotion of animal welfare.

Researcher working in the greenhouse of the Research Center

## 3 Management of Safety Information on Raw Materials and Products

### 1) Management of Safety Data Sheet (SDS) for Globalization

We have issued the SDSs for approximately 600 items and provided them both inside and outside Nihon Nohyaku with the goal of ensuring the safe handling of our agrochemical products, samples for testing and research purposes and other chemical products, and preventing work-related injuries and other accidents. Also, we are developing a system that allows relevant departments at the Research Center and Nichino Service to browse and utilize the SDSs for all raw materials and products and other information via our internal LAN.

Overseas, there is a need to respond to GHS in laws and regulations related to chemical substances in countries such as EU, South Korea, China and the USA. We will globally cover each country’s regulation and we continue to cooperate with our Group company Nichino Europe Co., Ltd. to revise the SDSs for the EU into REACH[*1]-compliant SDSs based on the latest CLP regulations[*2]. In FY2020, we proceeded with preparations for the full operation of an automated SDS preparing system to refine and streamline operations to prepare and revise SDSs, and commenced responding to the preparation of SDSs of samples for domestic trials.

*1 Registration, Evaluation, Authorization, and Restriction of Chemicals: A comprehensive system for registration, evaluation, approval and restriction of chemical substances in Europe.

*2 Regulation on Classification, Labelling and Packaging of substances and mixtures. (The EU Regulation that stipulates methods of classification, labelling and packaging of chemical products. Classification methods based on GHS have been adopted.) There is a need for product labels, SDSs, etc., for chemical substances distributed within the EU, to conform to the CLP regulations.

#### What is GHS

An abbreviation for Globally Harmonized System of Classification and Labelling of Chemicals, which was recommended by the United Nations in 2003. The outline is as follows:

1. **Classifying the hazards of chemical substances and their mixtures in accordance with a methods and definitions that are globally common.**
2. **The hazards are displayed on product labels and SDSs using standardized hazard symbols / signal words, etc.**
3. **Making the hazards of chemicals easy to understand by the global standardization of these classifications and labeling.**

### 2) Agrochemical/Chemical Substance Quality Management

We work to ensure product quality and safety in every stage of our business activities, from R&D to production, sales, logistics, use, and final consumption as well as disposal and recycling.

Our Production Division and Nichino Service work together in conducting detailed evaluations of product quality, while striving to maintain and improve product quality. In addition, we adapt the management methods of GMP (production management and quality control standards for pharmaceuticals) for quality enhancement in our production of active ingredients.

We conduct risk management for product liability (PL) to prevent issues. We use the internal visualization of response status for complaints received in relation to our products to promote rapid and accurate response.

## 4 Eliminating NPE and Reducing PRTR Substances

Poly (oxyethylene) nonylphenyl ether (NPE) is categorized as an endocrine disrupting substance that degrades into the environment, and we have eliminated NPE as an inert ingredient in new products and are progressing with the elimination of NPE from existing products. We also are working to reduce the use of PRTR substances during new product development.

## 5 Activities to Address Poisoning and Environmental Accidents

We provide the Japan Poison Information Center (JPIC) with SDSs and product labels that would be useful in responding to inquiries from medical institutions in the unlikely event of a poisoning accident related to our products. We participate in an agrochemical poisoning consortium comprised of volunteers from the agrochemicals industry, in order to obtain timely details from JPIC on poisoning accidents involving our products, provide information promptly and respond appropriately to official reporting requirements under the Consumer Product Safety Act. During FY2020, there were 15 inquiries concerning accidents relating to Nihon Nohyaku’s products made to the JPIC. We also received eight direct inquiries in relation to risk and hazard information and promptly provide various types of information, which helps improve product safety. During FY2020, we had no environmental accidents relating to Nihon Nohyaku’s products and no poisoning accidents requiring official reporting under the Consumer Product Safety Act.

# Communication with Society

# 1 Disseminating Information to Society

We conduct the following with the goal of constantly providing beneficial and accurate information. We are happy to hear your opinions or requests, through our contact point.

## 1) Customer Consultation Service

We have established consultation desks based on product fields. Regarding domestic agrochemical products, we welcome inquiries from customers via telephone or via the inquiry form on our website. It is also important for us to hear general questions and inquiries from consumers regarding agrochemicals. By providing relevant information, we hope to increase understanding of our agrochemicals.

### Consultation Desk

**Domestic Agrochemical Products**
**TEL. +81-3-6361-1414**
**(Customer Service Center)**

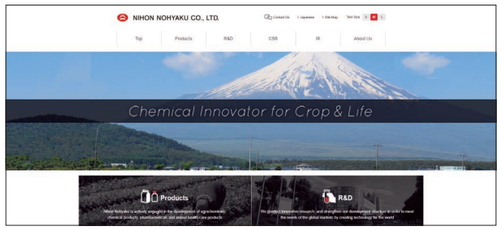
**Pharmaceuticals, Animal Health Care Products**
**TEL. +81-3-6361-1418**
**(Pharmaceuticals Dept.)**

**Termiticide, Agrochemicals for Turf and Garden**
**TEL. +81-3-5159-1711**
**(AgriMart Corporation)**

(Weekdays, 9:00 am - 5:00 pm)

## 2) Disclosure of Business Information

To promote a deeper understanding of our business activities by our stakeholders, we work to provide timely and appropriate information disclosure and to enhance the content of information disclosed. In addition, we provide a chatbot service “LeiMe’s Agrochemicals Chat Room,” and a cartoon character called LeiMe provides easy to understand explanations of matters such as product information and the safety of agrochemicals on our website. We will also enhance the content in future.



Website: https://www.nichino.co.jp/en/index.html (top page)

## 3) Distributing information about local promotion and sales activities (Our website contents “Nichino Field Report”)

We conduct promotion and sales activities of products that meet the needs of regional customers through measures such as trials at local cultivated fields. Since the target of pest control and timing differs according to the area and cropping type even with the same crops and pesticide, the confirmation of the pervasiveness in the local area through such activities is also important for solving the customers’ issue of pest control. Our website contents “Nichino Field Report” present images of such trials in each area as well as comments from customers, etc.

The contents of our website are available from the following two-dimensional barcode or the URL.

**https://www.nichino.co.jp/products/asunoshinsyu.html**
(Japanese page only)




Trials at the local field sites

# 2 Relationship with Society

## 1) Community Service

### Relationship with the Local Community

Many festivals and meetings held by neighborhood communities in the locations of our offices were suspended in FY2020 due to COVID-19. We participate in meetings held by regional councils, etc. that use email, etc.

Virtually all office tours were cancelled in FY2020 due to COVID-19 and we plan to recommence based on the state of infections.

### Cooperation with the neighboring irrigation association in the canal cleaning

Once a year we cooperate with the irrigation association, which supports our field trials, in the cleaning of the canal near the Research Center. Volunteers from the Research Center and the Nichino Service Kawachinagano Center prepare masks, gloves, rubber boots, hoes and other tools, and clear the long water canal from the reservoir to the farmlands, raking out the dirt and mud and clearing the tangle of weeds while maintaining social distance in response to COVID-19. The work brings back the clean canal, and we enter the field trial season in good mood.


Canal Cleaning (Research Center; May 2020)

## 2) Contribution to Society

### Free Provision of Lawn (Nichino Ryokka)

We want children and the elderly to be in touch with nature in places such as schools, kindergartens and senior citizens’ homes. With that idea in mind, Nichino Ryokka is providing the lawn we carry to some people free of charge. While there are limitations on the numbers and conditions, please feel free to contact us if you are interested. We hope to be of some assistance as a company that creates and maintains green spaces.

**[Inquiries] Nichino Ryokka Co., Ltd.**
**TEL. +81-3-3808-2281**
**FAX. +81-3-3808-2360**
**Our website**
**http://www.nichino-ryokka.co.jp/**

### Nichino Scholarship Fund and workshops

In FY2008, we started the Nichino Scholarship Fund, commemorating the 80th anniversary of our founding. This year marks the 14th year of the fund. Each year, we provide scholarship funds to students from 9 agricultural colleges around Japan to support the agricultural careers of more than 200 students. We were unable to hold agrochemical workshops for scholarship students in 2020 due to COVID-19, but we distributed related documents to students and deepened their understanding of agrochemicals. We hope this system will aid in the development of successors to the future of Japan’s agriculture.

### Cooperating with blood donations

The Research Center, Nichino Service Fukushima and the Saga Plants cooperate with Japan Red Cross blood drives. Blood donation trucks also visited these sites in FY2020, with participation by many employees who found time during work to donate blood.

### Broadcasting radio commercials

In FY2020, we supported the Nippon Broadcasting System, Inc.’s special campaign for SDGs awareness and broadcast radio commercials for a limited period to let as many people as possible know about the agrochemicals contribution to “Zero Hunger,” one of the SDGs. We also convened “SDGs inhouse workshops,” providing an opportunity for officers and employees to learn about the fundamentals of SDGs.

The Group committed to contributing to a sustainable society by expanding products and services that contribute to the SDGs, such as products with low environmental impact and labor-savings technology in the Group Vision “Nichino Group - Growing Global.” We will continue to engage in various activities that contribute to SDGs.

# Information of Each Facility

Number of employees for Research Center and each plant includes non-full-time employees.

## Research Center

**General Manager:** Tetsuyoshi Nishimatsu

**Address:**
345, Oyamada-cho, Kawachinagano-shi, Osaka

**Number of employees:** 178

**Land area:** approx. 71,000 m²

**Floor surface area:** approx. 16,000 m²

**Research Center environmental data**

| Items | Content (unit) | | FY2019 | FY2020 |
|---|---|---|---|---|
| Energy | Crude oil equivalent (kℓ) | | 1,965.1 | 2,010.4 |
| | Water | (1,000m³) | 30.6 | 30.0 |
| Atmospheric emissions | SOx | (t) | 0.0 | 0.0 |
| | NOx | (t) | 0.7 | 1.1 |
| | Dust | (t) | 0.0 | 0.0 |
| | $CO_2$ | (t) | 3,053.4 | 3,050.8 |
| Waste | Amount | (t) | 200.0 | 211.7 |
| | Final landfill | (t) | 85.5 | 94.9 |
| Waste water | Volume | (1,000m³) | 18.0 | 17.3 |
| | COD | (t) | 0.0 | 0.0 |

## Osaka Office

**General Manager:** Hirohisa Yano

**Address:** 2-30, Tsukuda 5-Chome, Nishiyodogawa-ku, Osaka

**Number of employees:**
15 (including members of the departments of Nihon Nohyaku and Nichino Service stationed at the office)

**Land area:** approx. 15,000 m²

**Floor surface area:** approx. 3,600 m²

**Osaka Office environmental data*1**

| Items | Content (unit) | | FY2019 | FY2020 |
|---|---|---|---|---|
| Energy | Crude oil equivalent (kℓ) | | 39.6 | 45.1 |
| | Water | (1,000m³) | 1.2 | 0.7 |
| Atmospheric emissions | SOx | (t) | 0.0 | 0.0 |
| | NOx | (t) | 0.0 | 0.0 |
| | Dust | (t) | 0.0 | 0.0 |
| | $CO_2$ | (t) | 59.8 | 49.4 |
| Waste | Amount | (t) | 2,482.3 | 75.5 |
| | Final landfill | (t) | 525.2 | 3.0 |
| Waste water*2 | Volume | (1,000m³) | 0.0 | 0.0 |
| | COD | (t) | 0.0 | 0.0 |

*1 Includes volume used by the departments of Nihon Nohyaku and Nichino Service stationed at the office.
*2 Waste water are all treated as industrial waste at the Osaka Office.

## Nichino Service Co., Ltd. Kashima Plant

**General Manager:** Shigeyuki Sakao

**Address:** 19, Sunayama, Kamisu-shi, Ibaraki

**Number of employees:** 55

**Land area:** approx. 45,000 m²

**Nichino Service Kashima Plant environmental data***

| Items | Content (unit) | | FY2019 | FY2020 |
|---|---|---|---|---|
| Products | Active ingredients / bulk powder (t) | | 1,456.0 | 1,623.8 |
| Energy | Crude oil equivalent (kℓ) | | 1,946.2 | 1,943.5 |
| | Water | (1,000m³) | 190.5 | 183.0 |
| Atmospheric emissions | SOx | (t) | 0.1 | 0.1 |
| | NOx | (t) | 8.6 | 7.4 |
| | Dust | (t) | 0.0 | 0.0 |
| | $CO_2$ | (t) | 3,118.7 | 3,159.9 |
| Waste | Amount | (t) | 4,928.3 | 5,668.1 |
| | Final landfill | (t) | 5.5 | 4.5 |
| Waste water | Volume | (1,000m³) | 161.9 | 151.7 |
| | COD | (t) | 3.2 | 2.2 |

* Includes volume used by the departments of Nihon Nohyaku stationed at the plant

## Nichino Service Co., Ltd. Fukushima Plant

**General Manager:** Toshiaki Shimizu
(took office in April 2021)

**Address:** 286, Hiraishitakada 4-Chome, Nihonmatsu-shi, Fukushima

**Number of employees:** 96

**Land area:** approx. 119,000 m²

**Nichino Service Fukushima Plant environmental data**

| Items | Content (unit) | | FY2019 | FY2020 |
|---|---|---|---|---|
| Products | Agrochemicals | (t) | 4,121.0 | 5,566.0 |
| Energy | Crude oil equivalent (kℓ) | | 466.1 | 525.2 |
| | Water | (1,000m³) | 6.8 | 8.2 |
| Atmospheric emissions | SOx | (t) | 0.7 | 0.8 |
| | NOx | (t) | 0.1 | 0.2 |
| | Dust | (t) | 0.0 | 0.0 |
| | $CO_2$ | (t) | 1,008.6 | 1,123.8 |
| Waste | Amount | (t) | 438.5 | 499.3 |
| | Final landfill | (t) | 93.4 | 132.8 |
| Waste water | Volume | (1,000m³) | 6.3 | 6.7 |
| | COD | (t) | 0.0 | 0.0 |

## Nichino Service Co., Ltd. Saga Plant

**General Manager:** Toru Ohuchi

**Address:** 180-1, Aza Nihonsugi, Oaza Tsutsumi, Kamimine-cho, Miyaki-gun, Saga

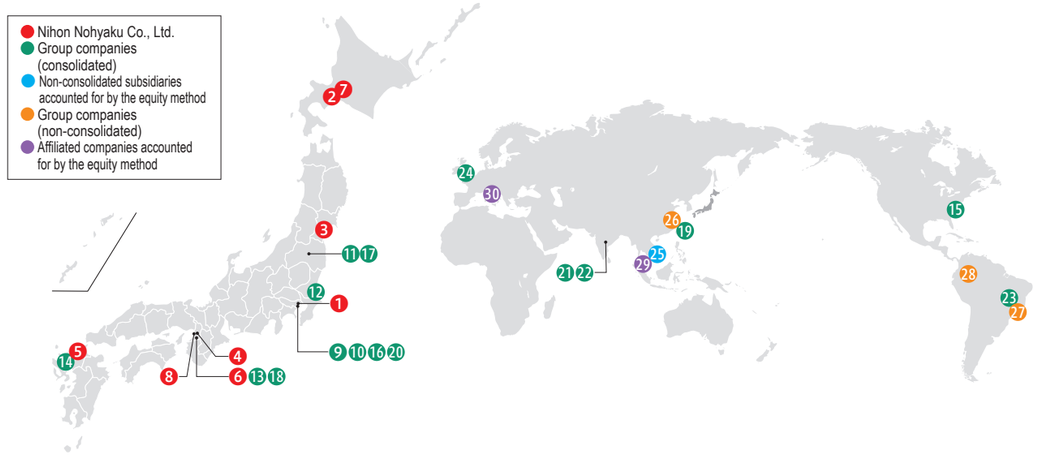
**Number of employees:**
93 (excluding Osaka Delivery Group members)

**Land area:** approx. 84,000 m²

**Nichino Service Saga Plant environmental data**

| Items | Content (unit) | | FY2019 | FY2020 |
|---|---|---|---|---|
| Products | Agrochemicals | (t) | 4,296.0 | 5,376.0 |
| Energy | Crude oil equivalent (kℓ) | | 840.9 | 940.0 |
| | Water | (1,000m³) | 11.2 | 12.9 |
| Atmospheric emissions | SOx | (t) | 0.2 | 0.2 |
| | NOx | (t) | 0.9 | 1.1 |
| | Dust | (t) | 0.0 | 0.0 |
| | $CO_2$ | (t) | 1,276.9 | 1,502.5 |
| Waste | Amount | (t) | 419.8 | 300.0 |
| | Final landfill | (t) | 0.0 | 0.0 |
| Waste water | Volume | (1,000m³) | 5.0 | 4.8 |
| | COD | (t) | 0.0 | 0.0 |

# Company Overview and List of The Nihon Nohyaku Group Companies




## Nihon Nohyaku Co., Ltd.

as of March 31, 2021

| | |
|---|---|
| **Head Office address** | 19-8 Kyobashi 1-Chome, Chuo-ku, Tokyo 104-8386 |
| **Founded** | November 17, 1928 |
| **Capital** | 14,939 million yen |
| **Number of employees (consolidated)** | 1,484 |
| **Main business** | Manufacturing, import, export, and sales of agrochemicals, pharmaceuticals, quasi drugs, veterinary products, wood preservative agents, agricultural materials, and more |

| | |
|---|---|
| **Head office and branches** | ❶ Head office,Tokyo Branch (Chuo-ku, Tokyo)<br>❷ Sapporo Branch (Sapporo-shi, Hokkaido)<br>❸ Sendai Branch (Sendai-shi, Miyagi)<br>❹ Osaka Branch, Tokai-Hokuriku Sales Office (Osaka-shi, Osaka)<br>❺ Fukuoka Branch (Fukuoka-shi, Fukuoka)<br>❽ Osaka Office (Osaka-shi, Osaka) |
| **Research Facilities** | ❻ Research Center (Kawachinagano-shi, Osaka)<br>❼ Naganuma Nursery (Yubari-gun, Hokkaido) |
| **Manufacturing plant (contracted)** | ⑩ Nichino Service Co., Ltd.<br>(⑪ Fukushima Plant / ⑫ Kashima Plant / ⑭ Saga Plant) |

### Consolidated Group Companies

| | | |
|---|---|---|
| ⑨ Nichino Ryokka Co., Ltd. | Sales of chemicals/pesticides for golf courses, home & garden, and greenification, sales of turf and turf-related materials, planning and construction of gardens and amenity areas | Chuo-ku, Tokyo |
| ⑩ Nichino Service Co., Ltd. | Manufacturing and sales of agrochemicals, contracted manufacturing, storage, and transport of agrochemicals, cultivation and management of fields, real estate management | Chuo-ku, Tokyo |
| ⑪ Fukushima Plant | | Nihonmatsu-shi, Fukushima |
| ⑫ Kashima Plant | | Kamisu-shi, Ibaraki |
| ⑬ Kawachinagano Center | | Kawachinagano-shi, Osaka |
| ⑭ Saga Plant | | Miyaki-gun, Saga |
| ⑮ Nichino America, Inc. | Agrochemical sales, promotion, development, and registration in the USA | U.S.A. / Wilmington |
| ⑯ Nihon Ecotech Co., Ltd. | Agrochemical residue analysis, chemical substance safety testing, and related activities | Chuo-ku, Tokyo |
| ⑰ Fukushima Analytical Technology Center | | Nihonmatsu-shi, Fukushima |
| ⑱ Osaka Analytical Technology Center | | Kawachinagano-shi, Osaka |
| ⑲ Taiwan Nihon Nohyaku Co., Ltd. | Agrochemical sales and promotion in Taiwan | Taiwan / Taipei |
| ⑳ AgriMart Corporation | Sales of termite control agents/devices, pest control agents/devices | Chuo-ku, Tokyo |
| ㉑ Nichino India Pvt. Ltd. | Agrochemical sales, manufacturing, development, promotion, import and export in India | India / Hyderabad |
| ㉒ Nichino Chemical India Pvt. Ltd. | Agrochemical sales and manufacturing in India | India / Hyderabad |
| ㉓ Sipcam Nichino Brasil S.A. | Agrochemical sales and manufacturing in Brazil | Brazil / Uberaba |
| ㉔ Nichino Europe Co., Ltd. | Agrochemical sales, promotion, development, and registration in Europe | UK / Cambridge |

### Non-consolidated Subsidiary Accounted for by the Equity Method

| | | |
|---|---|---|
| ㉕ Nichino Vietnam Co., Ltd. | Agrochemical sales, development, promotion, import and export in Vietnam | Vietnam / Ho Chi Minh |

### Non-consolidated Companies

| | | |
|---|---|---|
| ㉖ Nichino Shanghai Co., Ltd. | Agrochemical sales and promotion in China | China / Shanghai |
| ㉗ Nichino do Brasil Agroquímicos Ltda. | Agrochemical development and registration in Brazil | Brazil / Sao Paulo |
| ㉘ Nihon Nohyaku Andica S.A.S. | Agrochemical sales, development, promotion, import and export in the Andes and Central America | Colombia / Bogota |

### Affiliated Companies Accounted for by the Equity Method

| | | |
|---|---|---|
| ㉙ Agricultural Chemicals (Malaysia) Sdn.Bhd. | Agrochemical sales and manufacturing in Malaysia | Malaysia / Penang |
| ㉚ Sipcam Europe S.p.A. | Agrochemical sales and manufacturing in Europe | Italy / Milan |



# Third-Party Verification

This newly issued CSR Report 2021 was verified by Japan Chemical Industry Association (JCIA) in accordance with the mid-term target of the Nichino Group Responsible Care program (FY2020 to FY2024) (August 2021).
The verification took place at Nihon Nohyaku's Head Office and the Nichino Service Fukushima Plant, and included confirmation of the reasonableness of the methods of calculation and aggregation of the performance indicators (numerical values) listed in this report as well as the accuracy of reported information other than the numerical values in the report. JCIA also provided us the advice for improving the level of Nihon Nohyaku Group's CSR and RC activities.

Verification meeting (Head Office ; August 2021)

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

**CSR Report 2021**
**(Nihon Nohyaku CSR Report)**
**Third-Party Verification Opinion**

September 1, 2021

**To Yosuke Tomoi, President and Representative Director**
**Nihon Nohyaku Co., Ltd.**

**■ Objective of Verification**

Responsible Care Report Verification was performed by the Responsible Care Verification Center with respect to the CSR Report 2021 (hereinafter, the "Report") prepared by Nihon Nohyaku Co., Ltd., with the objective of expressing an opinion as a chemical industry specialist on the matters as stated below.

1) Reasonableness of the methods of calculation and aggregation of performance indicators (numerical values), and the accuracy of numerical values
2) Accuracy of reported information other than numerical values
3) Evaluation of Responsible Care (RC) and CSR activities
4) Characteristics of the Report

**■ Verification procedure**

- At Nihon Nohyaku Co., Ltd. Head Office (hereinafter, "Head Office"): The reasonableness and accuracy of methods to aggregate numerical values reported from each site (office, plant, etc.) and the accuracy of reported information other than numerical values were examined. The investigation was conducted by asking responsible parties for each operation and responsible persons for the Report about the details in the Report as well as receiving internal documents and explanations.
- At Nichino Service Co., Ltd. Fukushima Plant (hereinafter, "Fukushima Plant"): The reasonableness of methods to calculate numerical values, and accuracy of the numerical values and information other than numerical values reported to Head Office were investigated. The investigation was conducted by asking questions of the responsible parties for each operation and compilers of the Report, receiving internal documents and explanations, and on-site visits for confirmation.
- Investigation of numerical values and reported information was done by sampling method.

**■ Opinion**

1) Reasonableness of the methods of calculation and aggregation of performance indicators (numerical values), and the accuracy of numerical values
- About the numerical performance values for Head Office and the Fukushima Plant, we confirmed these have been calculated and aggregated accurately with a reasonable method. We hope that the Company will continue to strive for sharing the knowledge of the method of calculation and the basis for adopting the calculation formula, avoiding this being in a black box.

2) Accuracy of reported information other than numerical values
- We confirmed the information contained in the Report to be accurate. Some minor issues related to appropriateness of expression and ease of understanding were identified in the draft stages, but these have been revised in the present Report and no important matters require revision.

3) Evaluation of Responsible Care (RC) and CSR activities
- To put CSR management into practice, the Company has improved its CSR promotion system and implemented specific activities such as the establishment of the CSR Committee in October 2020 and the setting of seven priority CSR issues and KPI. We expect the Group's CSR activities will be further enhanced and become more effective.
- It is noteworthy that as an R&D focused company, the Company, which has numerous agrochemicals in the market, has initiatives to ensure the safety of agrochemicals (studies & researches, registration, SDS issuance, product label confirmation, information dissemination, etc.) and initiatives that include logistics safety for measures such as the issuance of Yellow Cards (YC) and the Company's own White Card (delivery vouchers that list warnings for the handling of the products that do not require YC). This is an area in which mistakes are not allowed and we expect continued initiatives.
- Annual RC action plans have been launched and promoted for each of the six RC codes that are common to offices rolling out RC and the RC audits were based on the action reports. We confirmed initiatives for implementing PDCA.
- At the Fukushima Plant, there are some noteworthy initiatives aimed at revitalizing the workplace. These include the implementation, monitoring and raising awareness of five areas of safety (occupational safety, quality safety, logistics safety, equipment safety and environmental safety), the expansion of campaigns focused on improving hazard prediction in everyday work activities, and the introduction of a system for proposing improvements and rewarding results. We believe these types of initiatives are leading to accident-free environments.
  In addition, we confirmed that there is planned implementation of risk assessment for all substances carried out as an agrochemical production site.

4) Characteristics of the Report
- The Report considers ease of reading and ease of understanding and clearly indicates the corporate stance and initiatives aimed at CSR management.

Satoshi Ozaki

OZAKI Satoshi
Chief Director, Responsible Care Verification Center
Japan Chemical Industry Association

Verification Opinion

# NIHON NOHYAKU CO., LTD.


**Head Office** 19-8, Kyobashi 1-Chome (Kyobashi OM Bldg.),
Chuo-ku, Tokyo 104-8386

**TEL** +81-3-6361-1400

**Website** https://www.nichino.co.jp/en/index.html


GPN Green Purchasing Network

We practice Green Purchasing.

DBJ 環境格付 2019

Nihon Nohyaku received a Development Bank of Japan loan based on the DBJ Environmentally Rated Loan Program, and has been rated as "a company with advanced environmental initiatives".