

Together with Our Employees (Human Rights and Labor Practices)

The Nippon Soda Group's long-term vision—Brilliance through Chemistry 2030, has identified “Enhancement of cost competitiveness and efficiency,” “Expansion of overseas businesses,” and “Promotion of new product development and entry into new businesses” as key issues. In implementing related strategies, our people are one of our most important management resources. We need to transform ourselves into an organization that further promotes innovation while fully utilizing the strengths we have built up over the years. We are committed to promoting diversity, developing human resources, and creating a rewarding workplace that employees can be proud of, with the aim of building an environment and organization that allows each and every one of our diverse employees to maximize his or her abilities, to grasp changes in society's circumstances, and to work with a positive mindset.

Basic Policy

- Respect for the dignity and human rights of all people.
- Understanding the diversity of cultures, customs, and values and having no tolerance for actions that result in discrimination.
- With particular emphasis on promoting diversity and the creation of rewarding workplaces that all employees can be proud of, we proactively review our personnel and operation systems to ensure the constant improvement of these systems.

Respect for Fundamental Human Rights

At the Nippon Soda Group, we support and respect international frameworks related to the protection of human rights—such as the ISO 26000 guidance on social responsibility—and ensure thorough compliance with human rights laws in each country, including those related to the prohibition of child labor and forced labor. We also understand workers' rights to collective bargaining, and through discussions between labor and management we are building trustworthy, healthy cooperative relationships.

Promotion of Diversity

Diversity is one of our primary strategies for maintaining a high level of global competitiveness and sustainable growth. We believe that the creation of such a diverse work environment and organization that allows each and every one of our employees to demonstrate their abilities to the fullest extent, to grasp changes in the environment, and to work with a positive mindset will lead to the creation of new innovation.

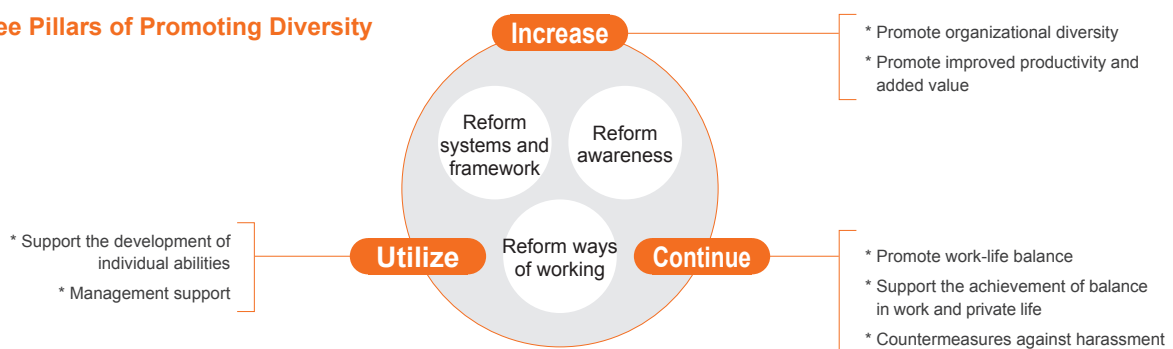
① Diversity policy

The aim of our Diversity Policy is to develop the Company by bringing together diverse people, regardless of gender, age, nationality, race, religion, and presence or absence of disability, while providing opportunities to gather and exchange ideas.

At Nippon Soda, we believe that having a workforce with diverse values is essential for generating new innovations and increasing global competitiveness. In this context, we recognize the promotion of diversity as an important management strategy.

As part of these efforts, we are building a foundation with both tangible and intangible measures, including a shift to a personnel system that makes the most of diverse human resources, improvement of organizational climate, and improvement of the workplace environment. We aim to be a company where motivated and capable people from around the world can thrive and shine, and continuously grow and develop.

Three Pillars of Promoting Diversity



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Major Activities in FY 2022

Utilize Career Development Support Program

Objective

- To increase each individual's motivation to take on challenges and help achieve autonomous career development by respecting their aptitudes and personalities and supporting their growth
- To maximize organizational capacity through the proper assignment of employees according to their growth

Results

- Conducted a presentation on the career development support system (July 2021)
- Career training (June 2021)
- Creation of career vision sheet, supervisor interviews (August–October 2021)
- Promotion of communication between supervisors and subordinates, career interviews (September–October 2021)

Promotion of Women's Active Participation

- At Nippon Soda, in addition to promoting the creation of a workplace in which women can work comfortably, we are also aiming to build a working environment in which they can thrive. The General Employer Action Plan was prepared based on the Act on Promotion of Women's Participation and Advancement in the Workplace. As a result of efforts under the action plan, we were certified as an "Eruboshi" company in August 2018.

Continue

- Continuous publication of articles on diversity in in-house newsletter (November 2016 onwards)
- Provision of harassment prevention training (all year)
- Provision of work-life balance lectures as part of level-specific training programs (all year)
- Development of measures to promote acquisition of paid leave at each worksite
- At Nippon Soda, we work to promote a healthy work-life balance. Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, we formulated an action plan to support a balance between work and childcare, and as a result we acquired the Kurumin certification in October 2020

**Increase**

- Enhanced recruitment (all year)
- Employment information meeting for women, update of the recruitment website, employment of disabled people

Articles on diversity in company newsletters



What Is an Open
Workplace?
Psychological Safety



Communication Tips



Diversity Data



Unconscious Bias
Something We All Have

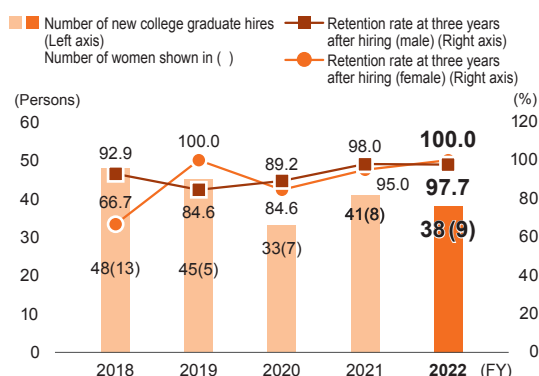
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② Embracing diversity

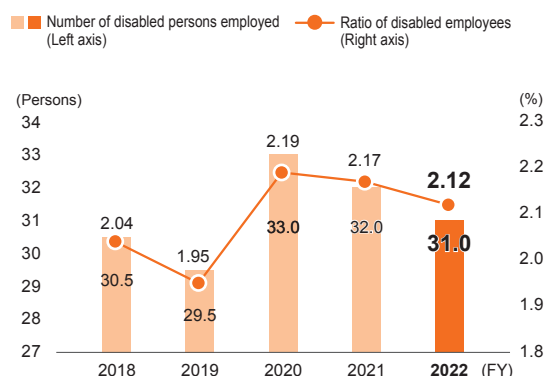
We place emphasis on employing diverse candidates regardless of gender, age, nationality, race, religion, ability or disability, and regardless of whether they are new graduates or mid-career hires, so as to create a more diverse organization. A group consisting of people with different values should give its members the impetus to broaden their outlook and change their viewpoint.

We provide workplace diversity training programs designed for directors and executive officers, as well as other specific positions, with the aim of raising diversity awareness and to help them recognize diverse values and to empower individuals and organizations.

Number of hired persons (by gender) and retention rate



Number of disabled persons employed and ratio of disabled employees



③ Human rights initiatives at workplaces

The Nippon Soda Group Code of Conduct, which sets out the requirements that all employees of the Nippon Soda Group must follow, clearly states our commitment to respecting human rights and nondiscrimination, and declares that we respect the individuality and personal characteristics of every employee and do not take any action that would result in discrimination. To maintain a healthy work environment free from harassment, we provide employees with position-based training on relevant issues. A harassment complaints office is also available.

Employee training

In FY 2022, we offered lectures on harassment prevention as part of the training programs offered to new appointments at all levels.

Complaints desk

At each worksite we have established a harassment consultation desk. Further, in April 2020, we newly established an external consultation desk, the Nisso Harassment and Relationships Hotline, which we set up as a means to enhance reporter privacy.

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Nippon Soda Group's Human Resources Development

In order for Nippon Soda to continue to grow in the future, the development of human resources is essential. The foundation of human resources development is education and training. In addition to on-the-job training (OJT) at the workplace, the Company conducts a variety of programs, including position-based training, management training, specialized training by job type, and support for self-development to improve language skills and obtain qualifications as well as other programs.

Educational programs (position-based training)

Position	Position-based training	Training for line managers	Career development support	Self-development support		
Executives	Executives training			e-Learning	Correspondence Training	Language Training
Managers	Level 3 Training	Department Managers Training				
	Level 2 Training	Section Managers Training				
	Level 1 Training					
Assistant Managers	Assistant Managers Training	Team Managers Training				
Staff Employees			Career Training (Advanced) (At 10 years of employment)			
	Follow-up Training		Career Training (Basic) (At 5 years of employment)			
New Employees	Orientation Training		Tutor Instruction (Specialized work) On-site Practical Training (Administrative work)			

① Career Development Support Program

At Nippon Soda, we believe that a strong desire among each employee for continuous skills development is essential to achieving sustainable growth in this era of rapid change. We have thus created a Career Development Support Program to aid in these efforts. As part of the program, which is mainly for new and mid-career employees, participants are helped to envision where they want to be in five to ten years' time. Employees are then offered support to ensure they efficiently manage their own skills development plan and achieve their targets. Specifically, the program comprises three elements: Career Training, which aims to improve their awareness of career development; a Career Vision Sheet, through which employees can draw and review their ideal image once a year; and a Career Interview, through which employees can communicate their thoughts and clarify their vision. Through this program, not only do we want to help employees develop, we also aim to nurture personnel who can create value for the future of the company.

② Overseas study/training for R&D personnel

We offer overseas research and study programs to enable our personnel to learn about state-of-the-art technologies and to develop a global network. As part of these programs, we dispatch employees to overseas labs engaged in research on organic synthesis, polymer technologies, and molecular biology. By working hard alongside researchers overseas, our own researchers have been able to enhance their own skill levels. We also anticipate the creation of collaborative projects with these labs overseas.

Moreover, we offer overseas training programs to help employees experience what is necessary to drive business in different cultures. Trainees who pass the relevant selection tests spend one year studying the language abroad and engaging in practical training at a related overseas company. Trainees who have taken part in the programs have used the wide-ranging perspectives and career views gained overseas to succeed in their individual departments.

Although overseas study and training programs have currently been suspended due to COVID-19, we plan to implement initiatives to increase opportunities for overseas work experience to develop leaders for the next generation.



A trainee (right) alongside his supervisor (left) supporting an exhibition during his overseas training at Novus International Inc.

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Rewarding Workplaces That Employees Can Be Proud Of

① Improving employee satisfaction

The Nippon Soda Group focuses proactive efforts on creating a work environment in which each and every employee feels a sense of fulfillment and can maximize their abilities. We support employee growth, and encourage independent career development. At the same time, we gather feedback from labor unions and other channels on what systems and work environments are desirable to support employee growth, strive to reduce overtime, and take measures to address these issues. In addition, we also provide platforms for reviews so that those in management can work more efficiently. In these and other ways, we are working to build a better workplace environment.

Number of employees who take childcare and nursing care leave

	Employees taking childcare leave		Employees taking family care leave	
	Men	Women	Men	Women
FY 2017	2	3	1	0
FY 2018	3	4	0	0
FY 2019	5	10	1	0
FY 2020	4	4	0	0
FY 2021	8	6	1	0
FY 2022	9	9	0	0

Number of employees taking maternity and childcare leave and the return to work/retention rate

	Employees taking maternity and childcare leave		Rate of employees returning to work (%)		Retention rate (%)	
	Men	Women	Men	Women	Men	Women
FY 2017	2 (1,138)	3 (152)	100	100	100	100
FY 2018	3 (1,130)	6 (159)	100	75	100	100
FY 2019	5 (1,143)	12 (168)	100	100	100	100
FY 2020	4 (1,143)	4 (170)	75	100	100	100
FY 2021	8 (1,220)	6 (176)	100	100	100	100
FY 2022	9 (1,216)	9 (179)	100	100	100	100

The number of employees who have taken the leave is counted in the period in which they started maternity/postpartum leave and childcare leave.
The numbers in parentheses are the total numbers of men and women, respectively, at the end of each period.
Retention rate is for employees who in that period were in their third year since returning to work.

Total annual working time per employee

Scheduled working hours	Early start and overtime hours	Holiday working hours	Paid annual leave days taken	Other paid leave days taken	Total annual working hours per person
1,818.6	85.7	3.8	14.5	3.5	1,765.3

* Calculation period: FY 2022 (April 2021-March 2022)

② Promoting work-life balance

We are working to create a workplace environment where our employees can continue working despite various lifestyle changes, such as childbirth, raising a child, and providing nursing care for ailing family members. We are revising our work regulations and advancing working style reforms in order to create a workplace where our employees can pursue their work without compromising their health, and achieve a good balance between their work and private lives.

③ Measures to maintain and improve health

Nippon Soda conducts various initiatives related to health maintenance and improvement in order to ensure our employees work with healthy bodies and minds.

Physical health

We implement health programs jointly with the corporate health insurance society. Specifically, with the cooperation of occupational physicians, we conduct specific health examinations, specific health guidance, and health checkups for lifestyle-related diseases.

Mental health

Since prior to the 2015 amendment to the Industrial Safety and Health Act, Nippon Soda has been providing stress checks for all employees, and has a consultation service available through specialized physicians, clinical psychologists, and external organizations.

④ Labor-management relations and improvement of working conditions

The Company views negotiations with labor unions as an opportunity to engage in dialogue with its employees, and to discuss how to create working conditions that are consistent with the times. We are creating an environment in which employees and management can discuss issues and problems in the workplace.

Number of labor union members

	Number of labor union members (Persons)	Average age (Years)	Average length of service (Years)	Percentage of members (%)
FY 2017	820	39.3	17.6	63.3
FY 2018	824	37.9	15.8	62.7
FY 2019	840	37.7	15.6	63.7
FY 2020	853	37.9	15.8	65.0
FY 2021	940	39.1	16.7	67.4
FY 2022	969	39.3	16.6	69.5

* Nippon Soda (non-consolidated)