

Environmental Policy and Management Structures

The Environmental, Safety and Health Subcommittee of the CSR Committee operates a management system that suits the business operations of the Nissha Group as part of its initiatives towards a sustainable environment that supports our business. The Subcommittee also builds, operates, and continually improves its own environmental safety and health management systems for Nissha Group bases in Japan that include an environmental management system based on ISO14001 and a health and safety management system based on ISO45001, as well as initiatives based on requests for compliance from customers. Through these activities, the Subcommittee works to comply not only with laws but also with global standards such as the code of conduct provided by the Responsible Business Alliance (RBA).

The environmental policy of the Nissha Group in Japan calls for business development and the realization of a sustainable society. Along with ensuring each Nissha Group employee is aware of this policy, each factory and organization sets targets and implements action plans for the achievement of the Nissha Group environmental objectives, which serve as medium-term goals for the Nissha Group in Japan. The environmental objectives correspond to key performance indicators (KPI), and are directly linked with daily tasks.

The Subcommittee members are selected from various related divisions and bases, and are headed by the environmental and safety management representative. The Environmental and Safety Management Group in Corporate General Affairs functions as the secretariat and runs the Subcommittee under the overall supervision of management. To further strengthen the foundation that supports our business, we are building and maintaining a structure for conforming to the RBA and other global standards, with the aim of improving our company's environmental, social, and governance (ESG) rating. Through these activities, the Subcommittee promotes risk management for the environment, and safety and health, of the Nissha Group, and supports our business continuance.

*ESG rating: A method of rating companies based on environmental, social, and governance performance.

Environmental Policy

Nissha and its subsidiaries, as members of the global society, aim for business development and the realization of a sustainable society through environmentally conscious corporate activities.

1. Prevention of Pollution

We comply with legal requirements and agreements with society, and strive to prevent environmental pollution in all aspects of our corporate activities such as product development, design, materials, production, sales, and facilities.

2. Product Safety

We fulfill promises with our customers and deliver safe and environmentally conscious products.

3. Prevention of Global Warming

We make a contribution to prevention of the global warming by efficient using of resources and energy.

4. Continuous Improvement

We strive for continuous improvement by establishing an environmental management system and reviewing it in response to changes in the business environment.

5. Co-existence with Society

We promote open dialogue with our customers, shareholders, suppliers, employees, and society through our efforts to preserve the global environment.

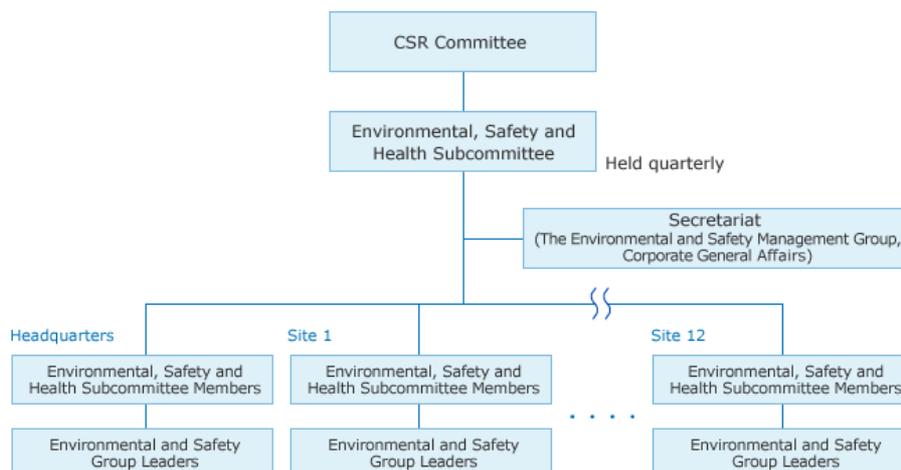
Operating an Effective Environmental Management System (EMS)

The Environmental Management System (EMS) for the Nissha Group in Japan covers all our bases—not only major production bases but also small production bases and sales bases with little impact on the environment. We divide these EMS bases into ISO14001-certified and non-certified bases so that we can set meaningful priorities in tune with the actual circumstances of each location, check and correct key management items through internal audits, and operate an effective EMS.

At ISO14001 certification sites, which are also our major production bases, specific activities are based both on negative risks to be maintained, managed, and improved through environmental risk assessment, and on positive risks, which we view as environmental performance to be enhanced in sync with business targets and quality targets. Our environmental management not only conforms to procedures and legal obligations but also links with our business operations, in line with the revised ISO14001 standard requiring strategic environmental management. We build and operate more effective internal audit structure combining environmental internal audits with safety and health internal audits, which are conducted based on ISO14001 as well as codes of conduct provided by the RBA and our customers. The standards for our internal audits are based on ISO14001 as well as the codes of conduct provided by the RBA and our customers.

In this way, along with compliance with relevant legislation and with the needs of our customers, the Nissha Group in Japan promotes strategic environmental management with an eye to enhancing our levels of environmental management. In future, in addition to operation of environmental management systems in the Nissha Group in Japan, we will move ahead with understanding the environment risks at our key production bases overseas, which are responsible for products for the key markets set out in our Medium-term Business Plan.

Nissha Group Environmental Management Structure



Energy Management and Environmental Communication Structures

