



Nikko Chemicals Co., Ltd.

Providing information and raw materials in the fields of personal care, pharmaceuticals and chemicals. Customized customer support through our Open Laboratory.



Nippon Surfactant Industries Co., Ltd.

Manufacture of raw materials for cosmetics, pharmaceuticals, food and other industries



Bergerac Japon Co., Ltd.

Contract and manufacturing nail enamel and nail care products



Nikoderm Research Inc.

Safety/efficacy evaluation of cosmetics/pharmaceutical raw materials and preparations. Proposal of appropriate evaluation methods



Nikko Chemicals Shanghai Corporation

Import and sales of raw materials to the Chinese personal care market (surfactants, oil based Ingredients, active ingredients, vegetable oils, plant extracts, surface treatment powders, etc.)



Nikko Chemicals (Singapore) Pte. Ltd.

Production and sale of surfactants/ester oil



NIKKO CHEMICALS (INDIA) PRIVATE LIMITED

Research, procurement, manufacturing, evaluation, consulting and marketing services, as well as the buying and selling of chemical raw materials mainly for cosmetics, foods and pharmaceuticals, etc.



CSR REPORT



The NIKKOL GROUP's CSR

The origin of the products and services offered by the NIKKOL GROUP can be traced back to the "real responsibility" that our founder, Masami Sekine, set out to achieve.

The ideas that have been passed down over the past 70 years have been strengthened by the merger in 2022.

Under the slogan "NIKKOL 25 for 2030," we will continue to strive for the realization of a sustainable society while considering the interests of our stakeholders.

Response



"Be aware of your true responsibilities in all aspects of your social life and have the courage to carry them out."

Masami Sekine, Founder, "joint" November 9, 1970

How do we apply technology and make progress for humanity?

How to become a factory that does not place a burden on the natural environment?

Future

How do you enable working people to take an active role?

How can we become a company that continues to be loved by the local community?

How can we contribute to the sustainable development of the entire industry?

Message from the CEO

Our environment is at a major turning point. Consumer needs are diversifying with the development of technology and changing lifestyles. It is precisely because we live in an era in which there are no "right answers," that the social responsibilities of suppliers who support our daily lives are so important.

The NIKKOL GROUP is no exception. We have been involved in our own "CSR" and "sustainability" efforts even before the terms became as relevant as they are today.

Our activities cover a wide range of areas, but their ultimate goal is "the people's joy and happiness." Our more than 4,000 products are proof of our sincere commitment to society.

The NIKKOL GROUP will continue to provide new value based on our company policy, "Fostering of Creativity."



Hideyuki Nakahara
CEO
Nikko Chemicals Co., Ltd.

Giving back to the world from the chemistry of beauty.

NIKKOL 25 for 2030

The 25 dreams that the NIKKOL GROUP wants to realize by 2030

"Colloid chemistry and skin science are creating a new future for the world." In order to become a company that can contribute more deeply to society, we have formulated 25 dreams and are striving to realize them.

EARTH

Thinking of the Earth as we look to the future

- Deliver to the world materials that use only renewable resources.
- Develop new recycling technologies for energy and resources.
- Become a company that people trust by engaging in activities consistent with a recycling-oriented society.
- Engage in fair transactions to ensure the sustainable development of regional industries.
- Contribute to regional societies not only through the delivery of materials, but also through education and other services.

TECHNOLOGY

Being a technology leader in society

- Change the world through surfactants that only the NIKKOL GROUP can create.
- Apply next-generation manufacturing technologies, such as smart cell and synthetic biology technologies.
- Build the NIKKOL GROUP brand with elements from Japan.
- Become a desirable company worldwide by applying our strengths in the development of innovative new products.
- Use our knowledge in the area of colloid research to contribute to the advancement of society.

BUSINESS

Forging a new way forward in business

- Offer greater support for the value of increasingly diverse definitions of what it means to be beautiful.
- Go beyond personal care to create new value in the area of healthcare.
- Make advances not only in the sale of materials, but also in the areas of solutions and trading.
- Contribute to society in unfamiliar areas, such as in the preservation of cultural heritage and in space development.
- Create new fans of the NIKKOL GROUP through business expansions and communications.

TEAM

Building a better future for our employees

- Continue to act as a human-centric company at all times, even as our technology advances.
- Build a future that combines both the company's vision and our employee's dreams.
- Act as a company that is receptive to the true needs of our employees.
- Go beyond the boundaries of what it means to be a company, to become a place where individuals with shared values can congregate and emerge.
- Leave behind categorizations by gender and nationality, to build an environment where each person is allowed to freely choose how they want to work.

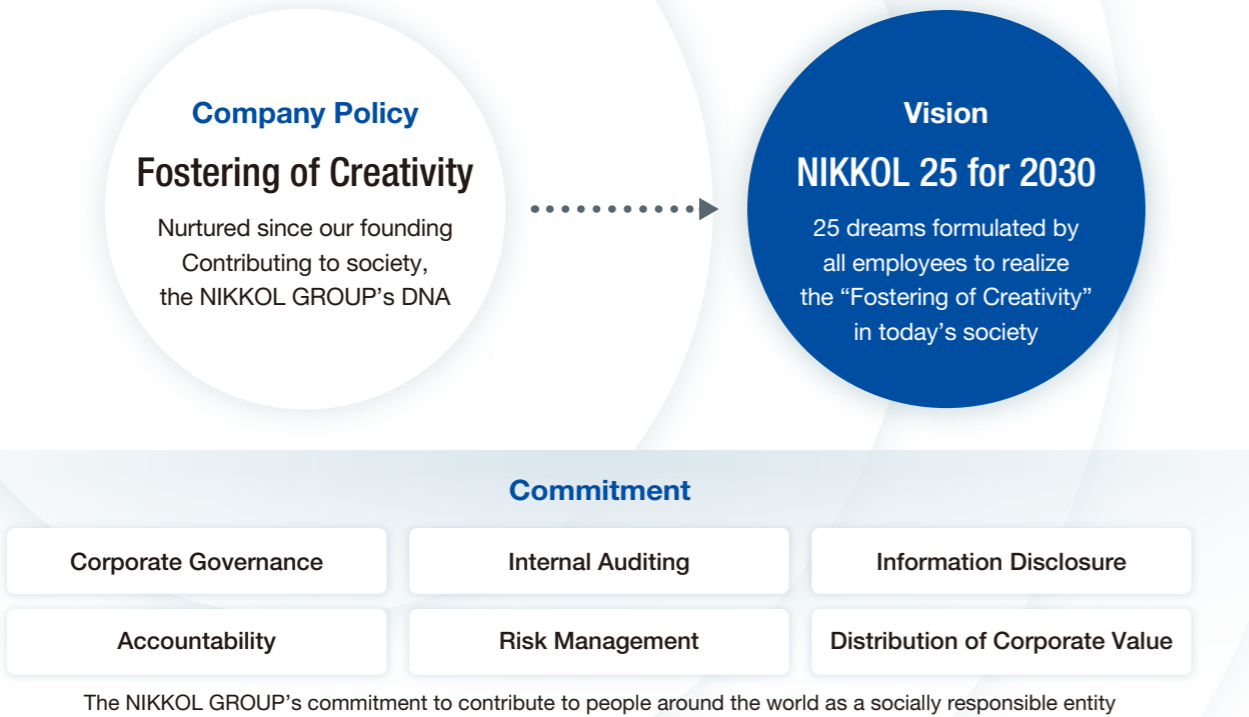
SOCIETY

Establishing the NIKKOL GROUP globally

- Build a network capable of delivering products to every corner of the world.
- Become known as the leader in dermatology and colloid chemistry in Asia.
- Achieve a business approach that accounts for the different needs, business practices, and social diversification of other countries.
- Become a reliable, trusted partner to other companies around the world.
- Share growth between the NIKKOL GROUP and all people of the world.

The NIKKOL GROUP's CSR

The NIKKOL GROUP companies have implemented more than 150 CSR activities, both large and small. Underlying all of these activities is a commitment to fulfill our responsibilities as a member of society. The 25 Dreams set forth in NIKKOL 25 for 2030 are the driving force behind these activities, which culminate in our company policy, "Fostering of Creativity."



CSR Promotion Structure

In January 2022, the NIKKOL GROUP established the Sustainability Committee, which consists of representatives from each Group company. By creating an environment in which information and activities are brought back to the Group companies for horizontal development or disseminated outside the company, we are building a foundation for new CSR activities to emerge.



BCP (Business Continuity Plan)

The NIKKOL GROUP continuously examines its BCP countermeasures for further improvement, and the Group's manufacturing and sales companies cooperate with each other in this regard.

Nikko Chemicals

Nikko Chemicals is responsible for the BCP of manufacturing, sales, and information security for the entire Group. For example, the Global Purchasing Division searches for and evaluates raw materials to ensure the stability of product procurement. The SCM Division supports stable supply in terms of logistics. The IT Planning and Promotion Division manages information security measures in preparation for crises.

Nippon Surfactant Industries

In addition to the continuation of strengthening safety measures (such as earthquake-reinforcement of manufacturing facilities), the company is working to ensure the stable manufacture and sale of products by collaborating with external manufacturing contractors. In addition, the company has a multiple number of warehouses to ensure a stable inventory. Furthermore, the company is strengthening relationships with partners to enable mutual supply in case of disaster and other emergency situations.

Bergerac Japon

In addition to decentralizing its manufacturing processes for nail enamel and nail care products, which are the company's core business, backup manufacturing locations have been established to minimize the impact on supply in case of an emergency.

Nikoderm Research

In cooperation with Nikko Chemicals, we collaborate with research institutes in Japan and overseas so that cosmetics, pharmaceuticals, quasi-drugs, and food products can be evaluated and studied even in emergency situations.

Nikko Chemicals Shanghai

As a supply base for businesses operating cosmetics businesses in the Chinese market, Nikko Chemicals Shanghai maintains a stable inventory of products procured from Nikko Chemicals and various raw material manufacturers.

Nikko Chemicals (Singapore)

The company has secured multiple contract manufacturing partners and established an emergency manufacturing system. In addition, the company has established a system for some important products that allows it to mutually complement Nippon Surfactant Industries.

SDGs Contribution to the realization of a sustainable society

The NIKKOL GROUP will promote efforts to address nine key issues through its business activities in order to contribute to the achievement of the Sustainable Development Goals (SDGs).

SUSTAINABLE DEVELOPMENT GOALS



Environmental Management

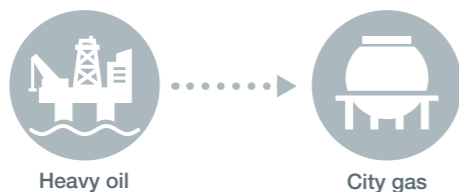
The NIKKOL GROUP recognizes that protecting the global environment is a challenge common to all humankind, and we strive to manufacture products with minimal environmental impact.

We also proactively implement improvements to manufacturing facilities and evaluations by third-party organizations. As a specialty company, we are promoting the establishment of environmental management throughout the Group.

CO₂ Reduction Activities

Nippon Surfactant Industries' Utsunomiya Factory is promoting efforts to reduce its environmental impact. We have installed solar power generation systems and DO meters (dissolved oxygen meters) to promote energy conservation.

In addition, we have begun to switch from heavy oil to liquefied natural gas by installing boilers that use liquefied natural gas, and have reduced greenhouse gas emissions by approximately 25% (comparing the average annual CO₂ emissions between 2006-2008, when heavy oil was used, and 2015-2017, when liquefied natural gas was used).



Greenhouse gases

Approx. **25%** reduction

Wastewater Treatment

Nippon Surfactant Industries' Utsunomiya Factory has installed reused water equipment in some of the processes conducted at the facility.

We strive to protect the environment by reducing the amount of wastewater leaving the facility.



R&D Center's ZEB Ready

ZEB (Net Zero Energy Building) is a certification system for buildings that aim to achieve both a comfortable indoor environment and energy savings. The buildings are classified into four ranks such as ZEB, Nearly ZEB, and ZEB Ready according to their energy reduction rate. The Nikko Chemicals R&D Center has installed energy-saving equipment and reduced its energy consumption to less than 50% of the conventional energy requirements. Consequently, the center has been certified as ZEB Ready.

ASD Certification

ASD (Action for Sustainable Derivatives) is a business-to-business organization that promotes change throughout the supply chain of palm oil derivatives, primarily in the international personal care industry. It aims to support the production areas, and is based on the NDPE Principles, which are international standards for palm oil procurement, prohibiting deforestation and respecting human rights.

Nikko Chemicals is the first ASD member company in Japan to participate from the perspective of promoting the SDGs.

We will pursue transparency in the supply chain of palm oil derivatives and palm oil-derived products in which the NIKKOL GROUP is involved.



ISO 14001 (Environmental Management System)

Bergerac Japon is ISO 14001 certified, which is an international management system standard that aims to reduce environmental risks and contribute to the environment based on the concept of sustainability. The goal is to continuously improve the level of environmental management based on the PDCA (Plan-Do-Check-Act) cycle, while being aware of socio-economic needs.



Eco-Action 21

Eco-Action 21 is a unique Japanese environmental management system established by Japan's Ministry of the Environment. Companies that adopt the system are required to improve the environmental performance of the products they produce, sell, and provide, and to improve their services. The results of these efforts are annually published in an environmental management report. Nippon Surfactant Industries has acquired this certification every year since 2012, and in August 2021, the company was recognized by the Eco-Action 21 Central Secretariat as a "certified permanent business."



EcoVadis

EcoVadis is a corporate sustainability evaluation system provided by EcoVadis, an independent evaluation organization. It is based on ISO 26000 and other major standards, and evaluates a company's CSR activities in terms of the environment, labor and human rights, ethics, and sustainable procurement. There are four certification levels consisting of Platinum, Gold, Silver, and Bronze, and Nippon Surfactant Industries received Bronze certification in June 2023.



Quality Management

Quality management is a responsibility that a company must fulfill in order to expand its business both domestically and internationally. The NIKKOL GROUP has achieved a high-precision quality management system based on technology and know-how cultivated over our long history. We supply safe and reliable products and services to our stakeholders.

RSPO Certification

The RSPO is an international non-profit organization founded by seven organizations to promote the sustainable industrialization of palm oil. The NIKKOL GROUP aims to maintain a sustainable supply system and conserve biodiversity. As part of this approach, Nippon Surfactant Industries and Nikko Chemicals (Singapore) have acquired RSPO Supply Chain Certification to manufacture RSPO Mass Balance (MB) products. Furthermore, in June 2022, our RSPO members collectively achieved 97.76% of MB certified palm derivatives in their purchased raw materials and products.



2017-
Joined as a full member of RSPO

- Nikko Chemicals
- Nippon Surfactant Industries
- Nikko Chemicals Shanghai
- Nikko Chemicals (Singapore)

2018
Acquired certification as a certified factory for manufacturing RSPO (MB) products

- Nippon Surfactant Industries
- Nikko Chemicals (Singapore)

2022
RSPO Mass Balance (MB)
97.76% of products certified



ISO 9001 (Quality Management System)

ISO 9001 is the international standard for a quality management system. It is the most widespread management system standard, with more than 1 million organizations in more than 170 countries worldwide having obtained certification. Nippon Surfactant Industries and Bergerac Japon, both certified companies, are promoting continuous improvement of their products and services based on the quality policy defined in ISO 9001.



Tochigi HACCP

Tochigi HACCP (the Tochigi Prefecture food hygiene management certification system) is a system that certifies facilities that have adopted HACCP, an international standard for hygiene management, and can continuously perform basic hygiene management. In August 2020, Nippon Surfactant Industries' Utsunomiya Factory acquired Tochigi HACCP certification, and this enables us to take appropriate management and countermeasures in all processes from receiving raw materials to final products.



Food Additive Manufacturing License

A food additive manufacturing license is a permit required to manufacture food additives. Nippon Surfactant Industries' Utsunomiya Factory has obtained this license in accordance with administrative procedures.



Pharmaceutical Manufacturing License

A pharmaceutical manufacturing license is required to manufacture pharmaceutical products. Nippon Surfactant Industries' Utsunomiya Factory has obtained this license in accordance with administrative procedures in order to manufacture high-quality, safe, and reliable pharmaceutical products.

EFfCI GMP Certification

In February 2013, Nippon Surfactant Industries' Utsunomiya Factory became the first in Japan to receive EFfCI GMP certification, the European standard for cosmetic ingredients. This certification reinforces hygiene control items not covered by ISO 9001 and enables quality control specifically for the production of cosmetic ingredients. In December of the same year, the company passed the maintenance audits for EFfCI GMP and ISO 9001: 2008.



Human Resources & Labor Management

The NIKKOL GROUP is working to foster both an organizational climate and corporate culture suitable for the next generation and to realize new ways of working. We are striving to establish not only the enhancement of work-life balance, a remote work environment, promotion of childcare leave for male employees, and diversification of human resources (multinational human resources), but also initiatives to support the true needs of our employees as advocated in NIKKOL 25 for 2030, and the strengthening of compliance.

Engagement

The NIKKOL GROUP has been working on activities to improve engagement since 2020. In the first year, we introduced a system of 1-on-1 interviews between supervisors and subordinates and "Wevox," a tool for measuring and analyzing engagement. From the third year onward, we aim to foster a proactive corporate culture in which each department each division actively contributes to the creation of a better organization based on the know-how and mindset we have cultivated.



Engagement scores / distribution & graphs by "Wevox"

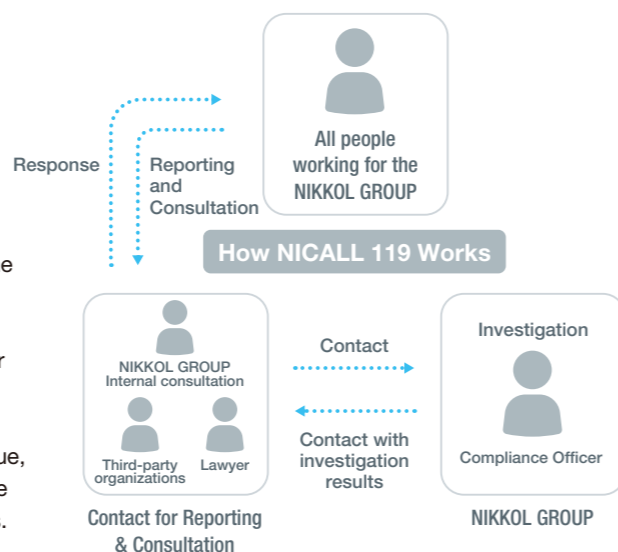


"Wevox," an engagement measurement and analysis tool

Internal Reporting System NICALL 119

A contact point for reporting and consulting on internal compliance violations or suspected violations is essential to the healthy growth of a company.

The NIKKOL GROUP has established an internal reporting system known as NICALL 119 to provide a solid foundation for this. The system covers all personnel engaged in Group operations, including directors, regular employees, contract employees, and part-time workers. If a report is found to be true, the violator is subject to strict disciplinary action in accordance with company rules, and the informant is notified of the results.



Wide Range of Reporting & Consultation

We accept reports and consultations based on our philosophy of "Keep the door wide open, being accessible and reliable." In addition to a hotline for legal or company rule violations, we also place importance on a helpline for consultation on problems.

Three Reporting & Consultation Counters

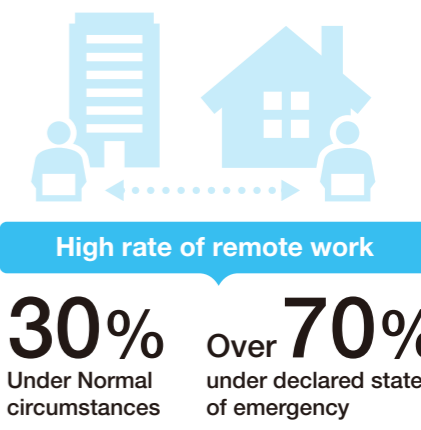
In addition to our in-house team of experts, lawyers and third-party organizations that are available for consultation, consultations are possible in Japanese, English and Chinese, and multilingual staff members can be called in for interpretation and three-way calls.

Four Ways to Report & Consult

There are four ways to report or consult with a third-party organizations: online, telephone, e-mail, and by post. The name and affiliation of the person reporting or consulting will not be reported within the company without their consent.

Work Style Development

The NIKKOL GROUP is promoting work styles that encourages employee independence and autonomy, allowing them to exercise their creativity. As part of this effort, Nikko Chemicals is encouraging employees to work from home to improve productivity. Even during normal times, the remote work rate is maintained at 30%. During the spread of COVID-19 (under a declared state of emergency), the remote work rate exceeded 70%.



Women in the Workforce

At Nikko Chemicals, female managers account for about 22% of the total workforce. Nikoderm Research and Nikko Chemicals (Singapore) have reached approximately 33% and 40%, respectively. In addition, Nippon Surfactant Industries has formulated a general business owner action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on the Promotion of Women's Active Engagement in Professional Life. The entire Group will continue to aim for an environment in which female employees can exercise their abilities and work comfortably.



Promotion of Male Childcare Leave



The NIKKOL GROUP has been promoting for male employees to actively take childcare leave from 2021. Through educational activities, pamphlets, and actively communication, we are creating an environment that makes it easier for employees to take childcare leave. At Nikko Chemicals, four employees took childcare leave in fiscal 2022 (an increase of three from the previous year). In the same year, Nippon Surfactant Industries also saw its first employees take childcare leave, with three employees taking advantage of the system.

Multinational Workforce

The NIKKOL GROUP is currently developing a project to improve the environment for hiring and accepting foreign employees. As of January 2023, we have employees of 11 different nationalities, including Japanese, Brazilian, Chinese, American, and Myanmarese.



Turnover Rate

The 1-on-1 interview system is highly rated by our employees, with approximately 60% of users responding "good" or "very good." It is also effective in preventing turnover, with the turnover rate at the four domestic group companies remaining around 5% from 2019 to 2021.

