



With Employees

Our employees are the driving force for advancing the ADEKA Group's business into the global domain. We have a number of initiatives in place to ensure that our employees have a safe and pleasant work environment, where human rights and fair treatment are respected, and which cultivates a vigorous company that values the individuality and intrinsic character of each employee.

Human Resources Principles

- Respect the human and personal qualities of employees
- Support self-realization by employees
- Develop human capital who have a positive social impact
- Develop employees with initiative

Support plan for nurturing the next generation/Plan on promoting the active roles of women in the workplace
<https://www.adeka.co.jp/csr/ngns.html> (in Japanese only)

Promoting Diversity

• Human Rights in the Workplace

The ADEKA Group's Code of Conduct clearly emphasizes respect for fundamental human rights, and all employees are in compliance. Furthermore, throughout the processes of recruitment, hiring, and promotions, we respect the value of diverse human resources, regardless of nationality, age, gender, race or disability, and we have developed a level playing field where each individual can exert his or her personality and take on an active role. Work regulations were also laid down to respect the diversity and individuality of people and prohibit any form of harassment.

► Targets and Results for Fiscal 2017 and Targets for Fiscal 2018 (Employees)

Item	Mid-term target	Ultimate target	Targets for FY2017	Results for FY2017	Targets for FY2018
Work-life balance	Support plan for nurturing the next generation (April 2015–March 2018)	Target utilization of childcare leave: more than 2 male employees and more than 80% utilization rate for female employees	Continue disseminating the system by using internal bulletin board, etc., to raise awareness of childcare leave	5 male employees took childcare leave; for female employees, the targeted rate was fully achieved	Target utilization of childcare leave: more than 2 male employees and more than 80% utilization rate for female employees (action plan for FY2018–FY2020)
		Continue initiative to reduce overtime working hours	As part of work-style reforms, promote flexible work styles and reduce long working hours	Conducted personnel assignments to level the amount of work	Continue initiative to reduce overtime working hours
Promotion of women's participation and advancement in the workplace	Plan on promoting the active roles of women in the workplace (April 2016–March 2021)	Achieve a ratio of 5% female managers by 2021		Ratio of female managers in FY2017: 2.6%	Achieve a ratio of 5% female managers by 2021

► Targets and Results for Fiscal 2017 and Targets for Fiscal 2018 (Occupational Health and Safety)

Item	Targets for FY2017	Results for FY2017	Targets for FY2018
Workplace safety and security reinforcement	<ul style="list-style-type: none"> • Continue information-sharing toward achieving zero-accident workplaces • Enrich the content of the safety awareness video • Ensure that employees understand basic rules on safety; strengthen onsite inspections 	<ul style="list-style-type: none"> • Made repeated and persistent calls to be attentive at workplaces • Produced and distributed a safety awareness video to the Group's production sites and laboratories • Inspected worksites where accidents resulting in lost workdays had occurred. Distributed a safety action book to worksites in Japan and overseas, which has been used as training material. 	<ul style="list-style-type: none"> • Eliminate unsafe activities (inadvertent actions and shortcuts) and unsafe conditions • Firmly implement measures to prevent recurrence of problems and promote horizontal implementation within each office and between offices
	<ul style="list-style-type: none"> • Repeatedly drill young employees and transferees and continue "know-why" training • Have all employees join emergency exercises 	<ul style="list-style-type: none"> • Conducted "know-why" training at all plants and laboratories on an ongoing basis and confirmed the effectiveness of these educational activities through an audit • Had all employees engage in emergency exercises and reviewed procedures 	<ul style="list-style-type: none"> • Repeatedly drill young employees and transferees and continue "know-why" training
	<ul style="list-style-type: none"> • ADEKA Mother Plant and Environment Safety & Quality Assurance Department will cooperate to continue providing safety support and guidance to overseas Group production bases 	<ul style="list-style-type: none"> • Continued providing safety support and guidance through the ADEKA Mother Plant by sharing information on safety inspections conducted overseas 	<ul style="list-style-type: none"> • Support activities for four areas of safety at bases in Japan and overseas and conduct safety audits

• Active Roles of Women in the Workplace

The ADEKA Group practices fair recruitment as well as performance assessment for promotions that are not influenced by gender bias. Also, we are taking steps to raise female employee business skills through efforts such as personnel rotation for career development, and we are creating a pleasant work climate that encourages their active participation.

In our recruitment activities, we hosted seminars to provide female science students with an opportunity to interact with female employees representing various generations. As a result, 18 women were among the 91 new graduates who joined the company in April 2018.



Seminar on promoting the active roles of women held for female science students

VOICE

Supporting R&D and Taking on New Challenges

Ren Shimizu
 Photo Chemical Materials Department
 Information Media Materials
 Development Laboratory



While wondering if I should take a job in which I could use what I'd learned in vocational school, or a job that would be a completely new experience, I got interested in becoming a supporter of research, and this would allow me to take on the challenge of exploring a new field at the same time. And then I applied for the research support position at ADEKA.

I evaluate and analyze products, and I was initially concerned because I had never seen most of these instruments or agents before. But today, I can efficiently conduct evaluations and analyses. I find meaning in the job when data I have retrieved has been included in reference materials for customers or used for R&D. From now on, I hope to acquire more chemical knowledge and use it to support R&D.

• Employment of Retirees

ADEKA has established a re-employment system for retirees up to 65 years of age who wish to continue working, with the exception of special circumstances. The re-employed retirees are a valuable presence in passing down traditions to the next generation and play an active role as experts equipped with the knowledge, experience, and skills that they have built up over their careers. The system supports various working styles, such as full-time work or three-day work weeks. In fiscal 2017, the rate of employment of retirees was 67% (of the three eligible retirees, two were re-employed).

• Employment of Persons with Disabilities

The ADEKA Group continually strives to improve the work environment and expand job categories toward enabling disabled persons to exercise their capabilities and achieve self-realization. We will continue promoting the active employment of persons with disabilities. In fiscal 2017, the rate of employment of persons with disabilities was 1.81%.

► Human Resources Data

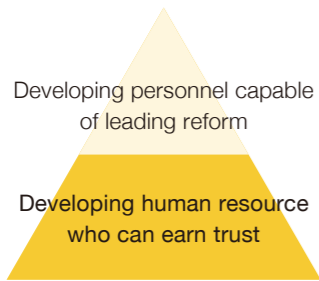
Item	Unit	FY2015	FY2016	FY2017	
(1) Number of consolidated employees	Employees	3,241	3,375	3,551	
(2) Number of non-consolidated employees	Male	1,561	1,593	1,639	
	Female	1,355	1,373	1,415	
(3) Ratio of female employees	%	13.2	13.8	13.7	
(4) Employee average age	Male	38.9	38.8	38.8	
	Female	39.1	39.0	39.0	
(5) Average length of employment	Male	15.9	15.7	15.7	
	Female	16.1	15.9	15.9	
(6) Employee turnover rate	Male	14.7	14.5	14.6	
	Female	2.8	2.5	2.8	
(7) Ratio of female managers	Male	2.8	2.6	2.7	
	Female	2.8	2.2	3.4	
(8) Number of new graduates hired	Male	2.7	2.9	2.6	
	Male	Employees	49	75	75
	Female	Employees	46	59	62
	Female	Employees	3	16	13

(1): ADEKA Group, (2)–(8): ADEKA

Cultivating Human Resources

The ADEKA Group recognizes employees as key company resources. We therefore view employees as assets and respect the aspirations of each individual while striving to cultivate human resources that will lead the next generation.

▶ ADEKA's Philosophy of Human Resources Development



• Cultivating Global Human Resources

We envision ourselves in the year 2025 as a global company that creates value for tomorrow and contributes to affluent lifestyles through innovative technologies. To become the company we envision, we are focusing on cultivating human resources with the ability to play active roles across countries and regions.



Weekly English classes held at the company (ADEKA)



Overseas training program (ADEKA)

• New Employee Training Program and Mentoring System

To develop new employees into key company assets at an early stage and improve the leadership and training skills of mid-level employees, we maintain a mentoring system that assigns a senior employee to advise a new employee by offering guidance and ongoing support and communication.

• Employee Career Development

We conduct training programs to facilitate the development of employee skills in such areas as management, general business competencies, and job specific skills. These are designed to contribute to the acquisition of a wide range of knowledge and to upgrade employee skills in accordance with positions. We have also adopted a program through which motivated employees can attend courses for working students at external organizations such as business schools to study marketing theory or to foster critical thinking. In fiscal 2017, 50 employees took part in the program.

VOICE

Drawing on the Fruits of Training in Work in China

Koji Tomita
ADEKA (CHINA) CO., LTD.



In the company's global human resource training, I developed my language skills and learned about the cultures and systems of the countries where the ADEKA Group has bases, in addition to accounting, labor policy and other knowledge needed to serve as a local representative. Dispatched to a Chinese location, I am now promoting global purchases, drawing on what I have learned during the training.

In China, has recently tightened environmental regulations, and material procurement sometimes faces difficulties. I am focusing on overcoming these challenges through teamwork with local staff and senior employees.

I draw on my experience in Japan, look to the social situation in China, which differs from that of Japan, and enlist the cooperation of ADEKA Group companies. Then I think through what I should do before taking action. As I do this, I hope to realize personal growth and contribute to the company.

Promoting a Work-Life Balance

The ADEKA Group emphasizes the importance of a work-life balance, which encourages each employee to demonstrate their capabilities fully. Also, it is introducing a system to support flexible and diverse working styles and foster awareness.

• Optimizing Working Hours

ADEKA ensures that the working hours of its employees are kept within reasonable limits by operating a card reader-type time management system to prevent unpaid overtime work and designating a "no overtime" day once a week. The labor-management committee and industrial doctors list employees who work overtime hours and hold individual consultations concerning their work as necessary. Through these efforts, we are working to reduce excessive working hours and improve the health and wellbeing of our employees.

▶ Childcare and Nursing Care Support Programs

Program	Details	Number of employees who used the program
Maternity leave	6 weeks before birth (14 weeks in the case of twins) 8 weeks after birth	7
Spousal maternity leave	3 days or less in cases where the spouse has given birth or less in cases where the spouse has given birth	61
Childcare leave	Until the child reaches 1 year of age, in principle an extension of up to 1 year may be approved under special circumstances (Calculated from the 1st day of childcare leave, special accumulated leave may be approved for up to 5 consecutive days. The period of special accumulated leave will be regarded as paid leave.)	9 (including 5 male employees) (percentage of employees who returned to work: 100%)
Childcare nursing leave	For employees raising children below grade 4 of elementary school, it is possible to take up to 10 days of leave per year, regardless of the number of children, for situations in which they have to take care of an injured or sick child (including vaccinations and health screenings for the child, as well as suspension of classes.)	50
Nursing care leave of absence	A total of up to 365 days for each person requiring care	0
Nursing care leave	A total of up to 20 days per year for each person needing care	5
Shortened working hours	Childcare: Until the end of the child's 4th year in elementary school Nursing care: A total of up to 365 days, combined with nursing care leave of absence (Both may be reduced up to a maximum of 2 hours in 15-minute units.)	26

The conditions underlined above are statutory levels.

• Maintaining a Balance Between Work with Childcare or Nursing Care

ADEKA has introduced programs to support employees in balancing their work with childcare or nursing care and provide employees with benefits more favorable than those legally required. We also offer employees skill improvement training during childcare leave to prevent their leave from negatively affecting their performance evaluation and career development.

Occupational Health and Safety

The ADEKA Group considers safety and security to be the most important issues for companies, and as such strives to establish a safe workplace by enhancing the awareness of all employees through the operation of OHSAS 18001, an occupational health and safety management system, the establishment of health and safety committees at every workplace, and the activities of the Zero Accident Committee.

• Safety Achievements and Issues for Fiscal 2017

In fiscal 2017, the number of work accidents that occurred at the ADEKA Group was 21, an increase of 7 accidents compared to the previous fiscal year. Specifically, ADEKA and the domestic Group companies experienced fewer accidents resulting in lost workdays and more accidents resulting without lost workdays, while the overseas Group companies had more accidents resulting in lost workdays. In response, as in the previous year, we conducted onsite inspections at the overseas sites where accidents had occurred in order to review the results of corrective measures. And details on safety patrols at construction sites were shared among the sites, the ADEKA Mother Plant and the Environment Safety & Quality Assurance Department.

▶ Number of Accidents by Year

FY	2013	2014	2015	2016	2017
Accidents with lost workdays	6 (0)	8 (3)	8 (6)	9 (4)	11 (3)
Accidents without lost workdays	11 (8)	13 (9)	8 (5)	5 (4)	10 (9)

Figures in parentheses indicate data for ADEKA and domestic Group companies. Scope: ADEKA and subcontractors and the ADEKA Group's 13 production sites

Initiatives to Prevent Workplace Accidents and Injuries

At each ADEKA plant, occupational health and safety activities are generally reviewed by an audit conducted by the president and the Environmental and Safety Division in the first and second half of the year, respectively. The necessary action plans are then formulated for the issues identified by the audits and implemented through the PDCA cycle of the management system. We have been conducting onsite inspections of our overseas production bases where accidents had occurred in order to provide corrective feedback and guidance. As part of our preventive measures, we plan to conduct audits once every few years, starting in fiscal 2018.

To prevent accidents resulting from the lack of experience of young employees and newly transferred workers, we created a new basic safe practices manual (in Japanese, English and Chinese in fiscal 2017) and distributed it to all Group locations. In fiscal 2016, we continued adding to the contents of the safety awareness video, through which employees review serious accidents.

Furthermore, all our new employees in the R&D and production areas are required to participate in training at the safety experience training facility, set up in the Urawa R&D Laboratory. A total of 60 employees have taken part in the training.



Basic safe practices manual (ADEKA Group)

Safety experience training

Employee Health Management

Strengthening Employee Health Management

The ADEKA Group is strengthening the management of the health and wellbeing of employees.

We offer periodic medical checkups for our employees twice a year, with an employee attendance rate of 100%. Also, follow-up checkups are performed by industrial doctors and public health nurses based on the initial results. The ADEKA Health Insurance Association, in which the domestic companies and subcontractors of the

Group are enrolled, promotes the “second phase health plan,” which was focused on diabetes in fiscal 2018. The plan is intended to prevent the onset of a disease or progression to more severe conditions by identifying subjects at risk based on analyzing medical expense data and medical examination information of the policyholders as well as the advice of industrial doctors and holding periodic consultations to improve lifestyle habits. We will use this data and the results of health guidance to better understand the health risks of our employees and apply a PDCA cycle to continue to improve the health services.

Mental Health

The ADEKA Group promotes mental health in the workplace through efforts such as implementing improvement activities in each office according to the results of an annual stress test. In fiscal 2017, mental health training for general staff was conducted to help managers better understand their roles and prevent mental illness among employees, and 370 people took part. To help employees suffering from mental illness return to work, we have introduced the ADEKA Return to Work Program, which is applied under a short-time work system. Moreover, we offer an appropriate return to work program based on a second opinion and the contents of periodic consultations with industrial doctors.



Mental health self-care training

Preventing Impaired Health from Chemical Substance

New findings have been recently announced on the hazardous properties of chemical substances, such as related to the rising occurrence of bladder cancer. Information on such hazardous properties and revisions to the Industrial Safety and Health Law are immediately distributed to plants and laboratories as soon as they are available. This is followed by actions, such as confirming the use of such substances and their control status, in order to prevent employee impairment resulting from chemical substances.



With the Environment

The ADEKA Group, which uses chemical substances and palm oil as raw materials, cares about the environment throughout the process of procurement and from production to disposal. Toward realizing a sustainable society, we are developing products with less environmental impact and engaging in energy-saving initiatives.

Basic Environmental Policy

1. Strive to conserve resources and energy, recycle resources, and reduce the generation of waste, in order to prevent environmental pollution
2. Comply with domestic and foreign laws and regulations related to the environment, and at the same time strive to strengthen voluntary management and achieve further environmental conservation
3. Be aware that corporate activities are dependent upon the blessings produced through biodiversity, and seek to protect biodiversity
4. Take a proactive stance in procuring raw materials that impose a low burden on the environment, and contribute to the realization of a recycling-oriented society
5. Disclose the results of environmental conservation activities to society
6. Communicate with stakeholders and provide support to society and local communities in environmental conservation activities

Environmental Initiative System

Under the annual policy determined by the Environmental and Safety Division, each office of the ADEKA Group formulates an execution plan and follows a PDCA cycle to implement environmental management activities that meet local needs. The Environmental and Safety Division conducts an audit every year at our offices and affiliate plants inside Japan. In and after fiscal 2018, the division plans to expand the scope of its auditees to include our overseas operation sites and audit them once every a few years. Among the Group's manufacturing sites, the rate of environmental management system ISO14001 certification is 73 percent.



Targets and Results for Fiscal 2017 and Targets for Fiscal 2018

Self-evaluation: ● Exceeded target ○ In line with target △ Below target
((1): ADEKA; (2) & (3): ADEKA and eleven domestic Group companies)

Item	Targets for FY2017	Results for FY2017	Self-evaluation	Targets for FY2018
(1) Promote energy conservation	<ul style="list-style-type: none"> Reduce energy intensity by 1.0% or more year on year Reduce CO₂ emission intensity by 1.0% or more year on year 	<ul style="list-style-type: none"> Energy intensity at 0.1777 kl/t (1.0% reduction year on year) CO₂ emission intensity at 0.401 t-CO₂/t (1.1% reduction year on year) 	○	<ul style="list-style-type: none"> Reduce energy intensity by 1.0% or more year on year (seek a 3% reduction by FY2020 from the FY2017 level) Reduce CO₂ emission intensity by 1.0% or more year on year (seek a 3.0% reduction by FY2020 from the FY2017 level)
(2) Reduce industrial waste	<ul style="list-style-type: none"> Promote and maintain zero emissions*¹ through recycling Promote appropriate disposal of industrial waste (reviewing contracts, inspecting subcontractors, preventing resale of food waste, and other actions) 	<ul style="list-style-type: none"> Landfill disposal volume at 55.6 tonnes (0.11%*² of industrial waste generated) Food waste management was added as a new audit item for the Food Division, and the regular audit confirmed that a proper control to prevent resale was in place 	○ ²	<ul style="list-style-type: none"> Promote and maintain zero emissions through recycling Promote appropriate disposal of industrial waste (reviewing contracts, inspecting subcontractors, preventing resale of food waste, and other actions) Attain the food recycling rate of 95% in FY2020 (target percentage for food manufacturers)
(3) Promote green purchasing	<ul style="list-style-type: none"> Achieve a green purchasing rate of 80% or more for 43 designated stationery items 	<ul style="list-style-type: none"> 77.3% (10,415 items among 13,469 items purchased) 	△	<ul style="list-style-type: none"> Achieve a green purchasing rate of 80% or more for 43 designated stationery items or heighten the rate by 1.0%

*1 ADEKA defines “complete elimination” as landfill waste that amounts to less than 0.1% of the total volume of industrial waste output.
*2 Self-evaluated as “○” because the emission rate for business activities was 0.08%, although the rate exceeded 0.1% temporarily due to an increase in landfill disposal arising from construction.