

Promoting Sustainability

Resonac positions sustainability at the core of our management. In order to “change society through the power of chemistry” and to become a “Co-creative Chemical Company,” we have established “Sustainability Vision 2030,” identified material issues for sustainability, and we are promoting initiatives linked to these materialities.

[P83 / Non-financial KPI Results and Targets](#)

Sustainability Vision 2030

Achieve corporate growth through the resolution of social issues

Develop into a company that realizes its own continuous growth and corporate value improvement, by solving social issues and offering value to society through its technologies and businesses

A company with like-minded partners throughout the world

Become a “Co-creative Chemical Company” that is the first choice of, and can choose, partners in creating a sustainable and better society, including future generations of customers, employees, investors, and stakeholders

Sustainability management

The CEO supervises Resonac’s sustainability and the CSuO is responsible for the promotion of sustainability. The Management Committee deliberates and decides on important items such as policies and plans and then consults with and reports to the Board of Directors.

The Sustainability Promotion Council convenes a monthly meeting that Group CXOs, including the CEO, attend, and quarterly expanded meetings, which is also attended by the business managers (BU heads), as forums for discussing wide-ranging agenda items of sustainability-related topics and fostering a common understanding. In addition, to address specific issues with agility and on a cross-organizational basis, several projects have been established, which report to the council.

In order to link the discussions in the council to organizational operations and share them with employees, we have appointed sustainability partners (promotion managers) in the business units and CXO organizations, and we are promoting sustainability initiatives in each department while understanding the current status, issues, and interests of each unit. Moreover, by creating opportunities for horizontal communication among Sustainability Partners, we encourage active exchange of information on changes in customer requirements and other issues that transcend differences among the industries we serve.



Sustainability evaluation in executive compensation

We have included sustainability evaluation items in the short-term performance-linked items for executive compensation, and linked them to compensation. Based on discussions on the roadmap to achieving non-financial KPIs linked to materialities, we evaluate each executive by setting different evaluation items for their respective areas of responsibility.

At the same time, we also set common items such as safety and successor training, and these items are designed to link with employee evaluation through management by objective (MBO).

Positioning linkage with compensation as an important measure for promoting sustainability, we will continue to consider how best to incorporate sustainability evaluation in executive performance evaluation.

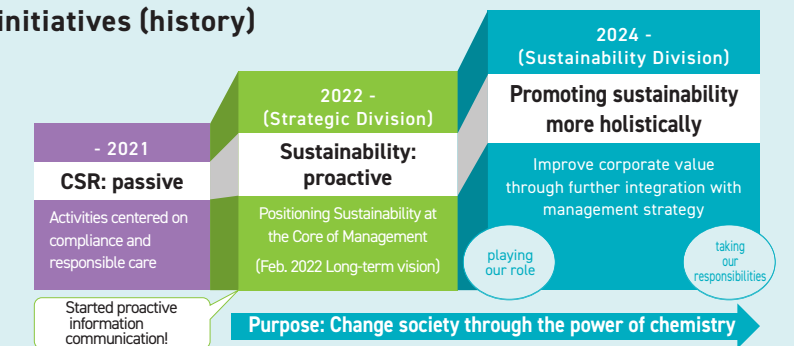
Cultivation of a sustainability mindset among employees

We implement various programs to support employees in gaining the power and perspective to achieve our purpose of “change society through the power of chemistry.” We set the necessary information and communication for each level and organization, and are measuring the effectiveness of whether it leads to behavioral change. Starting in 2024, we launched the “Matsuko Channel,” in which the CSuO will broadcast monthly videos for all employees detailing the contents of the Sustainability Promotion Council and other events. Our aim is to make the current sustainability initiatives more familiar to employees by speaking directly to them in both Japanese and English. In addition, we hold “social issue meetings” and “workshops to understand Resonac through the integrated report” across departments, so that we can explore seeds of business and points of contact with society.



Resonac’s sustainability initiatives (history)

In January 2022, when the former Showa Denko and the former Hitachi Chemical effectively merged, we established the Sustainability Department and have been promoting our sustainability strategies ever since. Starting in 2024, under the leadership of the Chief Sustainability Officer (CSuO), we have been working on various initiatives to achieve our Purpose.



Major progress and plans

2022 Preparation and Launch

We started monthly Sustainability Promotion Council meetings (attended by CEO and other executives), set materialities and non-financial KPIs, and began organizing data within the Group. We began strategic information communication, including the integrated report.

- Established the Sustainability Department in the Strategy Division
- Launched the Sustainability Promotion Council
- Set the Sustainability Vision 2030
- Identified materialities
- Set company-wide non-financial KPIs
- Established “Our Code of Conduct”

*Nikkei Integrated Report Awards
Won 2022 Grand Prix and 2023 Grand Prix 5 Award!*

2023 Trial and Error Period (- 2025)

We positioned the year as the first year of carbon neutrality and launched a company-wide project. We brushed up on non-financial initiatives. We appointed sustainability partners in each departments. We held the first sustainability meeting.

- Strengthened environmental initiatives
- Set HR materiality, KGI, and KPI
- Appointed sustainability partners
- Incorporated sustainability evaluation items into executive compensation
- Started global human rights training
- Released Sustainable Procurement Guidelines
- Held first sustainability meeting for investors and stakeholders

Frustration (MOYAMOYA) and exciting but nervous (DOKIDOKI) begins!

2024

Business Units: Promote carbon neutrality, human rights initiatives, Resonac Pride products and services certification, etc.
Functions Divisions: Promote initiatives through non-financial KPI management, launch projects in new domains that require lateral responses
Environmental field: Started initiatives toward a circular economy and biodiversity
Communication: Continue to improve stakeholder evaluation through strategic communication and engagement, and strive to foster employee mindsets and motivation

- Newly appointed CSuO, started to take holistic approach, joined by Compliance and Administration Department (community contribution, environmental risk response, etc.)
- Launch of Resonac Pride products and services certification
- Registered as a TNFD Adopter, participated in the Ministry of the Environment’s 30by30 alliance
- Launch of “Sustainability Day,” a mindset-building program at business sites, etc.
- Identified important company-wide risks through collaboration with Risk Management
- Accelerating governance reforms

[P91 / Resonac Pride Products & Services](#)

2026 - : Blossoming of “Resonac Style” *(WAKUWAKU) (UKIUKI)*