

# KUREHA CSR Report 2021

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# CSR

CSR Initiatives



## Message from the President



### Kureha Group's CSR

Read about our CSR philosophy and value creation process.

- [The Kureha Group Creating Shared Value](#)
- [CSR Initiatives](#)
- [Responsible Care Activities](#)
- [Overview of Kureha Group Policies](#)

### CSR Material Issues

# ESG Report

Read about our ESG initiatives.



**Environmental  
Report**



**Social  
Report**



**Governance  
Report**



## Environmentally and Socially Friendly Products [→](#)

Read about environmentally and socially friendly Kureha products and materials.



GRI Standards Content Index/  
Comparison with ISO 26000



ESG Data Collection



CSR Report Archive



CSR Site Editing Policy and  
Contents of the Report



FAQ/Contact

# Message from the President



At Kureha, our Corporate Philosophy is to treasure people and the natural environment, to constantly evolve through innovation, and to contribute to society by developing beneficial products. We seek to be an excellent company built on technology, develop differentiated products in the specialty chemicals field, and grow businesses that solve the challenges of society, and contributes to healthy lifestyles.

From the beginning of 2020, we have been confronted with the unprecedented crisis of the COVID-19 pandemic. Governments around the world are taking measures to stop the spread and return their economies to normal, all while rapidly distributing vaccines. I hope that vaccinations get to all as soon as possible and we can return to living safely as soon as possible. In these trying times, we at the Kureha Group are making a daily effort to prevent infections, and have ensuring the health of our employees, and avoiding any delays in corporate activities due to poor health, as our top management priorities.

The world is undergoing rapid changes due to the COVID-19 pandemic. As cross-border economic activity shrinks significantly, handling the COVID-19 pandemic has taken top priority, however, on the whole we expected to see a gentle upturn of the global economy from this point on. On the other hand, in the political realm, lack of international cooperation, highlighted by current tensions between the US and China, is creating instability in the global free market structure. And yet, words like “carbon neutrality” and “circular economy” signify that countries around the world are conscious of the global environment and accelerating efforts to recycle resources and stop climate change. We are seeking for ways to adapt to the new environment, the new normal that is envisioned after the scourge of coronavirus.

Even during such terrible changes to our social environment, the Group must keep up a strong and flexible response, constantly transforming and growing so as to remain an indispensable company for society. Our management is united in deepening discussions on issues and measures toward our Group's ideal vision from a medium- to long-term perspective.

## 1. Kureha's Challenge 2020

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The Kureha Group extended the mid-term management plan formulated in 2016, Kureha's Challenge 2018, Product Differentiation and New Business Creation, by two years in order to complete the priority measures that were not achieved, and we have been working toward these five management goals: “expand the PGA business and generate profit,” “strengthen the PVDF business for further expansion,” “optimize business models for existing businesses,” “globally explore and develop new businesses,” and “strengthen management foundations.” However, due to the economic downturn, both domestic and overseas, caused by the pandemic, operating profit took a slight decrease in the final stage of the mid-term extension plan of fiscal 2020, although revenue did increase driven by the polyvinylidene fluoride resin, household, and environment segments. With another operating loss in our PGA business, we still have a long way to go in achieving our priority measures and solidifying our business portfolio.

## 2. Kureha's Challenge 2022 (The final stage of Kureha's Challenge extension plan)

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Despite the two-year extension, priority measures have not been met or sufficiently fulfilled. Also, it is unclear when the pandemic will come to a close and what the future holds for the business environment. In addition, we have undergone repeated failures to fulfill our previous mid-term management plans and, without sufficiently analyzing the causes, created new management plans over the years. Considering all of this, we have decided that it is essential to follow through uncompromisingly on all unfulfilled goals of the current extension.

The current mid-term management plan extension will be re-extended for two years, and existing priority measures will be completed with a follow-through-to-completion stance. We have also decided to implement Kureha's Challenge 2022 (The final stage of Kureha's Challenge extension plan) as two years aiming to complete all measures along with sowing new seeds leading to our next mid-term management plan based on a vision of the Group in the future. As an important new initiative, we are resolved to determine what kind of innovations we, as a chemical company, can contribute to bring about carbon neutrality within our company and the greater society, and how to profit from the development of these technologies.

### Strengthen ESG Management

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We will continue to have "strengthen ESG management" as a priority measure within "strengthening management foundations," in the management goals of Kureha's Challenge 2022. In the past few years, our economic and social environment has changed at an unimaginable speed. In order for the Group to continue to be a company needed by society and achieve sustainable growth, we must constantly scrutinize ourselves and our identity from an economic, societal, and environmental perspective, and execute our measures with an eye to the future. During this two-year re-extension plan, we will be particularly focused on the following:

#### ／ (1) The environment, carbon neutrality, and a circular economy

As environmental conservation efforts are being promoted on a global scale, it is essential to the Group's survival to take part in these efforts. In the previous fiscal year, the Group established a CO<sub>2</sub> emissions reduction target for fiscal 2030 and began efforts to fulfill this goal. In order to accelerate this, Kureha established a Carbon Neutral Drive Committee in April 2021. Keeping our goal of carbon neutrality and a circular economy by 2050 in mind, we will not only reduce our greenhouse gases and waste emissions, but we will also contribute to solving societal problems and growth of the group by accelerating the selection and development of innovative technology themes with an eye on future commercialization.

#### ／ (2) Safety and Quality

As a manufacturer, safe operations and reliable quality form the basis of Kureha's CSR. We stand on the base of maintaining safe operations and providing needed products that society can use with peace of mind. If this base is shaken, none of our contributions will be accepted. In order to further fortify this base of unwavering reliability, we will not be satisfied with the status quo, and will always be proactive and specific about our pursuits.

#### ／ (3) Improvement of Technical Abilities

We believe that, as a company built on technology, constantly striving to improve our technical abilities will lead to societal contributions. To continue providing high-value products, we will focus on improving our process development capabilities, and strengthening development of innovative processes, cost competitiveness, and product differentiation. To achieve this, we have recently established and already begun operations at the Production Technology Innovation Center, which handles everything from process development to plant design.

#### ／ (4) Human Capital Development and Reform of Corporate Culture

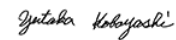
To achieve our ideal vision for the future, it is essential to focus the reform of corporate culture on the cultivation of skilled human capital, therefore, we will introduce a new personnel system in October 2021. During the current mid-term plan, we will have the entire company focus on implementing this system, cultivating employees who can independently and autonomously fulfill their roles and take on challenges without fearing failure, and create a corporate culture that can respond quickly to changes in the business environment, and connect this to achieving sustainable growth of the Company.

#### ／ (5) Digitalization

To strengthen the competitiveness of the Group in the face of a shortage of human resources due to the declining birthrate and aging, and also to prepare for the move to a new normal and work style reform which are predicted to be accelerated by the coronavirus pandemic, digitalization must be accelerated. We are currently training and strengthening digitally-adept human capital, accumulating concrete successes in digitalization in each of our departments, and building a model case of a value chain which utilizes data.

Mere completion of our current mid-term plan tasks is insufficient for the realization of societal contributions and sustainable growth of the Group. In order for us to become an indispensable presence to stakeholders, i.e., a sustainable company, as well as raise our economic value through profit generation as we move forward, every one of our employees must boldly take on the challenge of reform with an awareness of passion, speed, and commitment. I will personally lead this effort as head of the Kureha Group. We look forward to your continued understanding and support.

October 2021



**Yutaka Kobayashi**

President & Chief Executive Officer

# Kureha Group's CSR

As corporate activities become more global, stakeholders are demanding more corporate social responsibility (CSR). Thus, CSR activities are an important factor in maintaining and improving corporate value. The Kureha Group will promote CSR activities based on our corporate philosophy and basic policy on CSR, fulfill our social responsibilities as a corporation, and contribute to the development of a sustainable world.

[The Kureha Group Creating Shared Value](#)



[CSR Initiatives](#)



[Responsible Care Activities](#)



[Overview of Kureha Group Policies](#)





# The Kureha Group Creating Shared Value

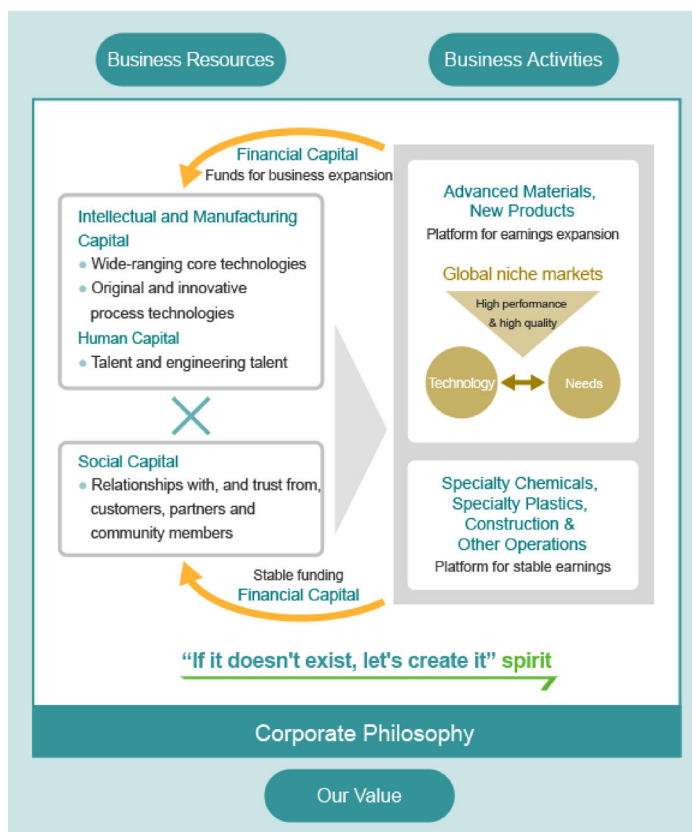
By adhering to our corporate philosophy and leveraging our strengths to provide value to society, we aim to contribute to a more sustainable society and become an excellent company.

Myriad Social Issues • • • SDGs

The Sustainable Development Goals (SDGs) are international targets to be achieved by 2030 that were adopted at the United Nations Sustainable Development Summit in September 2015. The 17 SDGs and 169 targets seek to address global problems that include global economic crises, natural disasters, the environment, refugees, and poverty, through worldwide efforts to realize a world where no one is left behind.

## Kureha's Values

With an appreciation of our corporate philosophy and corporate culture, we will leverage the strengths that we have developed over the years to contribute to social progress.



## Kureha's Strengths

Kureha's strengths are our accumulated wide-ranging technologies and expertise, talent that expands on these things with a "if it doesn't exist, let's create it" spirit, and the partners that help support what we do.

## Kureha's Business

On a foundation of stable earnings and brands in businesses ranging from specialty chemicals to specialty plastics, we improve the performance and quality of advanced materials and develop our own products in global niche markets, and through these efforts achieve further business expansion.

## Business Strategies

FY2021-2022 Mid-term Management Plan → 2-year re-extension

### Kureha's Challenge (KC) 2022

(The final stage of Kureha's Challenge extension plan)

Everyone in the Kureha Group will boldly follow through uncompromisingly with the unfinished measures of KC2020, with passion, speed, and commitment

#### Management goals and priority measures

- Expand the Advanced Materials businesses**  
 PGA, PVDF, PPS
- Optimize existing businesses**  
 Household products, packaging materials, pharmaceuticals, agrochemicals
- Identify and develop new business**  
 Develop and commercialize environmental impact reduction technology  
 Promote development of new products  
 Promote collaboration between in-house and external technologies
- Strengthen the management foundations**  
 Implement the new personnel system  
 Strengthen production technology capabilities and cost competitiveness  
 Strengthen IT-related human resources and promote digitalization  
 Strengthen ESG management

#### Kureha's Strategies

We extended the mid-term management plan Kureha's Challenge 2018 by two years to complete remaining priority measures, however, we must continue to spot changes in the business environment, such as the stagnation of the global economy due to the coronavirus pandemic. Also, we have decided to extend the current mid-term management plan by two years, as Kureha's Challenge 2022, and complete our management goals, because various measures we are working on as priority measures are still in progress.

## Passion, Speed, and Commitment

## Corporate Vision

#### Social Value



Sustainable society

#### THE KUREHA GROUP

As a company built on technology, Kureha will develop differentiated products in the field of specialty chemicals and become a high value-added enterprise that continually contributes to global society.

The Pursuit of Excellence

#### Kureha's Corporate Vision

We aim to contribute to a more sustainable society by providing the world with new value in mainly the environment, energy, and quality of life fields, and become an excellent company in the process.

→ [Click here to check the enlarged view](#)

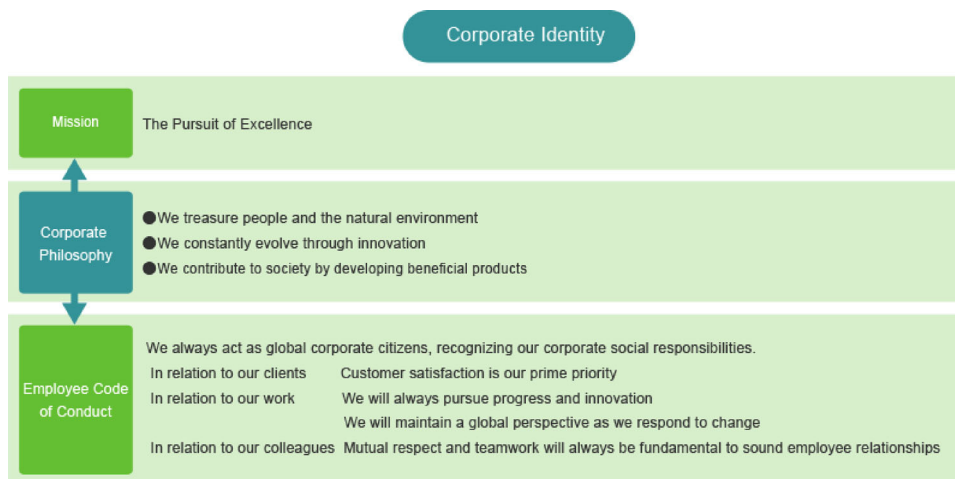
# CSR Initiatives

- ↓ Corporate Identity    ↓ Kureha Group Basic Policy on CSR
- ↓ Kureha Group's CSR Philosophy    ↓ Promotion of CSR Activities    ↓ CSR Activities

## Corporate Identity

Corporate management and business environments have been undergoing violent changes. It is important that our management and employees have a firm grasp of and promote our raison d'etre to the world so that we can face this transformation without fail and continue to contribute to society.

Kureha's corporate identity is composed of our Corporate Philosophy, which is the backbone of management; our Employee Code of Conduct, which actualizes our philosophy; and our Mission, which steers all of our corporate activities.



## Kureha Group Basic Policy on CSR

Our corporate identity is, in itself, our social responsibility; thus, this identity is what makes the Kureha Group Basic Policy on CSR.

### ／ Kureha Group Basic Policy on CSR

We will firmly adhere to the Employee Code of Conduct, practice the Corporate Philosophy, and continue to embrace challenges while aspiring to be an excellent company in our global business operations, social activities, and Responsible Care initiatives.

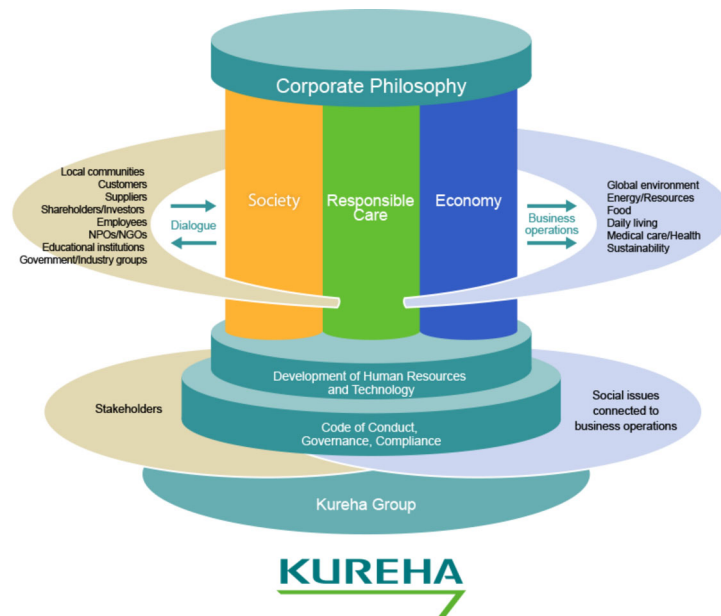
## Kureha Group's CSR Philosophy

The Kureha Group's CSR Philosophy, being centered on the chemical industry, is made up of the three pillars of Society, Responsible Care (RC), and the Economy, with the Code of Conduct, Governance, Compliance, and then Development of Human Resources and Technology as its base. As we continue

dialogue with our stakeholders, we will put our Corporate Philosophy into practice, working to resolve societal issues through these activities.

## Kureha Group's CSR Philosophy

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## Promotion of CSR Activities

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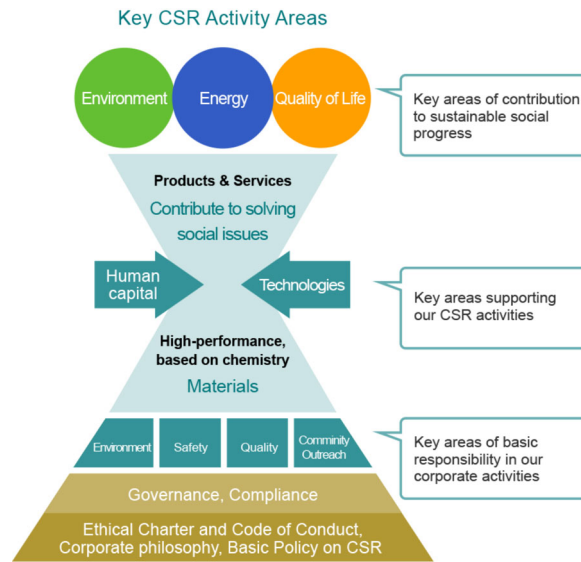
In fiscal 2015, we established a CSR Committee under the direct control of the President, with the director of CSR as chairman to oversee and promote CSR activities throughout the Group.

## CSR Activities

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Increasing efforts are being made to visualize global social issues, such as through the SDGs, and companies are expected to make greater contributions to their solution. Many companies are now making efforts to formulate medium- to long-term strategies to address social issues.

The Kureha Group believes it has an obligation to continually improve its governance and enforce compliance, and to take committed steps with group companies to uphold basic responsibilities in the course of conducting its corporate activities. With this policy at the base, we aim to address new social issues and contribute to social progress by leveraging our technical capabilities and corporate expertise in our areas of strength. This is why we have set and are working on, the following as key CSR activity areas during the period of Kureha's Challenge 2022.



## Key CSR Activity Areas

| <b>(1) Key areas of basic responsibility in our corporate activities</b> |  |
|--|--|
| <b>Environment</b>   | Adopt a medium- to long-term perspective toward addressing global issues such as climate change and resource recycling.  |
| <b>Safety and Quality</b>  | Ramp up coordination and raise standards throughout the Group.   |
| <b>Community Outreach</b>  | Work with an awareness that our businesses are supported by communities and must continue to earn their trust.   |
| <b>(2) Key areas of contribution to sustainable social progress</b>      |  |
| <b>Environment, Energy and Quality of Life</b>                           | Through the research and development of high-performance materials, we create products and services that help solve social issues and contribute to social progress. |
| <b>(3) Key areas supporting our CSR activities</b>                       |  |
| <b>Human Capital and Technologies</b>                                    | We believe that human capital and technologies are important foundations for achieving growth throughout the Kureha Group and making us excellent.                   |

# Responsible Care Activities

As a company in the business of handling chemical substances, the Kureha Group makes voluntary efforts to preserve the environment and protect personal safety and health in all business processes, from product development to product manufacturing, distribution, usage, final consumption, disposal, and recycling. The Kureha Group refers to these efforts as Responsible Care (RC) activities.

Responsible Care (RC) activities are based on seven items: environmental protection, safety and disaster prevention, occupational safety and health, product safety & quality assurance, logistics safety, energy management, and community relations.

- ↓ Declaration of Responsible Care Implementation and Responsible Care Policy
- ↓ RC Management System

## Declaration of Responsible Care Implementation and Responsible Care Policy

Kureha has belonged to the Japan Responsible Care Council (currently Japan Chemical Industry Association RC Committee) since its inception. We declared the implementation of RC in April 1995, and, having established our RC policy, have been promoting RC activities.

Kureha Corporation and the companies of the Kureha Group believe that preservation of the global environment and ensuring the safety and health of people are core elements of business operations. Recognizing these as our corporate social responsibility, we declare a commitment to implement Responsible Care. Kureha and the companies of the Kureha Group shall formulate and put into practice a plan of implementation under the following Responsible Care Policy.

This policy shall be applied in common to Kureha and the companies of the Kureha Group.

April 20, 1995  
July 1, 2002 ..... Partially revised  
October 1, 2005 .... Partially revised

## Responsible Care Policy

### Responsible Care Policy

- Compliance with international regulations and laws

We shall comply with international regulations and domestic laws with respect to safety and disaster prevention, occupational safety and health, product safety, and preservation of the global environment, including the environment for community life, and shall participate actively in Responsible Care activities promoted by the Japan Chemical Industry Association.

- Earth-friendly, safe operations

We shall take special care to preserve the global environment in our business activities, protect the safety and health of employees and the public in our operations, and make efforts to prevent accidents, disasters, and pollution.

- Providing safe products to society

We shall quickly and accurately ascertain society's demands, making use of them in product design and manufacture, and shall provide products and services that customers can trust and

use with peace of mind. We shall also provide society with products and services that are safe, reliable, and environmentally friendly throughout the entire lifecycle, from product research and development through production and marketing to disposal.

- **Managing and putting to use environmental and safety information**  
We shall centrally manage appropriate information on the correct handling and disposal methods of our products as well as the environment, safety, and disaster prevention and shall provide such information to consumers, users, companies involved in product delivery, and others.
- **Building better relationships with society**  
We shall practice proper public relations through the provision of environmental and safety information, bearing in mind the concerns of administrative authorities and the public. We shall also participate actively as a citizen in the activities of civil society and strive to maintain and build better relationships with society.

- [Overview of Environmental Impact](#)
- [Disaster Prevention](#)
- [Occupational Safety and Health](#)
- [Product Safety and Quality Assurance](#)

## Signed the Responsible Care Global Charter and Announced International Cooperation and Promotion of RC Activities

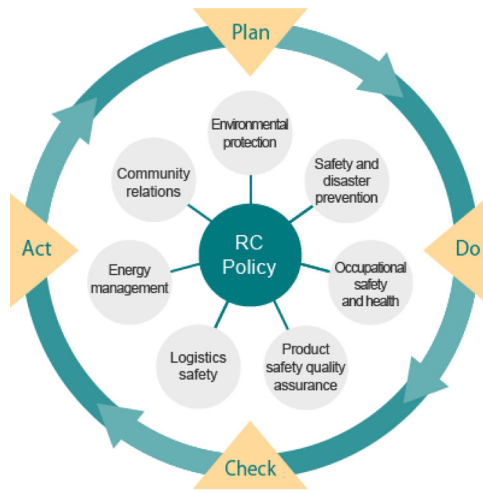
Responsible Care (RC) is a global initiative practiced by chemical companies in 58 countries and territories. The Global Charter has been established as a guiding principle of activities to spread and promote RC activities around the globe, which all chemical companies operating globally are encouraged to sign and implement. The RC Global Charter, enacted by ICCA, was first published in 2006. By 2014, key activities were changed in the revision of the Charter. Kureha signed the revised Charter in September of the same year, in the name of the President and Representative Director, announcing our international cooperation with RC activities.



## RC Management System

Kureha's RC activities, under the direction of the CSR Committee, which is under the direct control of the President, include the following seven items: environmental protection, safety and disaster prevention, occupational safety and health, product safety & quality assurance, logistics safety, energy management, and community relations. These seven items are integrated into one RC management system, with each item promoted primarily by a department covering that area. These unifying departments formulate a plan for every fiscal year, promote activities, then receive reviews of activity results from management, and reflect these results in the next fiscal year's activity plan. We aim to continually improve results through such a PDCA (Plan, Do, Check, Act) Cycle. We have also acquired external certification for our Environmental Management System (ISO 14001), Quality Management System (ISO 9001), and Occupational Safety and Health Management System (ISO 45001), and we are working to utilize this in maintaining and improving each Management System.

- [ESG Data Collection](#)



## Management System Audit

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The results of the reviews of our RC Management System and the external examinations of each ISO Management System are reported to the CSR Committee, which then deliberates on how to address important issues of concern.

In fiscal 2020, we decided it was necessary to strengthen company-wide measures for environmental management, for which regulations are becoming stricter globally. We discussed clarifying systems and responsibilities for a more effective management system, and improvements are underway.

## The Kureha Group RC Council

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Through the Kureha Group RC Council, comprised of 11 companies, we share and discuss RC activity plans, results, and issues at group companies and make constant efforts to improve these activities. The Council consists of working groups focused on environmental preservation, safety and disaster prevention, occupational safety and health, product safety, quality assurance, logistics safety, energy management, and community outreach. Members of each group discuss the specialized topics of their field.



The Kureha Group RC Council



# Overview of Kureha Group Policies

Kureha group proceeds with various activities under the relevant corporate policies and guidelines shown below.

## Policies

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- Corporate Philosophy
- Corporate Identity
- Kureha Group Ethical Charter
- Human Rights Policy
- Kureha Group Basic Policy on CSR
- Kureha Group's CSR Philosophy

## Governance

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- Corporate Governance Guidelines
- Basic Policy on Risk Management
- Information Security Policies
- Policies for the Protection of Personal Information and Specific Personal Information
- Basic Policy for our Intellectual Property Strategy

## RC and Environment

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- Responsible Care Policy

## Society

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- Basic Policy on Information Disclosure
- Basic Policy for Customer Satisfaction
- Quality Policy
- Procurement Policy
- CSR Procurement Guidelines
- Basic Policy on Health

# CSR Material Issues

↓ [CSR Material Issues and Summary Table](#)

↓ [Process of Identifying Material Issues](#)

## CSR Material Issues and Summary Table

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We created a CSR Summary Table and set goals/visions for material issues. The department in charge of each item reports their action plan at the beginning of each fiscal year, and activity results at the end of each fiscal year to the CSR Committee, who then gives approval after deliberation. Here too, we use the PDCA cycle to continually improve our CSR efforts.

Click here for the Fiscal 2020 CSR Summary Table.

→ [Fiscal 2020 CSR Summary Table](#) 

## Process of Identifying Material Issues

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In fiscal 2016, in order to maintain and improve our corporate value, Kureha created a system based on ISO 26000 to spread and integrate CSR initiatives company-wide. We identified the highest-priority material issues for Kureha out of all possible CSR initiatives that form the basis of corporate activities and created a summary table in order to use the PDCA cycle on these. The process for identifying material issues is as follows:

### Step 1: Visualize CSR Initiatives

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We visualized all of our CSR foundational initiatives according to the 7 core subjects and 36 issues of ISO 26000. We also listed the initiatives that society and stakeholders are likely to request or expect from us.

### Step 2: Classify and Organize CSR Issues

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Next, we organized these initiatives into 66 CSR issues. Then we examined their relationship to the value chain of our business activities and stakeholders affected for each of the issues.

### Step 3: Evaluate the Priority of CSR Issues

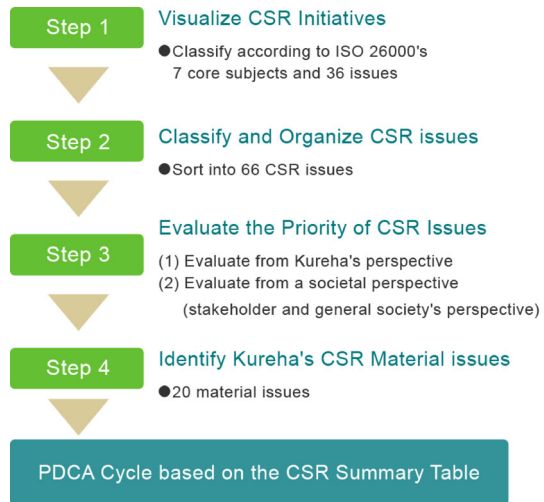
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We evaluated the importance (priority) of the 66 CSR issues from both a corporate and societal perspective. This evaluation was conducted by executives (directors, auditors, and executive officers) and the heads of each department that has focused on promoting CSR initiatives.

### Step 4: Identify Kureha's CSR Material Issues

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We identified the 20 most important material issues based on the priority evaluation. These material issues were ultimately approved by the CSR Committee.



# Environmental Report

In the interest of preserving the global environment, the Kureha Group works hard to make effective use of resources, cut down on waste, and properly manage chemical substances emitted into the environment, and then makes the results of these endeavors public.

|   |   |
|---|---|
| <a href="#">Environmental Management System →</a>             | <a href="#">Overview of Environmental Impact →</a>            |
| <a href="#">Climate Change Mitigation →</a>                   | <a href="#">Prevention of Air Pollution →</a>                 |
| <a href="#">Water Use and Prevention of Water Pollution →</a> | <a href="#">Waste Emissions and Recycling →</a>               |
| <a href="#">Management of Chemical Substances →</a>           | <a href="#">Other Environmental Conservation Activities →</a> |

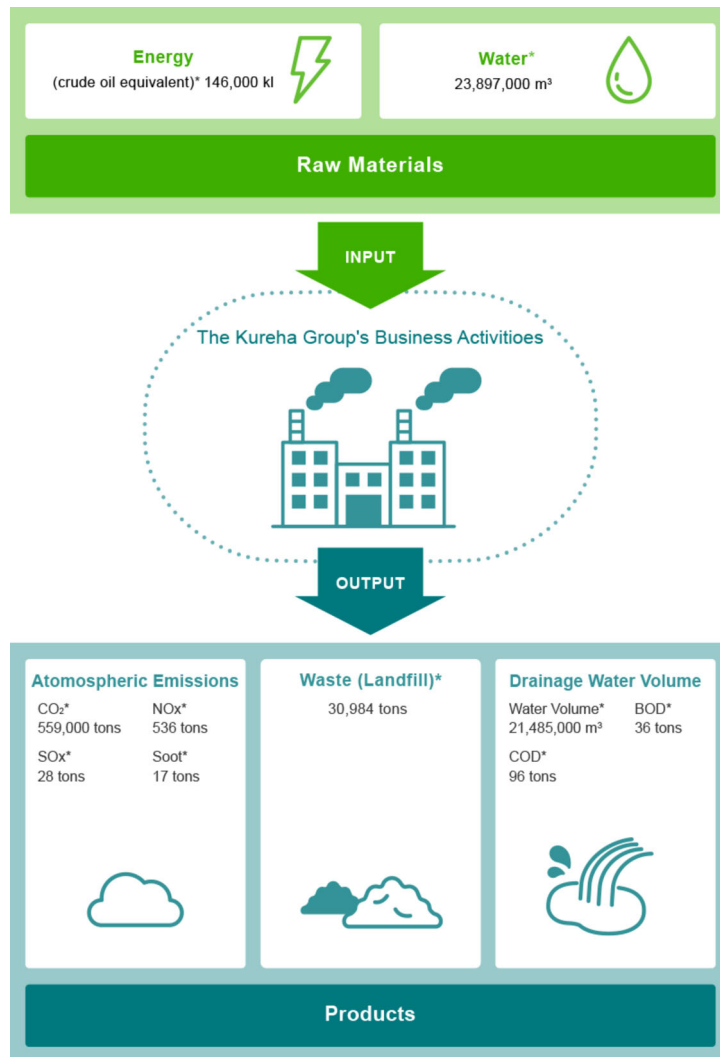
# Environmental Management System

The Kureha Group promotes environmental awareness among all of our employees at every production base domestically and overseas by acquiring ISO 14001 certification and certification, which is the international standard for environmental management systems, and putting it into use. In our effort to protect the global environment and reduce our environmental impact, we promote proper management and prevention of emissions of environmentally hazardous substances, effective use of limited resources, and reduction of waste.

→ [ESG Data Collection \(Information on external certification\)](#) 

# Overview of Environmental Impact

Overview of Kureha Group's Environmental Impact (FY2020)



\* The entire Kureha Group

# Climate Change Mitigation

- ↓ Initiatives for Climate Change Mitigation
- ↓ CO<sub>2</sub> Emissions throughout the Supply Chain
- ↓ CO<sub>2</sub> Emissions and Reduction Initiatives in Scope 1 and 2
- ↓ Climate Change Efforts in Logistics

## Initiatives for Climate Change Mitigation

The Paris Agreement was concluded as a world-wide measure to combat climate change, and Japan along with many other developed countries have declared the goal of carbon neutrality\* by 2050 and are actively promoting measures and technological innovations necessary to reduce greenhouse gas (GHG) emissions. Fighting climate change and achieving carbon neutrality is one of the most important issues for the Kureha Group, toward which we will make a united effort under the following basic policy:

### Basic Policy on Climate Change

Fighting climate change is one of the most important issues for the Kureha Group. We will work to actively reduce GHG emissions related to our business activities in order to fulfill our corporate social responsibility.

\* Carbon neutrality: bringing the balance of greenhouse gas emissions overall to zero. In other words, by subtracting absorption/removal from emission, we should reach net zero.

In fiscal 2020, we conducted an informational survey on energy use and CO<sub>2</sub> emissions for the entire group, our energy demand forecasts, the circumstances of the countries and regions where each Group company is located, and various countermeasures for climate change mitigation. We have formulated the following CO<sub>2</sub> emission reduction target for fiscal 2030 based on that survey:

### Kureha Group's CO<sub>2</sub> Emission Reduction Target

The Kureha Group's CO<sub>2</sub> emissions from energy use should be reduced in phases to a total of 376 thousand tons, a 20% reduction from fiscal 2013, by fiscal 2030.

(CO<sub>2</sub> emissions from energy use were 470 thousand tons in fiscal 2013)

To achieve this target, we will curb the operation of the coal-fired power plant at the Iwaki Factory, switch to renewable energy as the main power source at other Kureha offices and Kureha Group companies, and promote high-efficiency when replacing equipment and various energy-saving activities.

In April 2021, an independent, in-house Carbon Neutral Drive Committee was organized, and is composed primarily of full-time staff. They will aim to further raise our reduction targets and achieve carbon neutrality before 2050, and have started looking into new measures and working on new technologies.

Following the Japanese government's announcement of the country's new greenhouse gas reduction goal in late April, we have decided to further reinforce and accelerate our corporate effort with a revised and more ambitious target to reduce CO<sub>2</sub> emissions across Kureha Group operations. A new company-wide project, the Carbon Neutrality Project, is therefore set up to oversee and promote activities to achieve carbon neutrality and zero emissions in 2050, including measures to reduce industrial wastes.

## CO<sub>2</sub> Emissions throughout the Supply Chain

Managing greenhouse gas emissions from business activities is important and requests are rising to disclose how we manage our emissions. These emissions consist of (1) direct emissions from our company resulting from the use of fuel, electricity, etc. (Scope 1); (2) indirect emissions resulting from the use of electricity, heat, steam, or other energy purchased from utilities (Scope 2); and (3) indirect emissions that are outside of Scope 2 and that originate in our supply chain from operations ranging from raw material sourcing to waste disposal (Scope 3). Data inclusive of Scope 3 has been reported since fiscal 2017.

### CO<sub>2</sub> Emissions and Scope Breakdown (Kureha)

Unit: 1,000 t CO<sub>2</sub>

|          | CO <sub>2</sub> Emissions |        |        |        |
|----------|---------------------------|--------|--------|--------|
|          | FY2017                    | FY2018 | FY2019 | FY2020 |
| Scope 1  | 363                       | 338    | 356    | 340    |
| Scope 2  | 34                        | 42     | 31     | 31     |
| Scope 3* | 7                         | 7      | 6      | 6      |

\* Scope 3 emissions represent the total volume for Category 4 (transport, delivery (upstream)), 6 (business travel), 7 (employee commuting), and 9 (transport, delivery (downstream)) emissions.

### Changes in CO<sub>2</sub> Emissions from Energy Use (Kureha Group)

Unit: 1,000 t CO<sub>2</sub>

|                          | Energy-derived CO <sub>2</sub> Emissions |        |        |        |        |        |
|--------------------------|--|--------|--------|--------|--------|--------|
|                          | FY2013                                   | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
| KUREHA                   | 431                                      | 380    | 389    | 370    | 376    | 363    |
| Group Companies in Japan | 21                                       | 15     | 13     | 22     | 23     | 21     |
| Overseas Group Companies | 18                                       | 20     | 35     | 30     | 28     | 28     |
| Total                    | 470                                      | 415    | 437    | 423    | 428    | 412    |

## CO<sub>2</sub> Emissions and Reduction Initiatives in Scope 1 and 2

### Kureha

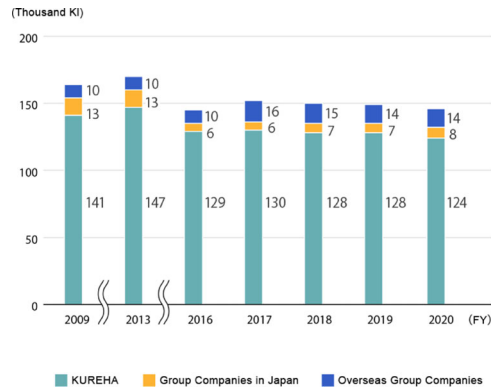
At the Iwaki Factory, we are steadily implementing energy saving plans, such as systematically updating to energy-saving equipment, and we are also implementing various activities to promote energy conservation, such as energy-saving patrols and internal energy audits. At the plastics processing factories, we work to use equipment efficiently by disseminating the results of internal energy audits, and we also promote energy-saving activities at our head office and other offices.



## Kureha Group

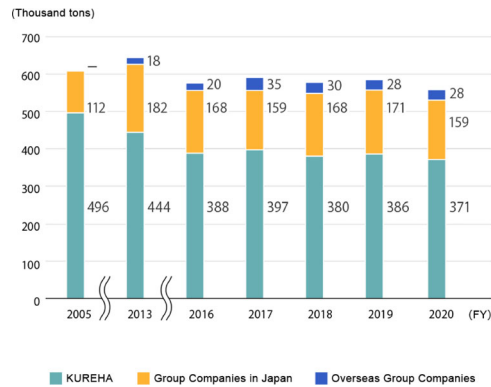
Kureha Group has production bases in the United States, the Netherlands, China, Vietnam, and other countries. Energy policies differ between each country, but each of our production bases are actively promoting climate change mitigation measures, such as switching the electricity we use to renewable energy, according to the policies of each country.

## Energy Use



Starting fiscal 2017, four companies have been added to the figure for overseas group companies, two of which are Kureha (Changshu) Fluoropolymers Co., Ltd. and Kureha PGA LLC.

## CO<sub>2</sub> Emission Volume



- Fiscal year 2005 was the base year for Kureha's own long-term target, Kureha ECO<sup>2</sup> Actions 2020, based on the Commitment to a Low Carbon Society by Keidanren (reduce BAU CO<sub>2</sub> emissions so that fiscal 2020 is less than fiscal 2005 by 10% or more). Fiscal year 2013 represents the base year for the Kureha Group's medium- to long-term CO<sub>2</sub> emission reduction targets formulated in fiscal 2020.
- Starting fiscal 2017, four companies have been added to the figure for overseas group companies, two of which are Kureha (Changshu) Fluoropolymers Co., Ltd. and Kureha PGA LLC.

# Climate Change Mitigation in Logistics

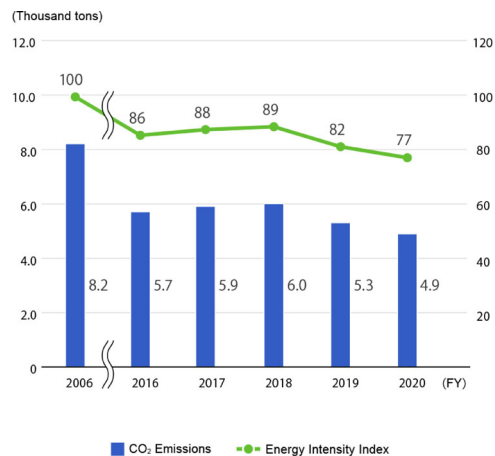
As for logistics, Kureha Unyu, which takes on the transportation of our products, and related departments within Kureha are collaborating to reduce energy intensity\* by at least 1% per year on average by making the following efforts:

1. Switching to larger, more energy-efficient vehicles
2. Switching the mode of transportation from trucks to trains and ships

In addition to these efforts, Kureha is continually working to reduce our environmental footprint by not only reforming our logistics and storage operations, but also through optimal placement of distribution warehouses and improved transportation efficiency.

\* Kureha's energy intensity index (logistics): based on the fiscal 2006 revised Energy Conservation Act, an index with the energy intensity (energy consumption divided by transportation weight) of specific consigners for fiscal 2006 set at 100.

## CO<sub>2</sub> Emissions and Energy Intensity from Logistics



# Prevention of Air Pollution

Most of Kureha's atmospheric emissions come from our main production base, the Iwaki Factory. The emissions of air pollutants at Iwaki Factory, such as SO<sub>x</sub> and NO<sub>x</sub>, were kept under a level set voluntarily by Kureha and agreed upon by local authorities as well as the emission standards set based on the Air Pollution Prevention Act. This was made possible by continually improving facilities and realizing stable operation of our manufacturing plants.

→ [ESG Data Collection \(Environment\)](#) 

# Water Use and Prevention of Water Pollution

Our main production base, the Iwaki Factory, also accounts for the majority of our water use. At the Iwaki Factory, we comply with the emission standards set by the Water Pollution Prevention Act and local ordinances. We have reduced our chemical oxygen demand (COD) by over 50% and our biochemical oxygen demand (BOD) by over 80% since fiscal 1995. At each of our manufacturing plants, we are working to reduce our environmental footprint by making a daily effort to maintain stable operation of wastewater treatment equipment. We are also working to ensure thorough wastewater management by making improvements to our machines and updating our water quality monitoring equipment.

At our Plastics Processing Factory (Ibaraki) located in Ibaraki Prefecture, we conduct monthly water quality inspections along with daily patrols and continuous pH monitoring of wastewater, in accordance with the emission standards ordained in the Water Pollution Prevention Act and local ordinances. At our Plastics Processing Factory (Hyogo), too, we carry out voluntary water quality analysis and continually conduct proper waste management. Since groundwater is pumped and used in industry in both districts, we also keep the amount of water collected within the limits set by the Industrial Water Act and local ordinances related to pumping groundwater.

→ [ESG Data Collection \(Environment\)](#) 

# Waste Emissions and Recycling

- ↓ Waste Management and Reduction of Waste Generated
- ↓ Awareness of Efforts on Marine Plastic Pollution and Recycling of Plastics

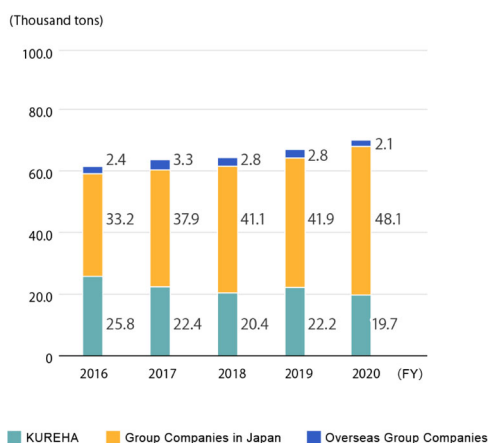
## Waste Management and Reduction of Waste Generated

Kureha is working to reduce our volume of waste for final landfill by both curbing the amount of, and actively recycling, waste discarded by our production activities.

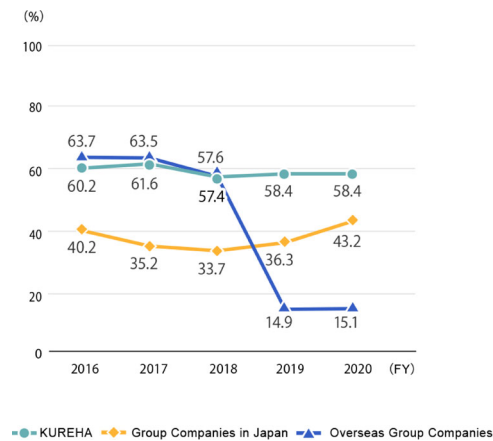
At the Iwaki Factory, we are working to increase the percentage of recycling by outsourcing coal ash produced by the coal-fired power plant to a recycling company as a raw material for cement and other materials. We are also working to reduce waste generation at each manufacturing plant by improving production efficiency; however, due to increased production, the amounts of industrial waste generated and at final landfill remains unchanged. We will continue to work for further reductions through stable plant operation, development of high-efficiency processes, and introduction of new recycling technologies.

At the plastics processing factories we are also actively working to curb production losses and to not only develop products that use these production losses, but also to recycle these losses. In fiscal 2020, we updated our disposal method to reduce the amount for final landfill of polyvinylidene chloride waste, which accounts for the majority of our waste, to zero. We gradually reduced the amount of landfill waste and since February 2021 have been achieving our goal of zero final-deposit waste. As a result, the amount of polyvinylidene chloride sent to the landfill in fiscal 2020 achieved the approximate 30% reduction of the initial plan, and the final landfill amount is expected to be zero from fiscal 2021 onward. Promoting recycling and reducing final disposal quantities are important issues at Kureha, and we will continue to strive toward the goal of zero industrial waste emissions.

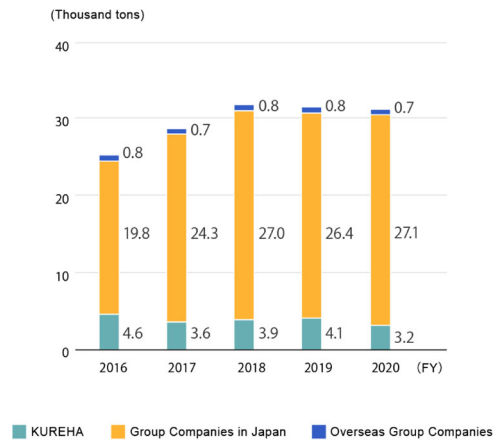
## Waste Generation



## Recycling Rates



## Waste at Final Depositing



→ [ESG Data Collection \(Environment\)](#) 

## Awareness of Efforts on Marine Plastic Pollution and Recycling of Plastics

As a company, we must reduce our impact on the natural environment as much as possible for the development of a sustainable society. We, as a Group that manufactures and sells plastic products and materials, have a responsibility to work for environmentally friendly production activities as we continue to provide technology-based products and services that target various environmental issues, such as global warming, water problems, marine plastic pollution, and resource recycling. The Kureha Group will continue to protect our rich natural environment by promoting environmentally-conscious initiatives at every stage of the supply chain, including R&D, manufacturing, sales, collection, and disposal.

# Kureha Group's Environmental Awareness and Initiatives

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## ／ Basic Awareness

As a plastics manufacturer, the Kureha Group has the following basic awareness of environmental issues: Plastics have a wide variety of uses and, when their unique characteristics are effectively utilized, they contribute to such things as increasing energy efficiency and reducing food loss.

However, since their recycling rate is still quite low and because they are improperly disposed of, they end up as marine plastic waste, becoming a huge factor in environmental pollution.

We at the Kureha Group believe it is necessary to participate in the global effort toward:

1. Development of a plastic recycling system, and
2. Prevention of pollution by marine plastic waste.

## ／ Group Initiatives

In order to fulfill our corporate social responsibility, the Kureha Group is taking the following measures against these issues:

### **Promoting the three R's (reduce, reuse, and recycle)**

1. Reducing losses, and examining ways to reuse and recycle, in the manufacturing process
2. Promoting environmental businesses such as recycling and heat recovery technologies

### **Responding in product design and development**

1. Designing products which reduce household waste and simplify the task of garbage separation
2. Reducing raw materials used while maintaining functionality
3. Developing biodegradable plastic products such as PGA degradable plugs

### **Promoting efforts to prevent littering on land and into the ocean**

1. Raising consumer awareness through proper labeling of product disposal
2. Preventing plastic waste leaking into water bodies during the manufacturing process
3. Collaborating with local and regional governments to eradicate littering and illegal dumping
4. Promoting cleanup efforts around each business site and neighboring areas

We will continue to make sincere efforts, together with industry groups, to fulfill our corporate responsibility to preserve the natural environment according to the policies and plans of the international community and Japanese government.

→ [ESG Data Collection \(Environment\)](#) 

# Management of Chemical Substances

Chemical substances are an indispensable factor in the enrichment, comfort, and convenience of daily life, and we use many different chemicals in daily life and in industry. However, some chemicals may have an adverse effect on the environment and human health. To minimize these adverse effects, international goals and strategies for chemical substance management are being formulated, and laws and regulations based on these are being developed all around the world. This has been reflected in the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015.

We handle all of our products in compliance with domestic and international chemical substance regulations. We also provide all necessary information about the adverse effects of chemicals in our products to domestic and overseas customers through Safety Data Sheets (SDS) and labels, and always respond to customer surveys. Furthermore, we disseminate information about harmful chemicals within and without the company as the need arises.

→ [Safety Examinations](#)



# Other Environmental Conservation Activities

## Local Environmental Conservation Activities

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Kureha is actively engaged in efforts to preserve the natural environment surrounding our operations through collaborations that promote interaction with our local communities.

# Social Report

Stakeholder Engagement



Shareholders and Investors



Customers



Purchasing and Procurement



Employees



Community



Human Rights Efforts



# Stakeholder Engagement

## Promoting Dialogue with Stakeholders

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As corporate activities globalize, stakeholders demand more social responsibility from corporations, so building and maintaining relationships of trust by taking various opportunities for dialogue is positioned as an important factor in improving corporate value.

We at Kureha Group take all the requests and concerns of our neighbors into consideration as we contribute to the development of a sustainable society, by promoting dialogue with our important stakeholders, whether they be shareholders and investors, customers and clients, business partners, employees, the general public, local communities, government agencies, or industry groups.

| Stakeholder   | Main Representative Department  | Method of Communication  | Frequency              |
|---|---|--|------------------------|
| Shareholders & Investors                                | General Affairs Department<br>Public and Investor Relations Department                      | Annual General Shareholders' Meeting                                 | Annual                 |
|   |   | Briefings for securities analysts and institutional investors        | Several times per year |
|   |   | Events for private investors   | Several times per year |
| Customers & Clients                                     | Sales Department<br>Quality Assurance Department  | Customer Support Center  | Any time               |
|   |   | Customer events  | Several times per year |
|   |   | Exhibitions  | Several times per year |
|   |   | Daily communications   | Any time               |
| Business Partners (procurement sources, subcontractors) | Procurement Department<br>Sales Department<br>Quality Assurance Department                  | Supplier audits  | Annual                 |
|   |   | CSR surveys  | Annual                 |
|   |   | Daily communications   | Any time               |
| Employees   | HR Department<br>General Affairs Department   | Labor-management consultations, Health and Safety Committee Meetings | At least once a month  |
|   |   | Performance evaluation interviews, self-assessment system            | Two times per year     |
|   |   | Daily communications   | Any time               |
| General Public  | General Affairs Department  | Factory tours, volunteering  | Several times per year |
|   |   | Educational sponsorships   | Annual                 |
| Local Community   | General Affairs Department<br>Environment / Safety Department                               | CSR Local Dialogue Meeting   | Annual                 |
|   |   | Cultural, academic, and sports exchanges                             | Several times per year |
|   |   | Factory tours  | Several times per year |
|   |   | Volunteering   | Several times per year |
|   |   | Emergency training   | Several times per year |
| Government Agencies<br>Industry Groups                  | General Affairs Department<br>HR Department<br>Planning Department<br>Technology Department | Compliance with laws and regulations                                 | Any time               |
|   |   | Participation in councils, discussions, etc.                         | Any time               |

# Shareholders and Investors

Our Corporate Governance Guidelines set policies to promote constructive dialogue with shareholders and investors. This includes various IR activities that help investors, shareholders, and all of our stakeholders understand our Company.

[→ Link to IR page](#)

# Customers

As for household products, we created our Customer Support Policy in accordance with the Quality management 'Customer satisfaction' Guidelines for complaints handling in organizations (ISO 10002/JIS Q 10002). We rely on this policy not only for consistent customer service, but also continual improvement of customer service and customer satisfaction. We have also introduced an information management system called the Customer Feedback Flow System in order to promptly and appropriately respond to customer information and complaints about products and reflect them in new product development.

- ↓ **Basic Policy for Customer Satisfaction**
- ↓ **Customer Service**
- ↓ **Product Safety and Quality Assurance**

## Basic Policy for Customer Satisfaction

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Here at Kureha, each one of us takes our customer feedback seriously, setting and steadily achieving goals which help us provide products that bring maximum customer satisfaction.

### Behavioral Guidelines for Customer Satisfaction

1. We work to provide our customers with safe products they can use with peace of mind.
2. We work to improve the quality of our products and services for maximal customer satisfaction, by sharing their valuable feedback.
3. We take the feedback from our customers seriously, and respond promptly, in good faith, with fair and impartial treatment.
4. We will continue to improve the quality of our products and services by achieving the quality goals we set.
5. We will strictly adhere to relevant legislation and company standards.
6. We will resolutely oppose unreasonable demands.

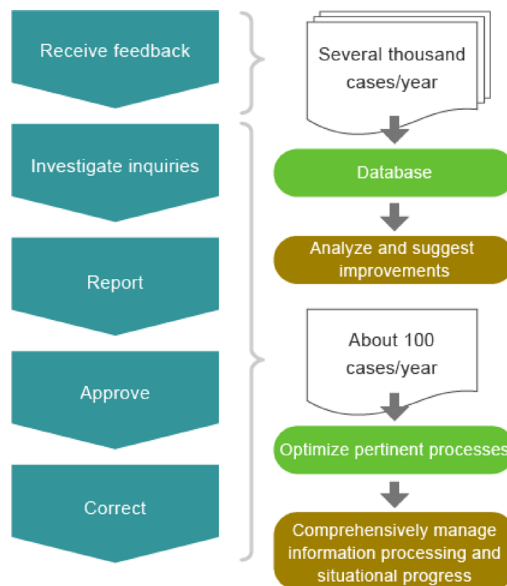
## Customer Service

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The complaints and opinions expressed by customers who regularly use our household products are retained and organized after being received by our customer service. We value direct feedback from our customers and have been using the Customer Feedback Flow System since fiscal 2014 to utilize this information to make better products.

We maintain a database of more than 30,000 pieces of information that have been collected to date. Our departments work together and make effective use of this system in resolving and preventing problems, revising products, and developing new products.

We have also operated a traceability system since 2008 for simultaneously tracking production lots and shipment receivers. When a quality problem occurs, we will take quick action and minimize damage.



## Product Safety and Quality Assurance

The Group manufactures and sells various materials required by advanced industries, a variety of chemical products that support the foundation of industry, and household products, such as New Krewrap. In providing these products, we always put customer satisfaction first and engage in various activities to ensure that we adhere to our promised quality standards.

We continually review and improve our quality management system, enhance education about quality for employees, and strengthen collaborative activities with partner companies for a higher level of quality assurance. In addition, we have established mechanisms and an in-house examination system to ensure safe and reliable products are delivered to our domestic and overseas customers.

## Quality Policy

To provide goods and services that further satisfy our customers, we have established a quality policy, operate according to the international standard ISO 9001 quality management system, and engage in daily management and improvement efforts. We are also strengthening our quality assurance system and promoting and enhancing education about quality.

### Kureha's Quality Policy

1. We will strive to improve the quality of our products and services in order to further satisfy the customer.
2. We will work to provide customers with safe products that they can feel good about using.
3. We will focus on safety and disaster prevention while endeavoring to achieve stable product supply.

April 1, 2021

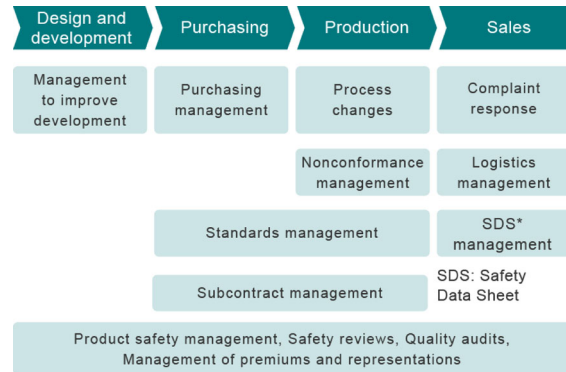
President & Chief Executive Officer  
KUREHA CORPORATION

## Quality Management System

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Kureha acquired ISO 9001 certification in fiscal 1995 and transitioned to the ISO 9001-2015 revision in fiscal 2017. Kureha passed its 8th renewal audit in fiscal 2019.

We have developed internal rules in accordance with ISO 9001 for every stage from product design and development to sales, and we work hard operating and making improvements to the appropriate system so that customers can be provided with safe products and feel good about using them.



## Safety Examinations

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We follow established internal rules regarding safety examinations to ensure compliance and safety. Since we offer a wide range of products from household items to industrial products, we check for a variety of factors such as field of use, target customers, and methods of manufacturing, quality control, transportation, and use. We also put ourselves in the customer's shoes while examining SDS, labels, product catalogs, and other provided information in order to provide safe, reliable products both inside and outside of the company.

## Safety Evaluations

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Kureha's Safety Research Center gathers up-to-date information on and conducts proper evaluations of regulations, tests, and assessment methods concerning the many chemical substances used in the materials and products we develop and how these can harm human health and the environment.

The center has been reporting to the R&D Division since fiscal 2019 and relocated to a new facility in October 2020. By coordinating even more closely with the R&D Division and focusing on safety from early in development, it will contribute to the development of even safer products.



# Purchasing and Procurement

Under our Procurement Policy, we conduct our purchasing and procurement activities in accordance with our CSR Procurement Guidelines and request our business partners to conform to them, too. We also formulated a Green Procurement Guideline so as to advance the usage of safer and more eco-friendly materials and products. This guideline is kept updated in response to changes in environmental laws.

[↓ Procurement Policy](#)

[↓ CSR Procurement Guidelines](#)

[↓ Purchases and Procurements](#)

## Procurement Policy

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### Procurement Policy

1. We select our suppliers fairly, based on a rational economic analysis of quality, price, supply stability, after-sales service, technical capabilities, and CSR initiatives
2. When selecting suppliers, we open a wide range of contact points regardless of existing suppliers or past performance
3. We comply with relevant laws when making purchases
4. We aim to build relationships of fairness, cooperation, and equality, and improve mutual understanding and trust with all of our suppliers
5. We work to maintain and improve the quality of purchased products in collaboration with suppliers
6. We stand against corruption by refusing any private or personal relationships of interest with our suppliers

# CSR Procurement Guidelines

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## CSR Procurement Guidelines

### 1. Human Rights and Labor

- (1) Respect basic human rights
- (2) Do not engage in unfair discrimination with respect to employee compensation, benefits, hiring, etc.

### 2. Occupational Health and Safety

- (1) Identify dangerous/hazardous factors and take appropriate measures
- (2) Formulate emergency response measures and familiarize employees with them

### 3. Environment

- (1) Try to use raw materials and parts that have minimal environmental impact
- (2) Properly manage specified chemical substances
- (3) Properly dispose of industrial waste

### 4. Fair Trade

- (1) Do not engage in the improper giving or receiving of benefits
- (2) Do not abuse positions of authority to disadvantage others
- (3) Provide accurate information about Kureha's products, services, and business methods
- (4) Observe laws, social norms, and company regulations applicable to our business activities

### 5. Product Quality and Safety

- (1) Build and utilize a quality management system

### 6. Information Security

- (1) Properly manage confidential and personal data

### 7. Contribution to Society

- (1) Engage in activities that contribute to the development of the international community and local communities

## Purchases and Procurements

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### CSR Survey

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To reduce CSR risk in the supply chain, we began surveying our business partners via a check list in fiscal 2017. Each year we determine which companies to survey based on the volume of business we had with them.

### Conflict Minerals and Mica

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We view conflict minerals (e.g., gold, tantalum, tungsten, tin, and cobalt) as an important issue concerning human rights. Also, new measures have been required to solve the problem of child labor regarding mica mining in India. So, we have built a system for ensuring that these minerals and raw materials containing these minerals are not used in our products.

# Employees

Under the belief that employees are at the core of stable business, Kureha has built a variety of educational and support systems so that employees can work to their full potential, be rewarded for taking on challenges, and feel growth.

Human Capital Development →

Work-Life Balance →

Diversity →

Promoting Good Health →

Labor-Management Relations →

Occupational Safety and Health →

Disaster Prevention →

# Human Capital Development

At Kureha, we aim to cultivate human capital whose performance we can count on, by training our future executives, global human capital, and young employees, through active promotion of various measures in OJT<sup>1</sup> and systematic OFF-JT<sup>2</sup> programs. In fiscal 2017, we set up a committee to develop technical human capital to help Kureha continue to grow as a company driven by innovation.

Under the new personnel system, our HR department will work to support the autonomous and continuous growth of every employee even more than before, as we take on more and more ambitious goals for a brighter future.

1 OJT: On the Job Training

2 OFF-JT: Off the Job Training

- ↓ Open Enrollment Training and Seminars
- ↓ Global Human Capital Development
- ↓ Practical Skills Training (PST)
- ↓ In-House Thesis Review
- ↓ New Personnel System

## Open Enrollment Training and Seminars

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We offer our employees many opportunities to take on the challenge of self-development in a wide range of specialized skills and fields. Employees can freely choose from a selection of distance learning and seminars by instructors from both inside and outside the company, in subjects such as business, production/technology/manufacturing, chemistry, office automation, languages, certification acquisition, and more. We even accommodate work schedules and styles to allow for time to study.

## Global Human Capital Development

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To expand our presence in the global market, we are focused on developing global human capital through enhancement of various self-development, skill development, and study abroad programs.

## Practical Skills Training (PST)

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We concentrate on developing technically proficient personnel to keep growing as a technology-oriented company. Since fiscal 2017, we have been conducting Practical Skills Training (PST), which lets new laboratory and production department employees exchange workplaces for one year. The program seeks to create employees capable of independent thinking and doing their job while considering a variety of factors.

## In-House Thesis Review

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We have a program for in-house thesis reviews for younger employees. The program originally involved researchers and engineers but was expanded to all departments in fiscal 2016. Through this program, while cultivating the logical thinking, writing, and presentation skills of younger employees, various proposals for the development of new businesses and applications have been made.



Some of the winners with outstanding theses



Live and online presentation

## New Personnel System

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In October 2021, we will fully implement our new personnel system with the goal of creating a corporate culture in which each employee can play an independent and autonomous role, responding deftly to changes in the business environment, being conscious of ambition, speed, and growth. Under this new system, we will aim to transform Kureha into a company where employees take pride in their work as professionals, thinking “I want to - no, I have to grow and be ambitious, and quick!”

## Employee Mindset

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- Ambition - to actively take on new and difficult tasks without being bound by conventional ideas and methods.
- Speed - in collecting information, making decisions, taking actions, and responding to changes.
- Growth - by continuing to learn independently throughout their career and in fulfilling their role as a professional.

## New Personnel System

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1. More result-oriented - strengthening of treatment based on “role/job” standards.
2. Service by seniors - extension of retirement age to 65 years old.

# Work-Life Balance

Kureha is planning and implementing various measures to allow our employees to work flexibly and productively, with a sense of satisfaction and fulfillment, at each stage of life and according to their individual lifestyles. We want to build a corporate culture that respects every employee and fosters their ambition and growth. Therefore, we have introduced a flextime system, a per half-day or per hour annual paid leave system, and various systems to support child-rearing and care-giving so that each employee can work to their full potential while maintaining harmony between work and family life.

The ★ in the table below indicates Kureha's in-house system or a system that exceeds legal requirements

| Flexible working style   | Pregnancy & childbirth   |
|--|--|
| Annual paid leave in half-day increments   | Limits and exemptions for overtime work, holiday work, and late-night work <sup>3</sup>        |
| Annual paid leave in hourly increments   | ★ Adjustment of working hours, duties, and reducing work burden (paid)                         |
| ★ Accumulated annual paid leave <sup>1</sup>   | ★ Hospital visits during work hours (paid)   |
| Flextime system  | ★ Prenatal and postnatal leave (six weeks before and after childbirth, paid)                   |
| ★ Refresh system <sup>2</sup>  | ★ Congratulatory leave (for spouses at the time of birth) (up to three days, paid)             |
| ★ Self-development support   |  |
| ★ Leave system when a spouse is transferred overseas   |  |
| Childcare  | Nursing  |
| Limits and exemptions for overtime work, holiday work, and late night work <sup>3</sup>          | Limits and exemptions for overtime work, holiday work, and late night work <sup>3</sup>        |
| Childcare leave (until the second birthday)  | ★ Adult nursing (three times up to two years cumulative)                                       |
| Childcare time   | ★ Shortened working hours for care-giving (up to three years cumulative)                       |
| ★ Shortened working hours for childcare <sup>4</sup>   | ★ Adult nursing (10 days for one person, 20 days for two or more people annually) <sup>5</sup> |
| Nursing leave (five days for one child, ten days for two or more children per year) <sup>5</sup> |  |
| ★ Childcare leave (for spouses, up to five days within six weeks after birth)                    |  |

1 Expired annual paid leave can be accumulated in units of a day and used in half-day units for care-giving, social contribution activities, self-development, childcare, etc.  
 2 We award our employees 100,000 yen at their 40<sup>th</sup> birthday and 200,000 yen at their 50<sup>th</sup> to give them the opportunity to refresh their mind and body, reconsider their life goals, and boost motivation.  
 3 In the case of childcare, applicable for those with pre-elementary school aged children.  
 4 Can be obtained until the end of the graduation year for elementary school students.  
 5 Can be obtained in half-day units or hourly units

## Shine-Up Seminar

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We have been conducting Shine-Up Seminars since fiscal 2017. The seminars help female employees demonstrate their full potential and take more active roles. Participants get the opportunity to review their strengths, share their values with other employees, and reconsider their own career plans.

## Employment of People with Disabilities

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In 2014, we established a special subsidiary, Sunshine Kureha, to help people with disabilities participate in society independently.

|                               | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------|---------|---------|---------|
| Employment rate (%)           | 2.36    | 2.24    | 2.38    |
| Statutory employment rate (%) | 2.20    |         | 2.30    |

→ [Working Toward an Inclusive Society Sunshine Kureha Co., Ltd.](#)

## Senior Seminar

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We started hosting Senior Seminars in fiscal 2018. The purpose of the seminars is for older employees with extensive knowledge, experience, and skills to grow and enhance their capabilities further. Participants study about their upcoming life changes, such as their surroundings and family budgets, then think over what type of future they want to aim for.



# Promoting Good Health

↓ Basic Policy on Health and Promotion   ↓ Health Care   ↓ Mental Health

## Basic Policy on Health and Promotion

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Kureha established a Basic Policy on Health and is working to increase health awareness among employees. We help employees maintain good mental and physical health by encouraging examinations of lifestyle along with the prevention and early detection of stress-related diseases.

### Basic Policy on Health

Based on the belief that good employee health is essential for corporate growth, Kureha works with the Health Insurance Society to support employees' efforts to maintain and improve their own health.

## Environment to Promote Health

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Through Healthcare Promotion Meetings, established in conjunction with the Health Insurance Society, Kureha supervises every aspect of health management throughout the company. Kureha also works with the Health Insurance Society to monitor, maintain, and improve the health of employees at the company's business sites, while taking measures to improve the workplace environment and occupational safety.

## Health Care

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In addition to conducting regular physical examinations, guidance about lifestyle-related diseases is provided by public health nurses as necessary. We also hold walking events sponsored by the Health Insurance Society and invite instructors from outside the company to give exercise classes at the workplace.



Exercise class (fiscal 2019)

## Mental Health

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We are also turning our eyes to mental health. For example, we regularly check levels of stress to prevent mental problems among employees, provide mental health seminars and offer internal consulting services with doctors. In addition, for employees on leave for mental health issues, it is easy for them to return to work.

## Labor-Management Relations

Kureha and the Kureha Labor Union hold a monthly management council as a space to respect the constructive opinions of both labor and management. With a common understanding of Kureha's management situation and various other issues, we discuss various measures to improve the work-life balance of our employees and other improvements in working conditions. We also hold regular labor-management co-sponsored events to promote communication between the Company and staff. We will continue to maintain close and amicable communications between labor and management in order to grow the Company and improve the economic status and welfare of all of our employees.

# Occupational Safety and Health

As Kureha's business involves handling hazardous materials, disaster prevention and occupational safety are our greatest responsibilities. As such, Kureha is committed to careful equipment and operational management. Moreover, to completely eliminate work-related accidents and earn the further trust of communities, Kureha continually conducts training for emergencies, patrols worksites, and identifies risks.

- ↓ Occupational Safety and Health Management System
- ↓ Occupational Safety and Health Activities
- ↓ Occupational Safety and Health Awareness Programs    ↓ Skills Training Center
- ↓ Eliminating Logistics Accidents

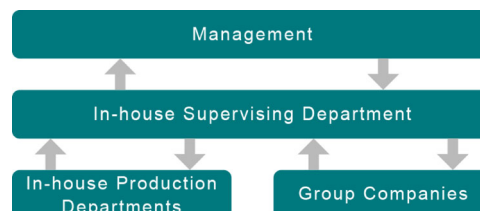
## Occupational Safety and Health Management System

Kureha and all Kureha Group Companies prioritize the safety and health of all our workers and are actively promoting the introduction of an occupational safety and health management system in line with our business activities with the goal of zero occupational accidents.

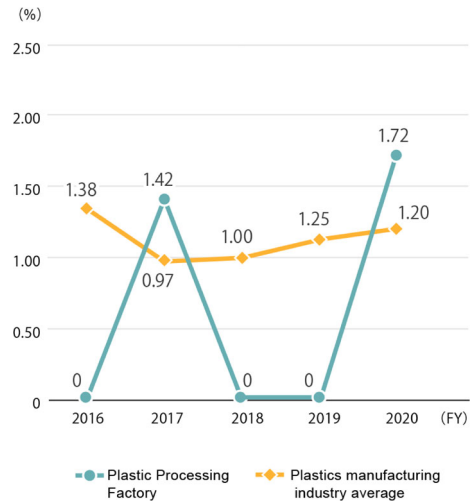
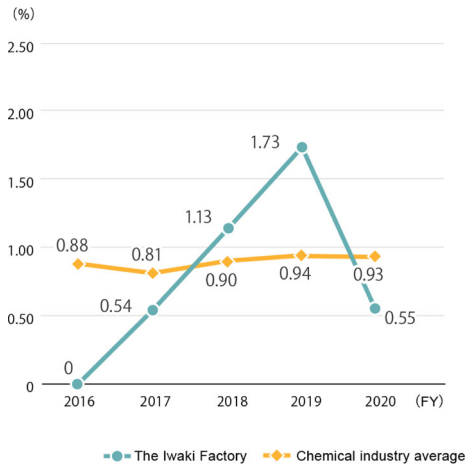
→ [ESG Data Collection \(Information on external certification\)](#) 

## Occupational Safety and Health Activities

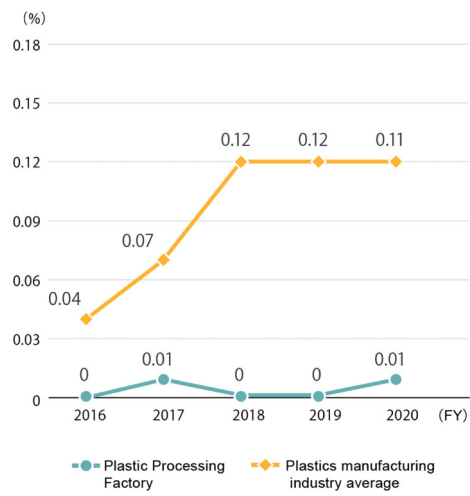
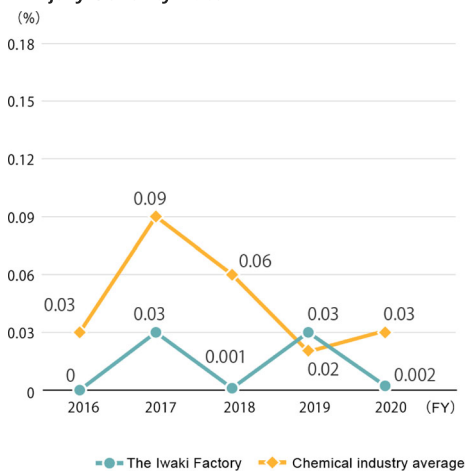
We have created a mechanism that enables employees to quickly share information about accidents when they occur as a means to eliminate personal injuries throughout the Kureha Group. In addition, some Kureha Group domestic companies are conducting peer inspections that allow for identifying hazardous areas and exchanging views from fresh perspectives. Safety monitoring audits have also been under way since fiscal 2019 at overseas group companies. The audits provide opportunities to monitor safety management systems, identify unsafe practices and hazardous areas, inspect worksites with respect to working environments, and otherwise share information about problems. The audits have also led to identifying differences concerning safety awareness among different countries.



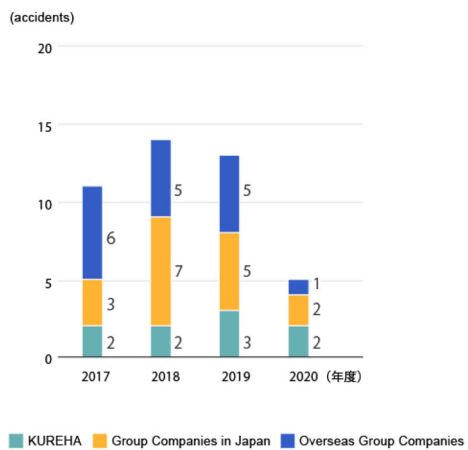
### ■ Lost Time Injury Frequency Rate



### ■ Injury Severity Rate



### ■ Lost Time Accidents



Information is reported by calendar year (January to December) based on the documents sent to the Ministry of Health, Labour and Welfare and the Japanese Chemical Industry Association.

→ ESG Data Collection (Social)

## Occupational Safety and Health Awareness Programs

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During National Safety Week in Japan, in the Iwaki Factory, Kureha Group employees attended seminars given by outside lecturers. This period saw business office executives conduct safety patrols and improvements are being undertaken in areas requiring safety measures. Kureha group employees also attended special seminars on lifestyle diseases.

In Kureha's Plastics Processing Factory (Ibaraki), outside lecturers were called in to conduct industrial hygiene talks concerning mental and physical health, with topics covering areas such as the use of effective stress checks and practicing sleep control techniques for improving work efficiency. Efforts were also made to establish an environment that encourages employees to consult with industrial physicians about their health. In the Plastics Processing Factory (Hyogo), a number of events were held that included a forum on heatstroke prevention, a safety workshop, and active listening training for managers.



Training session (Iwaki Factory)

## Skills Training Center

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At the Iwaki Factory, we are working together with Group companies and partners to raise awareness about disaster prevention and occupational safety and health, and to eradicate occupational accidents. As part of that effort, we opened the Training Center in November 2005 where we teach occupational safety through simulations of dangers to people from Kureha, Group Companies, the neighboring areas, and other companies and organizations. Since opening, approximately 40,000 people have participated as of March 2021.



Skills Training Center

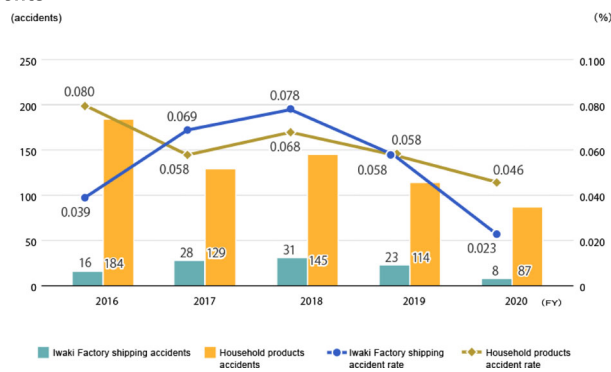
# Eliminating Logistics Accidents

Kureha is working to eradicate all logistics accidents that occur during transportation of our products. As for products shipped from the Iwaki Factory, Kureha Unyu Co., Ltd., which handles the shipments, collaborates with related in-house departments to prevent accidents. With continuous safety training of Kureha Unyu crew members, strengthening undercarriage inspections, and various other measures, we are working to prevent leaks and other such things that could lead to serious accidents, and also working to reduce delivery errors and all other logistics accidents.

For household wrapping products, such as NEW Krewrap, shipped from our Plastics Processing Factory, we will continue to implement various countermeasures against logistics accidents, such as thorough education of and guidance to our transportation partners and reflecting the results of accident factor analysis in our education plans.

Accidents have been decreasing since fiscal 2018 as a result of these efforts.

## ■ Logistics Accidents



# Disaster Prevention

As chemical-related companies, the Kureha Group handles dangerous materials, high-pressure gases, and poisonous substances on a daily basis. We consider disaster prevention and not having any major facility accidents to be our most important responsibility, and for this reason we manage equipment and operations thoroughly. We aim to maintain safety, security, and the trust of our local communities, so we not only comply with laws and regulations, we also establish our own management standards and practice preventive maintenance of equipment.

- ↓ Disaster Prevention at our Factories
- ↓ Disaster Prevention in Logistics
- ↓ Prevention of Facility Accidents

## Disaster Prevention at our Factories

We carry out practical training according to the needs of each factory so that every employee can quickly and properly perform their assigned role in the event of an emergency.

### Disaster Prevention Training at the Iwaki Factory

In addition to planned disaster prevention training conducted within each department, training for major disasters and accidents is also conducted for employees of all factories. Nearly 1,450 people take part in training at the Iwaki Factory every year, together with the regional fire department and group companies. The training incorporates lessons learned from the Great East Japan Earthquake and simulates a great earthquake so that employees will keep disaster prevention in mind.



General disaster prevention training (Iwaki Factory: fiscal 2020)

### Disaster Prevention Training at the Plastics Processing Factories

The plastics processing factories conducted safety inspections and emergency training, along with fire extinguishing simulations that assumed fire outbreaks from a large earthquake.



Safety inspections and emergency training (Plastics Processing Factory (Ibaraki): fiscal 2020)



Safety inspections and emergency training (Plastics Processing Factory (Hyogo): fiscal 2020)

## Disaster Prevention in Logistics

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Kureha collaborates with group companies involved in logistics to carry out training and education for preventing disasters during freight transportation, and we are working to make sure procedure manuals and communication systems are examined and followed.

At the monthly safety meetings for crew members of Kureha Unyu Co., Ltd., which transports chemicals, employees are alerted about any logistics accidents that have occurred and notified of changes in the equipment of our business partners. We also carry out hands-on training using actual vehicles and chemicals to raise safety awareness of crew members and eliminate accidents.



Safety meeting (Kureha Unyu Co., Ltd., : fiscal 2020)

## Prevention of Facility Accidents

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At the Iwaki Factory and the plastics processing factories, we are working to ensure stable operation and continue our record of zero major facility accidents by promoting various accident prevention measures, strengthening disaster prevention capabilities, and preparing for natural disasters.

According to our analysis, roughly half of minor facility accidents at the Iwaki Factory in recent years are due to human error such as mis-operation, misjudgment, because of not following procedure or mistaken confirmation. The rest are due to poor maintenance, poor construction, or deterioration of equipment. Because of this, we are working to reduce human error through strict adherence to procedure, hazard prediction when a worker switches/changes to other repair work or is asked to do additional work, and encouraging confirmation with the manager about any uncertainties. We will also strengthen our maintenance plan by reviewing the frequency of maintenance and the equipment to receive maintenance based on the results of regular repairs and plant audits. In addition, we will establish self-maintenance by helping operators in production departments acquire maintenance qualifications and having the departments perform maintenance activity audits. Furthermore, we are working to prevent facility accidents by continual inspection of not only manufacturing but also static equipment, and inspection and improvement of insulation piping and other fixtures.



# Community

Seeking to achieve a harmonious coexistence with communities, Kureha is engaged in various efforts like dialogue meetings, cultural communications, and supporting education and charities.

Communication about Risk



Contributing to the Community  
Through Medical Care



Working Toward an Inclusive  
Society



Social Activities



# Communication about Risk

↓ Local Community Engagement

↓ Emergency Support, Support for Measures against the COVID-19 Pandemic

## Local Community Engagement

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### CSR Local Dialogue Meeting

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We have conducted CSR Local Dialogue Meetings in the Iwaki region once a year since 2003. Through these meetings, we aim to gain the trust of the community by informing them about our efforts to promote safety in the Kureha Group's business activities and better mutual understanding.

The 17th meeting was held in fiscal 2019 and was attended by 131 people, among whom were local residents and members of nearby companies and local government.

In fiscal 2020, we decided to conduct meetings through written correspondence of explanatory materials, etc., due to the coronavirus pandemic.

## Emergency Support, Support for Measures against the COVID-19 Pandemic

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### Agreement with Omitama City of Ibaraki Prefecture

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In October 2017, Omitama City and our Plastics Processing Factory signed an agreement to supply daily necessities in the event of a disaster. In case of an earthquake or other disaster in the Omitama City area, we will provide our household products at the request of the City to help people get their lives back to normal and assist with recovery.

### Agreement with Fukushima Prefecture

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In February 2018, Fukushima Prefecture and the Iwaki Factory signed an agreement regarding the procurement of supplies in the event of a disaster. The purpose of this agreement is to ensure supplies can be promptly and seamlessly requested and supplied in the event of a large-scale disaster or an armed attack. By supplying products such as our NEW Krewrap, we want to help people get their lives back to normal and assist with reconstruction.

# Contributing to the Community Through Medical Care

## Kureha General Hospital

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Kureha General Hospital was established in 1935 as a clinic associated with Showa Jinken Co., Ltd.'s Nishiki Factory (currently Kureha Iwaki Factory). From 1951, it was open not only to employees but also the general public. In 1972, it became independent as Kureha-kai Medical Corporation (Kureha General Hospital). As a core hospital in the southern sector of Iwaki City, it works closely with the community to provide high-quality holistic medical care including not only treatment of illnesses, but also palliative care. Then, in 1983, it opened a health management center inside the hospital, which not only conducts general health exams, but also various tests using the latest medical equipment according to the needs of the community. In 2008, taking on part of the geriatric healthcare needs of Iwaki City, it opened a nursing home called “Gardenia” adjacent to the hospital, where nursing and long-term care is given under the guidance of doctors, and specialists provide rehabilitation. Kureha-kai Medical Corporation aims to develop the region into a place where people can live with security by following our basic policy of “contributing to the community through healthcare, long-term care, and health management.”

→ [Kureha General Hospital \(Japanese Only\)](#) [↗](#)



Geriatric health care services facility “Gardenia”



Kureha General Hospital

# Working Toward an Inclusive Society

## Sunshine Kureha

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We all want to live in an empathetic society where everyone, both the able-bodied and the disabled, can live together and respect one another as individuals. Working toward such an inclusive society, and strengthening our relationship of mutual support with the local community, the Kureha Group established the special subsidiary\* Sunshine Kureha inside the Iwaki Factory in July of 2014.

At Sunshine Kureha, employees with physical, mental, or intellectual disabilities and able-bodied employees work together while making use of their unique capabilities.



Sunshine Kureha

\* Special subsidiary - A company established to promote employment stability of people with disabilities; according to the "Act on Employment Promotion etc. of Persons with Disabilities," when certain requirements are met, the disabled employee of the subsidiary will be counted in the employment rate of the parent company.

→ [ESG Data Collection \(Social\)](#) 

# Social Activities

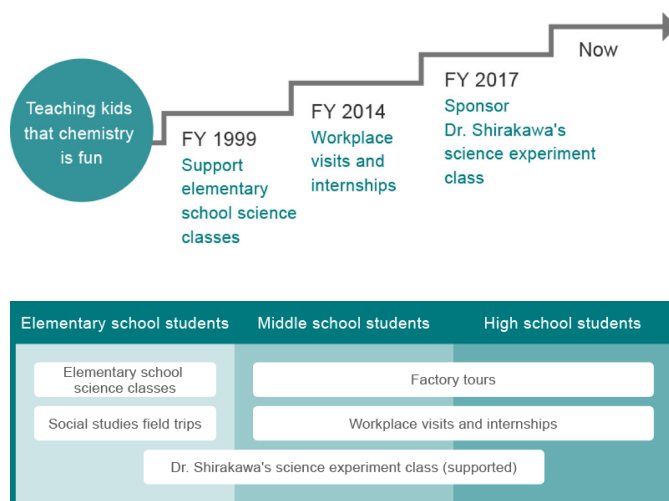
↓ Educational Support   ↓ Culture and Sports Exchange   ↓ Volunteering and Donating

## Educational Support

As a chemical company, we wish to convey the joys and wonders of chemistry to our youth, who are our future, in the hopes that some will take a special interest and go on to develop our sustainable society. To do this, we are actively working to educate the next generation.

### Overview of Educational Support

We conduct science classes and plant tours for nearby elementary school students in the city of Iwaki. These opportunities convey the fun of science to children and open their eyes to future career possibilities. For middle school and high school students, we offer internships that provide the experience of doing a job. They learn about the hardships of “Monozukuri” and the differences between a school and a company.



### Supporting Elementary School Science Classes: Teaching kids that chemistry is fun! (Canceled in fiscal 2020 due to the pandemic.)

Since fiscal 1999, the Iwaki Factory has held science classes for elementary schoolers to show them that science can be fun. We have had a cumulative total of 2,847 students over 22 years. Currently, we have our younger tech employees make the lesson plans, giving factory tours to fifth graders and real science labs to sixth graders.



Factory tour  
(fiscal 2019)



Science lab  
(fiscal 2019)

## Sponsored Dr. Shirakawa's Science Experiment Class (Lab postponed in fiscal 2020 due to the pandemic.)

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Since fiscal 2017, we have been supporting science experiment classes by Dr. Hideki Shirakawa (Nobel Prize in Chemistry, 2000) for elementary, middle, and high school students all over the country to convey the wonders and fun of chemistry. After learning the mechanism of electrically conductive plastic, each participant makes a transparent speaker using a membrane made by applying a conductive plastic layer to Kureha's KF Piezo film.



Hideki Shirakawa giving a lecture



Hamagin Space Science Center (Yokohama)  
Dr. Shirakawa's science experiment class (fiscal 2019)

# Culture and Sports Exchange

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Kureha engages in various culture and sports exchanges so that local communities, group companies, and employees can contribute to the development of the region while sharing positive communication.

## All Kureha Sports Festival (Canceled in fiscal 2020 due to the pandemic.)

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We hold our own sports festival every year in the Iwaki Factory area to promote fellowship between Kureha Group employees and their families, and deepen ties with everyone in the local community. We celebrated our 18th festival in fiscal 2019. Approximately 2,000 invitees participated, including officials from neighboring districts, shop associations, and Nakoso Elementary and Middle Schools.



All Kureha Sports Festival  
(fiscal 2019)

## Iwaki Odori (Canceled in fiscal 2020 due to the pandemic.)

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Iwaki Odori is a traditional public dance event held in the city of Iwaki every summer. The Iwaki Factory and Kureha Group companies participate in this event as members of the community every year. Mostly new employees, together with executive officers, interacted with other members of the community.



Iwaki Odori  
(fiscal 2019)

# Volunteering and Donating

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## Pink Ribbon Support Activities

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Currently, one out of nine Japanese women will get breast cancer\*, however with early detection and treatment, one can expect a good prognosis. Kureha wants to help every woman live a happier and healthier life. Therefore, we have put the pink ribbon mark on our NEW Krewrap and Kichinto-San products and donated a part of sales to the Japan Cancer Society's "Smile Fund" since 2009 and 2010, respectively.



\* Source - "Latest Cancer Statistics" (updated February 10, 2021), published by the Center for Cancer Control and Information Service, a part of the National Cancer Center

## Bellmark Campaign

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Since 1996, Kureha has cooperated with the Bellmark campaign\* through NEW Krewrap, supporting educational institutions and welfare organizations. Kureha has also participated in the Bellmark Campaign Seminar, an event organized by the Bellmark Foundation, since 2014. At the events, Kureha talks about its activities and interacts with other participants.

\* Bellmark campaign: An education support campaign launched in 1960 by the Education Equipment Support Foundation (currently Bellmark Foundation), which was established by approval from the Ministry of Education, Culture, Sports, Science and Technology in response to a call to "provide every child with equal access to education in an enriching environment."



Bellmark Campaign Seminar  
(fiscal 2019)



# Human Rights Efforts

↓ Human Rights Policy   ↓ Concrete Efforts

## Human Rights Policy

Since establishing the Kureha Group Ethical Charter (hereinafter, “the Charter”) in 2003, we have been engaged in activities that honor the human rights of our employees, consumers and customers, local communities, business partners, and other stakeholders in all aspects of our business activities. In November 2020, according to the Guiding Principles on Business and Human Rights (an international standard approved by the UN in 2011 to address human rights issues) and the Japan Business Federation's Charter of Corporate Behavior, which was revised in 2017 based on the Guiding Principles, we established our policy on respect for human rights as a new item in the Charter and expressed our support for the UN's Guiding Principles.

→ [Kureha Group Ethical Charter](#)

We will be a company that contributes to the development of a sustainable society, and aim to be widely trusted, by demonstrating our sense of responsibility and respect for human rights through concrete efforts taken by all members of the Group.

## Concrete Efforts

The Compliance Code of Conduct, the operation guide of the Charter, describes concrete efforts related to respecting human rights which we work to spread to our employees.

### Compliance Code of Conduct (excerpt)

2. We respect the human rights of all people affected by our corporate activities.
  - (1) Understand and Respect Human Rights
    - (a) We understand and respect international norms on internationally-recognized human rights.
    - (b) When there is a disparity between the international norm and the standard required in a country or region, we strive for whichever is the higher standard.
  - (2) Work to Respect Human Rights
    - (a) We respect human rights and work to not violate them in our corporate activities.
    - (b) We take appropriate corrective action when a negative impact on human rights becomes apparent in our corporate activities.
  - (3) Contribute to Building an Inclusive Society
    - (a) We contribute to building an inclusive society by supporting independence for socially vulnerable people who are susceptible to human rights violations.

# Governance Report

Corporate Governance



Ethics and Compliance



Risk Management



Intellectual Property



# Corporate Governance

Kureha is committed to fair and highly transparent management in accordance with Corporate Governance Guidelines, through which Kureha pursues and improves the long-term growth of corporate value for the Kureha Group.

→ [Corporate Governance](#)

# Ethics and Compliance

We ensure that all executives and employees follow laws, standards, and social norms in every situation. The Kureha Group Ethical Charter represents how we should act to achieve that goal.

[↓ Kureha Group Ethical Charter](#)   [↓ Compliance Committee](#)   [↓ Whistleblowing System](#)

## Kureha Group Ethical Charter

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### Kureha Group Ethical Charter

In accordance with the following eight principles, Kureha commits to acting in a manner that is sympathetic to society and in compliance with the laws of Japan and the other countries in which it operates.

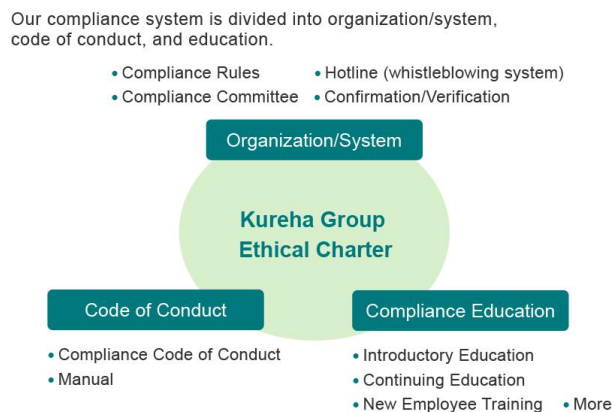
The company's top management recognizes that it is their role to realize the spirit of the Group Ethical Charter, and ensure its implementation.

In the case of any violations, Kureha's management will attempt to resolve those problems, eradicate the cause, prevent recurrence, release relevant information to the public, and implement appropriate punishment wherever necessary without exception. All of Kureha's employees will proactively act in accordance with this Group Ethical Charter throughout their daily lives.

1. We develop and provide safe and socially valuable products and services to respond to the needs of society.
2. We respect the human rights of all people affected by our corporate activities.
3. We work to protect the global environment and ensure the safety and health of the public.
4. We value extensive dialogue with society and will provide useful, accurate and timely corporate information.
5. We respect the local community and will actively contribute to its development.
6. We comply with rules of fair competition.
7. We maintain transparent and healthy relations within the political and governmental sphere.
8. We act as a responsible corporate citizen.
9. We work to create a corporate environment that promotes mutual respect and understanding.

## Compliance Committee

The Compliance Committee conducts various training programs to raise compliance awareness. The Internal Audit Department assesses internal issues, including those involving compliance.



## Whistleblowing System

We also have a hotline (whistleblowing system) employees can use if they discover a compliance problem, have a question, or are unsure of how to handle something. Internal rules prohibit people from being treated detrimentally for reporting or consulting on the hotline.

In order to encourage whistleblowing, we have set up an additional external hotline with lawyers, and a special harassment hotline with female counselors. We have also introduced an in-house leniency program that waives punishments for employees who make voluntary confessions.

|                        | FY2018 | FY2019 | FY2020 |
|------------------------|--------|--------|--------|
| The number of reports* | 5      | 2      | 10     |

\* Includes domestic group companies

# Risk Management

Under the supervision of the Risk Management Committee, we extract, analyze, and rate risks, then consider and implement countermeasures for high-importance risks. We also apply the Plan Do Check Action (PDCA) cycle to this process to promote risk management.

- ↓ Basic Policy on Risk Management
- ↓ Risk Management Implementation
- ↓ Overseas Crisis Management System
- ↓ Protection of Personal Information and Specific Personal Information
- ↓ [Risk Management System](#)
- ↓ Business Continuity Plan
- ↓ Information Security

## Basic Policy on Risk Management

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Kureha manages risk based on the following basic policy.

### Basic Policy on Risk Management

Understand the risks to our management on a company-wide scale and prevent them from occurring, and take necessary preventive measures to reduce the impact of risks that occur to an acceptable range.

## Risk Management System

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According to the classification of risks associated with business activities, the CSR Committee, the Information Management Committee, the Compliance Committee, and related departments are in charge of each risk classified as the supervising department, and promote risk management in cooperation with the departments actually involved with individual risks - all under the supervision of the Risk Management Committee.

## Risk Management Implementation

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Kureha manages risk through the following process:

1. Identify risks  
The supervising department identifies individual risks (in detail) according to type, analyzes their level of importance, and rates them by priority of response.
2. Analyze and rate risks  
The Risk Management Committee reviews the results of individual risk analyses and ratings, and gives any necessary instructions to the supervising department.
3. Monitor the response to risks  
The supervising department monitors how the responsible department responds to individual risks judged to be high-priority and gives further instructions accordingly.
4. Report and verify monitoring results  
The supervising department reports their monitoring results to the Risk Management Committee, which

then verifies the results and gives further instructions back to the supervising department accordingly.

The Risk Management Committee then reports the fulfillment status of this process to the Executive Committee and Board of Directors. Information on the response to major high-priority risks is disclosed in a timely and appropriate manner.

## Business Continuity Plan

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In May 2014, we developed and strengthened countermeasures to large-scale disasters such as earthquakes and formulated a Business Continuity Plan (BCP). In fiscal 2019, we started updating our BCP to include countermeasures to storm and flood damage, which have been increasingly severe in recent years. Updates include anticipating the dangers of large-scale flooding from rivers in and around Tokyo affecting our head office, and ensuring the safety of employees and durability of factory facilities against intensifying storms and typhoons. And we will continue to enhance our BCP by predicting and analyzing ever-changing disaster scenarios.

Recently, due to the global pandemic, we have set up response centers and teams at all sites (head office, factories, domestic and overseas group companies), which work in tandem by sharing policies and information on the status of each region and site, and discussing countermeasures to various issues to ensure the safety of our employees against infection from COVID-19.



Fire and Disaster Prevention Training at the Head Office

## Overseas Crisis Management System

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Kureha and Group Companies have formulated a manual for expatriates and business travelers to use in crises to ensure employee safety and minimize damage in the event of an emergency overseas. We are also providing a medical assistance service run by a crisis management company for our employees while they are overseas.

We also support our overseas employees by providing crisis management information, timely alerts, instructions on travel restrictions, etc.

# Information Security

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## Information Security Policies

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### Basic Policy

Establishing safe and reliable controls for appropriate sharing and utilizing of all business-related information is one of our most important management issues. Our basic policy on information security is as follows:

1. We will maintain the availability, integrity, and confidentiality of our information assets and promote appropriate information security management activities.
2. We will oversee and direct continual efforts to improve the information security of the entire Kureha Group. We will also continue to provide education so that every Group employee can recognize the importance of information security and put it into practice.
3. Kureha and Kureha Group Companies will carry out risk assessments on their respective information assets and take appropriate risk management measures.
4. Kureha and Kureha Group Companies will strictly adhere to relevant laws and regulations.

### Policy on Global Information Security

In fiscal 2018, we formulated a global information security policy to strengthen information security for the entire group, and we work to make sure both operational rules and the regulations of each Group company comply with this Policy.

## Information Security System

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Under the supervision of the Information Management Committee, which is under direct control of the President, we have established an Information Security Committee and, based on JIS Q 27001:2014, an Information Security Management System (ISMS) to promote continual improvement of information security. In addition, in fiscal 2019, we set up a Computer Security Incident Response Team (CSIRT) and a system to minimize information security incidents.

## Information Security Measures

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In accordance with our Basic Policy on Information Security, we collect a wide range of data related to information security and continually implement the following measures:

1. Take countermeasures to cyberattacks  
Our system to detect and block external cyberattacks is kept in stable operation by a 24/7 year-round monitoring service provided by a cybersecurity vendor.
2. Assess risk of information assets  
We are reducing risk by systematically assessing the security risks of our information assets and implementing countermeasures.



3. Prevent information leaks

We have a security vendor regularly carry out diagnostics to confirm that overall security remains at a high level.

4. Educate and train about information security

We continually provide information security education to all employees. We also conduct simulations of targeted threats so that employees learn what to do when they receive suspicious emails.

5. Fight the spread of COVID-19 (by remote access tools for business continuity)

During this pandemic, we are working to ensure that employees are aware of the information security risks of using remote access tools while working from home by establishing oaths and encouraging their thorough implementation.

## Countermeasures to Information System Disasters

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Our Enterprise System and electronic file systems operate in robust data centers in Japan. As a disaster countermeasure, we also have duplicated data stored in a cloud-based system. Furthermore, we have introduced a cloud-based system for internal emails so that emails can be sent within the company even in the event of a disaster.

## Protection of Personal Information and Specific Personal Information

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It is our social responsibility to protect all personal information provided to us. Therefore, we acquire and manage all personal information in accordance with our policies for the protection of personal information and specific personal information.

→ [Policies for the Protection of Personal Information and Specific Personal Information](#)

## Basic Policy for our Intellectual Property Strategy

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We have established the following basic policy to acquire and use intellectual property rights that contribute to our business, and are proceeding with intellectual property activities:

1. Create and promote an intellectual property strategy to support business planning
2. Acquire rights to the results of intellectual production activities and effectively use the rights, and eliminate obstacles to and provide information for the intellectual property rights of others
3. Support for the intellectual property rights of the Kureha Group

## Intellectual Property Activities

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Our main intellectual property activities are as follows:

- We are actively applying for patents for and acquiring rights on the results of our research and development, and building a strong and extensive patent network to secure business superiority.
- We strive to prevent infringement of the intellectual property rights of others by performing regular clearance searches for each product and product in development.
- We promote research and development by providing timely and useful technical information through technology trend surveys.
- Costs related to intellectual property rights for each product are discussed annually and budgeted for according to the business plan by the research department, business department, and intellectual property department.

# Environmentally and Socially Friendly Products

The Kureha Group wishes to contribute to the development of a sustainable society by providing chemistry-based products and services as solutions to various social issues, starting with the sustainable development goals (SDGs).

Therefore, the Kureha Group has set the environment, energy, and quality of life as the three high-priority categories for the development of a sustainable society. With our accumulated technology and expertise, the human capital to utilize it, and our “if it doesn't exist, create it” spirit, we are working to solve environmental issues and create products that contribute to society.

[↓ Environment](#)   [↓ Quality of Life](#)

# Environment

## “KF Polymer” Polyvinylidene Fluoride (PVDF)

### Contributing to Mitigating Global Warming



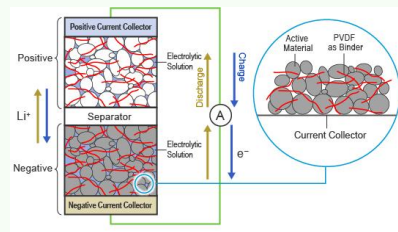
### Binders for lithium-ion batteries on electric vehicles reduce CO<sub>2</sub> emissions

Efforts, such as the Paris Agreement, to mitigate and adapt to global warming, considered to be caused by greenhouse gases, are being made at various levels. Governments and automobile manufacturers around the globe have been announcing policies to reduce greenhouse gases from vehicle exhaust, powering the shift from gas- and diesel-powered engines to electric, eco-friendly vehicles.

Batteries are a key technology for ensuring the shift to electric vehicles. Currently, lithium-ion batteries are installed in most electric vehicles due to their light weight, high energy density, and degradation due to repeated charging and discharging is low. There is now strong demand for solutions to such issues as improving the reliability of lithium-ion batteries, increasing the mileage through high-capacity output, high-speed charging, reduction of battery cost, and availability of charging stations. Our KF polymer is widely used as a binder in EV lithium-ion batteries, which are required to have long-term reliability, as it fulfills all the various performance requirements, including high adhesion to active materials, electrical stability over a wide potential range, and high permeability of lithium ions. As a pioneer of lithium-ion battery binders, we are also promoting compatibility for all-solid-state batteries in next-generation vehicles.



PVDF Resin



Composition of Lithium-ion Battery (Diagram) and Adhesion of Active Material and Aggregate

## “Fortron KPS” Polyphenylene Sulfide(PPS)

### Contributing to Mitigating Global Warming



### Reducing vehicle CO<sub>2</sub> emissions by reducing the weight of automobiles and improving fuel efficiency

Reducing the weight of automobiles should improve fuel efficiency and contribute to the reduction of greenhouse gases. Steel, which accounts for about 70% of the total weight of automobiles, is increasingly being replaced with lightweight materials, mainly for interior and exterior components.

In the 1980s, Kureha succeeded in developing a PPS with a molecular structure (linear instead of cross-linked) that overcomes the weakest point of PPS, which was previously considered a brittle material. Our PPS is a material not only easy to mold, but also has excellent thermal stability and is resistant to elongation and impact. Compared to cross-linked PPS, our linear PPS has the properties required of a metal substitute for automobile components, such as for applications demanding strict electrical characteristics. Demand is increasing year by year, mainly for use around engines and exteriors of electrical components where heat resistance is required.



PPS Resin

### Reducing Food Waste



### Supporting an abundant, waste-free diet

Food waste is currently estimated to be 1.3 billion tons per year globally, and 6.12 million tons in Japan (Ministry of Agriculture, Forestry and Fisheries estimate, FY2017). Food is discarded when it deteriorates and becomes inedible, and there are various causes for deterioration. However, when oxidation or dehydration is to blame, packaging that is impermeable to oxygen and water vapor can delay food deterioration.

Our "NEW Krewrap" is a household plastic wrap made from polyvinylidene chloride (PVDC). Compared to other plastic wrap materials, PVDC has a superior oxygen barrier (impermeability) which prevents food oxidation. Since it is also a strong barrier against water vapor, it keeps food fresh and prevents it from drying out. It is also microwave-friendly due to high heat-resistance, making it suitable material for food storage, thereby reducing food waste.



Example of Food Preservation



Avocado turns brown when exposed to oxygen (oxidation). As you can see, the avocado paste wrapped in NEW Krewrap (left photo) is less discolored than the paste wrapped in polyethylene wrap (right photo).

### Reducing Food Waste



## Fought postwar malnutrition, still fighting food waste today

Krehalon film, like NEW Krewrap, is a film made from polyvinylidene chloride (PVDC). It is primarily used for the retort packaging of sausages, such as the casings for fish sausages. Since it can be used in high-temperature and high-pressure sterilization, sausages cased in PVDC can be transported and stored for long periods at room temperature. Thus, PVDC cased sausages were a valuable protein source in post-war Japan, when there was a shortage of refrigeration equipment. Even today, sausages are used as a convenient ingredient, and their long shelf life contributes to the reduction of food waste.



Examples of Using Krehalon Film

# GRI Standards Content Index

GRI Standards Content Index

Comparison with ISO 26000

## 102: General Disclosures

### GRI 102: General Disclosures 2016

#### 1. Organizational profile

| Standard |  | Disclosure  |
|----------|--|---|
| 102-1    | Name of the organization                                     | → Corporate Profile   |
| 102-2    | Activities, brands, products, and services                   | → Segment Information<br>→ Main Businesses, Products and Services of Kureha Group (Japanese Only)<br>Note: No products or services that stakeholders consider controversial or problematic  |
| 102-3    | Location of headquarters                                     | → Corporate Profile   |
| 102-4    | Location of operations                                       | → Group Directory   |
| 102-5    | Ownership and legal form                                     | → Corporate Profile   |
| 102-6    | Markets served   | → Segment Information<br>→ Main Businesses, Products and Services of Kureha Group (Japanese Only)<br>→ Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only)  |
| 102-7    | Scale of the organization                                    | → Corporate Profile<br>→ Site / Access<br>→ Annual Securities Report, Key Financial Data (Japanese Only)   |
| 102-8    | Information on employees and other workers                   | → ESG Data Collection (Social) <br>→ Employees   |
| 102-9    | Supply chain   | —   |
| 102-10   | Significant changes to the organization and its supply chain | → Annual Securities Report, Important Business Contracts, etc. (Japanese Only)   |
| 102-11   | Precautionary Principle or approach                          | → RC Management System<br>→ Basic Policy on Risk Management   |
| 102-12   | External initiatives   | Responsible Care Global Charter<br>→ Declaration of Responsible Care Implementation/Responsible Care Policy   |




| Standard |                            | Disclosure  |
|----------|----------------------------|---|
| 102-13   | Membership of associations | Japan Economic Federation, Japan Chemical Industry Association, Japan Soda Industry Association, Japan Technology Association of Poly Vinylidene Chloride |

## 2. Strategy

| Standard |                                       | Disclosure                                   |
|----------|---------------------------------------|--|
| 102-14   | Statement from senior decision-maker  | → <a href="#">Message from the President</a> |
| 102-15   | Key impacts, risks, and opportunities | → <a href="#">CSR Material Issues</a>        |

## 3. Ethics and integrity

| Standard |  | Disclosure   |
|----------|--|--|
| 102-16   | Values, principles, standards, and norms of behavior | <ul style="list-style-type: none"> <li>→ <a href="#">Corporate Identity</a></li> <li>→ <a href="#">Kureha Group Basic Policy on CSR</a></li> <li>→ <a href="#">Kureha Group's CSR Philosophy</a></li> <li>→ <a href="#">Human Rights Policy</a></li> <li>→ <a href="#">Kureha Group Ethical Charter</a></li> </ul> |
| 102-17   | Mechanisms for advice and concerns about ethics      | <ul style="list-style-type: none"> <li>→ <a href="#">Compliance Committee</a></li> <li>→ <a href="#">Whistleblowing System</a></li> <li>→ <a href="#">ESG Data Collection (Governance)</a> </li> </ul>                        |

## 4. Governance

| Standard |   | Disclosure  |
|----------|---|---|
| 102-18   | Governance structure  | <ul style="list-style-type: none"> <li>→ <a href="#">Promotion of CSR Activities</a></li> <li>→ <a href="#">Corporate Governance Framework</a></li> </ul>   |
| 102-19   | Delegating authority  | <ul style="list-style-type: none"> <li>→ <a href="#">Promotion of CSR Activities</a></li> <li>→ <a href="#">RC Management System</a></li> <li>→ <a href="#">Corporate Governance Framework</a></li> </ul> |
| 102-20   | Executive-level responsibility for economic, environmental, and social topics | <ul style="list-style-type: none"> <li>→ <a href="#">Promotion of CSR Activities</a></li> <li>→ <a href="#">Corporate Governance</a></li> </ul>   |
| 102-21   | Consulting stakeholders on economic, environmental, and social topics         | → <a href="#">Stakeholder Engagement</a>  |
| 102-22   | Composition of the highest governance body and its committees                 | → <a href="#">Annual Securities Report, Information about Officers (Japanese Only)</a>                               |



| Standard |  | Disclosure   |
|----------|--|--|
| 102-23   | Chair of the highest governance body                                     | <ul style="list-style-type: none"> <li>→ Corporate Governance Framework</li> <li>→ Annual Securities Report, Information about Corporate Governance (Japanese Only) </li> <li>→ Corporate Governance Report, Matters Concerning Institutional Structure, Organizational Management, etc. (Japanese Only) </li> </ul> |
| 102-24   | Nominating and selecting the highest governance body                     | <ul style="list-style-type: none"> <li>→ Annual Securities Report, Information about Corporate Governance (Japanese Only) </li> <li>→ Corporate Governance Report, Matters Concerning Institutional Structure, Organizational Management, etc. (Japanese Only) </li> </ul>   |
| 102-25   | Conflicts of interest  | <ul style="list-style-type: none"> <li>→ Annual Securities Report, Information about Officers (Japanese Only) </li> </ul>   |
| 102-26   | Role of highest governance body in setting purpose, values, and strategy | <ul style="list-style-type: none"> <li>→ Promotion of CSR Activities</li> </ul>  |
| 102-27   | Collective knowledge of highest governance body                          | —  |
| 102-28   | Evaluating the highest governance body's performance                     | <ul style="list-style-type: none"> <li>→ Corporate Governance Report, Matters Concerning Institutional Structure, Organizational Management, etc. (Japanese Only) </li> <li>→ CSR Material Issues and Summary Table</li> </ul>   |
| 102-29   | Identifying and managing economic, environmental, and social impacts     | <ul style="list-style-type: none"> <li>→ Risk Management</li> <li>→ Corporate Governance Framework</li> <li>→ Internal Control System (Japanese Only)</li> </ul>   |
| 102-30   | Effectiveness of risk management processes                               | <ul style="list-style-type: none"> <li>→ Risk Management</li> <li>→ Corporate Governance Framework</li> <li>→ Internal Control System (Japanese Only)</li> </ul>   |
| 102-31   | Review of economic, environmental, and social topics                     | <ul style="list-style-type: none"> <li>→ Corporate Governance Framework</li> <li>→ Promotion of CSR Activities</li> <li>→ CSR Material Issues and Summary Table</li> </ul>   |
| 102-32   | Highest governance body's role in sustainability reporting               | —  |
| 102-33   | Communicating critical concerns  | <ul style="list-style-type: none"> <li>→ Corporate Governance Guidelines 3. Appropriate Collaboration with Stakeholders other than Shareholders (Japanese Only) </li> <li>→ ESG Data Collection (Governance) </li> </ul>   |
| 102-34   | Nature and total number of critical concerns                             | <ul style="list-style-type: none"> <li>→ ESG Data Collection (Governance) </li> </ul>   |
| 102-35   | Remuneration policies  | <ul style="list-style-type: none"> <li>→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) </li> </ul>  |
| 102-36   | Process for determining remuneration                                     | <ul style="list-style-type: none"> <li>→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) </li> </ul>  |
| 102-37   | Stakeholders' involvement in remuneration                                | <ul style="list-style-type: none"> <li>→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) </li> </ul>  |

| Standard |  | Disclosure |
|----------|--|------------|
| 102-38   | Annual total compensation ratio                        | —          |
| 102-39   | Percentage increase in annual total compensation ratio | —          |

## 5. Stakeholder engagement

| Standard |  | Disclosure  |
|----------|--|---|
| 102-40   | List of stakeholder groups             | → <a href="#">Stakeholder Engagement</a>  |
| 102-41   | Collective bargaining agreements       | —   |
| 102-42   | Identifying and selecting stakeholders | → <a href="#">Stakeholder Engagement</a>  |
| 102-43   | Approach to stakeholder engagement     | → <a href="#">Stakeholder Engagement</a><br>→ <a href="#">Shareholders and Investors</a><br>→ <a href="#">Customer Engagement (Japanese Only)</a><br>→ <a href="#">Labor-Management Relations</a><br>→ <a href="#">Local Community Engagement (Japanese Only)</a> |
| 102-44   | Key topics and concerns raised         | —   |

## 6. Reporting practice

| Standard |  | Disclosure   |
|----------|--|--|
| 102-45   | Entities included in the consolidated financial statements | → <a href="#">Annual Securities Report, Status of Affiliated Companies (Japanese Only)</a> <br>→ <a href="#">Coverage</a> |
| 102-46   | Defining report content and topic Boundaries               | → <a href="#">Process of Identifying Material Issues</a>   |
| 102-47   | List of material topics                                    | → <a href="#">Fiscal 2020 CSR Summary Table</a>   |
| 102-48   | Restatements of information                                | → <a href="#">Waste Emissions and Recycling</a>  |
| 102-49   | Changes in reporting                                       | N/A  |
| 102-50   | Reporting Period   | → <a href="#">Reporting Period</a>   |
| 102-51   | Date of most recent report                                 | → <a href="#">Updates of the CSR English site</a>  |
| 102-52   | Reporting cycle  | → <a href="#">Updates of the CSR English site</a>  |
| 102-53   | Contact point for questions regarding the report           | → <a href="#">FAQ/Contact</a>  |
| 102-54   | Claims of reporting in accordance with the GRI Standards   | Created with reference to the GRI Standard   |
| 102-55   | GRI content index  | → <a href="#">GRI Content Index</a>  |
| 102-56   | External assurance   | The authenticity of some data has been confirmed by an in-house safety review  |




## 103: Management Approach

### GRI 103: Management Approach 2016


| Standard |  | Disclosure  |
|----------|--|---|
| 103-1    | Explanation of the material topic and its Boundary | <ul style="list-style-type: none"> <li>→ <a href="#">Process of Identifying Material Issues</a></li> <li>→ <a href="#">Contents of the Report</a></li> </ul>  |
| 103-2    | The management approach and its components         | <ul style="list-style-type: none"> <li>→ <a href="#">RC Management System</a></li> <li>→ <a href="#">Quality Management System</a></li> <li>→ <a href="#">Risk Management Implementation</a></li> <li>→ <a href="#">Environmental Management System</a></li> <li>→ <a href="#">Occupational Safety and Health Management System</a></li> <li>→ <a href="#">Corporate Governance</a></li> <li>→ <a href="#">CSR Material Issues and Summary Table</a></li> </ul> |
| 103-3    | Evaluation of the management approach              | <ul style="list-style-type: none"> <li>→ <a href="#">Management System Audit</a></li> <li>→ <a href="#">CSR Material Issues and Summary Table</a></li> </ul>  |

## 200: Economic Standards

### GRI 201: Economic Performance 2016

| Standard |  | Disclosure   |
|----------|--|--|
| 201-1    | Direct economic value generated and distributed                                | → <a href="#">Annual Securities Report, Key Financial Data (Japanese Only)</a>                            |
| 201-2    | Financial implications and other risks and opportunities due to climate change | —  |
| 201-3    | Defined benefit plan obligations and other retirement plans                    | → <a href="#">Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only)</a>  |
| 201-4    | Financial assistance received from government                                  | → <a href="#">Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only)</a>  |

### GRI 202: Market Presence 2016

| Standard |  | Disclosure   |
|----------|--|--|
| 202-1    | Ratios of standard entry level wage by gender compared to local minimum wage | <ul style="list-style-type: none"> <li>→ <a href="#">Recruitment Requirements (Japanese Only)</a></li> <li>→ <a href="#">ESG Data Collection (Social)</a> </li> </ul> |

| Standard |  | Disclosure |
|----------|--|------------|
| 202-2    | Proportion of senior management hired from the local community | —          |

## GRI 203: Indirect Economic Impacts 2016

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| Standard |   | Disclosure   |
|----------|---|--|
| 203-1    | Infrastructure investments and services supported | → <a href="#">Contributing to the Community Through Medical Care</a> |
| 203-2    | Significant indirect economic impacts             | —  |

## GRI 204: Procurement Practices 2016

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| Standard |   | Disclosure |
|----------|---|------------|
| 204-1    | Proportion of spending on local suppliers | —          |

## GRI 205: Anti-corruption 2016

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| Standard |  | Disclosure  |
|----------|--|---|
| 205-1    | Operations assessed for risks related to corruption                      | —   |
| 205-2    | Communication and training about anti-corruption policies and procedures | → <a href="#">Approach for Compliance Education and Enlightenment (Japanese Only)</a> |
| 205-3    | Confirmed incidents of corruption and actions taken                      | —   |

## GRI 206: Anti-competitive Behavior 2016

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| Standard |   | Disclosure |
|----------|---|------------|
| 206-1    | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | N/A        |

## GRI 207: Tax 2019




| Standard |  | Disclosure |
|----------|--|------------|
| 207-1    | Approach to tax  | —          |
| 207-2    | Tax governance, control, and risk management                     | —          |
| 207-3    | Stakeholder engagement and management of concerns related to tax | —          |
| 207-4    | Country-by-country reporting                                     | —          |

## 300: Environment Standards




### GRI 301: Materials 2016

| Standard |  | Disclosure   |
|----------|--|--|
| 301-1    | Materials used by weight or volume               | —  |
| 301-2    | Recycled input materials used                    | —  |
| 301-3    | Reclaimed products and their packaging materials | → Containers and Packaging Recycling Law (Japanese Only) |

### GRI 302: Energy 2016

| Standard |  | Disclosure   |
|----------|--|--|
| 302-1    | Energy consumption within the organization                 | <ul style="list-style-type: none"> <li>→ Energy Use</li> <li>→ Overview of Kureha Group's Environmental Impact</li> <li>→ ESG Data Collection (Environment) </li> </ul> |
| 302-2    | Energy consumption outside of the organization             | —  |
| 302-3    | Energy intensity   | → ESG Data Collection (Environment)   |
| 302-4    | Reduction of energy consumption                            | <ul style="list-style-type: none"> <li>→ Energy Use</li> <li>→ Climate Change Mitigation in Logistics</li> <li>→ ESG Data Collection (Environment) </li> </ul>          |
| 302-5    | Reductions in energy requirements of products and services | —  |




## GRI 303: Water and Effluents 2018



| Standard |   | Disclosure   |
|----------|---|--|
| 303-1    | Interactions with water as a shared resource  | → <a href="#">Water Use and Prevention of Water Pollution</a><br>→ <a href="#">Production Site</a>   |
| 303-2    | Management of water discharge-related impacts | → <a href="#">Water Use and Prevention of Water Pollution</a>  |
| 303-3    | Water withdrawal                              | → <a href="#">ESG Data Collection (Environment)</a>   |
| 303-4    | Water discharge                               | → <a href="#">ESG Data Collection (Environment)</a> <br>→ <a href="#">Water Use and Prevention of Water Pollution</a> |
| 303-5    | Water consumption                             | → <a href="#">ESG Data Collection (Environment)</a>   |

## GRI 304: Biodiversity 2016

| Standard |   | Disclosure |
|----------|---|------------|
| 304-1    | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | —          |
| 304-2    | Significant impacts of activities, products, and services on biodiversity   | —          |
| 304-3    | Habitats protected or restored  | —          |
| 304-4    | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | —          |




## GRI 305: Emissions 2016

| Standard |   | Disclosure  |
|----------|---|---|
| 305-1    | Direct (Scope 1) GHG emissions          | → <a href="#">CO<sub>2</sub> Emissions throughout the Supply Chain</a><br>→ <a href="#">CO<sub>2</sub> Emission Volume</a><br>→ <a href="#">ESG Data Collection (Environment)</a>  |
| 305-2    | Energy indirect (Scope 2) GHG emissions | → <a href="#">CO<sub>2</sub> Emissions throughout the Supply Chain</a><br>→ <a href="#">ESG Data Collection (Environment)</a>    |
| 305-3    | Other indirect (Scope 3) GHG emissions  | → <a href="#">CO<sub>2</sub> Emissions throughout the Supply Chain</a><br>→ <a href="#">Climate Change Mitigation in Logistics</a>  |
| 305-4    | GHG emissions intensity                 | → <a href="#">ESG Data Collection (Environment)</a>    |

| Standard |   | Disclosure  |
|----------|---|---|
| 305-5    | Reduction of GHG emissions  | → <a href="#">CO<sub>2</sub> Emissions throughout the Supply Chain</a><br>→ <a href="#">CO<sub>2</sub> Emission Volume</a><br>→ <a href="#">ESG Data Collection (Environment)</a>  |
| 305-6    | Emissions of ozone-depleting substances (ODS)   | —   |
| 305-7    | Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions | → <a href="#">ESG Data Collection (Environment)</a>    |

## GRI 306: Waste 2020

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| Standard |  | Disclosure   |
|----------|--|--|
| 306-1    | Waste generation and significant waste-related impacts | —  |
| 306-2    | Management of significant waste-related impacts        | → <a href="#">Waste Emissions and Recycling</a>  |
| 306-3    | Waste generated  | → <a href="#">Waste Generation</a><br>→ <a href="#">ESG Data Collection (Environment)</a>            |
| 306-4    | Waste diverted from disposal                           | → <a href="#">ESG Data Collection (Environment)</a>   |
| 306-5    | Waste directed to disposal                             | → <a href="#">Waste at Final Depositing</a><br>→ <a href="#">ESG Data Collection (Environment)</a>  |

## GRI 307: Environmental Compliance 2016

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| Standard |  | Disclosure |
|----------|--|------------|
| 307-1    | Non-compliance with environmental laws and regulations | —          |

## GRI 308: Supplier Environmental Assessment 2016

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| Standard |  | Disclosure   |
|----------|--|--|
| 308-1    | New suppliers that were screened using environmental criteria        | → <a href="#">Procurement and Selection of Suppliers (Japanese Only)</a> |
| 308-2    | Negative environmental impacts in the supply chain and actions taken | —  |



## 400: Social Standards

### GRI 401: Employment 2016



| Standard |  | Disclosure  |
|----------|--|---|
| 401-1    | New employee hires and employee turnover   | → ESG Data Collection (Social)   |
| 401-2    | Benefits provided to full-time employees that are not provided to temporary or part-time employees | → Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only) <br>→ Work-Life Balance<br>→ Health Care<br>→ Mental Health |
| 401-3    | Parental leave   | → Main Results of Training (Japanese Only)<br>→ ESG Data Collection (Social)   |

### GRI 402: Labor/Management Relations 2016

| Standard |  | Disclosure |
|----------|--|------------|
| 402-1    | Minimum notice periods regarding operational changes | —          |

### GRI 403: Occupational Health and Safety 2018

| Standard |  | Disclosure  |
|----------|--|---|
| 403-1    | Occupational health and safety management system                   | → RC Management System<br>→ Occupational Safety and Health Management System<br>→ ESG Data Collection (Information on external certification)    |
| 403-2    | Hazard identification, risk assessment, and incident investigation | → Occupational Safety and Health Activities<br>→ Chemical Substance Risk Assessment in the Workplace (Japanese Only)<br>→ Corporate Governance Guidelines 3. Appropriate Collaboration with Stakeholders Other than Shareholders (Japanese Only) <br>→ Whistleblowing System |
| 403-3    | Occupational health services                                       | → Promoting Good Health   |

| Standard |   | Disclosure   |
|----------|---|--|
| 403-4    | Worker participation, consultation, and communication on occupational health and safety                       | —  |
| 403-5    | Worker training on occupational health and safety   | <ul style="list-style-type: none"> <li>→ <a href="#">Eliminating Logistics Accidents</a></li> <li>→ <a href="#">Disaster Prevention in Logistics</a></li> <li>→ <a href="#">Occupational Safety and Health Awareness Programs (Japanese Only)</a></li> </ul> |
| 403-6    | Promotion of worker health  | <ul style="list-style-type: none"> <li>→ <a href="#">Basic Policy on Health and Promotion</a></li> <li>→ <a href="#">Health Care</a></li> <li>→ <a href="#">Mental Health</a></li> </ul>   |
| 403-7    | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | → <a href="#">Occupational Safety and Health</a>   |
| 403-8    | Workers covered by an occupational health and safety management system  | → <a href="#">Occupational Safety and Health Management System</a>   |
| 403-9    | Work-related injuries   | <ul style="list-style-type: none"> <li>→ <a href="#">Occupational Safety and Health Activities</a></li> <li>→ <a href="#">ESG Data Collection (Social)</a> </li> </ul>    |
| 403-10   | Work-related ill health   | → <a href="#">ESG Data Collection (Social)</a>    |



## GRI 404: Training and Education 2016

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| Standard |  | Disclosure   |
|----------|--|--|
| 404-1    | Average hours of training per year per employee                                      | → <a href="#">Main Results of Training (Japanese Only)</a>   |
| 404-2    | Programs for upgrading employee skills and transition assistance programs            | <ul style="list-style-type: none"> <li>→ <a href="#">Shine-Up Seminar</a></li> <li>→ <a href="#">Open Enrollment Training and Seminars</a></li> <li>→ <a href="#">Senior Seminar</a></li> <li>→ <a href="#">Global Human Capital Development</a></li> <li>→ <a href="#">Practical Skills Training (PST)</a></li> </ul> |
| 404-3    | Percentage of employees receiving regular performance and career development reviews | —  |

## GRI 405: Diversity and Equal Opportunity 2016

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| Standard |  | Disclosure   |
|----------|--|--|
| 405-1    | Diversity of governance bodies and employees           | <ul style="list-style-type: none"> <li>→ <a href="#">Annual Securities Report, Information about Officers (Japanese Only)</a> </li> <li>→ <a href="#">ESG Data Collection (Social)</a> </li> </ul> |
| 405-2    | Ratio of basic salary and remuneration of women to men | —  |

## GRI 406: Non-discrimination 2016

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| Standard |  | Disclosure |
|----------|--|------------|
| 406-1    | Incidents of discrimination and corrective actions taken | N/A        |

## GRI 407: Freedom of Association and Collective Bargaining 2016

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| Standard |  | Disclosure |
|----------|--|------------|
| 407-1    | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | —          |

## GRI 408: Child Labor 2016

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| Standard |   | Disclosure |
|----------|---|------------|
| 408-1    | Operations and suppliers at significant risk for incidents of child labor | —          |

## GRI 409: Forced or Compulsory Labor 2016

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| Standard |  | Disclosure |
|----------|--|------------|
| 409-1    | Operations and suppliers at significant risk for incidents of forced or compulsory labor | —          |

## GRI 410: Security Practices 2016

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| Standard |   | Disclosure |
|----------|---|------------|
| 410-1    | Security personnel trained in human rights policies or procedures | —          |

## GRI 411: Rights of Indigenous Peoples 2016

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| Standard |  | Disclosure |
|----------|--|------------|
| 411-1    | Incidents of violations involving rights of indigenous peoples | N/A        |

## GRI 412: Human Rights Assessment 2016

| Standard |  | Disclosure                             |
|----------|--|--|
| 412-1    | Operations that have been subject to human rights reviews or impact assessments  | —                                      |
| 412-2    | Employee training on human rights policies or procedures   | → <a href="#">Human Rights Efforts</a> |
| 412-3    | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | —                                      |

## GRI 413: Local Communities 2016

| Standard |  | Disclosure  |
|----------|--|---|
| 413-1    | Operations with local community engagement, impact assessments, and development programs | → <a href="#">Stakeholder Engagement</a><br>→ <a href="#">CSR Local Dialogue Meeting</a><br>→ <a href="#">Social Activities</a> |
| 413-2    | Operations with significant actual and potential negative impacts on local communities   | —   |

## GRI 414: Supplier Social Assessment 2016

| Standard |   | Disclosure   |
|----------|---|--|
| 414-1    | New suppliers that were screened using social criteria        | → <a href="#">Procurement and Selection of Suppliers (Japanese Only)</a> |
| 414-2    | Negative social impacts in the supply chain and actions taken | → <a href="#">CSR Survey</a>   |

## GRI 415: Public Policy 2016

| Standard |                         | Disclosure |
|----------|-------------------------|------------|
| 415-1    | Political contributions | —          |

## GRI 416: Customer Health and Safety 2016

| Standard |   | Disclosure  |
|----------|---|---|
| 416-1    | Assessment of the health and safety impacts of product and service categories                 | <a href="#">→ Product Safety and Quality Assurance</a><br><a href="#">→ Safety Examinations</a><br><a href="#">→ Safety Evaluations</a> |
| 416-2    | Incidents of non-compliance concerning the health and safety impacts of products and services | —   |


## GRI 417: Marketing and Labeling 2016

| Standard |   | Disclosure   |
|----------|---|--|
| 417-1    | Requirements for product and service information and labeling                       | <a href="#">→ Management of Chemical Substances</a><br><a href="#">→ Safety Examinations</a> |
| 417-2    | Incidents of non-compliance concerning product and service information and labeling | —  |
| 417-3    | Incidents of non-compliance concerning marketing communications                     | N/A<br><a href="#">→ Safety Examinations</a>   |

## GRI 418: Customer Privacy 2016

| Standard |  | Disclosure |
|----------|--|------------|
| 418-1    | Substantiated complaints concerning breaches of customer privacy and losses of customer data | N/A        |

## GRI 419: Socioeconomic Compliance 2016

| Standard |  | Disclosure   |
|----------|--|--|
| 419-1    | Non-compliance with laws and regulations in the social and economic area | <a href="#">→ ESG Data Collection (Governance)</a>  |

# Comparison with ISO 26000

The Kureha Group has created a comparison table to confirm whether information is disclosed in accordance with the seven core issues of the international standard ISO 26000 “Guidance on Social Responsibility” published in November 2010.

| Core Subjects             | Issues  | References   |
|---------------------------|---|--|
| Organizational governance | Organizational governance   | <ul style="list-style-type: none"> <li>→ Message from the President</li> <li>→ RC Management System</li> <li>→ Declaration of Responsible Care Implementation/Responsible Care Policy</li> <li>→ Promotion of CSR Activities</li> <li>→ CSR Material Issues and Summary Table</li> <li>→ Stakeholder Engagement</li> <li>→ Risk Management</li> <li>→ Whistleblowing System</li> <li>→ ESG Data Collection (Governance)</li> <li>→ Procurement Policy</li> <li>→ Basic Policy on Information Disclosure</li> <li>→ Basic Policy for Customer Satisfaction</li> <li>→ Labor-Management Relations</li> <li>→ Local Community Engagement (Japanese Only)</li> </ul> |
| Human rights              | <ol style="list-style-type: none"> <li>1. Due diligence</li> <li>2. Human rights risk situations</li> <li>3. Avoidance of complicity</li> <li>4. Resolving grievances</li> <li>5. Discrimination and vulnerable groups</li> <li>6. Civil and political rights</li> <li>7. Economic, social and cultural rights</li> <li>8. Fundamental principles and rights at work</li> </ol> | <ul style="list-style-type: none"> <li>→ Labor-Management Relations</li> <li>→ ESG Data Collection (Social)</li> <li>→ Human Rights Efforts</li> <li>→ Stakeholder Engagement</li> <li>→ CSR Local Dialogue Meeting</li> <li>→ Social Activities</li> <li>→ Product Safety and Quality Assurance</li> <li>→ Safety Examinations</li> <li>→ Safety Evaluations</li> </ul>   |

| Core Subjects            | Issues  | References  |
|--------------------------|---|---|
| Labour practices         | <ol style="list-style-type: none"> <li>1. Employment and employment relationships</li> <li>2. Conditions of work and social protection</li> <li>3. Social dialogue</li> <li>4. Health and safety at work</li> <li>5. Human development and training in the workplace</li> </ol> | <ul style="list-style-type: none"> <li>→ ESG Data Collection (Social)</li> <li>→ Labor-Management Relations</li> <li>→ Childcare and Nursing (Japanese Only)</li> <li>→ Main Results of Training (Japanese Only)</li> <li>→ Shine-Up Seminar</li> <li>→ Open Enrollment Training and Seminars</li> <li>→ Senior Seminar</li> <li>→ Global Human Capital Development</li> <li>→ Practical Skills Training (PST)</li> <li>→ Work-Life Balance</li> <li>→ Health Care</li> <li>→ Mental Health</li> <li>→ Occupational Safety and Health</li> </ul>  |
| The environment          | <ol style="list-style-type: none"> <li>1. Prevention of pollution</li> <li>2. Sustainable resource use</li> <li>3. Climate change mitigation and adaptation</li> <li>4. Protection of the environment, biodiversity and restoration of natural habitats</li> </ol>              | <ul style="list-style-type: none"> <li>→ Recycling Rates</li> <li>→ ESG Data Collection (Environment)</li> <li>→ Containers and Packaging Recycling Law (Japanese Only)</li> <li>→ Energy Use</li> <li>→ Water Use and Prevention of Water Pollution</li> <li>→ CO<sub>2</sub> Emissions throughout the Supply Chain</li> <li>→ CO<sub>2</sub> Emission Volume</li> <li>→ Climate Change Mitigation in Logistics</li> <li>→ RC Topics: Received the "Action for Climate Change, Minister of Environment Award" from the Minister of the Environment (Japanese Only)</li> <li>→ Overview of Kureha Group's Environmental Impact</li> </ul> |
| Fair operating practices | <ol style="list-style-type: none"> <li>1. Anti-corruption</li> <li>2. Responsible political involvement</li> <li>3. Fair competition</li> <li>4. Promoting social responsibility in the value chain</li> <li>5. Respect for property rights</li> </ol>                          | <ul style="list-style-type: none"> <li>→ Approach for Compliance Education and Enlightenment (Japanese Only)</li> <li>→ Product Safety and Quality Assurance</li> <li>→ Safety Examinations</li> <li>→ Safety Evaluations</li> <li>→ ESG Data Collection (Governance)</li> </ul>  |

| Core Subjects                         | Issues   | References  |
|---------------------------------------|--|---|
| Consumer issues                       | <ol style="list-style-type: none"> <li>1. Fair marketing, factual and unbiased information and fair contractual practices</li> <li>2. Protecting consumers' health and safety</li> <li>3. Sustainable consumption</li> <li>4. Consumer service, support, and complaint and dispute resolution</li> <li>5. Consumer data protection and privacy</li> <li>6. Access to essential services</li> <li>7. Education and awareness</li> </ol> | <ul style="list-style-type: none"> <li>→ Containers and Packaging Recycling Law (Japanese Only)</li> <li>→ Management of Chemical Substances</li> <li>→ Stakeholder Engagement</li> <li>→ Product Safety and Quality Assurance</li> <li>→ Safety Examinations</li> <li>→ Safety Evaluations</li> <li>→ Customer Engagement (Japanese Only)</li> <li>→ Shareholders and Investors</li> <li>→ Labor-Management Relations</li> <li>→ Local Community Engagement (Japanese Only)</li> <li>→ Contribution to the Iwaki Special Support Education School Kubota Branch (Japanese Only)</li> </ul> |
| Community involvement and development | <ol style="list-style-type: none"> <li>1. Community involvement</li> <li>2. Education and culture</li> <li>3. Employment creation and skills development</li> <li>4. Technology development and access</li> <li>5. Wealth and income creation</li> <li>6. Health</li> <li>7. Social investment</li> </ol>  | <ul style="list-style-type: none"> <li>→ ESG Data Collection (Social)</li> <li>→ Shine-Up Seminar</li> <li>→ Open Enrollment Training and Seminars</li> <li>→ Senior Seminar</li> <li>→ Global Human Capital Development</li> <li>→ Practical Skills Training (PST)</li> <li>→ Stakeholder Engagement</li> <li>→ CSR Local Dialogue Meeting</li> <li>→ Social Activities</li> <li>→ Contributing to the Community Through Medical Care</li> <li>→ Contribution to the Iwaki Special Support Education School Kubota Branch (Japanese Only)</li> </ul>                                       |



# CSR Report Archive

Here you can find our CSR activities and detailed data.

## Latest CSR Report

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### CSR Report 2021

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The PDF version of our CSR site as of the end of August 2021 is called "Kureha CSR Report 2021."

The CSR English site will be updated from time to time.



- [Kureha Group Creating Shared Value](#)
- [Fiscal 2020 CSR Summary Table](#)
- [ESG Data Collection](#)

## Back Number

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- [CSR Report 2020](#)
- [CSR Report 2018](#)
- [CSR Report 2016](#)
- [CSR Report 2014](#)
- [CSR Report 2019](#)
- [CSR Report 2017](#)
- [CSR Report 2015](#)

# CSR Site Editing Policy and Contents of the Report

↓ Editorial Policy   ↓ Contents of the Report

## Editorial Policy

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We created this website to deepen the understanding of all stakeholders by conveying the social responsibilities that the Kureha Group should fulfill and our efforts to tackle various social issues. As a chemical company, the Group announced our implementation of Responsible Care (RC) in 1995, and published a “Responsible Care Report” to report details about our RC activities. From 2010, we combined the three categories of The Company's Foundation, Social Report, and RC and Environmental Reporting into CSR activities, and started publishing these activities in our CSR reports.

This year, 2021, we shifted our main medium of disclosure from the conventional booklet to this website, where we give information about our various CSR activities. We also collect all types of numerical ESG data and work for comprehensive information disclosure. There is an HTML version and a PDF version of this website. The PDF version is archived as the “Kureha CSR Report” every year at the end of August.

## Contents of the Report

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### Coverage (As of March 31, 2021)

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- **CSR Activities**

Kureha Corporation and its 28 consolidated subsidiaries, 2 (equity method) affiliates, and 1 non-consolidated subsidiary (Sunshine Kureha Co., Ltd.)

- **RC Activities**

Kureha Corporation and 8 subsidiaries

### Reporting Period

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In principle, the reporting time frame for Kureha's CSR activities is the same as its fiscal year (from April 2020 to March 2021). However, some sections of this report may refer to the calendar year (from January 2020 to December 2020) or activities after April 1, 2021.

### Reporting Guidelines

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GRI “Sustainability Reporting Standards”

→ [GRI Standards Content Index](#)

ISO 26000 (Guidance Regarding Social Responsibility)

→ [Comparison with ISO 26000](#)

Ministry of Environment “Environmental Report Guidelines (2012 edition/2018 edition)”

Ministry of Environment “Environmental Accounting Guidelines (2005 edition)”

## Updates of the CSR English site

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October 2021 (updated annually; previous edition: October 2020)

### Disclaimer

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This site and the CSR report include not only past and present facts about Kureha Corporation and Group companies, but also forecasts of the future based on plans and outlooks at the time of publication and issuance. These forecasts are assumptions or judgments based on the information available at the time of writing and can be invalidated by unforeseen changes in conditions. In addition, some of the figures in the tables and graphs have been revised from previous years due to changes in the target range and revision of the calculation method. Thank you for your understanding.