

Kureha CSR Report 2022

KUREHA CORPORATION

KUREHA CSR Report 2022

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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](#)
- [Value Chains and CSR Activities](#)
- [Overview of Kureha Group Policies](#)



CSR Material Issues

ESG Report

Read about our ESG initiatives.



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 a high value-added company built on technology, that continually contributes to society, developing differentiated products in the specialty chemicals field, growing businesses that solve the challenges of society, and contributing to healthy lifestyles.

In fiscal 2021, we formulated Kureha's Challenge 2022 (The final stage of Kureha's Challenge extension plan), which ends in fiscal 2022, and we are working to complete the unfulfilled goals of the previous medium-term management plan and to create an action plan for the future. In our CSR activities, we believe it is important to look to the future, and to work from the perspective of both strengthening our corporate foundation and creating value. To strengthen our corporate foundation, we are working to enhance our environmental, safety, and quality initiatives, bolster risk management, and improve our human capital. At the same time, we will also achieve business creation through new knowledge and technological development, expanding the range of applications for existing technologies as we recognize various new needs caused by economic and social changes, such the need to address climate change.

Below I will review our progress on CSR-related issues in the current medium-term management plan.

Establishment of the Sustainability Committee

On April 1, 2022, we established the Sustainability Committee, chaired by me, directly under the Board of Directors, in order to promote sustainability issues throughout the Group and achieve sustainable growth. We will develop a vision for the future of our Group from a medium- to long-term perspective, re-identify important sustainability issues for our Company, and deepen discussions on measures to address them in the future.

Strengthening Management Foundations

In October 2021, Kureha introduced a new personnel system based on our belief that the development of human resources who can fulfill their roles independently and autonomously and take on challenges without fear of failure is indispensable for the sustainable growth of our Company. We will also gradually extend the full retirement age to 65. I value and extend my wholehearted support to those who take up the challenge. Globalization of the business environment, geopolitical risks, climate change, and the sophistication of technological innovation have resulted in a remarkable diversification of risks, and corporate sustainability cannot be ensured within the scope of the Business Continuity Plan (BCP) to date. We will minimize the impact of risks that materialize by strengthening the efforts of the Risk Management Committee to identify all risks and develop countermeasures.

／ Challenges in Achieving Carbon Neutrality

Our goal is to figure out how to reduce CO₂ emissions at our main production base, the Iwaki Factory, which uses a coal-fired power plant. In fiscal 2020, we set the CO₂ emission reduction target for fiscal 2030 as “the Kureha Group’s CO₂ emissions from energy use should be reduced in phases to a 20% reduction in absolute terms from fiscal 2013”. We are following our plan to achieve this goal.

At the same time, we believe it is necessary to take a comprehensive and strategic approach to CO₂ emission control and our business contributions. To this end, the Carbon Neutral Project was established in October 2021 as a company-wide project under the direct control of the President. We are working on new strategy studies and technology development to raise CO₂ emission reduction targets, achieve carbon neutrality ahead of schedule, and create technologies and businesses that contribute to the environment.

／ Growing and Creating Products that Contribute to Society

In our existing businesses, one of our priority measures is to expand the Advanced Materials businesses. Demand for polyvinylidene fluoride (PVDF), which has a high market share as a binder for lithium-ion batteries essential for electric vehicles, is growing rapidly. We are steadily increasing production capacity and technological development in this area, as we consider PVDF a product that contributes to society. In addition, the Group is engaged in research and development and expanding applications for materials that help reduce automobile weight, carbon products that adsorb harmful chemical substances, and product designs that reduce environmental impact.

In the search for new businesses, open innovation and the introduction of licensing from other companies are also necessary to keep up with societal changes and the advancement of technology. We are also commercializing by investing in startup companies in the U.S. and U.K. where we can expect synergistic effects when combined with Kureha technology and resources, as well as conducting joint research with universities and other institutions, and collaborating with our partners.

We intend to accomplish these initiatives during the current medium-term management plan, and when we formulate the next medium-term management plan starting in fiscal 2023, we would like to include targets and specific measures to integrate our sustainable society initiatives with our business activities.

We will continue to strive to be a company that is trusted and valued by our various stakeholders by promoting appropriate information disclosure.

October 2022



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](#)



[Value Chains and CSR 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.

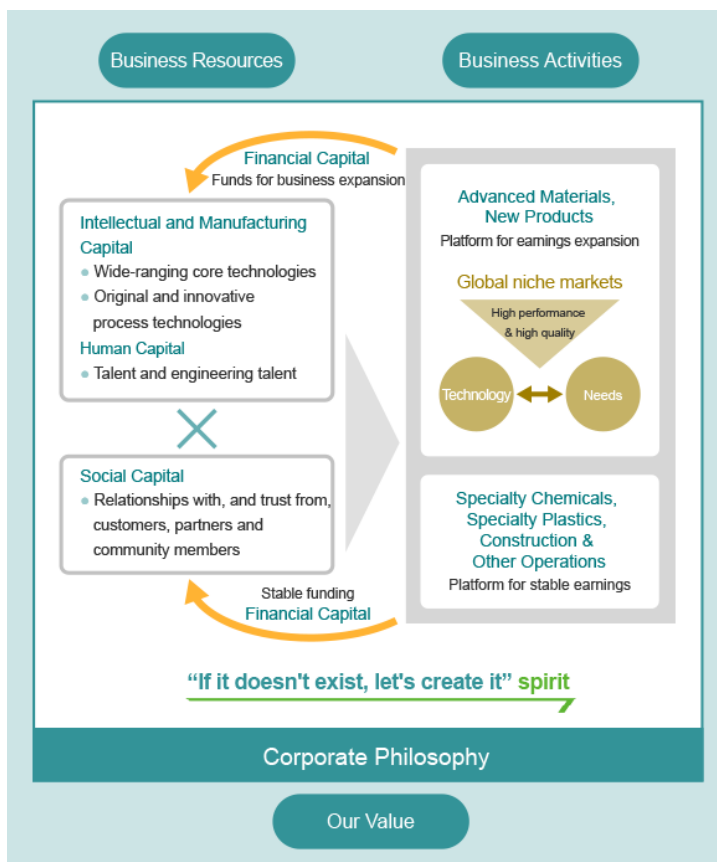
Myriad Social Issues . . . SDGs

SUSTAINABLE DEVELOPMENT GOALS

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'être 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

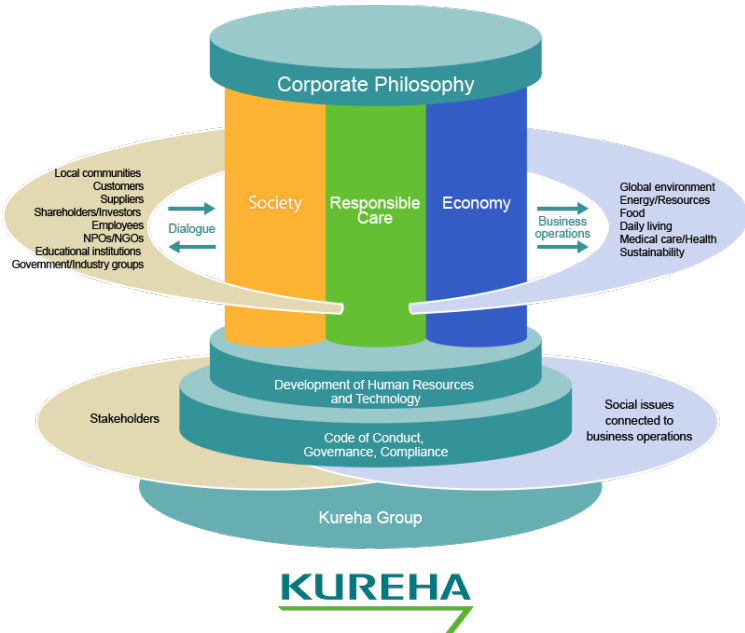
We will firmly adhere to the Employee Code of Conduct, practice the Corporate Philosophy, and continue to embrace challenges while aspiring to be an excellent company in our global business operations, social activities, and Responsible Care initiatives.

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 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



Promotion of CSR Activities

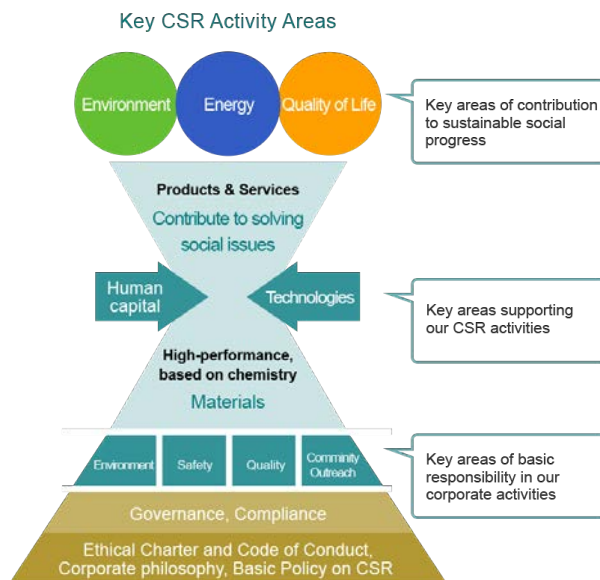
In fiscal 2015, we established a CSR Committee under the direct control of the President, with the director of CSR as chairman to oversee and promote CSR activities throughout the Group.

In April 2022, in order to further develop our existing CSR activities, we established a Sustainability Committee directly under the Board of Directors to comprehensively supervise and monitor the Group's efforts to promote sustainability. Going forward, the Sustainability Committee will regularly review and discuss the deliberations and decisions related to sustainability made at the CSR Committee and other committees.

CSR Activities

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

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

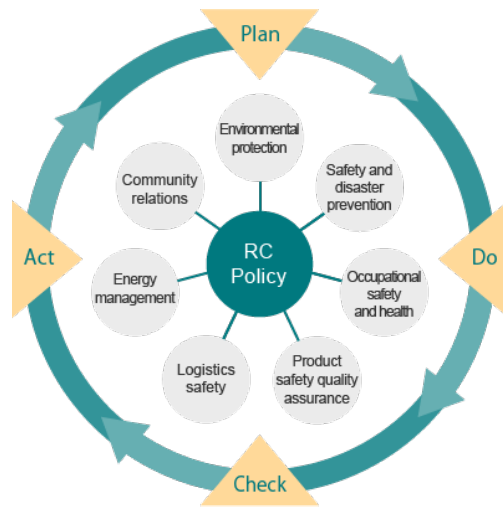
Responsible Care (RC) is a global initiative practiced by chemical companies in 58 countries and territories. The Global Charter has been established as a guiding principle of activities to spread and promote RC activities around the globe, which all chemical companies operating globally are encouraged 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

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

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

Value Chains and CSR Activities

The Kureha Group's initiatives are summarized along the value chain as follows.

Value Chains

	Research and development	Procurement	Manufacture	Logistics	Sales	Products Usage	Dispose of Products
→ Environment	→ CO ₂ Emissions throughout the Supply Chain						
			→ CO ₂ Emissions from Energy Use Amounts and Reduction Efforts	→ Climate Change Mitigation in Logistics			
			→ Prevention of Air Pollution				
			→ Water Use and Prevention of Water Pollution				
			→ Waste Emissions and Recycling				
	→ Awareness of Efforts on Marine Plastic Pollution and Recycling of Plastics						
	→ Management of Chemical Substances						
	→ Environmentally and Socially Friendly Products						
	→ ISO14001						
→ Social	→ Stakeholder Engagement						
		→ Purchasing and Procurement	→ Occupational Safety and Health		→ Customers		
			→ Disaster Prevention at our Factories	→ Disaster Prevention in Logistics			
	→ Environmentally and Socially Friendly Products						
	→ Human Rights Efforts						
	→ ISO 10002/JIS Q 10002						
→ Governance	→ Governance Report						

	Research and development	Procurement	Manufacture	Logistics	Sales	Products Usage	Dispose of Products
Stakeholder Engagement							
Shareholders & Investors	○	○	○	○	○	○	○
Customers & Clients	○				○	○	○
Business Partners (procurement sources, subcontractors)		○		○			
Employees	○	○	○	○	○		
General Public		○	○			○	○
Local Community		○	○				
Government Agencies Industry Groups	○	○	○	○	○	○	○

Overview of Kureha Group Policies

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

Policies

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

Governance

- Corporate Governance Guidelines
- Kureha Group Tax Policy
- 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

- Responsible Care Policy

Society

- 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

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.

→ [Fiscal 2021 CSR Summary Table](#) 

Process of Identifying Material Issues

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

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

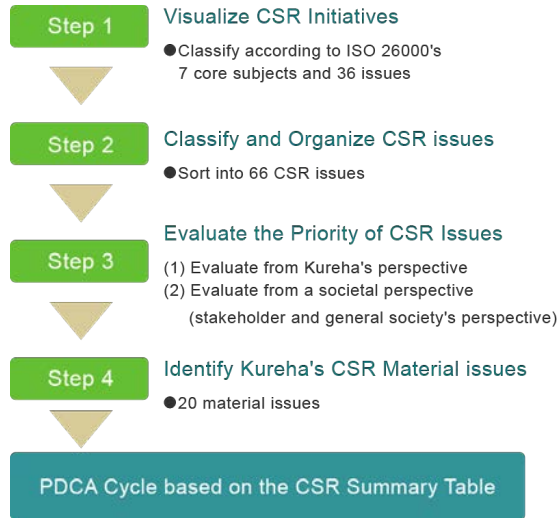
Next, we organized these initiatives into 66 CSR issues. Then we examined their relationship to the value chain of our business activities and stakeholders affected for each of the issues.

Step 3: Evaluate the Priority of CSR Issues

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

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.

Environmental Management System →	Overview of Environmental Impact →
Climate Change →	Prevention of Air Pollution →
Water Use and Prevention of Water Pollution →	Waste Emissions and Recycling →
Management of Chemical Substances →	Other Environmental Conservation Activities →

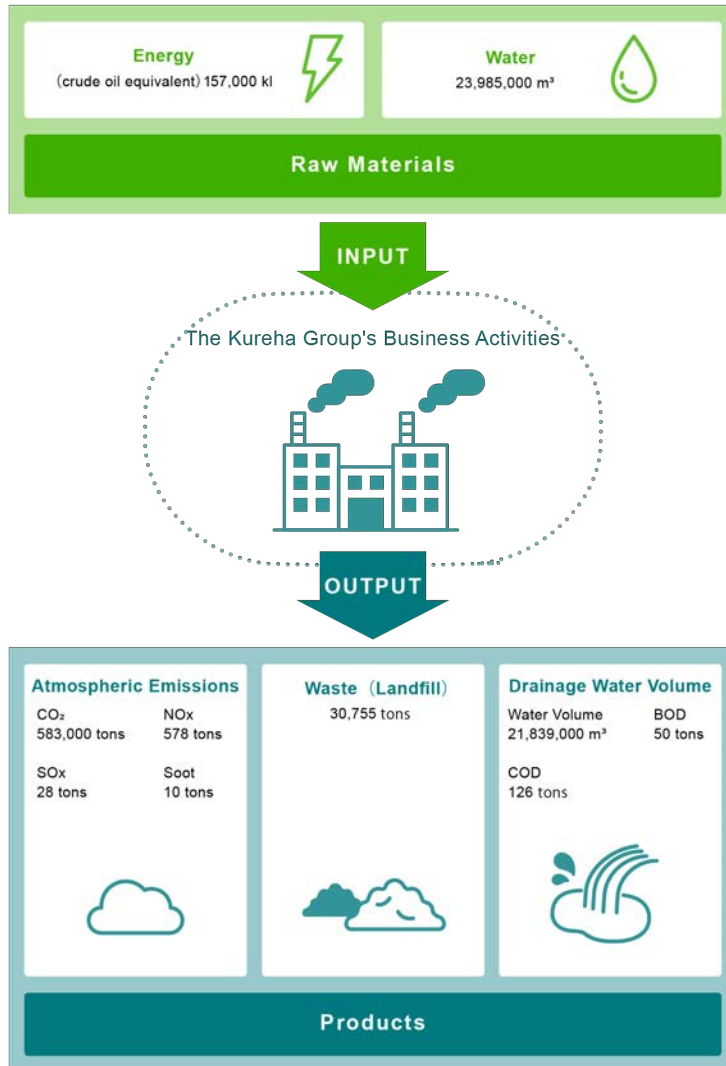
Environmental Management System

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 (FY2021) (Kureha Group)



Climate Change

- ↓ Statement of Support for TCFD Recommendations and TCFD Recommendation-based Disclosure
- ↓ Initiatives for Climate Change Mitigation ↓ CO₂ Emissions throughout the Supply Chain
- ↓ CO₂ Emissions from Energy Use Amounts and Reduction Efforts
- ↓ Climate Change Mitigation in Logistics

Statement of Support for TCFD Recommendations and TCFD Recommendation-based Disclosure

Kureha Corporation expressed its support for TCFD recommendations on April 20, 2022. Furthermore, the Company conducted a qualitative analysis and evaluation of climate-related risks, opportunities, and responses for the Group's main businesses using multiple climate scenarios, identified important items, and compiled the results in line with the TCFD recommended disclosure framework (governance, strategy, risk management, and metrics and targets).

→ [TCFD Recommendation-based Disclosure](#) 

The Company will contribute to the creation of a sustainable society by continuing to increase its disclosure of climate change-related information and move forward with its response to achieving carbon neutrality.



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, has declared the goal of carbon neutrality* by 2050 and is 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 CO₂ 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 CO₂ emission reduction target for fiscal 2030 based on that survey:

Kureha Group's CO₂ Emission Reduction Target

The Kureha Group's CO₂ 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.

(CO₂ 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 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.

In October 2021, the Carbon Neutral Project was established as a company-wide project under the direct control of the President to oversee and promote the Group's efforts to achieve carbon neutrality by 2050. Specifically, we are studying new measures and developing technologies with the aim of raising reduction targets and achieving carbon neutrality before our goal of 2050.

CO₂ 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 Group 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, and from fiscal 2021 we have begun reporting data from all Scope 3 categories.

CO₂ Emissions and Scope Breakdown (Kureha)

Unit: 1,000 t CO₂

	CO ₂ Emissions			
	FY2018	FY2019	FY2020	FY2021
Scope 1	338	356	340	359
Scope 2	42	31	31	31
Scope 3*	7	6	6	403

* Scope 3 emissions from FY2018 to FY2020 represent the total volume for Category 4 (transport, delivery (upstream)), 6 (business travel), 7 (employee commuting), and 9 (transport, delivery (downstream)) emissions. Scope 3 emissions for FY2021 represent the total calculated volume of all 15 categories.

Changes in CO₂ Emissions from Energy Use (Kureha Group)

Unit: 1,000 t CO₂

	Energy-derived CO ₂ Emissions					
	FY2013	FY2017	FY2018	FY2019	FY2020	FY2021
Kureha	431	389	370	376	363	377
Group Companies in Japan	21	13	22	23	21	20
Overseas Group Companies	18	35	330	28	28	30
Total	470	437	423	428	412	427

CO₂ Emissions from Energy Use Amounts and Reduction Efforts

Kureha

At the Iwaki Factory, we are steadily implementing energy saving plans, such as systematically updating to energy-saving equipment. 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. We also promote energy-saving activities at our head office and other offices.

In fiscal 2021, we increased production of some products at the Iwaki Factory due to increased demand. In addition, fiscal 2021 was a year of full-capacity for our coal-fired power plant, with no downtime for periodic repairs (conducted every other year). These factors resulted in an increase in coal use compared to the previous year and an increase in energy use and CO₂ emissions. However, energy intensity improved from the previous year due to a recovery in production volume, which had declined due to COVID-19 and other factors. At our plastics processing factories, energy consumption increased due to increased production in response to increased demand for household products, but CO₂ emissions decreased from the previous year as a result of measures such as switching to electricity with a lower CO₂ emission coefficient for some of the electricity used. As a result, Kureha's CO₂ emissions from energy use in fiscal 2021 totaled 377 thousand tons, a 12.5% reduction from fiscal 2013.

Moreover, in line with Japan's policies promoting the spread of renewable energy, we have installed solar power generation equipment in the Iwaki Factory premises, which generates approximately 300 MWh of energy for the region per year.

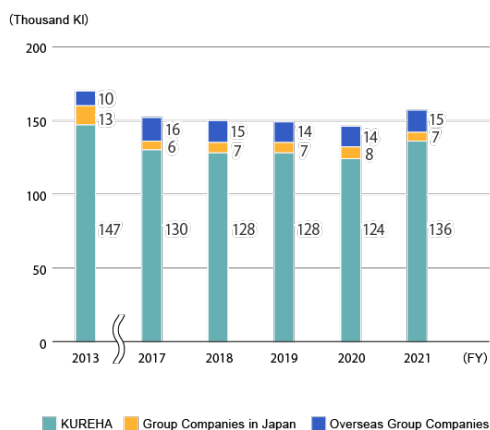
Kureha Group

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. For example, our Europe-based company KREHALON B.V. already runs on electricity from 100% renewable sources. Also, China-based Kureha (Shanghai) Carbon Fiber Materials Co., Ltd. is proactively introducing in solar power generation. As a result of these efforts, the Kureha Group's overall CO₂ emissions from energy use in fiscal 2021 totaled 427 thousand tons, a 9% reduction from fiscal 2013.

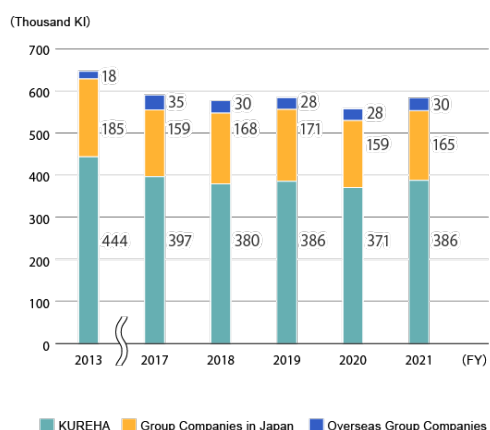
We will continue to fulfill our social responsibility to mitigate climate change by making a concerted Group effort to reduce greenhouse gas emissions based on our mid- to long-term CO₂ emission reduction targets and activities in the Carbon Neutral Project, and by further raising our reduction targets.

Energy Use



Starting FY2017, 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.

CO₂ Emission Volume



- This is the total sum of CO₂ emissions from energy use and from non-energy activities. FY2013 represents the base year for the Kureha Group's medium- to long-term CO₂ emission reduction targets formulated in FY2020.
- Starting FY2017, 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

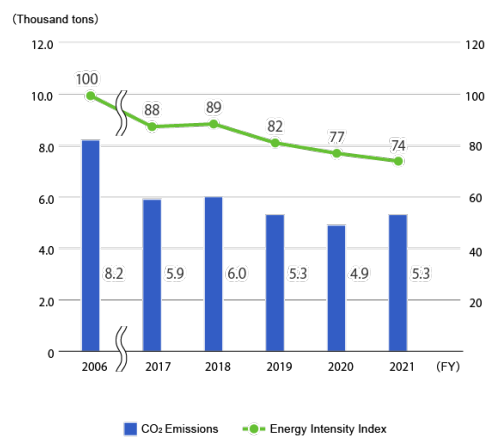
As for logistics, Kureha Unyu, which takes on the transportation of our products, and related departments within Kureha are collaborating to reduce energy intensity* by at least 1% per year on average by making the following efforts:

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.

CO₂ 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_x and NO_x, 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

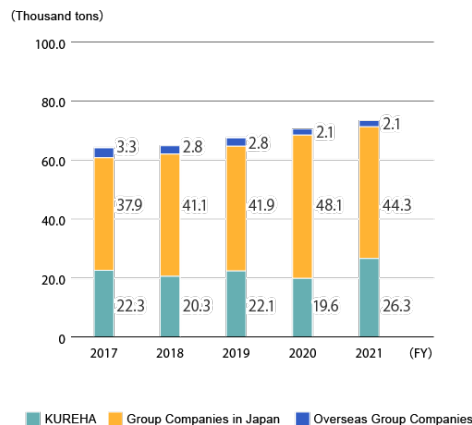
Kureha is working to reduce our volume of waste for final landfill by both curbing the amount of and actively recycling waste discarded by our production activities.

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 striving to reduce the volume of waste generated from each of our production bases by improving production efficiency, and to reduce the volume of waste for final disposal (landfill) by promoting the recycling of waste through the study of disposal methods. In fiscal 2021, however, the volume of industrial waste generated and landfilled increased due to increased production, as well as temporary overburden disposal. On the other hand, excluding the impact of overburden disposal, the recycling rate has steadily increased and the volume of landfilled waste has been reduced by approximately 37% from the previous fiscal year. We will continue to strive for further reductions through stable plant operation, development of high-efficiency processes, and introduction of new recycling technologies.

At our plastics processing factories, we are actively working to reduce production losses, develop products that reuse production losses, and recycle resources. In fiscal 2020, we changed the disposal method for polyvinylidene chloride waste, which accounts for the majority of the industrial waste emissions, with the aim of reducing final disposal to zero. This has helped us gradually reduce the volume of landfill waste and, since February 2021, we have achieved zero final disposal.

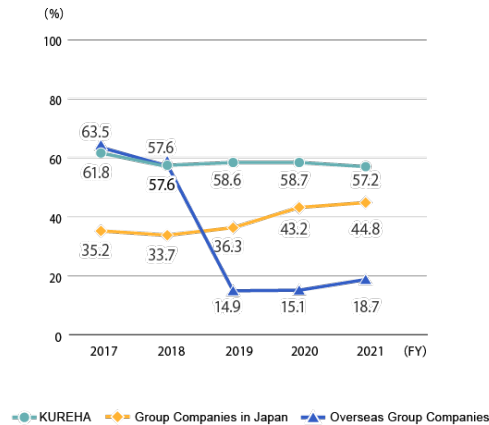
Promoting resource recycling and reducing the volume of final disposal is an important issue for Kureha, and we will continue to set and promote targets to achieve zero industrial waste emissions.

Waste Generation

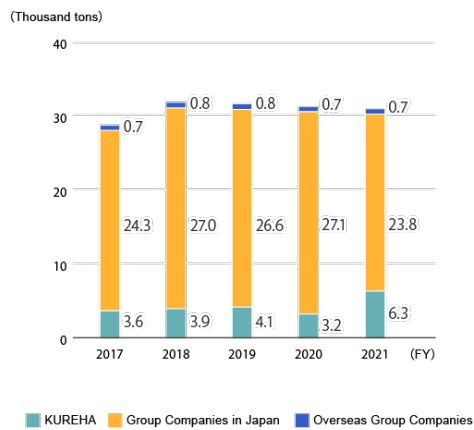


* The volume of waste generated by domestic Group companies includes the amount generated by Kureha Ecology Management's industrial waste treatment and waste from construction work at Kureha Construction.

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

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 the 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 Kureha as the need arises.

* Safety Data Sheet (SDS): This document is issued when a business transfers or provides a chemical substance or a product containing a chemical substance to another business. SDSs are prepared in accordance with Japanese Industrial Standards' (JIS) statement (Method of communicating chemical hazard and toxicity information) and are issued to users, etc., of chemical substances.

→ [Safety Examinations](#)

Other Environmental Conservation Activities

Local Environmental Conservation Activities

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

Kureha is engaged in various activities to achieve sustainable growth as a company that responds to the expectations of stakeholders involved in its corporate activities and is trusted by society.

Stakeholder Engagement →	Shareholders and Investors →
Customers →	Purchasing and Procurement →
Employees →	Community →
Human Rights Efforts →	

Stakeholder Engagement

Promoting Dialogue with Stakeholders

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	Purpose of engagement	Main Representative Department	Method of Communication	Frequency
Shareholders & Investors	Providing timely and appropriate disclosure of financial and non-financial information for investment decisions	General Affairs Department	Annual General Shareholders' Meeting	Annual
		Public and Investor Relations Department	Briefings for securities analysts and institutional investors	Several times per year
			Events for private investors	Several times per year
Customers & Clients	Improving customer satisfaction by providing high quality products and services based on customer needs	Sales Department	Customer Support Center	Any time
		Quality Assurance Department	Customer events	Several times per year
			Exhibitions	Several times per year
			Daily communications	Any time
Business Partners (procurement sources, subcontractors)	Establishing business relationships based on fair partnerships with a concern for social responsibility	Procurement Department	Supplier audits	Annual
		Sales Department	CSR surveys	Annual
		Quality Assurance Department	Daily communications	Any time
Employees	Creating a safe and stable employment environment where individuals can fulfill their potential	HR Department	Labor-management consultations, Health and Safety Committee Meetings	At least once a month
		General Affairs Department	Performance evaluation interviews, self-assessment system	Several times per year, biennial
			Daily communications	Any time

Stakeholder	Purpose of engagement	Main Representative Department	Method of Communication	Frequency
General Public	Sharing information regarding our compliance with laws and regulations, and contributing to the development of society	General Affairs Department	Factory tours, volunteering	Several times per year
			Educational sponsorships	Annual
Local Community	Building trust with the local community through disclosure of information and contributions to community development	General Affairs Department	CSR Local Dialogue Meeting	Annual
			Environment / Safety Department	CSR Local Dialogue Meeting
		Factory tours		Several times per year
		Volunteering		Several times per year
		Emergency training	Several times per year	
Government Agencies Industry Groups	Ensuring compliance with laws, agreements, and voluntary standards through information gathering and cooperation in various activities	General Affairs Department	Compliance with laws and regulations	Any time
		HR Department		
		Planning Department	Participation in councils, discussions, etc.	Any time
		Technology Department		

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

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

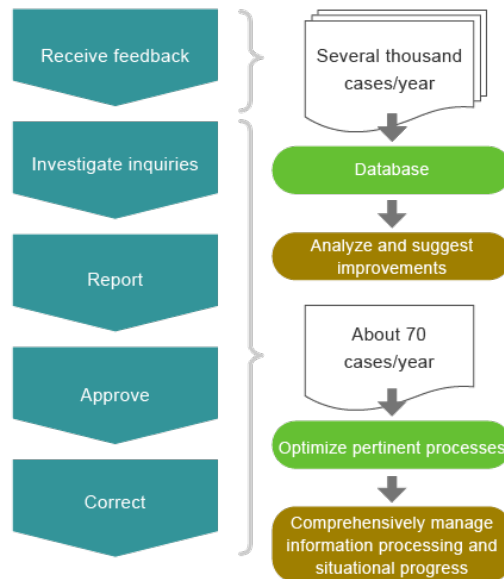
1. We work to provide our customers with safe products they can use with peace of mind.
2. We work to improve the quality of our products and services for maximal customer satisfaction, by sharing their valuable feedback.
3. We take the feedback from our customers seriously, and respond promptly, in 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

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.

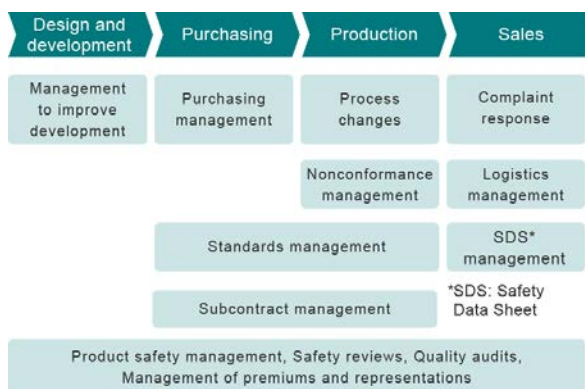
April 1, 2021

President & Chief Executive Officer
KUREHA CORPORATION

Quality Management System

Kureha acquired ISO 9001 certification in fiscal 1995 and transitioned to the ISO 9001-2015 revision in fiscal 2017.

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

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 Kureha.

Safety Evaluations

We develop, manufacture, and market new chemical products in a variety of fields. These products must be safe for their intended use and the environment in which they will be used. Treasuring people and the natural environment by preventing the negative effects of chemical substances will lead to the maintenance and development of a sustainable society. At Kureha, our Safety Research Center conducts general evaluations to ensure safety.

Kureha's Safety Research Center evaluates the products and materials we develop, and the chemical substances used in them, for effects on human health and the environment. These evaluations are based on test and research data obtained from both in-house and external testing facilities, as well as chemical safety information surveys conducted both in Japan and overseas. We incorporate the latest scientific methods and findings into our evaluations to ensure the safety of our products, in addition to our specialized knowledge, skills, and understanding of safety regulations.

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](#) [↓ Procurements](#)

Procurement Policy

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

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) Endeavor 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

Procurements

CSR Survey

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.

Responsible Procurements

✓ Conflict Minerals Management

Conflict minerals (e.g., gold, tantalum, tungsten, tin, and cobalt) are an international problem in the Democratic Republic of Congo and neighboring countries, financing armed groups, contributing to conflict, human rights abuses, and causing environmental damage. The involvement of child labor in mica mining in China, India, Madagascar and other countries is also a problem that needs to be dealt with. Kureha and Group companies recognize the issue of conflict minerals, including mica, as an important human rights issue. Therefore, we conduct surveys and share information with our business partners to ensure that we do not use raw materials that contain any conflict minerals.

✓ Forced Labor Prevention

In the U.S., the “Uyghur Forced Labor Prevention Act” came into effect on June 21, 2022, which in principle bans imports of products involving the Xinjiang Uyghur Autonomous Region unless companies can provide clear evidence that the products were not produced using forced labor. Kureha and Group companies recognize forced labor as an important human rights issue just like the conflict minerals issue. Therefore, we conduct surveys and share information with our business partners to demonstrate that our products have no involvement with the Xinjiang Uyghur Autonomous Region.

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, Mental and Physical Health Management →
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 OJT¹ and systematic OFF-JT² 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
- ↓ Digital Human Capital Development
- ↓ Practical Skills Training (PST)
- ↓ In-House Thesis Review
- ↓ New Personnel System

Open Enrollment Training and Seminars

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 Kureha, 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

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.

Digital Human Capital Development

We are working to raise the digital capabilities of all employees through Digital Human Capital Basic Training and support for IT Passport acquisition. We are also implementing a Senior Data Analyst Training Program in order to train specialists equipped with advanced data analysis skills, who support data-driven decision making.

Practical Skills Training (PST)

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

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

In October 2021, we fully implemented 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 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

- 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

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 ³
	Annual paid leave in hourly increments	★	Adjustment of working hours, duties, and reducing work burden (paid)
★	Accumulated annual paid leave ¹	★	Hospital visits during work hours (paid)
	Flextime system	★	Prenatal and postnatal leave (six weeks before and after childbirth, paid)
★	Refresh system ²	★	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 ³		Limits and exemptions for overtime work, holiday work, and late night work ³
	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 ⁴	★	Adult nursing (10 days for one person, 20 days for two or more people annually) ⁵
	Nursing leave (five days for one child, ten days for two or more children per year) ⁵		
★	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 40th birthday and 200,000 yen at their 50th 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 unit the end of the graduation year for elementary school students.
 5 Can be obtained in half-day units or hourly units

Diversity

"If it doesn't exist, let's create it." This is Kureha's slogan, expressing our commitment and development ethos, under which we take on the challenge of solving various issues. In order to flexibly adapt to the constantly changing world, to create new ideas and generate value, it is essential to promote diversity without regard to characteristics such as age, sex, nationality, etc. We are committed to creating a comfortable and rewarding work environment and developing human capital by proactively embracing the diversity of our employees and their values, so that each individual can maximize his or her own potential.

Employment of People with Disabilities

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

	FY 2019	FY 2020	FY 2021
Employment rate (%)	2.24	2.38	2.22
Statutory employment rate (%)	2.20	2.30	2.30

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

Senior Seminar

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, Mental and Physical Health Management

↓ Promoting Good Health ↓ Health Care ↓ Mental Health

Promoting Good Health

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

Through Healthcare Promotion Meetings, Kureha supervises every aspect of health management throughout the Company. These meetings are supervised by the Director and General Manager, Administration Division, and members consist of persons in charge of human resources and safety and health at each of our offices, and the Health Insurance Society. 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

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 2021)

Mental Health

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

All general employees are members of the Kureha Labor Union except for those who have been specially determined in consultation with us.

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.

Furthermore, in its compensation system, the Company adheres to paying salaries above the legal minimum wage and applies a uniform payment level across genders in the same job category and grade.

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 ↓ Health and Safety Committees
- ↓ Occupational Safety and Health Awareness Programs ↓ Skills Training Center
- ↓ Eliminating Logistics Accidents

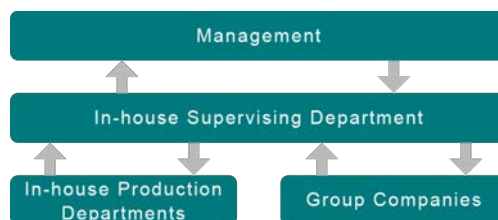
Occupational Safety and Health Management System

Kureha and all 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.

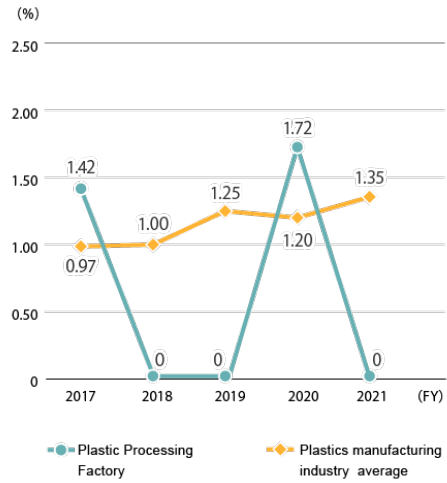
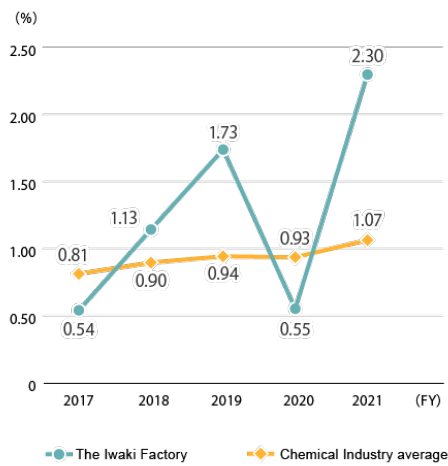
→ [ESG Data Collection \(Information on external certification\)](#) 

Occupational Safety and Health Activities

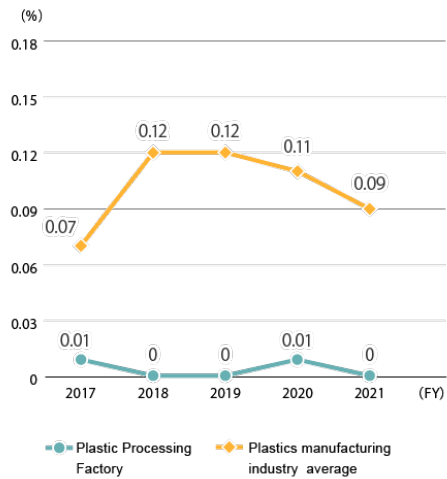
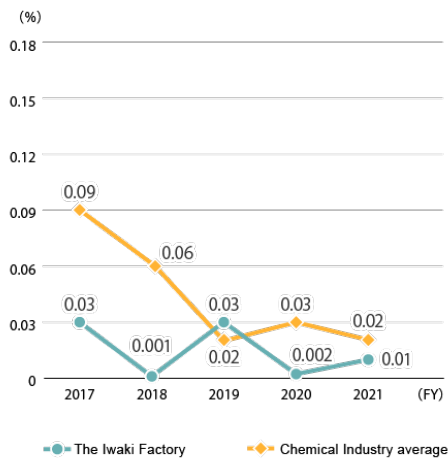
We have created a mechanism that enables employees to quickly share information about accidents when they occur as a means to eliminate personal injuries throughout the Kureha Group. In addition, some Kureha Group domestic companies are conducting peer inspections that allow for identifying hazardous 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.



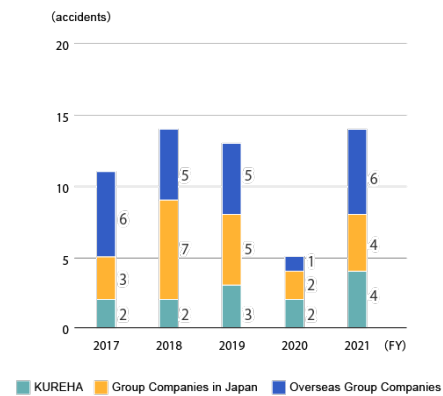
■ Lost Time Injury Frequency Rate



■ 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) 

Health and Safety Committees

In accordance with the Industrial Safety and Health Act, we have established a Health Committee at our head office and a Safety and Health Committees at each business site, where labor and management work together to promote initiatives that meet the needs of each business site. Minutes of the regularly scheduled committee meetings are posted on our online information system in order to share the details of reports on health management, infection control, improvement of the work environment, and accident prevention with our employees. In addition, information on accident cases is shared in detail at review meetings about manufacturing issues and other opportunities, and efforts are made to ensure that all employees are fully aware of the situation in order to prevent recurrence.

Occupational Safety and Health Awareness Programs

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

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

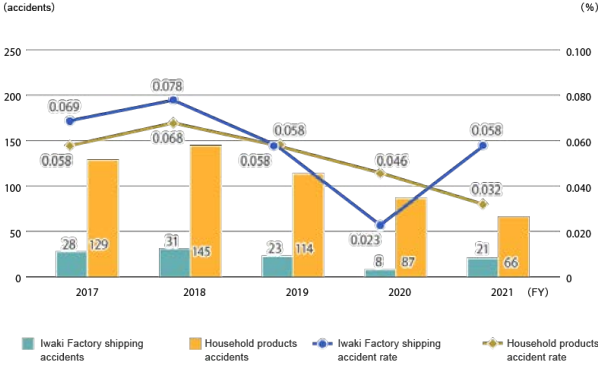
Eliminating Logistics Accidents

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 responsibilities, and for this reason we manage equipment and operations thoroughly. We aim to maintain safety, security, and the trust of our local communities, therefore we not only comply with laws and regulations, but we also establish our own control standard values 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 keep disaster prevention in mind.



General disaster prevention training (Iwaki Factory: fiscal 2021)

Disaster Prevention Training at the Plastics Processing Factories

At the plastics processing factories, during holidays or daytime hours when no day-shift workers were present, we conducted emergency training on first response, rescue of injured workers, and use of air tanks in simulations that assumed fire outbreaks from electric cables for electrical equipment.



Safety inspections and emergency training
(Plastics Processing Factory (Ibaraki): fiscal 2021)



Safety inspections and emergency training
(Plastics Processing Factory (Hyogo): fiscal 2021)

Disaster Prevention in Logistics

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 2021)

Prevention of Facility Accidents

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

CSR Local Dialogue Meeting

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, due to the situation with COVID-19, we decided to conduct meetings through written correspondence of explanatory materials. In fiscal 2021, however, in addition to conducting written meetings, we visited 24 district organizations, 13 government-related organizations, three local newspapers, three business-related companies, and five Group companies from November 26 to December 20 to provide in-person explanations.

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

Agreement with Omitama City of Ibaraki Prefecture

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

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

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.”

Number of users

		Unit	FY2021
Kureha General Hospital	Total number of inpatients	Thousands of people	51
	Total number of outpatients	Thousands of people	90
	Total number of users of health management center	Thousands of people	16
	Number of ambulance responses	Ambulances	1,460
Gardenia	Total number of residents (including short-term residents)	Thousands of people	34
	Total number of day care users	Thousands of people	6
Home nursing station	Total number of users	Thousands of people	4
Nursing home	Total number of residents	Thousands of people	13

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



Geriatric health care services facility “Gardenia”



Kureha General Hospital

Working Toward an Inclusive Society

Sunshine Kureha

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

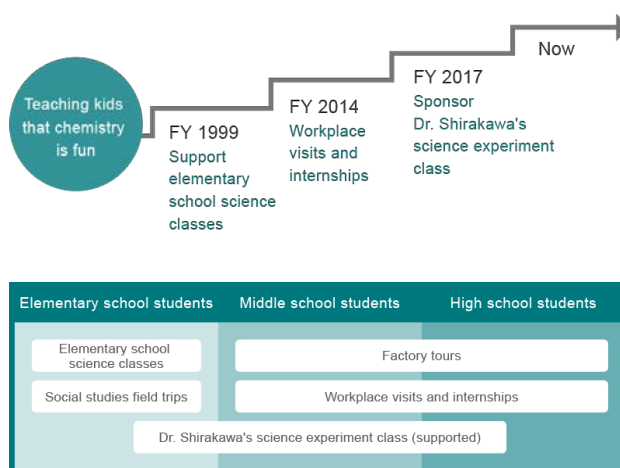
↓ Educational Support ↓ Culture and Sports Exchange ↓ Volunteering and Donating

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, 2021 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, 2021 due to the pandemic.)

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

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, 2021 due to the pandemic.)

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, 2021 due to the pandemic.)

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

Kureha is committed to contribute socially to the local communities where we base our operations, through various support activities.

Pink Ribbon Support Activities

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

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](#)
- ↓ [Tax Compliance](#)

Kureha Group Ethical Charter

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.

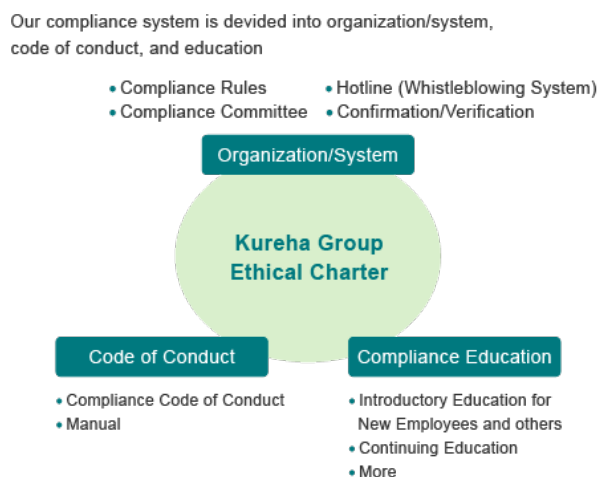
The Company's top management recognizes that it is their role to realize the spirit of the Group Ethical Charter, and ensure its implementation.

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 responsible corporate citizens.
9. We work to create a corporate environment that promotes mutual respect and understanding.

Compliance Committee

The Kureha Group Ethical Charter was established as a code of conduct for management and employees of the Kureha Group. The Compliance Committee, chaired by a director, provides training and other education through the Compliance Handbook, which contains the Compliance Code of Conduct, to ensure that each and every employee is aware of the importance of compliance. The Internal Audit Department, under the direct control of the President, evaluates and verifies the appropriateness and effectiveness of internal control systems, including compliance, in internal audits covering 12 offices and 28 consolidated subsidiaries.



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. Compliance advice on product safety, human rights, the environment, health and safety, fair competition and relations with politics, government and society is also covered by 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.

	FY2019	FY2020	FY2021
The number of reports*	2	10	6

* Includes domestic Group companies

Tax Compliance

Kureha has established the Kureha Group Tax Policy to ensure that the Group has a proper understanding of the tax-related laws and regulations, and the spirit thereof, in each country and region where the Group operates, and fulfills its tax obligations appropriately.

／ Kureha Group Tax Policy

1. Compliance

The Group complies with the tax-related laws and regulations of the countries and regions in which it operates, appropriately utilizing preferential tax treatment and other benefits recognized under the tax laws of each country, and files and pays taxes accordingly, thereby contributing to the economies of those countries and regions, with the aim of fostering harmony and stable development together.

In addition, in order to ensure tax accuracy, the Group will perform proper accounting in compliance with applicable statutes and regulations.

2. Tax planning

The Group will conduct fair and appropriate tax planning that reflects its business activities. In addition, we will comply with international rules on taxation and the laws and regulations of each country and region in which we operate, and strive to minimize tax risks.

The Group does not engage in tax avoidance activities by using tax havens or by planning taxes in a manner that does not conform to its actual business situation.

3. Initiatives to minimize tax risks

Although the Group makes every effort to comply with the tax laws of each country in which it operates, there is a certain degree of possibility that the tax authorities in any such country may not understand the treatment that the Group deems appropriate.

The Group will seek advice from external tax specialists when deemed necessary, and will fully investigate, evaluate, and consider multiple alternatives in order to make appropriate decisions. We believe that these measures will minimize the risk of tax litigation and additional taxation.

4. International taxation

(1) Transfer pricing

The Group believes that by distributing income internationally in accordance with the contributions of each Group company, appropriate tax payments will be implemented in each country and region. Based on this recognition, the Group applies a transfer pricing methodology based on function and risk analysis to determine the prices of transactions with foreign affiliates in accordance with relevant international regulations such as the OECD Transfer Pricing Guidelines.

In order to reduce tax risks related to transfer pricing, the Group obtains advice from external experts and utilizes the Advance Pricing Agreement (APA) and other methods with tax authorities.

(2) Elimination of double taxation

In the event that double taxation occurs on the same economic benefit in more than one country or region, the Group will endeavor to eliminate such double taxation through application of tax treaties or mutual consultation between countries.

5. Relations with tax authorities

The Group will respond in a timely manner to inquiries and requests for information from tax authorities and maintain good relationships with them.

In addition, in order to reduce uncertainties associated with tax operations and ensure tax transparency, the Group will strive to provide tax treatments that can be reasonably explained, and to promptly resolve any differences of opinion with tax authorities in other countries that may arise.

In addition, for items that have received guidance from the tax authorities in the past, measures will be taken to prevent recurrence of error.

Administration of Tax Matters

The Group ensures thoroughness in all activities and controls based on its tax policy.

There are no tax risk issues currently identified.

- We conduct reasonable tax work in compliance with tax-related laws and regulations by following proper accounting practices and seeking advice from external specialists such as certified public tax accountants.
- Duties related to tax work are carried out by the director in charge of the Accounting Department.
- The Audit & Supervisory Board and its members audit the execution of duties by directors from an independent and objective standpoint.

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 System
- ↓ Risk Management Implementation
- ↓ Business Continuity Plan
- ↓ Overseas Crisis Management System
- ↓ Information Security
- ↓ Protection of Personal Information and Specific Personal Information

Basic Policy on Risk Management

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

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

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

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. And we will continue to enhance our BCP by predicting and analyzing ever-changing disaster scenarios.

In addition, in response to the global COVID-19 pandemic, we have revised our Guidelines for Control of New Infectious Diseases based on the various measures we have taken to prevent the spread of COVID-19 and ensure employee safety. We have also created Manuals for COVID-19 Control for all sites (head office and business sites) especially tailored to each site's specific characteristics in order to ensure business continuity.



Fire and Disaster Prevention Training
at the Head Office

Overseas Crisis Management System

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

Under the supervision of the Information Management Committee, we use an information security management system based on our basic policy to maintain the availability, integrity, and confidentiality of information assets held by our Group and to manage information appropriately.

Information Security Policies

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 Group companies will carry out risk assessments on their respective information assets and take appropriate risk management measures.
4. Kureha and 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.

Until fiscal 2021, all Group companies had been working in compliance with this policy and we will continue to confirm that the security of the entire Group is properly managed and operated through the same information security risk assessment.

Information Security System

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

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

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

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](#)

Intellectual Property

↓ [Basic Policy for our Intellectual Property Strategy](#)

↓ [Intellectual Property Activities](#)

Basic Policy for our Intellectual Property Strategy

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



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



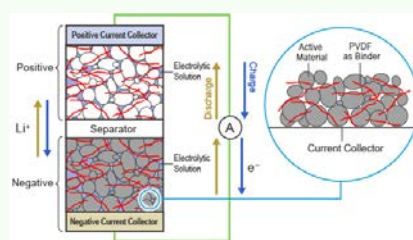
Binders for lithium-ion batteries on electric vehicles reduce CO₂ emissions

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 CO₂ 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

GASTAK, Fluidized-Bed Adsorption Type VOC Recovery & Deodorization Equipment

Contributing to Air Quality Preservation and Mitigating Global Warming

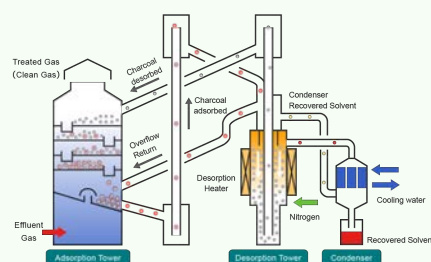


Recovers and recycles VOCs contained in factory exhaust gas with low energy consumption, contributing to the reduction of CO₂ emissions

In order to conserve our environment and protect people's health, measures such as regulations on emissions and promotion of voluntary efforts are being taken against volatile organic compounds (VOCs) such as organic solvents emitted or dispersed from factories and other facilities, as well as toxic and malodorous substances.

In the past, factory exhaust gas containing these substances was generally given a type of combustion treatment. Kureha Ecology Management's GASTAK is an exhaust gas treatment system that removes and recovers substances contained in exhaust gases for recycling with low energy consumption and without the use of combustion.

GASTAK has various models depending on the user's purpose and type of VOCs involved, but the basic layout is made up of an adsorption tower, a desorption tower, and a condenser.

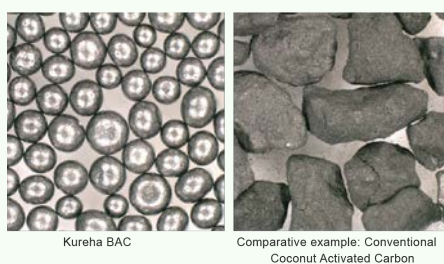


Basic system of GASTAK

→ [CLICK HERE TO CHECK THE ENLARGED VIEW](#)

VOC-containing gases emitted from factories are channeled into the adsorption tower, where VOCs are adsorbed and removed by Kureha Bead-shaped Activated Carbon (BAC), which has excellent abrasion resistance and flowability due to its spherical shape. The treated gas is released into the atmosphere from the top of the adsorption tower.

VOCs adsorbed onto BAC are then desorbed from BAC by indirect heating in the desorption tower, and the circulating desorption gas is sent to the condenser to be recovered as a liquid. Use of nitrogen gas as the desorption gas makes it possible to recover high-purity VOCs with low moisture content.



Kureha BAC

Comparative example: Conventional Coconut Activated Carbon

Type and shape of BAC

VOCs collected by GASTAK are highly recyclable and have been delivered to many printing, film, and chemical factories that use a large volume of them.

Also, because GASTAK can be used to recover and recycle ammonia, which is expected to be utilized as a hydrogen carrier and carbon-free fuel, GASTAK is attracting renewed attention. Now that awareness of the need to mitigate global warming grows on a global scale, GASTAK will be turned to as a VOC exhaust gas treatment system which is both carbon neutral and prevents air pollution.

Quality of Life

NEW Krewrap

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 (oxidization). 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



The Kureha CSR website refers to the GRI Sustainability Reporting Standards.

In principle, the reporting time frame for Kureha's CSR activities is the same as its fiscal year (from April 2021 to March 2022). However, some sections of this report may refer to the calendar year (from January 2021 to December 2021) or activities after April 1, 2022.


2 : General Disclosures

GRI 2 : General Disclosures 2021

1. The organization and its reporting practices

Standard		Disclosure
2-1	Organizational details	<ul style="list-style-type: none"> → Corporate Profile → The Kureha Group Network → Group Companies in Japan → Overseas Group Companies
2-2	Entities included in the organization's sustainability reporting	→ Coverage
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> → Reporting Period → Updates of the CSR English site → FAQ/Contact(CSR Department) → Annual Securities Report (Japanese Only) 
2-4	Restatements of information	<ul style="list-style-type: none"> → ESG Data Collection (Environment) (Social) (Information on external certification)  → Waste Emissions and Recycling
2-5	External assurance	The authenticity of some data has been confirmed by an in-house safety review

2. Activities and workers


Standard		Disclosure
2-6	Activities, value chain, and other business relationships	<ul style="list-style-type: none"> → Product Groups → Main Businesses, Products and Services of Kureha Group (Japanese Only) → Value Chains and CSR Activities → Major purchasing items
2-7	Employees	→ ESG Data Collection (Social) 

Standard		Disclosure
2-8	Workers who are not employees	→ ESG Data Collection (Social) 🔗

3. Governance

Standard		Disclosure
2-9	Governance structure and composition	→ Corporate Governance Framework → Corporate Governance Guidelines II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management 🔗
2-10	Nomination and selection of the highest governance body	→ Corporate Governance Framework → Corporate Governance Guidelines I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information 🔗
2-11	Chair of the highest governance body	→ Corporate Governance Framework → Corporate Governance Guidelines II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management 🔗
2-12	Role of the highest governance body in overseeing the management of impacts	→ Promotion of CSR Activities
2-13	Delegation of responsibility for managing impacts	→ Promotion of CSR Activities
2-14	Role of the highest governance body in sustainability reporting	→ Promotion of CSR Activities
2-15	Conflicts of interest	→ Corporate Governance Guidelines I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information 🔗
2-16	Communication of critical concerns	—
2-17	Collective knowledge of the highest governance body	—
2-18	Evaluation of the performance of the highest governance body	—
2-19	Remuneration policies	→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) 🔗
2-20	Process to determine remuneration	→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) 🔗
2-21	Annual total compensation ratio	→ ESG Data Collection (Governance) 🔗

4. Strategy, policies and practices

Standard		Disclosure
2-22	Statement on sustainable development strategy	→ Message from the President
2-23	Policy commitments	→ Overview of Kureha Group Policies
2-24	Embedding policy commitments	→ Compliance Committee → Approach for Compliance Education and Enlightenment (Japanese Only) → Risk Management System → Information Security System
2-25	Processes to remediate negative impacts	→ Kureha Group Ethical Charter → Whistleblowing System → Risk Management Implementation
2-26	Mechanisms for seeking advice and raising concerns	→ Whistleblowing System
2-27	Compliance with laws and regulations	→ ESG Data Collection (Governance) 
2-28	Membership associations	Japan Economic Federation, Japan Chemical Industry Association, Japan Soda Industry Association, Japan Technology Association of Poly Vinylidene Chloride

5. Stakeholder engagement

Standard		Disclosure
2-29	Approach to stakeholder engagement	→ Promoting Dialogue with Stakeholders → Shareholders and Investors → Customer Engagement (Japanese Only) → Labor-Management Relations → CSR Local Dialogue Meeting
2-30	Collective bargaining agreements	→ Labor-Management Relations Percent of labor union members 100%* * Number of labor union members ÷ Number of eligible people × 100 (excluding those stipulated in the labor agreement)




3 : Material Topics

GRI 3 : Material Topics 2021

Standard		Disclosure
3-1	Process to determine material topics	→ Process of Identifying Material Issues
3-2	List of material topics	→ CSR Material Issues and Summary Table
3-3	Management of material topics	→ Management System Audit → CSR Material Issues and Summary Table

200: Economic Standards

GRI 201: Economic Performance 2016

Standard		Disclosure
201-1	Direct economic value generated and distributed	→ Annual Securities Report, Key Financial Data (Japanese Only)  → Social Contribution Expenditure (Japanese Only)
201-2	Financial implications and other risks and opportunities due to climate change	→ Statement of Support for TCFD Recommendations and TCFD Recommendation-based Disclosure
201-3	Defined benefit plan obligations and other retirement plans	→ Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only) 
201-4	Financial assistance received from government	→ Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only) 

GRI 202: Market Presence 2016

Standard		Disclosure
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	→ Recruitment Requirements (Japanese Only) → Labor-Management Relations
202-2	Proportion of senior management hired from the local community	—

GRI 203: Indirect Economic Impacts 2016

Standard		Disclosure
203-1	Infrastructure investments and services supported	→ Contributing to the Community Through Medical Care
203-2	Significant indirect economic impacts	→ Social Contribution Expenditure (Japanese Only)

GRI 204: Procurement Practices 2016

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

GRI 205: Anti-corruption 2016

Standard		Disclosure
205-1	Operations assessed for risks related to corruption	→ Compliance Committee
205-2	Communication and training about anti-corruption policies and procedures	→ Approach for Compliance Education and Enlightenment (Japanese Only)
205-3	Confirmed incidents of corruption and actions taken	—

GRI 206: Anti-competitive Behavior 2016

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	→ Tax Compliance
207-2	Tax governance, control, and risk management	→ Tax Compliance
207-3	Stakeholder engagement and management of concerns related to tax	→ Tax Compliance
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	—

GRI 302: Energy 2016

Standard		Disclosure
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> → Energy Use → Overview of Kureha Group's Environmental Impact → ESG Data Collection (Environment) 
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"> → Energy Use → Climate Change Mitigation in Logistics → ESG Data Collection (Environment) 
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	<ul style="list-style-type: none"> → Water Use and Prevention of Water Pollution → Production Site → ESG Data Collection (Environment) 
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> → Water Use and Prevention of Water Pollution
303-3	Water withdrawal	<ul style="list-style-type: none"> → ESG Data Collection (Environment) 
303-4	Water discharge	<ul style="list-style-type: none"> → ESG Data Collection (Environment)  → Water Use and Prevention of Water Pollution
303-5	Water consumption	<ul style="list-style-type: none"> → ESG Data Collection (Environment) 

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	<ul style="list-style-type: none"> → CO₂ Emissions throughout the Supply Chain → CO₂ Emission Volume → ESG Data Collection (Environment)  → TCFD Recommendation-based Disclosure 
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> → CO₂ Emissions throughout the Supply Chain → ESG Data Collection (Environment) 

Standard		Disclosure
305-3	Other indirect (Scope 3) GHG emissions	→ CO ₂ Emissions throughout the Supply Chain → Climate Change Mitigation in Logistics
305-4	GHG emissions intensity	—
305-5	Reduction of GHG emissions	→ CO ₂ Emissions throughout the Supply Chain → CO ₂ Emission Volume → ESG Data Collection (Environment) 
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	→ ESG Data Collection (Environment) 

GRI 306: Waste 2020

Standard		Disclosure
306-1	Waste generation and significant waste-related impacts	—
306-2	Management of significant waste-related impacts	→ Awareness of Efforts on Marine Plastic Pollution and Recycling of Plastics
306-3	Waste generated	→ Waste Generation → ESG Data Collection (Environment) 
306-4	Waste diverted from disposal	→ ESG Data Collection (Environment)  → Recycling Rates
306-5	Waste directed to disposal	→ Waste at Final Depositing → ESG Data Collection (Environment) 

GRI 307: Environmental Compliance 2016




Standard		Disclosure
307-1	Non-compliance with environmental laws and regulations	→ ESG Data Collection (Governance) 

GRI 308: Supplier Environmental Assessment 2016

Standard		Disclosure
308-1	New suppliers that were screened using environmental criteria	→ Procurement and Selection of Suppliers (Japanese Only)
308-2	Negative environmental impacts in the supply chain and actions taken	→ CSR Survey

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)  → Work-Life Balance → Environment to Promote Health → Mental Health
401-3	Parental leave	→ ESG Data Collection (Social) 

GRI 402: Labor/Management Relations 2016

Standard		Disclosure
402-1	Minimum notice periods regarding operational changes	→ Labor-Management Relations




GRI 403: Occupational Health and Safety 2018

Standard		Disclosure
403-1	Occupational health and safety management system	<ul style="list-style-type: none"> → RC Management System → Occupational Safety and Health Management System → ESG Data Collection (Information on external certification) 
403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> → Occupational Safety and Health Activities → Chemical Substance Risk Assessment in the Workplace (Japanese Only) → Whistleblowing System → Prevention of Facility Accidents
403-3	Occupational health services	<ul style="list-style-type: none"> → Promoting Good Health → Environment to Promote Health → Mental Health
403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> → Health and Safety Committees → Occupational Safety and Health Awareness Programs
403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> → Eliminating Logistics Accidents → Disaster Prevention in Logistics → Occupational Safety and Health Awareness Programs (Japanese Only)
403-6	Promotion of worker health	<ul style="list-style-type: none"> → Promoting Good Health → Health Care → Mental Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> → Occupational Safety and Health
403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> → Occupational Safety and Health Management System
403-9	Work-related injuries	<ul style="list-style-type: none"> → Occupational Safety and Health Activities → ESG Data Collection (Social)  → Prevention of Facility Accidents
403-10	Work-related ill health	<ul style="list-style-type: none"> → ESG Data Collection (Social)  → Chemical Risk Assessment in the Workplace (Japanese Only)

GRI 404: Training and Education 2016

Standard		Disclosure
404-1	Average hours of training per year per employee	→ Main Results of Training (Japanese Only)
404-2	Programs for upgrading employee skills and transition assistance programs	→ Open Enrollment Training and Seminars → Senior Seminar → Global Human Capital Development → Practical Skills Training (PST) → Digital Human Capital Development
404-3	Percentage of employees receiving regular performance and career development reviews	—

GRI 405: Diversity and Equal Opportunity 2016

Standard		Disclosure
405-1	Diversity of governance bodies and employees	→ Annual Securities Report, Information about Officers (Japanese Only)  → ESG Data Collection (Social) 
405-2	Ratio of basic salary and remuneration of women to men	→ ESG Data Collection (Social) 

GRI 406: Non-discrimination 2016

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

GRI 407: Freedom of Association and Collective Bargaining 2016

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

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

GRI 409: Forced or Compulsory Labor 2016

Standard		Disclosure
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The survey found no suppliers with forced labor risks.

GRI 410: Security Practices 2016

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

GRI 411: Rights of Indigenous Peoples 2016

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	→ Human Rights Efforts
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	<ul style="list-style-type: none"> → CSR Local Dialogue Meeting → Social Activities
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	—
414-2	Negative social impacts in the supply chain and actions taken	→ CSR Survey



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	<ul style="list-style-type: none"> → Product Safety and Quality Assurance → Safety Examinations → Safety Evaluations
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A


GRI 417: Marketing and Labeling 2016

Standard		Disclosure
417-1	Requirements for product and service information and labeling	<ul style="list-style-type: none"> → Management of Chemical Substances → Safety Examinations
417-2	Incidents of non-compliance concerning product and service information and labeling	→ ESG Data Collection (Governance) 
417-3	Incidents of non-compliance concerning marketing communications	N/A <ul style="list-style-type: none"> → Safety Examinations → ESG Data Collection (Governance) 

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	→ ESG Data Collection (Governance) 

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

Core Subjects	Issues	References
Labour practices	<ol style="list-style-type: none"> 1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace 	<ul style="list-style-type: none"> → ESG Data Collection (Social) → Labor-Management Relations → Childcare and Nursing (Japanese Only) → Main Results of Training (Japanese Only) → Open Enrollment Training and Seminars → Senior Seminar → Global Human Capital Development → Practical Skills Training (PST) → Work-Life Balance → Health Care → Mental Health → Occupational Safety and Health
The environment	<ol style="list-style-type: none"> 1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats 	<ul style="list-style-type: none"> → Overview of Kureha Group's Environmental Impact → TCFD Recommendation-based Disclosure → Recycling Rates → ESG Data Collection (Environment) → Containers and Packaging Recycling Law (Japanese Only) → Energy Use → Water Use and Prevention of Water Pollution → CO₂ Emissions throughout the Supply Chain → CO₂ Emission Volume → Climate Change Mitigation in Logistics → RC Topics: Received the "Action for Climate Change, Minister of Environment Award" from the Minister of the Environment (Japanese Only)

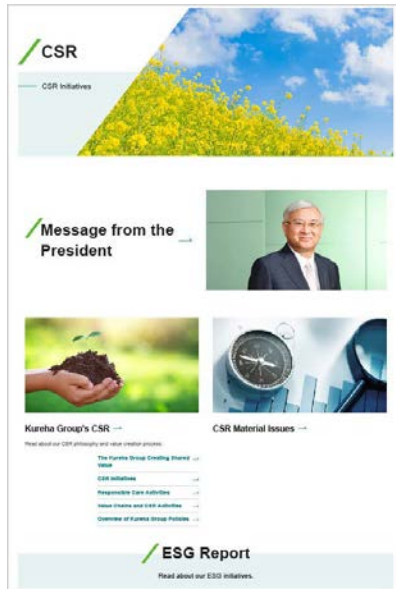
Core Subjects	Issues	References
Fair operating practices	<ol style="list-style-type: none"> 1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights 	<ul style="list-style-type: none"> → Approach for Compliance Education and Enlightenment (Japanese Only) → Tax Compliance → Product Safety and Quality Assurance → Safety Examinations → Safety Evaluations → ESG Data Collection (Governance)
Consumer issues	<ol style="list-style-type: none"> 1. Fair marketing, factual and unbiased information and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Education and awareness 	<ul style="list-style-type: none"> → Containers and Packaging Recycling Law (Japanese Only) → Management of Chemical Substances → Stakeholder Engagement → Product Safety and Quality Assurance → Safety Examinations → Safety Evaluations → Customer Engagement (Japanese Only) → Shareholders and Investors → Labor-Management Relations → Local Community Engagement (Japanese Only)
Community involvement and development	<ol style="list-style-type: none"> 1. Community involvement 2. Education and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment 	<ul style="list-style-type: none"> → ESG Data Collection (Social) → Open Enrollment Training and Seminars → Senior Seminar → Global Human Capital Development → Practical Skills Training (PST) → Stakeholder Engagement → CSR Local Dialogue Meeting → Social Activities → Contributing to the Community Through Medical Care

CSR Report Archive

Here you can find our CSR activities and detailed data.

Latest CSR Report




CSR Report 2022




The PDF version of our CSR site as of the end of August 2022 is called “Kureha CSR Report 2022.”

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

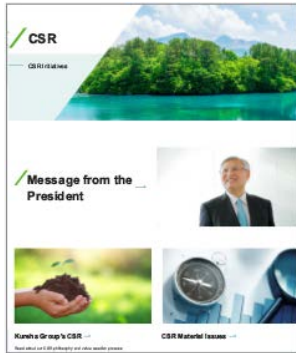


- [Kureha Group Creating Shared Value](#) 
- [Fiscal 2021 CSR Summary Table](#) 
- [ESG Data Collection](#) 

Back Number

- [CSR Report 2021](#)
- [CSR Report 2019](#) 
- [CSR Report 2017](#) 
- [CSR Report 2015](#) 
- [CSR Report 2020](#) 
- [CSR Report 2018](#) 
- [CSR Report 2016](#) 
- [CSR Report 2014](#) 




CSR Report 2021



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](#) 

CSR Site Editing Policy and Contents of the Report

↓ Editorial Policy ↓ Contents of the Report

Editorial Policy

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

Coverage (As of March 31, 2022)

● CSR Activities

Kureha Corporation and Group companies

Consolidated Subsidiary 28 companies; Kureha Trading Co., Ltd., Resinous Kasei Co., Ltd., Kureha Gohsen Co., Ltd., Kureha Extron Co., Ltd., Kureha Unyu Co., Ltd., Kureha Unyu Truck Co., Ltd., Kureha Ecology Management Co., Ltd., Himeyuri Total Work Co., Ltd., Kureha Construction Co., Ltd., Kureha Denki Co., Ltd., Kureha Setsubi Co., Ltd., Kureha Koji Co., Ltd., Kureha Service Co., Ltd., Kureha Engineering Co., Ltd., Kureha Special Laboratory Co., Ltd., Kureha Staff Service Co., Ltd., Kureha Staff Service Co., Ltd., Kureha Europe B.V., KREHALON B.V., Kureha GmbH, KREHALON Australia Pty Ltd., Kureha America Inc., Kureha PGA LLC, Kureha Energy Solutions LLC, Kureha (China) Investment Co., Ltd., Kureha (Changshu) Fluoropolymers Co., Ltd., Kureha (Shanghai) Carbon Fiber Materials Co., Ltd., Kureha Vietnam Co., Ltd.

Accounted for by the Equity Method 2 companies; Fortron Industries LLC, Nantong SKT New Material Co., Ltd., (Kureha Corporation has transferred all of its shares in the company in July 2022.)

Special Subsidiaries (non-consolidated subsidiaries) 1 company; Sunshine Kureha Co., Ltd.

● RC Activities

Kureha Corporation and 8 subsidiaries

Reporting Period

In principle, the reporting time frame for Kureha’s CSR activities is the same as its fiscal year (from April 2021 to March 2022). However, some sections of this report may refer to the calendar year (from January 2021 to December 2021) or activities after April 1, 2022.

Reporting Guidelines

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

October 2022 (updated annually; previous edition: October 2021)

Disclaimer

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.



For inquiries about the Kureha CSR Report:

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