

Kureha Sustainability Report 2023

KUREHA CORPORATION

Sustainability Report 2023

Contents

Message from the President	6
Kureha Group's Sustainability	8
The Kureha Group Creating Shared Value.....	9
Sustainability Initiatives	10
Responsible Care Activities	13
Value Chains and CSR Activities	18
Overview of Kureha Group Policies.....	19
Material Issues	21
Environmental Report	24
Environmental Management System.....	25
Overview of Environmental Impact	26
Climate Change.....	27
Prevention of Air Pollution	34
Water Use and Prevention of Water Pollution.....	35
Waste and Recycling	36
Management of Chemical Substances	41
Other Environmental Conservation Activities.....	43
Environmental Accounting	45
Social Report	47
Stakeholder Engagement.....	48
Shareholders and Investors	50
Customers.....	53
Purchasing and Procurement	60

Employees	64
Local Community	92
Human Rights Efforts.....	106
Governance Report	112
Corporate Governance	113
Ethics and Compliance	114
Risk Management	118
Intellectual Property.....	122
Kureha Group's Products and Contributions toward Resolving Social Issues ..	123
Environmentally and Socially Friendly Products.....	124
GRI Standards Content Index / Comparison with ISO 26000	130
Sustainability Report Archive	146
Group Company Initiatives	149
Recognition by External Parties.....	172
Sustainability Site Editing Policy and Contents of the Report	174

- This document has no links to all other Web pages.

Sustainability

Sustainability Initiatives
(Fiscal 2022 Results)



Message from the President



Kureha Group's Sustainability →

Read about our corporate identity and sustainability activities.

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

Material Issues →

ESG Report

Read about our ESG (Environmental, Social, and Governance)



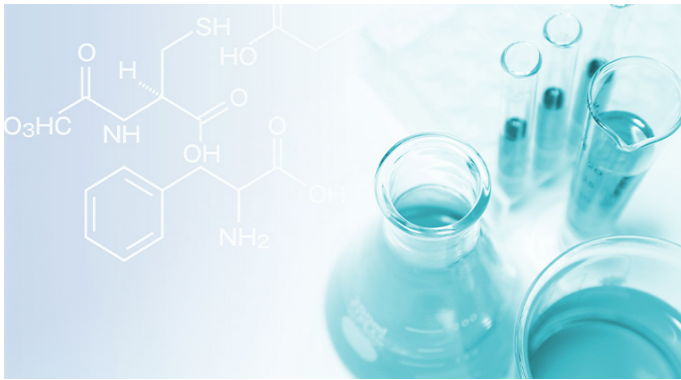
Environmental Report



Social Report



Governance Report



Kureha Group's Sustainable Product Development →

Read about Kureha Group's products and materials that contribute to solving social issues.



Environmentally and Socially Friendly Products →

Read about environmentally and socially friendly Kureha products and materials.



Group Company Initiatives →

Read about CSR initiatives of Group companies.



External Recognition →



GRI Standards Content Index/
Comparison with ISO 26000



ESG Data Collection



Sustainability Report
Archive



Sustainability Site
Editing Policy and
Contents of the Report



FAQ/Contact

Message from the President



Since our establishment in 1944 as an industrial company that uses advanced chlorine technology, we have continued to develop, produce, and sell products useful to society with our proprietary technology. Although we have been impacted by various changes in the business environment over this time, together with our stakeholders, we have responded in a timely manner and fortified our management.

As the COVID-19 pandemic shows signs of subsiding, the global economy still continues to face difficult conditions, including soaring prices for raw materials and fuel and difficulties in procurement due to Russia's invasion of Ukraine. Under these circumstances, the Kureha Group promoted the Kureha's Challenge 2022 (the final stage of Kureha's Challenge extension plan), which ended in fiscal 2022, to sow new seeds for the future vision of the Kureha Group and address various issues that arise in the process. As a result, we were able to extend the competitiveness and profitability of high value-added products, especially our household products NEW Krewrap and KF polymer, and steadily strengthen our financial base. On the other hand, we continue to face challenges in R&D, technology development, human resource development, and digital transformation, which are necessary to continue creating new businesses.

Against this backdrop, the Kureha Group has launched the new mid- to long-term management plan, Toward Creating a New Future. In formulating this mid- to long-term management plan, I had discussions, mainly with management, about achieving our ideal state to a company, and asked the question, "What will the Kureha Group produce going forward?"

As a result of these discussions, we first revised the existing Corporate Philosophy as "Kureha Group Corporate Philosophy" and added the keywords "technologies" and "sustainable society" to reiterate what the Kureha Group values. We also defined the Kureha Vision as "A specialty solutions company that leverages proprietary technology and contributes to a new future for society."

The new mid- to long-term management plan has the following objectives in its management policy: continuous enhancement of economic value, contribution toward resolving social issues, and contribution toward reduced environmental impact. In order to achieve these objectives, we have the following priority measures: revive Kureha's technology-driven focus, strengthen the management base, and synergism between company and employees. These are the materiality, or material issues, in management.

Our management goals for 2030 include contributing to resolving social issues in our key business fields of environment and energy, life, and digital communications, reducing our environmental impact such as CO₂ emissions, and improving employee engagement, in addition to expanding our business performance through product and technology development in those fields. It is imperative to our existence as a company that we generate revenue on an ongoing basis. However, we will not be able to survive unless we can also contribute to the creation of a sustainable society, as companies are meant to be useful to the earth and society. This line of thinking is the very essence of the Kureha Group's sustainability management.

Moreover, in 2023 the Kureha Group signed the United Nations Global Compact. We are committed to practicing the 10 principles related to human rights, labour, environment, and anti-corruption, and will contribute to the creation of a sustainable society through responsible corporate behavior.

As a technology-driven company, the Kureha Group will continue to make various changes and refine its technological capabilities, aiming to improve both its economic value and social value.
Your continuous understanding and support will be greatly appreciated.

October 2023

A handwritten signature in black ink that reads "Yutaka Kobayashi". The signature is written in a cursive, flowing style.

Yutaka Kobayashi
President & Chief Executive Officer

Kureha Group's Sustainability

The business environment surrounding businesses is changing dramatically on a global scale. Progress in international efforts to address social and environmental issues, increased geopolitical risks due to conflicts and tensions between nations, and a pandemic are having a significant impact on corporate activities and future plans.

The Kureha Group aims to enhance its corporate value over the medium to long term by contributing to the development of a sustainable society through the development of corporate activities based on our Corporate Philosophy, Basic Policy on Sustainability, and proprietary technologies.

[The Kureha Group Creating Shared Value](#) →

[Sustainability Initiatives](#) →

[Responsible Care Activities](#) →

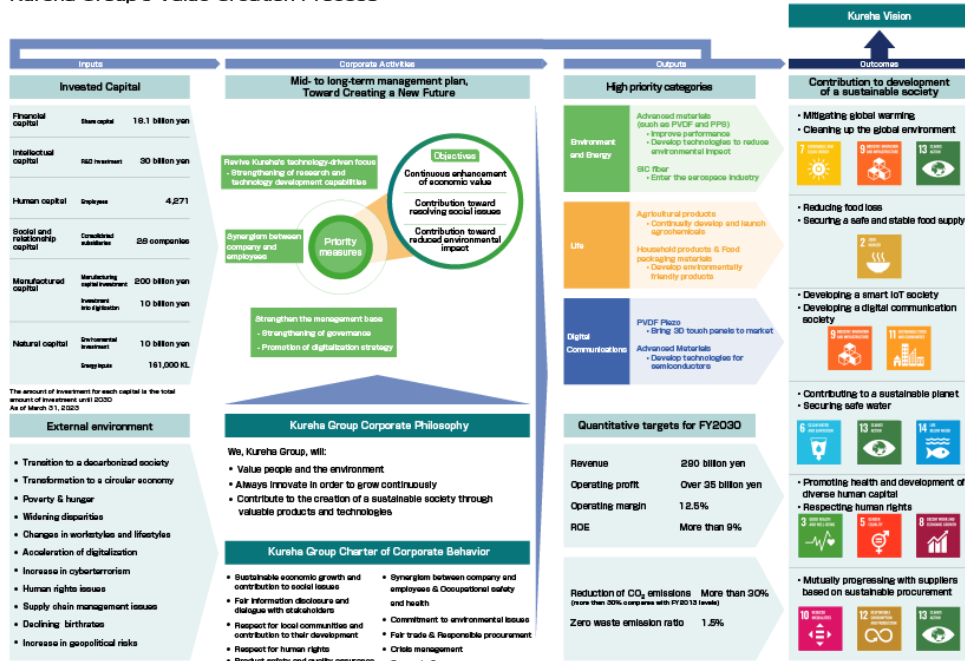
[Value Chains and CSR Activities](#) →

[Overview of Kureha Group Policies](#) →

The Kureha Group Creating Shared Value

By adhering to our corporate philosophy, the Kureha Group strives to develop and provide unique and differentiated products and services while leveraging our strengths to contribute to a sustainable society and to improve our corporate value sustainably.

Kureha Group's Value Creation Process



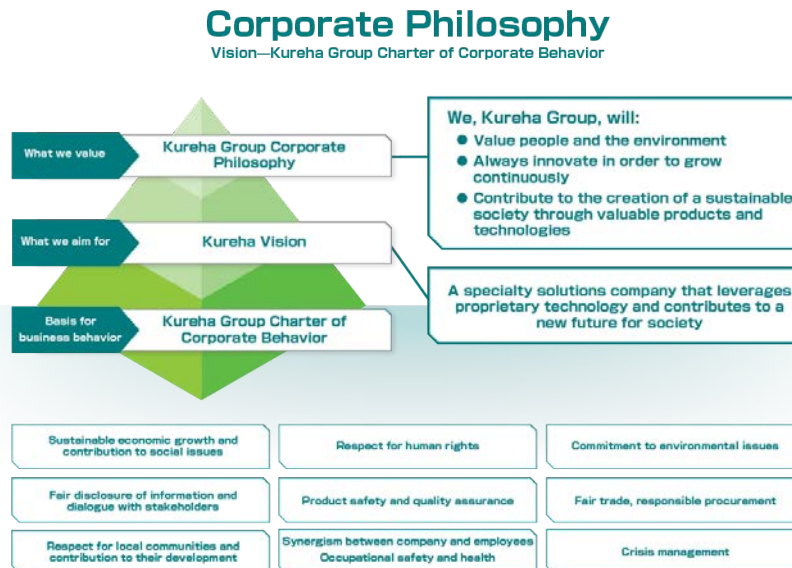
→ [Click here to check the enlarged view](#)

Sustainability Initiatives

- ↓ Kureha Group Philosophical System ↓ Kureha Group Basic Policy on Sustainability
- ↓ Promotion of Sustainability Activities
- ↓ Awareness of Sustainability within the Company and Dialogue

Kureha Group Philosophical System

In the spirit of "if it doesn't exist, create it," each of us in the Kureha Group will continue to produce products and technologies that contribute to enriching people's lives and reducing environmental impact under our Corporate Philosophy (What we value) and Vision (What we aim for).



Kureha Group Basic Policy on Sustainability

The Kureha Group has established a Basic Policy on Sustainability and is promoting sustainability management based on a management strategy that is integrated with our medium- to long-term management plan.

Kureha Group Basic Policy on Sustainability

We will implement the Kureha Group Corporate Philosophy, create the future by producing unique and differentiated products and technologies, and promote continuous improvement of economic value and contribution to solving social issues.

Promotion of Sustainability Activities

To ensure the implementation of sustainability initiatives, the Kureha Group has established a governance structure centered on the Sustainability Committee and the Sustainability Coordination Committee, and has oversight by its Board of Directors.

Sustainability Committee

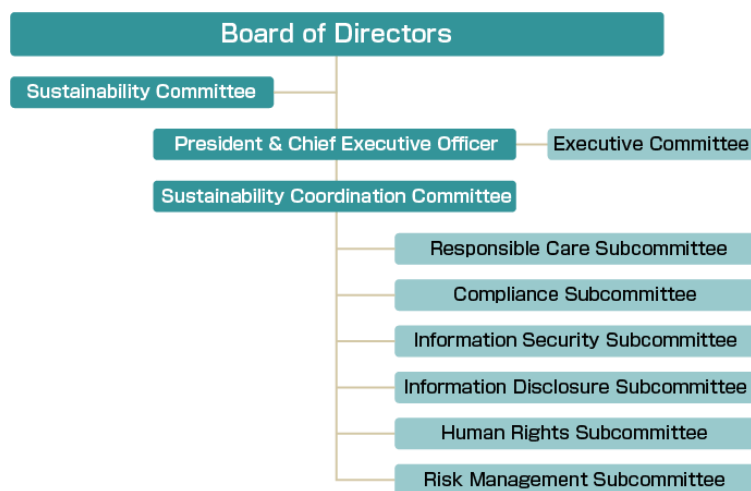
The Sustainability Committee principally meets twice a year as an advisory committee to the Board of Directors. The Committee monitors changes in the business environment surrounding the Group with regard to sustainability and makes recommendations to the Board of Directors about basic management policies and strategies related to sustainability, such as identifying material issues that require special focus for the Group's sustainable growth and enhancement of corporate value over the medium to long term. The Committee also monitors material issues through reports from the Sustainability Coordination Committee and other means.

The Sustainability Committee is chaired by the President and Representative Director and consists of all directors. Experts from outside Kureha are invited to participate in discussions as needed.

Sustainability Coordination Committee

The Sustainability Coordination Committee has been established to promote sustainability activities throughout the Group. The Sustainability Coordination Committee identifies risks and opportunities that affect the sustainability of the Group and society as "sustainability issues," and works together with stakeholders to minimize risks and maximize opportunities. The Committee formulates specific plans for resolving sustainability issues, including material issues, in collaboration with its six subcommittees (Responsible Care Subcommittee, Compliance Subcommittee, Information Security Subcommittee, Information Disclosure Subcommittee, Human Rights Subcommittee, and Risk Management Subcommittee) and the departments in charge of each issue, and manages the progress of these activities. These results are shared with the Sustainability Committee. The Committee also reports to the Board of Directors at least once a year on activities related to material issues.

The Sustainability Coordination Committee is chaired by the President & Chief Executive Officer (or an inside director or vice president appointed by the President & Chief Executive Officer), who appoints committee members from the divisions in charge of each sustainability issue and relevant departments.



Awareness of Sustainability within the Company and Dialogue

In order for the entire Kureha Group to engage in sustainability activities with a common understanding, we are working to spread understanding of global trends in environmental and social issues, as well as Kureha Group issues and initiatives, through briefings for employees and internal newsletters.

In fiscal 2022, we held CSR briefings for employees via the Internet and livestream, in which we shared information that is important for the promotion of sustainability activities, such as corporate sustainability, climate change, and respect for human rights.



Online CSR briefing (FY2022)

Internal newsletters include topics such as TCFD-based information disclosure and initiatives toward carbon neutrality. Information is continuously communicated to employees to share and deepen their understanding of the Kureha Group's sustainability activities.

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 ↓ The Kureha Group RC Council

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 and Safety](#)

→ [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 63 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

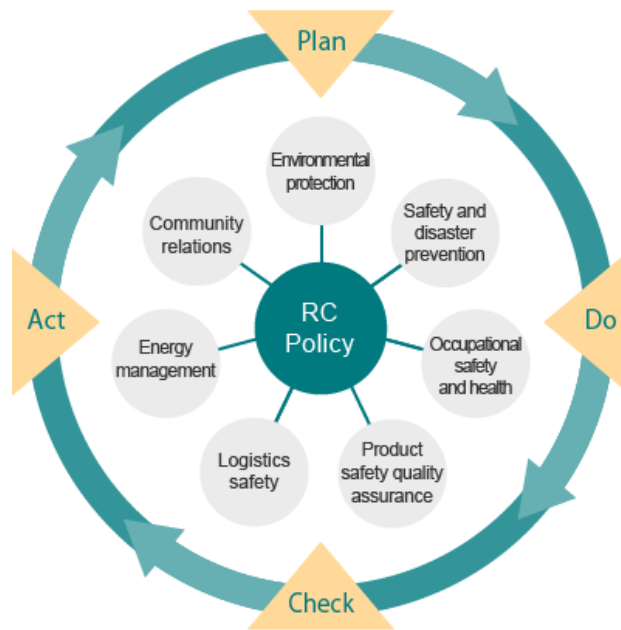
Promotion Structure of RC Activities and RC Management System

Kureha's RC activities 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 under the Responsible Care Subcommittee, a subcommittee of the Sustainability Coordination Committee. These 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.

* Please contact us for more information about the scope of our ISO certification.

→ [ESG Data Collection\(Group Company\)](#)



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 Sustainability Coordination 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. Since then, in line with the reinforcement measures formulated, we have been promoting improvements by strengthening RC audits as well as regularly providing management and employees with education on environmental laws and regulations to ensure that they are fully aware of legal requirements.

The Kureha Group RC Council

Under the Responsible Care Subcommittee, we have established the Kureha Group RC Council, consisting of Kureha and Group companies in Japan that have declared the implementation of RC. The Council also has working groups to promote each activity. The RC Council promotes activities as a Group by sharing the plans, goals, and issues of RC activities to the entire Group, and by understanding and discussing the activities of each company and working group.



The Kureha Group RC Council

The Kureha Group RC Council



Goals and Vision

At each Kureha Group company, RC activities are yielding continuous improvement.

Fiscal Year 2022 Plan

- Continuously improve Group-wide RC activities.
- Strengthen Group-wide efforts in environment, safety, and quality.

Fiscal 2022 Performance and Outcomes

- Improved environmental preservation and occupational safety and health activities in each department and quality assurance activities for each product by using management systems.
- Improved RC activities (held twice) by sharing information among Group companies at the Kureha Group RC Council meetings.

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, Emissions throughout the Supply Chain																																																																														
			→ CO, Emissions from Energy Use Amounts and Reduction Efforts	→ Climate Change Mitigation in Logistics																																																																											
			→ Prevention of Air Pollution																																																																												
			→ Water Use and Prevention of Water Pollution																																																																												
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	→ Management of Chemical Substances																																																																														
			→ Reduction of Chemical Substance Emissions																																																																												
	→ Kureha Group's Products and Contributions toward Resolving Social Issues																																																																														
	→ Environmentally and Socially Friendly Products																																																																														
	→ ISO 14001																																																																														
→ Social	→ Stakeholder Engagement																																																																														
		→ Purchasing and Procurement	→ Occupational Safety and Health		→ Customers																																																																										
			→ Disaster Prevention at our Factories	→ Disaster Prevention in Logistics																																																																											
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→ ISO 9001, ISO 10002 / JIS Q 10002																																																																															
→ Governance	→ Governance Report																																																																														
<table border="1"> <thead> <tr> <th></th> <th>Research and development</th> <th>Procurement</th> <th>Manufacture</th> <th>Logistics</th> <th>Sales</th> <th>Products Usage</th> <th>Dispose of Products</th> </tr> </thead> <tbody> <tr> <td colspan="8">Stakeholder Engagement</td> </tr> <tr> <td>Shareholders & Investors</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> </tr> <tr> <td>Customers & Clients</td> <td>○</td> <td></td> <td></td> <td></td> <td>○</td> <td>○</td> <td>○</td> </tr> <tr> <td>Business Partners (procurement sources, subcontractors)</td> <td></td> <td>○</td> <td></td> <td>○</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Employees</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td></td> <td></td> </tr> <tr> <td>General Public</td> <td></td> <td>○</td> <td>○</td> <td></td> <td></td> <td>○</td> <td>○</td> </tr> <tr> <td>Local Community</td> <td></td> <td>○</td> <td>○</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Government Agencies Industry Groups</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> <td>○</td> </tr> </tbody> </table>									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	○	○	○	○	○	○	○
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Overview of Kureha Group Policies

The Kureha Group promotes each of its activities under the following policies and guidelines based on our corporate philosophy.

→Kureha Group Corporate Philosophy

→Kureha Vision

→Kureha Group Charter of Corporate behavior

1. Sustainable economic growth and resolution of social issues
→Kureha Group Basic Policy on Sustainability
2. Respect for human rights
→Kureha Group Human Rights Policy
3. Commitment to environmental issues
→Responsible Care Policy
4. Fair disclosure of information and dialogue with stakeholders
→Basic Policy on Information Disclosure
5. Relationship of trust with consumers and customers
→Responsible Care Policy
→Quality Policy
→Basic Policy for Customer Satisfaction
6. Respect for local communities and contribution to their development
→Responsible Care Policy
7. Fair trade, responsible procurement
→Procurement Policy
8. Synergism between company and employees, occupational safety and health
→Internal Environmental Improvement Policy for Creating a Comfortable Workplace (Japanese Only)
→Basic Policy on Health
→Policy for Ensuring and Developing Diverse Human Capital (Japanese Only)
9. Crisis management
→Basic Policy on Risk Management
→Information Security Policies
→Policies for the Protection of Personal Information and Specific Personal Information

Governance

- **Corporate Governance Structure**
- **Kureha Group Tax Policy**

Material Issues

The Kureha Group aims to contribute to the development of society and improve its corporate value by leveraging its unique technologies and strengths to solve social issues.

In order to promote the creation of a system that links CSR initiatives to the maintenance and improvement of corporate value, we have identified material issues for the Group in fiscal 2016 and have been implementing the PDCA cycle.

As we launched our new mid- to long-term management plan, Toward Creating a New Future, in fiscal 2023, we have identified material issues that require particular focus in order to continuously improve the economic value of the Kureha Group and contribute to solving social issues, and have incorporated them into the plan. We have also reorganized our environmental, social, and governance issues to be addressed as "sustainability issues," and are promoting sustainability management integrated with our management policy and mid- to long-term management plan.

↓ [Material Issues and Sustainability Issues](#)

↓ [Steps for Identifying Material Issues](#)

Material Issues and Sustainability Issues

Material Issues



Continuous enhancement of economic value



Contribution toward resolving social issues



Contribution toward reduced environmental impact



Strengthening of research and technology development capabilities



Strengthening of governance



Promotion of digitalization strategy



Synergism between company and employees

Sustainability Issues

	Area / Material Issues
The Company's foundation	Governance Strengthening governance
	Risk Management Improving the Business Continuity Plan (BCP)
	Information Security Stepping up information security measures
	Compliance Ensuring Compliance
Society	Investors Disclosing information and holding dialogues in a timely and appropriate fashion
	Customers Improving customer support
	Employees Promoting respect for human rights Developing human resources Achieving a good work-life balance Maintaining mental and physical health
	Local Communities Enhancing dialogue with local communities
Responsible Care / Environment	Overall RC Management Conducting RC activities
	Environmental Protection Taking global warming measures Preventing air pollution Preventing water pollution Appropriate management and reducing the amount of waste
	Safety and Disaster Prevention Practicing safety and disaster prevention
	Occupational Safety and Health Promoting occupational safety and health, and eliminating personal injury accidents
	Product Safety and Quality Assurance Improving quality Reducing quality complaints

Steps for Identifying Material Issues

The steps for identifying material issues and sustainability issues are as follows:

Step 1: Select issues

We comprehensively selected issues with reference to international guidelines, SDGs, and requests from stakeholders.

(Our corporate identity and policies, ISO 26000, and dialogue with stakeholders)

Step 2: Classify and organize issues

We organized the issues selected in Step 1, and for each issue, we examined its relationship to the value chain of our business activities and the stakeholders it affects.

Step 3: Consider our targets in fiscal 2030

In formulating the Group's medium- to long-term management policy for 2030, the management team and others considered its vision for society and targets for the Group as of 2030.

Step 4: Identify and approve material issues

The Sustainability Committee identified and the Board of Directors approved material issues, which are important management issues that require focus in order to continuously improve the economic value of the Group and contribute to solving social issues, based on our vision for society and targets for the Group as of 2030.

In addition, we reorganized the issues that the Group should address with respect to its impact on the environment and society as "sustainability issues," which were approved by the Sustainability Coordination Committee.

The structure for promoting sustainability, including material issues, is described on the Sustainability Activities page.

→ [Sustainability Initiatives](#)

Environmental Report

In the interest of conserving the global environment and reducing the burdens that we place on it, the Kureha Group makes effective use of raw materials, energy, water, and other resources that we use in our business activities, while reducing and recycling the waste we generate in our activities and actively undertaking proper management of chemical substances, including those that impact the environment. We also make the outcomes of these activities known to the public.

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

Environmental Management System

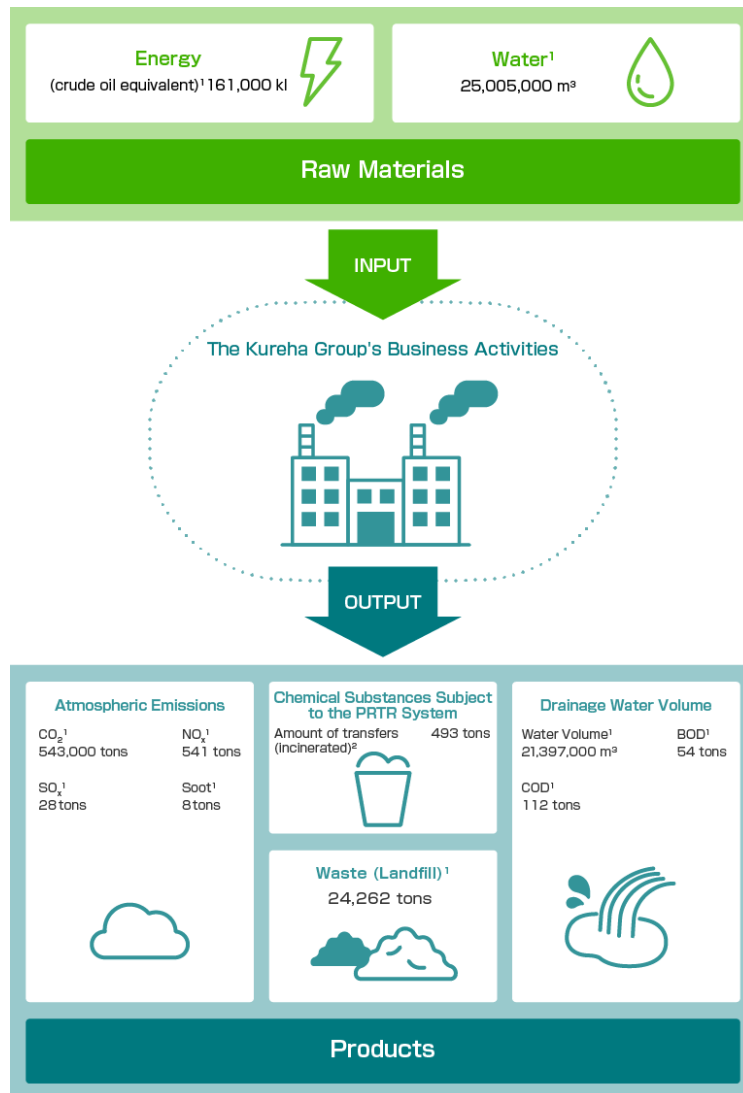
The Kureha Group works to conserve the global environment and reduce our environmental impact through the proper management of substances with environmental impact, prevention of their discharge, effective use of limited resources, and reduction of waste emissions within our everyday production activities. Our Group also promotes personal awareness among employees through means including certification to ISO 14001*, the international standard for environmental management systems, at all of our production sites in Japan and overseas.

* Please contact us for more information about the scope of our ISO certification.

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

Overview of Environmental Impact

Overview of Kureha Group's Environmental Impact (FY2022) (Kureha Group)



¹ Kureha Group overall

² Kureha and Kureha Group companies in Japan (9 companies)

Climate Change

Viewing climate change as a material issue, the Kureha Group is advancing efforts to reduce CO₂ emissions in our own production and reduce global CO₂ emissions through our products and technologies, with carbon neutrality by 2050 as our goal.

- ↓ 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
- ↓ Endorsement of Regional Carbon Neutrality Declarations

Goals and Vision

Continuously work on reducing greenhouse gas emissions and rationalizing energy usage.

Fiscal Year 2022 Plan

- Annual average reduction in energy intensity of 1% or greater.

Fiscal 2022 Performance and Outcomes

- Energy intensity: down 0.7% YoY.
- Improved equipment and conducted various energy-saving activities.

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.

* TCFD recommendations: The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) in response to a request by the G20 to examine ways of addressing disclosure of climate-related information, approaches by financial institutions, and related matters. In June 2017, TCFD published its final report, recommending that organizations disclose information on governance, strategy, risk management, and metrics and targets concerning climate change-related risks and opportunities.



Initiatives for Climate Change Mitigation

With major natural disasters caused by abnormal weather becoming commonplace around the world, the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) formally agreed upon an effective new global target: a "1.5°C target" that seeks to limit the increase in the global average temperature to 1.5°C. Achieving this will require cutting greenhouse gas (GHG) emissions to net zero by 2050. Joining hands with society, companies must set business strategies and steadily execute management to achieve this net-zero target.

The Kureha Group views "Contribution toward reduced environmental impact" as one of its material issues. Under our "Toward Creating a New Future" New Mid- to Long-term Management Plan, we will set medium- to long-term CO₂ reduction goals and work toward the reduction of our environmental impacts through the advancement of production technology.

Kureha Group's CO₂ Emission Reduction Target

- Aim for carbon neutrality* in fiscal 2050
- Reduce energy-related CO₂ emissions by 30% or more by fiscal 2030 compared to fiscal 2013

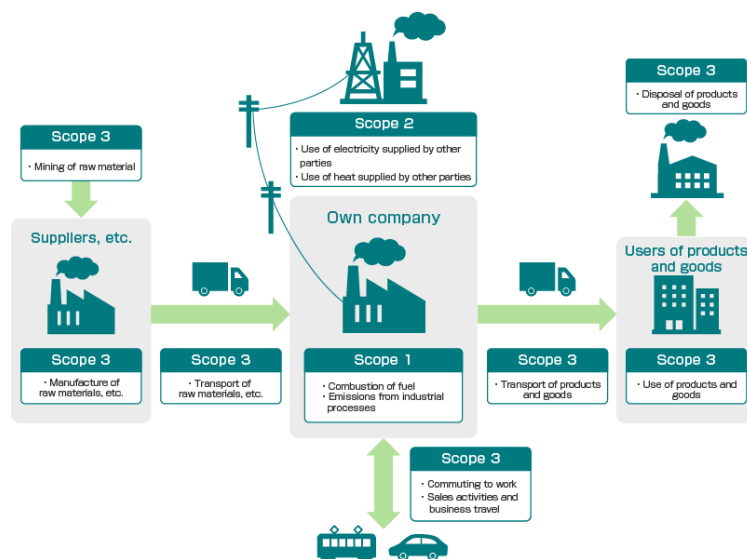
* Carbon neutrality: bringing the balance of greenhouse gas emissions overall to zero. In other words, by subtracting absorption/removal from emission, we should reach net zero.

To achieve this goal, we will act together with society to fulfill our responsibility to mitigate climate change, through means including conversion of the Iwaki Factory's coal-fired power plant, its primary power source, to renewable energy sources, switching the primary power sources of other business sites and Group companies to electrical power from renewable sources, and further conservation of energy at other manufacturing facilities.

CO₂ Emissions throughout the Supply Chain

Managing greenhouse gas emissions from business activities is important and there is increasing demand 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.

Illustration of Scope 1, Scope 2 and Scope 3 Emissions in the Supply Chain



Source: Modified from "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.3)," Ministry of the Environment

CO₂ Emissions and Scope Breakdown (Kureha)

(Unit: 1,000 t CO₂)

	CO ₂ Emissions				
	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1	337	356	340	359	355
Scope 2	42	30	31	31	38
Scope 3*	—	—	—	457	490

* Calculated from FY2021 onward.

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. In fiscal 2022, energy consumption and CO₂ emissions increased from the previous fiscal year due to increased production of some products in line with increased demand. However, by implementing efficient production, we improved energy intensity from the previous fiscal year.

We reduced energy consumption at our Plastics Processing Factory as well by advancing energy-saving

measures including upgrades to high-efficiency equipment.

We also promote energy-saving activities at our head office and other business sites.

As a result, Kureha's CO₂ emissions from energy use in fiscal 2022 totaled 393 thousand tons, a 7.8% 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 sites in the United States, the Netherlands, China, Vietnam, and other countries. Energy policies differ between each country, but each of our production sites 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 2022 totaled 442 thousand tons, a 5% reduction from fiscal 2013.

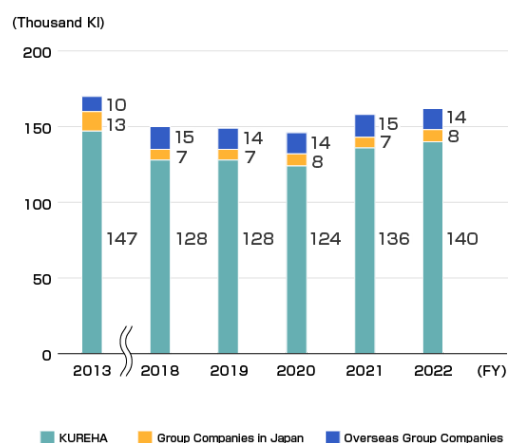
We will continue to fulfill our social responsibility to mitigate climate change by making a concerted Group effort to reduce greenhouse gas emissions based on our mid- to long-term CO₂ emission reduction targets and activities in the Carbon Neutral Project, and by further raising our reduction targets.

Changes in CO₂ Emissions from Energy Use (Kureha Group)

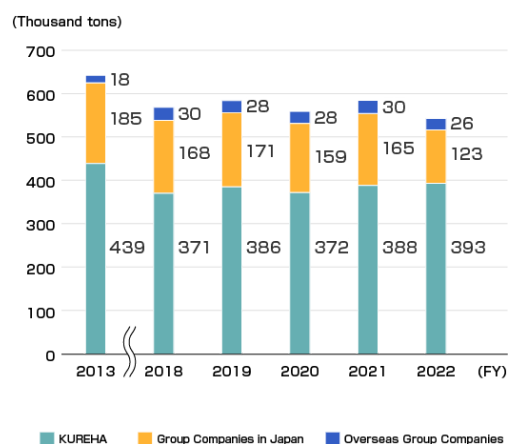
(Unit: 1,000 t CO₂)

	Energy-related CO ₂ Emissions					
	FY2013	FY2018	FY2019	FY2020	FY2021	FY2022
Kureha	426	362	376	363	379	393
Group Companies in Japan	21	22	23	21	20	22
Overseas Group Companies	18	30	28	28	30	26
Total	465	414	428	412	429	442

Energy Use (Kureha Group)



CO₂ Emission Volume (Kureha Group)



- This is the total sum of CO₂ emissions from energy use and from non-energy activities. Fiscal 2013 represents the base year for the Kureha Group's medium- to long-term CO₂ emission reduction targets formulated in fiscal 2020.

Climate Change Mitigation in Logistics

As for logistics, **Kureha Unyu**, which handles 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. Adoption of energy-saving vehicles and larger vehicles

In collaboration with our sales department and with transport partner companies, we are continuing to work on reducing CO₂ emissions by systematically upgrading to energy-saving vehicles, increasing the size of vehicles, and shortening the total transportation distance. As part of these efforts, we have upgraded and have adopted larger sizes for raw material and fuel transport vehicles that run from Onahama Port to the Iwaki Factory. This has significantly contributed to improved transport efficiency and reduced CO₂ emissions.

2. Making a modal shift to transport by rail and ship

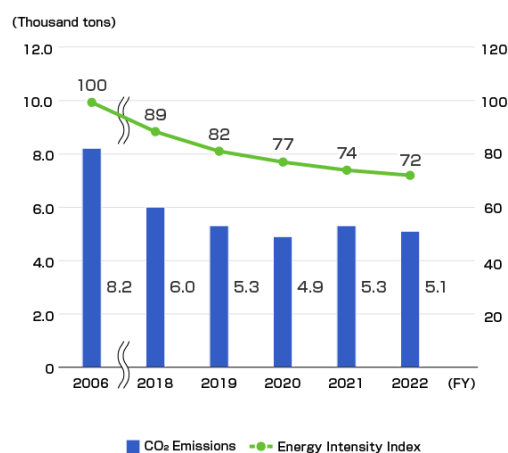
We already make partial use of low-environmental-impact rail transport and ship transport for long-distance routes, and are exploring ways to expand their use.

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.

Through these efforts, in fiscal 2022 we improved energy intensity and lowered CO₂ emissions from the previous year. We also achieved our goal of improving five-year average intensity by an average of 1% or more per year from fiscal 2018.

* 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



Endorsement of Regional Carbon Neutrality Declarations

In February 2021, the government of Fukushima Prefecture issued its "Fukushima Prefecture 2050 Carbon Neutral" declaration aimed at achieving a decarbonized society by 2050. With this action, the Fukushima Protocol, under which our Iwaki Factory has participated in advancing voluntary measures to combat global warming, has now become the Fukushima Zero Carbon Declaration. As our Group is also working to achieve carbon neutrality by fiscal 2050, the Iwaki Factory is in agreement with the aims of this declaration.

In the city of Iwaki in Fukushima Prefecture, the Iwaki Decarbonized Society Promotion Partnership Conference was established on November 24, 2022 and the Iwaki Carbon Neutrality Declaration was issued to publicly proclaim Iwaki's united commitment to achieving a decarbonized society by 2050. Endorsing the aims of this declaration as well, the Iwaki Factory is actively undertaking global warming countermeasures to bring about a sustainable society.

Prevention of Air Pollution

Fully recognizing the impacts that atmospheric emissions from our production sites can have on the environment and on local communities, the Kureha Group continually strives to minimize these as an ongoing material issue.

Most of Kureha's atmospheric emissions come from our main production site, the Iwaki Factory. The emissions of air pollutants at Iwaki Factory, such as sulfur oxides (SOx) and nitrogen oxides (NOx), 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 Control Act.

In February 2022, the factory renewed a pollution control agreement with Iwaki City and set stricter limits on the emission of SOx, NOx, and soot and dust. The factory continues to operate well within those values.

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

Goals and Vision
Monitor and reduce air pollutants.
Fiscal Year 2022 Plan
• Maintain, manage, and stably operate chemical substance and odor emission control equipment.
Fiscal 2022 Performance and Outcomes
• SOx emissions: 4 tons; NOx emissions: 413 tons; soot and dust emissions: 5 tons. • Substances covered by the PRTR system: 30 tons of emissions; 487 tons of transfer. • Odor complaints: 2; noise complaints: 1.

Measurements from Soot- and Smoke-Generating Facilities Based on the Pollution Control Agreement with Iwaki City

→ [Disclosure of measurements from soot- and smoke-generating facilities based on the pollution control agreement with Iwaki City \(Japanese Only\)](#)

Water Use and Prevention of Water Pollution

Water resources are irreplaceable resources for our earth and are indispensable to the production activities of the Kureha Group. We recognize that the conservation of these resources is a vital global issue and address conservation as one of our material issues.

Kureha's main production site, our Iwaki Factory, uses large amounts of water in its chemical product manufacturing processes (heating, cooling, cleaning, removal of by-products, etc.). This accounts for the majority of our Company's water usage. While the risk of water shortages (water stress) in our water intake is low, we fully recognize that wastewater discharged from our treatment facilities into river and sea areas can impact the environment and local communities. Accordingly, we strive to properly manage wastewater in compliance with all laws and regulations and to thereby reduce our impacts on the environment.

At the Iwaki Factory, we comply with the emission standards set by the Water Pollution Prevention Act and local ordinances. In February 2022, the factory renewed a pollution control agreement with Iwaki City and set stricter limits on chemical oxygen demand (COD) and biochemical oxygen demand (BOD). The factory continues to operate well within those values. At each of our manufacturing sites, 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.

Our Plastics Processing Factory (Ibaraki), located in the Lake Kasumigaura basin, conducts monthly water quality inspections along with daily patrols and continuous pH monitoring of wastewater, in accordance with emission standards ordained in the Water Pollution Prevention Act and the applicable local ordinance. At the Plastics Processing Factory (Hyogo), too, we conduct voluntary water quality analysis and in fiscal 2022 began continuous monitoring of wastewater pH to continue proper 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 \(Environment\)](#)

Goals and Vision
Monitor and reduce water pollutants. Maintain stability in wastewater equipment operation.
Fiscal Year 2022 Plan
<ul style="list-style-type: none">• Perform maintenance and stable operation of wastewater-related facilities and equipment at business sites.• Observe voluntary control values at all wastewater-generating facilities.
Fiscal 2022 Performance and Outcomes
<ul style="list-style-type: none">• Maintenance and stable operation of the wastewater treatment equipment ensured compliance with control standard values throughout the year.

Waste and Recycling

With conservation of resources and reduction of our impacts on the environment in mind, we make efforts to reduce our generation of waste and promote recycling to reduce the final disposal volume of waste generated from production activities at our business sites. We also work to properly manage and dispose of waste in compliance with laws and regulations, and reliably fulfill our recycling obligations under the Containers and Packaging Recycling Law.

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

- ↓ Reduction of Waste Generated ↓ Proper Management of Wastes
- ↓ Awareness of Efforts on Marine Plastic Pollution and Recycling of Plastics
- ↓ Plastic Resource Circulation Act ↓ Containers and Packaging Recycling Law
- ↓ Industrial Waste Final Disposal Sites: Maintenance Information

Goals and Vision

Reduce waste and promote recycling.

Fiscal Year 2022 Plan

- Reduce the amount of waste generated and disposed of through stable operations, reducing volume, recycling, etc.
- Ensure the fulfillment of legal responsibility for waste storage and disposal.
- Systematic on-site confirmation of proper disposal at companies entrusted with waste.

Fiscal 2022 Performance and Outcomes

- Curbed unplanned waste generation.
- Continued proper management efforts when outsourcing waste processing.
- Conducted audits (13 companies), on-site checks (1 company), and documented checks of the status of management (15 companies) at waste contractors, confirming the absence of problems at any contractors.

Reduction of Waste Generated

Kureha is working to reduce the volume of waste sent to final disposal (landfill) by curbing the volume of and by actively recycling waste discharged by our production activities. In fiscal 2023, we set the following waste reduction targets to be achieved by fiscal 2030.

Kureha's Zero Waste Emission Rate* Targets

1. Achieve a zero waste emission rate* of 1.5% by fiscal 2025
2. Maintain a zero waste emission rate of 1.5% in fiscal 2030

* Definition of zero waste emission rate: volume of industrial waste sent to final disposal (landfill) ÷ total volume generated (excluding volume from construction work).

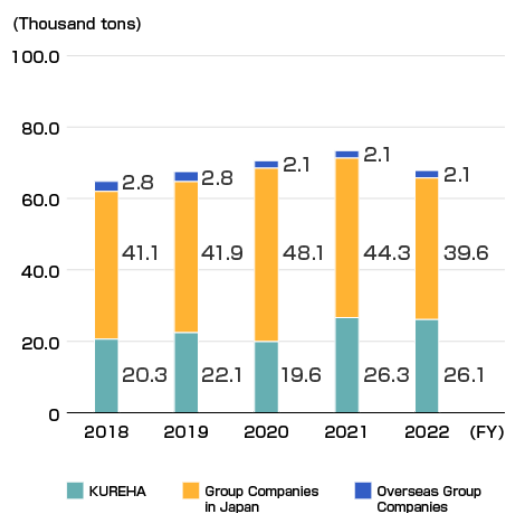
At the Iwaki Factory, coal ash emitted from the on-site coal-fired power plant accounts for the majority of waste. We are working to enhance the recycling rate by outsourcing this waste to recycling contractors for use as a cement material.

We are also making efforts to curb the generation of waste at our production sites through means including improvements to production efficiency. Furthermore, we are striving to reduce the volume of waste sent to final disposal (landfill) by examining waste disposal methods and promoting recycling. In fiscal 2021, our volume of industrial waste generated and volume sent to final disposal (landfill) increased, due in part to the one-time disposal of surplus construction soil. However, the volume sent to final disposal (landfill) decreased in fiscal 2022 through efforts to boost our recycling rate. Our Plastics Processing Factory, too, actively tackles the reduction of production losses, the development of products that reuse production losses, and the recycling of resources.

These activities contributed to a zero waste emission rate of 9.0% in fiscal 2022. Looking ahead, we will continue efforts toward further reduction of the volume of waste generated and sent to final disposal (landfill) through stable plant operation, curbing of waste generation through the development of high-efficiency processes, and the introduction of new recycling technologies.

The promotion of resource recycling and the reduction of volume of waste sent to final disposal (landfill) are material issues for our Company. We will reduce wastes and engage in recycling to achieve our fiscal 2025 target of a 1.5% zero waste emission rate and will contribute to the reduction of impacts on the environment.

Waste Generation (Kureha Group)



- 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 Rates¹ (Kureha Group)

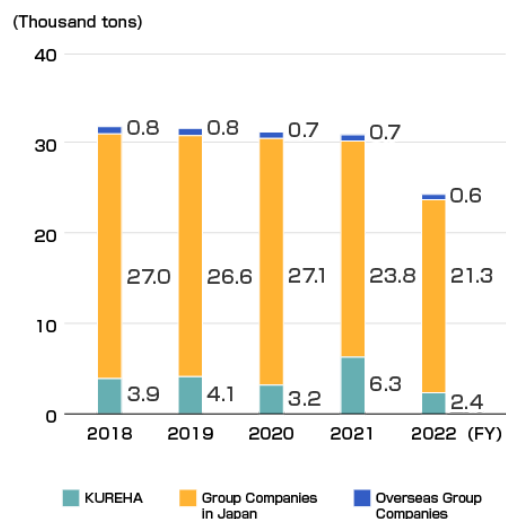
Unit: %

	FY2018	FY2019	FY2020	FY2021	FY2022
Kureha	57.6	58.6	58.7	57.2	70.0
Group Companies in Japan	33.7	36.3	43.2	44.8	45.6
Overseas Group Companies²	57.6	14.9	15.1	18.7	66.2

¹ Recycling rate = Amount recycled (including heat recovery) / Amount of waste generated x 100

² We have revised the calculation method for fiscal 2022 to include heat recovery and recycling.

Volume of Waste Sent to Final Disposal (Landfill) (Kureha Group)



Proper Management of Wastes

Kureha complies with waste-related laws and regulations and works to properly manage waste. We have adopted the use of electronic manifests for use in waste management at all of our business sites.

Our Iwaki Factory employs an ISO 14001-based management system to properly manage waste storage areas and to check storage conditions. We share information on wastes with managers in charge of all waste-emitting departments through environmental committee report materials and other means to raise awareness among managers. We also conduct on-site checks of waste disposal contractors in line with our annual plans. In fiscal 2022, we conducted an on-site check of one contractor in the city. Due to the COVID-19 pandemic, we conducted documentation-based checks of the status of management at 15 contractors outside the city, confirming the absence of problems with any of them.

Our Plastics Processing Factory conducts monitoring of storage conditions and proper management at waste storage areas based on its own triple-system internal regulations (a management system that integrates quality, occupational safety and health, and the environment). The factory outsources the transport, intermediate treatment, and final disposal of wastes to many contractors, and systematically conducts on-site checks to confirm the status of proper treatment by the contractors. The factory also visits new contractors to confirm that discharged wastes undergo proper treatment while pointing out areas for improvement. The factory also conducts regular checks of the storage status of recycling contractors. In fiscal 2022, the factory conducted audits of 10 contractors and three new contractors, confirming the absence of problems with any of them.

We will continue such efforts directed at the proper management of waste.

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. As a Group that manufactures and sells plastic products and materials, we 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.

Here, we would like to introduce our Group's resource recycling initiatives that address issues including marine plastic pollution.

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.

- PGA "Kuredux" is certified as a biodegradable plastic in Europe and Japan.

Plastic Resource Circulation Act

As a business that generates industrial wastes including those from products made with plastic, we will actively work to reduce and recycle wastes while disclosing related information, doing so under the Plastic

Resource Circulation Act* that came into force in April 2022.

* Plastic Resource Circulation Act: A law involving the promotion of resource recycling related to plastics

Containers and Packaging Recycling Law

Kureha steadily carries out the recycling obligations it bears under the Containers and Packaging Recycling Law.

Since fiscal 2002, we have outsourced recycling, mainly of paper and plastic containers and packaging, under contract to the Japan Containers and Packaging Recycling Association, a designated corporation and a public interest incorporated foundation.

Industrial Waste Final Disposal Sites: Maintenance Information

→ [About the disclosure of industrial waste final disposal site maintenance information \(Japanese Only\)](#) 

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.

Kureha 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.

In addition to the above, we continuously conduct education for departments involved at every stage, to ensure that we properly comply with laws and regulations on chemical substances throughout the life cycles of our products.

* 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](#)

↓ [Actions in Japan](#) ↓ [Actions Overseas](#) ↓ [Reduction of Chemical Substance Emissions](#)

Goals and Vision

Perform proper management of chemical substances to protect the global environment and ensure the safety and health of people.

Fiscal Year 2022 Plan

- Prevent occupational accidents caused by chemical substances.
- Work through legal study groups to publicize and communicate applicable legal and other requirements.

Fiscal 2022 Performance and Outcomes

- Evaluated risks involved in the manufacturing and handling of chemicals; enacted risk reduction measures for work determined high-risk.
- Strengthened risk assessments in terms of both hazardousness and harm through the introduction of the CREATE-SIMPLE risk assessment tool.
- Conducted legal education on toxic substances, deleterious substances, waste, and chemical laws and regulations in the United States and China; conducted education within the Group and publicized and communicated information in response to 2022 revisions to safety and health regulations, etc.

Actions in Japan

Throughout every process from the procurement of raw materials to the manufacturing and shipment of products, Kureha complies with laws and regulations in Japan. We also engage in active disclosure of information in accordance with laws, including national-, prefectural-, and regional-level communication of information on the state of environmental impacts from our manufacturing. We have also introduced management systems for quality, the environment, and occupational safety and health, and are making efforts to raise the level of our chemical substance management through the use of the PDCA cycle.

Actions Overseas

Kureha is expanding its business activities globally. Following the lead of the European REACH regulations,* countries worldwide are moving to develop registration systems for chemicals. Although the situation is complicated by countries' specific systems and circumstances, we are conducting surveys to support our global expansion and are steadily taking actions such as registering our products in countries to which we export. We also conduct regular education related to chemical regulations overseas to enhance legal understanding and compliance awareness.

* Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH): Regulations involving the registration, evaluation, authorization and restriction of chemicals in the EU.

Reduction of Chemical Substance Emissions

To lower the environmental impacts of chemical substances as much as possible, Kureha continuously works to reduce the volumes of chemical substances discharged from production activities at our business sites. In line with the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR system), every year we assess release and transfer volumes of class I designated chemical substances, and check and disclose our own situation with regard to these. To reduce emissions of the substances, we study improvements to equipment and work to maintain stable operation, while also examining measures to reduce environmental impacts from the design stage onward when expanding or installing equipment.



Chemical substance removal equipment

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

Other Environmental Conservation Activities

Goals and Vision

Become a factory trusted by society through coexistence with communities and continuous communication of risks.

Fiscal Year 2022 Plan

Environmental conservation activities, etc.

- Regional cleanup volunteer activities, support for Sunshine Kureha Co., Ltd., requests to the local senior employment center to clean up surrounding areas, etc.

Fiscal 2022 Performance and Outcomes

Environmental conservation activities, etc.

- Conducted cleanup activities around business sites (5 times at 2 business sites).

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.

Initiatives at the Iwaki Factory

As a part of community interaction, labor and management at the Iwaki Factory take part in a citizens' city cleanup campaign held by Iwaki City every spring and autumn.

Due to the COVID-19 pandemic, the city's spring campaign was canceled in fiscal 2022, but the autumn campaign was held for the first time in three years. We engaged in cleanup volunteer activities as a part of the Responsible Care (RC) activities that we undertake across the Group in spring, and in step with activities conducted by Iwaki City in fall. A total of 1,309 people took part, working to beautify the environment.



Cleanup volunteer activities

Initiatives by the Plastics Processing Factory

At our Plastics Processing Factory, labor and management hold two events every year to perform environmental beautification around the factory and to promote health through walking. In light of the COVID-19 pandemic, in fiscal 2022 the factory conducted cleanups of its surroundings three times over the year.



Cleanup activities around the factory

Environmental Accounting

Kureha seeks to carry out efficient, effective environmental conservation measures. In our environmental accounting for fiscal 2022, we tabulated item-by-item costs and capital investments related to environmental conservation within our business activities and summarized these along with the content and effects of major initiatives, with reference to "Environmental Accounting Guidelines 2005" issued by the Ministry of the Environment. We view environmental accounting information as an effective means of helping people understand and evaluate the state of our initiatives aimed at environmental conservation.

(Unit: million yen)

Category		Cost	Investment amount	Content and effects of major initiatives
Business area costs		2,625	1,106	
Business area costs	Pollution prevention costs	1,189	1,065	<ul style="list-style-type: none"> • There were no pollution problems involving air pollution, water pollution, etc. • Implemented pollution prevention measures involving air, water quality, odor, reduction of chemical substance emissions, etc. • Made efforts to rReduced emissions of chemical substances subject to the PRTR system, but emissions increased by approximately 10 tons from the previous fiscal year • Continued measurements for the purpose of environmental impact monitoring
	Global environmental conservation cost	330	19	<ul style="list-style-type: none"> • Implemented energy-saving measures (adoption of energy-saving equipment, proper management of air conditioning, etc.) • Established months for emphasizing energy conservation in summer and winter, and conducted compliance patrols and continued energy audits • Continued operation of solar power generation equipment
	Resource circulation costs	1,106	22	<ul style="list-style-type: none"> • Due to the effect of efforts to improve the recycling rate, the volume of waste generated and the volume of final disposal decreased from the previous fiscal year, and the recycling rate increased from the previous fiscal year

Category	Cost	Investment amount	Content and effects of major initiatives
Upstream / downstream costs	4	-	<ul style="list-style-type: none"> Complied with the Containers and Packaging recycling Law
Administration costs	66	-	<ul style="list-style-type: none"> Continued operation of our ISO 14001-based environmental management system Supported the RC activities of Kureha Group companies Continued greening of areas within business sites
R&D costs	2,011	-	<ul style="list-style-type: none"> Conducted research on environmentally considerate automotive battery materials Conducted research and development on biodegradable materials Conducted research and development on new processes for energy conservation and waste reduction
Social activity costs	8	-	<ul style="list-style-type: none"> Held CSR Local Dialogue Meetings in written format and made individual visits (community organizations, government bodies, and companies) Continued participation in community environmental conservation activities (Iwaki Factory, Ibaraki and Kaibara districts of the Plastics Processing Factory)
Total	4,714	1,106	

- Scope of aggregation: Kureha Corporation
- Target period: April 1, 2022 to March 31, 2023

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 →	Local 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	Building mutual understanding and trust through timely and appropriate information disclosure and understanding of investors' expectations	General Affairs Department Public and Investor Relations	Annual General Shareholders' Meeting Annual Securities Report	Each annually
			Briefings for securities analysts and institutional investors	Several times per year
			Events for private investors	Annual
			Daily communication with shareholders and investors	Several times per year
Customers & Clients	Improving customer satisfaction by providing high quality products and services based on customer needs	Sales Department Quality Assurance Department	Customer Support Center	Any time
			Customer events	Several times per year
			Exhibitions	Several times per year
			Daily communications	Any time
Business Partners (procurement sources, subcontractors)	Establishing business relationships based on fair partnerships with a concern for social responsibility	Procurement Department Sales Department Quality Assurance Department	Supplier audits	Annual
			CSR surveys	Annual
			Daily communications	Any time
Employees	Creating a safe and stable employment environment where individuals can fulfill their potential	HR Department General Affairs Department	Labor-management consultations, Health and Safety Committee Meetings	At least once a month
			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
			Cultural, Academic and Sports Exchanges	Several times per year
		Environment / Safety Department	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	Gathering information about and responding to laws and regulations	Any time
		HR Department		
		Planning Department	Participation in councils, discussions, etc.	Any time
		Technology Department		

Shareholders and Investors

Kureha recognizes the importance of providing timely and appropriate information and promoting constructive dialogue with shareholders, investors, and all of our stakeholders in order to be a company needed by society and earn widespread public understanding and trust. Our Corporate Governance Guidelines set policies to promote constructive dialogue with shareholders and investors. In line with these Guidelines, we are conducting various IR activities that help us communicate to all of our stakeholders about our Company in a way that is easy to understand.

- ↓ Approach to Information Disclosure
- ↓ Dialogue with Shareholders and Investors
- ↓ Approach to Shareholder Returns

Goals and Vision

Be a company needed by society and earn widespread public understanding and trust.

Fiscal Year 2022 Plan

- Proactively create opportunities for dialogue with shareholders and investors.
- Enhance explanations of non-financial information.

Fiscal 2022 Performance and Outcomes

- Through the use of online meetings and conferences hosted by securities companies, interviews were held with a total of 241 companies (105% of the previous fiscal year) and 435 individuals. As a result, we were able to provide a wide range of investors with information on our business strategy and other aspects of improving our corporate value over the medium to long term. Moreover, increased opportunities to hear information and requests from investors have enhanced the content of reports to management.
- The first overseas roadshows since 2019 promoted understanding of the demands of overseas institutional investors, which are becoming increasingly important.

Approach to Information Disclosure

Based on the Basic Policy on Information Disclosure, we will disclose information in a timely and appropriate manner in compliance with relevant laws and regulations and the Timely Disclosure Rules set out by stock exchanges, with a basic principle of information disclosure aimed at being a company that is trusted and supported by society. We also disclose information in a timely and appropriate manner when we judge that the information is useful to our stakeholders, unprompted by laws and regulations. We believe that disclosing information in a fair and continuous manner will lead to increased management transparency and stakeholder trust.

Basic Policy on Information Disclosure

Kureha Corporation ("Kureha") will disclose information in a timely and appropriate manner with a basic principle of information disclosure aimed at being a company that is trusted and supported by society.

1. Kureha will disclose information to stakeholders in a timely and appropriate manner in compliance with Japan's Financial Instruments and Exchange Act, the Timely Disclosure Rules set out by stock exchanges, and relevant laws and regulations.
2. Kureha will disclose information that is covered by Japan's Financial Instruments and Exchange Act, Timely Disclosure Rules, and other relevant laws and regulations using the method provided for in the rules, such as the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange. Kureha will also publish the disclosed information promptly on the corporate website. Kureha will disclose information that is not covered by Timely Disclosure Rules in a timely manner based on the spirit of timely disclosure through such means as providing materials, holding press conferences, organizing briefing meetings, distributing printed materials, and on the corporate website.
3. Kureha will disclose information based on this policy. The Sustainability Coordination Committee will also appropriately review the appropriateness of information disclosures that have been made.

Dialogue with Shareholders and Investors

Kureha holds its annual general shareholders' meetings in late June each year. The convocation notice is posted on our website and sent out by mail in early June, allowing shareholders the necessary time to examine the agenda. When exercising voting rights, shareholders may choose to exercise their voting rights via the Internet. At the general shareholders' meetings, we make use of video and other innovative methods, and we strive to provide frank and detailed explanations in response to questions. In addition, we began live streaming meetings in fiscal 2022 for shareholders who are unable to attend the meeting in person.

Twice a year, we provide our shareholders with the Kureha Report, which summarizes our financial results and other topics to promote a better understanding of our Company. We have also established an Inquiries about IR contact form and enhanced the content on our website to assist shareholders and investors in obtaining information and understanding our Company.

For institutional investors and securities analysts, we regularly hold briefings on growth scenarios based on our mid- to long-term management plan, financial results, and future prospects, and answer their questions. In order to deepen their understanding of our Company, we also engage in proactive dialogue through individual interviews and small meetings in Japan, as well as visits to directly meet with overseas institutional investors. We have set financial and non-financial KPIs in our mid- to long-term management plan based on the opinions of our shareholders and investors, aiming to achieve sustainability management that combines improvement of corporate value and contribution to a sustainable society.

Approach to Shareholder Returns

The Kureha Group's mid- to long-term management plan has set a basic policy to maintain stable dividends with a target payout ratio of 30% or more, while enhancing internal reserves to enable active investment in future business expansion. In addition, we aim to achieve a total payout ratio of 50% or more through share repurchases, acquiring a cumulative total of approximately ¥20 billion in treasury stock during the three-year period ending fiscal 2025 to meet the expectations of our shareholders.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Annual dividend per share (¥)	165	170	170	210	270
Dividend payout ratio (%)	24.3	24.5	24.6	28.9	31.2

- Includes the FY2018 ¥10 commemorative dividend.

Customers

The Kureha 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.

- ↓ **Product Safety and Quality Assurance**
- ↓ **Basic Policy for Customer Satisfaction**
- ↓ **Customer Service Process**
- ↓ **Customer Engagement**
- ↓ **Outside Recognition of Product Improvements**

Product Safety and Quality Assurance

The Kureha Group continually reviews and improves its quality management system, while enhancing education about quality for its employees and collaborative activities with partner companies, aiming to realize and maintain a high level of quality (Kureha quality) that customers can value when they purchase our products. In addition, we have established mechanisms and an in-house examination system to ensure that 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.

Major Themes for This Fiscal Year

- (1) Accurately understand customers' requests and improve quality by strengthening the operation of the quality management system.
- (2) Thoroughly implement appropriate quality control, including business partners, and reduce quality complaints to maintain the trust of customers.
- (3) Identify product safety risks and prevent accidents related to product safety.
- (4) Increase productivity, improve quality, and reduce costs through continuous improvement activities.

We will make this quality policy known to all employees.

April 1, 2021

President & Chief Executive Officer
KUREHA CORPORATION

Goals and Vision

Continue to provide high-quality (Kureha quality) products that customers value.

Fiscal Year 2022 Plan

- Prevent quality issues by promoting improvement activities focusing on foreign material contamination and strengthening the effectiveness of audits.
- Promote sharing of quality information across the entire Kureha Group and collaborate in improvement activities through effective monitoring.
- Respond without delay to changes in laws and regulations related to quality, and to special standards for new businesses and expanded applications.

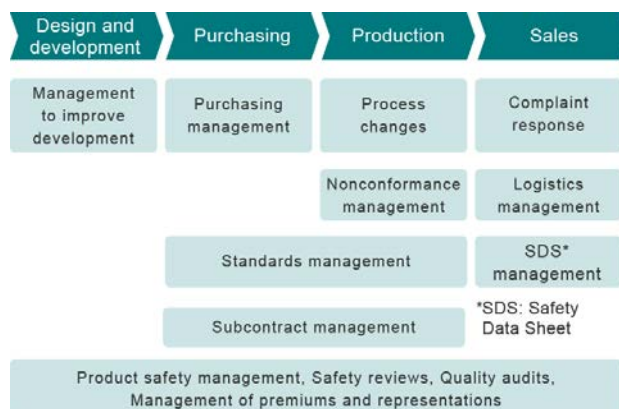
Fiscal 2022 Performance and Outcomes

- Continued cross-department collaboration centered on measures against foreign material contamination. Constantly reviewed the effectiveness of activities through objective evaluations by external organizations.
- Reviewed the management of business partners during the COVID-19 pandemic to prevent the occurrence of defects due to insufficient monitoring.
- Conducted audits of the environment, safety, and quality at each Group company to identify issues and areas for improvement.
- Prepared for special standards for new businesses and confirmed product safety in accordance with quality management.

Quality Management System

Kureha acquired ISO 9001* certification in fiscal 1995, and have continued to operate and maintain a quality management system. 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.

* Please contact us for more information about the scope of our ISO certification.



Quality Improvement Initiatives

／ Initiatives to Strengthen Quality Control Including Group Companies

Our customers' and society's interest in quality control is on the rise, and the accuracy of quality inspections is becoming even more important. Our quality assurance staff has been visiting the quality assurance departments of our Group manufacturers to conduct audits and surveys since fiscal 2019 with the aim of improving the level of quality control throughout Group companies. These activities not only provide a good opportunity to be inspected from an external perspective, but also provide an opportunity to uncover issues common to all Group companies through the exchange of opinions and to identify the direction of activities for improvement.

／ Improvement Activities Focused on Countermeasures Against Foreign Material Contamination of Products

The prevention of foreign material contamination is a quality control issue of the highest importance that is fundamental to our customers' trust, as our products include food packaging materials such as NEW Krewrap. From the purchase of raw materials to when products are placed on store shelves, each and every employee must act with a heightened awareness of never allowing foreign material and a strong sense of responsibility and awareness for working in the food packaging materials industry. We strive to raise awareness of quality control through a variety of initiatives.

Basic Policy for Customer Satisfaction

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 feedback and complaints about products and reflect them in new product development.

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.

Goals and Vision

Promote activities in accordance with the Basic Policy and Activity Policy for Customer Satisfaction and strive for continuous improvement to enhance customer satisfaction.

Fiscal Year 2022 Plan

- Provide a speedy as well as suitable response to each customer.
- Provide prompt and courteous replies to customer inquiries.

Fiscal 2022 Performance and Outcomes

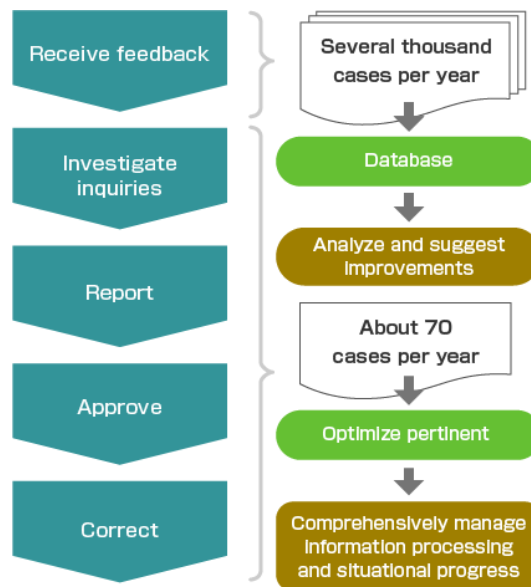
- Made all initial responses to customer questions on the same day they were received (excluding special cases).
- Completed all investigative reports for customer questions in two weeks (excluding special cases).
- Clarified areas for further improvement through the process of investigating and dealing with the causes of complaints about our household products.

Customer Service Process

The Customer Service Office manages complaints, comments, requests, and inquiries from customers who use our household products such as NEW Krewrap and Kichinto-San. In fiscal 2014, we introduced an information management system called the Customer Feedback Flow System to share the real voices of our customers with relevant departments, such as the development, manufacturing, and quality assurance departments, and to promptly respond to complaint cases with requests for investigation. Using this system, relevant departments collaborate to investigate the causes of complaints, correct problems, and take other preventive measures to prevent recurrence of complaints and their causes.

Since this system has been in operation, we have received tens of thousands of messages from our customers, making it a valuable database. We organize and analyze this information and use it to improve existing products as well as develop new products to provide a more convenient and user-friendly experience for our customers.

We have also operated a traceability system since 2008 for tracking production lots and shipment receivers. When a quality problem occurs, we will take quick action and minimize damage. We will continue to utilize this system to win the trust of our customers.



Customer Engagement

Customer Engagement

In addition to our Customer Service Office, which diligently responds to customers' voices via telephone, letter, and e-mail, we are also making efforts to disclose information to customers who prefer to collect information on our products directly by themselves through a special website Kurelife. There we upload videos and illustrations on how to use our products, with a conscious effort to provide easy-to-understand explanations about safety and sanitation.



→ [Special website Kurelife \(Japanese only\)](#) [↗](#)

Outside Recognition of Product Improvements

Award-Winning History of NEW Krewrap and Kichinto-San

As for NEW Krewrap and Kichinto-San, we have been continuously improving existing models and developing new models to increase customer satisfaction. As a result, we have received much recognition from outside the company.

→ [History of NEW Krewrap awards](#)

→ [History of Kichinto-san series awards](#)

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. For example, the status of examination concerning the content of documents such as product packaging, catalogs, and advertising materials is as follows.

Status of safety document examination

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of examinations	177	136	196	149	165

Safety Evaluations

We develop, manufacture, and sell new chemical products in a variety of fields. Chemical products enrich our lives, but they must be safe for their intended use and the environment in which they will be used. Evaluating the negative effects of our chemical products and preventing problems before they occur will lead to the maintenance and development of a sustainable society. As a company that upholds the corporate philosophy of treasuring people and the natural environment, ensuring the safety of chemical products is an important issue for us.

Kureha's Safety Research Center evaluates the products and materials we develop, manufacture, and sell, as well as the chemical substances we use, on human health and the environment to confirm their safety. We contribute to the development, manufacture, and sale of safe and reliable products by incorporating the latest scientific methods and findings into our safety evaluations, in addition to our specialized knowledge, skills, and understanding of safety regulations.

Purchasing and Procurement

We strive to fulfill our social responsibilities throughout the entire supply chain in accordance with our Procurement Policy and CSR Procurement Guidelines. We also ask our suppliers to give consideration to the environment and society, and aim to build fair and equitable relationships with them.

- ↓ [Procurement Policy](#)
- ↓ [CSR Procurement Guidelines](#)
- ↓ [Procurement Activities, Selection of Suppliers](#)
- ↓ [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 products, services, and business methods
- (4) Observe laws, social norms, and company regulations applicable to 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

Goals and Vision

Work with suppliers to purchase raw materials and other goods that are safer and have less environmental impact from the perspective of green procurement.

From the perspective of CSR procurement, encourage suppliers to improve their CSR initiatives if any shortcomings are found.

Fiscal Year 2022 Plan

- Survey and evaluate new suppliers based on the Green Procurement Guidelines and select them based on the results.
- Conduct CSR survey of suppliers, compile survey results, and provide feedback.

Fiscal 2022 Performance and Outcomes

- Implementation rate of survey and evaluation of new suppliers based on the Green Procurement Guidelines: 100%; Selection rate based on survey and evaluation results: 100%.
- All survey forms were collected, including those from suppliers who had not responded in the previous survey, and the survey results were fed back to each supplier.

Procurement Activities, Selection of Suppliers

Kureha procures raw materials based on the Green Procurement Guidelines to promote the use of products and raw materials that are safer and have less environmental impact. The Guidelines are updated as necessary to comply with environmental laws and regulations. When selecting new suppliers, we evaluate them based on our internal criteria and make decisions based on our overall judgment while adhering to the intent of the Green Procurement Guidelines. When necessary, we conclude a Basic Sales Transaction Agreement with the supplier.

In addition, to ensure that our purchases are carried out in accordance with our Procurement Policy and CSR Procurement Guidelines, we conduct on-site audits of our suppliers in Japan and overseas to check their CSR activities.

→ [Green Procurement Guidelines \(Japanese Only\)](#) 

Procurements

CSR Survey

At Kureha, since fiscal 2017 we have been periodically conducting surveys of our suppliers to get a grasp of their CSR promotion, with the aim of reducing CSR risk in our supply chain. Companies are selected by product segment based on the volume and length of transactions, and survey forms prepared by Kureha are sent and collected for evaluation.

The fiscal 2022 survey targeted 13 companies that were rated as inadequate in their CSR promotion status in the previous five surveys, 2 companies that did not respond in the previous survey, and 9 new business partners. Survey forms were sent out and collected from all companies.

As a result, 12 of 24 suppliers (50%) were found to have an adequate CSR promotion status, while the remaining 12 suppliers were found to need further improvement in several areas, including human rights and labor. We will provide written feedback of the evaluation results to these suppliers to request improvements, and will continue to communicate with them in the future.

Main survey items on the check sheet

Evaluation Item	Contents
General CSR and corporate governance	CSR Promotion Policy, Department in charge of CSR, Legal code and compliance training, Whistleblower Hotline, Prohibition of prejudicial treatment of whistleblowers, Understanding the current status of suppliers
Human rights and labor	Human Rights Policy, Prohibition of child and forced labor, Prohibition of unfair low wages/long working hours, Prohibition of discrimination against employees, Support for employees' career development, Right to labor-management negotiation, Understanding the current status of suppliers
Occupational safety and health	Management system, Ensuring employee safety, Understanding the current status of suppliers
Environment and biodiversity	Management system, Energy conservation, greenhouse gas reduction, and waste reduction initiatives, Biodiversity conservation, Green procurement and purchasing, Understanding the current status of suppliers
Fair trade, ethics, and conflict minerals	Non-involvement in anti-social forces, Non-involvement in anti-competitive activities, Prohibition of inappropriate profit sharing, Disclosure of company information, Compliance with export laws and regulations, Conflict mineral surveys, Understanding the current status of suppliers
Quality and safety	Management system, Disclosure of product and service quality and recall information, Response to customer inquiries, Understanding the current status of suppliers
Intellectual property and information security	Respect for intellectual property, Information security, Protection of personal information, Prevention of leakage of confidential information, Understanding the current status of suppliers
Contribution to society	Social activities, Understanding the current status of suppliers
Business continuity management	Action plan for emergency contingencies, Improvement of risk response and recovery capabilities, Require suppliers to prepare a business continuity plan, Understanding the current status of suppliers

Responsible Procurements

The Kureha Group conducts conflict mineral surveys in cooperation with suppliers and customers as part of its efforts to source minerals responsibly.

In addition, in response to the U.S. Uyghur Forced Labor Prevention Act, Kureha confirms that none of its products or materials are manufactured in or procured from the Xinjiang Uyghur Autonomous Region.

→ [Human Rights Efforts](#)

Employees

Kureha aims to grow sustainably while contributing to society at large, and we believe that each of our employees is at the core of achieving this goal. We aim to build responsible, mutually beneficial relationships with our employees, from the day they join us until the day they retire, valuing their health and job satisfaction while they play an active role in achieving our business goals. We are working to build systems and improve our work environments in order to enhance human resource development and work-life balance so that employees can work to their full potential, be rewarded for taking on challenges, and experience growth.

Human Capital Development Policy and Approach →	Work-Life Balance →
Diversity →	Promoting Good Health, Mental and Physical Health Management →
Labor-Management Relations →	Occupational Safety and Health →
Disaster Prevention and Safety →	

Human Capital Development Policy and Approach

At Kureha, we aim to cultivate future executives, global human capital, digital human capital, and young employees to become human capital with diverse strengths whose performance we can count on and who have the self-motivation and career awareness to continually improve themselves.

In order to expand support for the autonomous and continuous growth of each employee so that they can continue to flourish and take on tougher challenges, we are actively promoting various measures, including education in the workplace, various systematic training programs, and support for autonomous career development. We also established the Human Resource Development Committee for Technology and Innovation to ensure our continued growth as a technology-driven manufacturer by promoting the training of technical human capital. In addition, we are promoting initiatives to develop female executives through a program where candidates are selected based on their potential to fulfill future management positions, aimed at acquiring knowledge and skills while fostering a mindset for management and administration.

- ↓ Human Capital Development System
- ↓ Open Enrollment Training and Seminars
- ↓ Global Human Capital Development
- ↓ Digital Human Capital Development
- ↓ Autonomous Career Development Support
- ↓ Technical Human Capital Development
- ↓ In-House Thesis Review
- ↓ Kureha's Personnel System

Human Capital Development System

Human Capital Development System

	Regular employees	Executive employees
Rank-based training	<ul style="list-style-type: none"> Section manager training Advanced planning and development training Intermediate planning and development training Planning and development training for new transfers Follow-up training by category and position Mandated training Induction training for new hires 	<ul style="list-style-type: none"> Training for promoted executives Training for new line managers Evaluation skill training
Purpose-specific training	<ul style="list-style-type: none"> Social training for next-generation leaders Mentoring* In-house thesis review 	<ul style="list-style-type: none"> Supervisor training (coaching)
	<ul style="list-style-type: none"> Technical human capital development <ul style="list-style-type: none"> New product and business development training Practical Skills Training (PST) 	<ul style="list-style-type: none"> Technical management training
	<ul style="list-style-type: none"> Global human capital development <ul style="list-style-type: none"> TOEIC / TECC Online English conversation course English e-mail composition course Practical English training program Online Chinese conversation course Study abroad 	
	<ul style="list-style-type: none"> Digital human capital development <ul style="list-style-type: none"> Senior Data Analyst course Digital human capital basic training 	
Open enrollment training	<ul style="list-style-type: none"> e-learning Distance learning Management path Seminars by instructors from inside and outside Kureha 	
Autonomous career development support	<ul style="list-style-type: none"> Senior seminar Career interviews Training to create and foster career awareness Development plan 	

* Mentoring: One senior employee is assigned to each new employee. In addition to providing work guidance, the mentor serves as a friendly advisor and teacher to the new employee.

Goals and Vision

Promote training measures so that each and every employee can grow and work to their full potential with a willingness to take on challenges.

Fiscal Year 2022 Plan

- Support employees' autonomous career development.
- Make efforts toward the advancement of diverse human capital.

Fiscal 2022 Performance and Outcomes

Career Interview

- Organized support for autonomous career development for employees and established a system to support medium- to long-term career development.
- Supported employees' career development through ongoing career interviews and training to create and foster career awareness among younger employees.

Educational Support

- Conducted rank-based education, global human capital development, digital human capital development, and provided opportunities for employees to acquire the skills needed to perform their duties.
- Conducted PST* for engineering personnel, provided support for acquiring Ph.Ds., and held career conversations to support employee learning and career development.
- Expanded open enrollment training and seminars, and expanded and developed support programs for acquiring qualifications to support employees' learning.
- Conducted training and coaching for line managers and others to improve their evaluation skills and improved their developmental focus and management skills during on-the-job training.

* Practical Skills Training

Major Training Achievements

	Coverage		Number of participants		Average training hours per participant		Type of training	
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
Training for promoted executives	Kureha		20	20	7.75 hr	7.75 hr	Online	
Training for new line managers	Group Companies in Japan		19 Kureha 17 Group Companies 2	20 Kureha 16 Group Companies 4	28 hr	19.8 hr	Online	Online group training
Evaluation skill	Kureha		40	17	7.75 hr	7 hr	Online	
Section manager training	Group Companies in Japan		16 Kureha 14 Group Companies 2	34 Kureha 27 Group Companies 7	21 hr	19.8 hr	Online	Group training
Social training for next-generation leaders	Kureha		4	4	31 hr	41.5 hr	Online	Online group training
Advanced planning and development training	—	Kureha	—	48	—	4.25 hr	—	Online

	Coverage		Number of participants		Average training hours per participant		Type of training	
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
Intermediate planning and development training	Kureha		22	46	16 hr	19 hr	Online	

Open Enrollment Training and Seminars

We support our employees' self-development through autonomous and continuous learning. Employees can freely choose from the following programs: (1) e-learning, (2) distance learning, (3) a management path that supports self-investment by regular employees aiming for future management positions and re-learning by executives, and (4) seminars by instructors from both inside and outside Kureha about various themes. We have prepared programs that cover a wide range of levels and needs to make it easier for each employee to actively participate.

We also promote the use of open enrollment training programs from the standpoint of our workstyle reform efforts, in which the Company and employees work together to achieve management goals and employees are encouraged to be more independent and proactive in their self-development.

Global Human Capital Development

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

Major Achievements of the Global Human Capital Development Program in Fiscal 2022

	Number of participants (total)
Online English conversation course	313
English E-mail composition course	15
Online Chinese conversation course	34
Study abroad	2
Pre-overseas assignment training	3

Digital Human Capital Development

We are working to raise the digital capabilities of all employees through digital human capital basic training and support for passing the IT Passport exam. 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.

Autonomous Career Development Support

To support our employees' career-minded self-development, we have established a medium- to long-term career development support system. Kureha conducts career interviews (starting in the fourth year of employment and continuing through the eleventh year, two to three times) and training to create and foster career awareness (in the second year of employment) to support employees' career development.

Technical Human Capital Development

The Human Resource Development Committee for Technology and Innovation is taking the lead in developing various measures for employees with a technical career track. In PST*, new employees are assigned to a different department six months after their initial assignment to work on important tasks for one year, thereby developing their skills and strengthening their awareness. In addition, we are also working to develop autonomous technical human capital through various other programs.



Laboratory employees working in the manufacturing department (PST)

* Practical skills training

Technical Human Capital Development Program Achievements

	FY2020	FY2021	FY2022
Practical Skills Training (PST)	21	21	18
Selected training dispatch (different industries, Management of Technology [MOT])	0*	8	6
Support system for working adults to obtain doctoral degrees	3	3	4

* Due to cancellation by the sponsoring organization and other factors

In-House Thesis Review

Available since fiscal 1959 for young employees in engineering, research, and manufacturing positions, this program was expanded to administration and sales positions in fiscal 2016. Through this program, while cultivating the logical thinking, writing, and presentation skills of young employees, various proposals for the development of new businesses and applications have been made. In fiscal 2022, 41 employees in engineering, research, and manufacturing and 9 employees in administration and sales presented papers, and 10 were designated as excellent papers.



Outstanding paper winners



Live and online presentation

Kureha's Personnel System

Kureha seeks to create a corporate culture in which each employee can play an independent and autonomous role, responding deftly to changes in the business environment, with a sense of ambition, speed, and growth. Our personnel system is based on the following two principles:

- (1) Enhancement of performance-orientation—Enhancement of rewards based on role and duty standards
- (2) Active participation of senior workers—Extension of retirement age to 65 years old

Through this system, we aim to transform Kureha into a company where employees can take pride in their work as professionals, experience job satisfaction and self-development, and feel that they want and need to continue practicing ambition, speed, and growth.

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.

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, telecommuting 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	
	Half-day annual paid leave		Limits and exemptions for overtime work, holiday work, and late-night work ³
	Hourly annual paid leave		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/Condolence 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)	★	Nursing leave (three times up to two years cumulative)
	Maternity leave	★	Shortened working hours for care-giving (up to three years cumulative)
	Childcare time	★	Nursing leave (10 days for one person, 20 days for two or more people annually) ⁵
★	Shortened working hours for childcare ⁴		
★	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, infertility treatment, 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 until the end of the graduation year for elementary school students

5 Can be obtained in half-day units or hourly units

- ↓ Flexible Workstyle
- ↓ Childcare and Caregiving
- ↓ Support for Balancing Work and Caregiving

Goals and Vision
Employees are working vigorously while maintaining harmony between work and life.
Fiscal Year 2022 Plan
<ul style="list-style-type: none"> • Work with a healthy work-life balance.
FY2022 Performance and Outcomes
<p>Workstyle</p> <ul style="list-style-type: none"> • The members promoting workstyle reforms at each business site will take the lead in formulating and implementing measures to improve work comfort and job satisfaction. • The telecommuting system was introduced as a permanent system to improve productivity and work-life balance. In a post-introduction survey, more than 90% of telecommuters responded that their work-life balance had improved. • The flextime system was revised based on feedback from business sites, and core work hours were shortened for an even more flexible workstyle. <p>COVID-19</p> <ul style="list-style-type: none"> • In response to COVID-19, we took appropriate measures in accordance with government guidelines, including thorough implementation of basic infection control measures and a revision of work schedules through the utilization of flextime and telecommuting. <p>Welfare Program</p> <ul style="list-style-type: none"> • A cafeteria plan menu review committee was formed by labor and management to expand the menu related to health promotion and self-development, with the aim of improving the use of employee benefit programs.

Flexible Workstyle

Workstyle Reform

As part of our workstyle reform efforts, based on the concept of growth, vitality, and ambition, we are supporting the autonomous growth of each employee, making organizational goals more personalized to improve job satisfaction, and promoting physical fitness. We are also striving to increase the utilization of annual paid leave and reduce overtime for a more comfortable work environment. In July 2022, we introduced a permanent telecommuting system, and in October 2022, we shortened the core hours of our flextime system as a measure to help improve productivity and work-life balance. We will continue our workstyle reform efforts to improve flexibility, productivity, and work-life balance in response to new lifestyles.

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

General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Kureha has formulated the following action plan to improve work-life balance and promote the creation of a comfortable work environment.

→ [General Employer Action Plan Bulletin Website \(Ministry of Health, Labour and Welfare's comprehensive website for supporting women's advancement and work-life balance\) \(Japanese Only\)](#) 

Action plan period: April 1, 2020 - March 31, 2025 (5 years)

- Objective 1: Familiarize and provide information to employees who are balancing work and childcare, and their department heads, about maternity leave before and after childbirth, childcare leave, childcare leave benefits, exemption from social insurance premiums during childcare leave, and other systems.
- Objective 2: Achieve a utilization rate of at least 70% of annual paid leave days granted for each employment management category and both sexes.

Childcare and Caregiving

Kureha is committed to creating an environment in which employees can work to their full potential, and has established systems that are accessible to both men and women according to their parental and nursing care needs, such as paid leave days for childcare, nursing, and caregiving, and shorter working hours.

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

Support for Balancing Work and Caregiving

Since fiscal 2018, Kureha has been conducting a seminar to support employees aged 40 and older who are balancing work and nursing care. This seminar aims to broaden employees' options as they face the challenge of adult nursing by providing them with preliminary knowledge. Care managers from outside Kureha give simple and accessible lectures and engage in dialogue with participants to deepen their understanding of adult nursing care.

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. In order to ensure diverse human capital, we have set a target of increasing the percentage of women in all career-track new graduate hires to at least 30%. We also strive to create a rewarding work environment and develop human capital so that individual employees can make the most of their talents by having an open mind toward diverse human capital and values.

- ↓ Promoting Diversity
- ↓ Employment of People with Disabilities
- ↓ Encouraging Senior Human Capital

Promoting Diversity

Promoting Action Plans Based on the Act on the Promotion of Women's Active Engagement in Professional Life

Kureha has established the following action plan to promote a healthy work-life balance, and to create a comfortable and rewarding work environment so that each employee can make the most of their individual talents and fully realize their potential.

- [Database of companies promoting women's advancement \(Ministry of Health, Labour and Welfare's comprehensive website for supporting women's advancement and work-life balance\) \(Japanese Only\)](#)
- [General Employer Action Plan \(Japanese Only\)](#) 

- Objective 1: Achieve the following percentages of women to all career-track hires.
 - April 1, 2021–March 31, 2022: at least 20%
 - April 1, 2022–March 31, 2024: at least 30%
- Objective 2: Expand self-development programs to support autonomous career development.
- Objective 3: Strive to create an environment that enables employees who balance work with childcare or caregiving to build their careers, continue self-development, and take on new challenges.
- Objective 4: Achieve a utilization rate of at least 70% of annual paid leave days granted for each employment management category and both sexes.
- Objective 5: Reduce the number of employees whose average monthly overtime for the year exceed 45 hours to zero.

Employment of People with Disabilities

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

	FY2020	FY2021	FY2022
Employment rate (%)	2.45	2.33	2.38
Statutory employment rate (%)	2.30	2.30	2.30

- Working Toward an Inclusive Society Sunshine Kureha Co., Ltd.
- Calculations are based on enrollment as of June 1 of each year.

→ [Working Toward an Inclusive Society](#)

Encouraging Senior Human Capital

In October 2021, Kureha began gradually raising the retirement age to 65 to further encourage senior human capital to make the most of their careers.

As of the end of March 2023, 157 senior human capital aged 60 or older are working at Kureha.

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

Senior Seminar

We host Senior Seminars for employees in their early 50s who have extensive knowledge, experience, and skills to develop and enhance their skills even more. Participants reconfirm the knowledge and skills gained from their own values and experiences, and design an ideal image they aspire to fulfill in the future.

Post-training supervisor interviews are held to go over specific actions to achieve their goals.

Promoting Good Health, Mental and Physical Health Management

- ↓ Promoting Good Health ↓ Mental and Physical Health Management
- ↓ Mental Health
- ↓ Recognized as a Health & Productivity Management Outstanding Organization 2023

Promoting Good Health

Based on the belief that our employees' health is the foundation of our growth, Kureha has established a Basic Policy on Health and a system for physical fitness that aims to cultivate autonomous employees who are healthy, self-developing, and work to their full potential. We are striving to achieve autonomous health management for each employee and to improve employee motivation and vitality. We are working to reduce risks that threaten our employees' health through reassessment of diet, exercise, and other fundamental, daily lifestyle habits, and prevention and early detection of stress-related illnesses such as mental health problems. In this way, Kureha aims to maintain and improve employees' mental and physical health.

Basic Policy on Health

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 and productivity management throughout the Company. These meetings are supervised by the President as the Chief Executive Officer and the General Manager of the Administration Division as the Chief Health and Productivity Management Officer, and members consist of persons in charge of human resources and safety and health at each of the Company's business sites, 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.

→ [Kureha's Health and Productivity Management Strategy Map](#) 

Mental and Physical Health Management

Kureha works with the Health Insurance Society to set the prevention of lifestyle-related diseases, promotion of mental health care, enhancement of health management and health awareness, and promotion of tobacco cessation as material issues. Kureha is working to raise health awareness so that employees can continue to work to their full potential with vigor, and to promote self-care for employees to maintain and improve their own health.

→ Initiatives 

Goals and Vision
Protect employees' health and create a vibrant and dynamic workplace.
Fiscal Year 2022 Plan
<ul style="list-style-type: none">Stay healthy and bring good energy to the workplace.
FY2022 Performance and Outcomes
Health Promotion <ul style="list-style-type: none">Recognized under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program.Recognized under the "Sport Yell Company 2023" and "2022 Tokyo Sports Promotion Company."Encouraged participation in walking events sponsored by the Japan Health Insurance Association and actively promoted efforts to prevent lifestyle-related diseases and promote health.Encouraged tobacco cessation by covering cessation-related expenses and other measures, as well as implementing a smoking ban on the entire premises of two locations.Promoted literacy and self-care skills related to women's health through e-learning.
Mental Health <ul style="list-style-type: none">Conducted mental health e-learning classes for employees and line managers. Revitalized communication in the workplace by learning practical dialogue skills.Improved organizational management by reporting the results of collective analysis of stress checks to the heads of relevant departments as a preventative measure against mental health problems.

Health Care

In addition to health checkups, Kureha provides health guidance by industrial physicians and public health nurses to employees who need to take measures against lifestyle-related diseases. In addition, Kureha regularly organizes walking events sponsored by the Health Insurance Society and stretching lessons by outside instructors to promote employees' health. In consideration of the negative health effects of second-hand smoke, we are making efforts to reduce the number of smoking areas in our business sites, hold anti-tobacco seminars, and create an environment where smokers feel motivated to quit by recommending the Health Insurance Society's No Smoking Challenge (financial aid for employees who try to quit smoking). On October 1, 2022, the remaining smoking areas at two locations were also removed, and a smoking ban was imposed on the entire premises.



Online stretching exercises with outside instructors

Mental Health

To maintain and promote the mental health of our employees, we strive to prevent mental health problems and improve the work environment by holding regular training and e-learning sessions, as well as explanatory meetings on how to approach the results of collective analyses of stress checks. In addition, we have established a consultation service staffed by counselors from professional organizations outside Kureha and provide interview guidance by industrial physicians. For those on leave, we have a support system in place to help them return to work smoothly and provide assistance.



Mental health seminar

Recognized as a Health & Productivity Management Outstanding Organization 2023

Kureha has been recognized as a Health & Productivity Management Outstanding Organization 2023 under the large enterprise category jointly promoted by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi. This is the third consecutive year since 2021 that Kureha has received this commendation.

What is the Certified Health & Productivity Management Outstanding Organizations Recognition Program?

This is a program to recognize enterprises that practice particularly excellent health and productivity management based on their efforts to address local health issues and their promotion of Nippon Kenko Kaigi's health promotion initiatives.



Labor-Management Relations

All regular employees are members of the Kureha Labor Union except for those who have been specially determined in consultation with us. Note that the results of the negotiations between labor and management will apply to all regular employees, including those who have been exempted from the Labor Union.

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, introducing programs for flexible workstyles and enhancing benefit programs. Moreover, we usually try to provide at least one month's notice of any changes in business. We also hold regular labor-management co-sponsored events and branch council meetings at each business location 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 remuneration 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

Safety is the most important foundation of the manufacturing industry. Kureha conducts workplace inspections and internal audits under the supervision of the Health Committee and Safety and Health Committee as required by laws and regulations, as well as the departments in charge of each business site, and is seeking to expand safety activities (the 5S system, point and call, hazard prediction, risk assessment, etc.) with the aim of eliminating all personal injury accidents. We are also committed to educating the people who support these activities. In addition, we share information on occupational safety and health with other Group companies through the Kureha Group RC Council.

- ↓ Occupational Safety and Health Management System
- ↓ Occupational Safety and Health Activities
- ↓ Safety and Health Committee and Health Committee
- ↓ Occupational Safety and Health Awareness Programs
- ↓ Chemical Substance Risk Assessment in the Workplace ↓ Skills Training Center
- ↓ Eliminating Logistics Accidents
- ↓ Declaration of Voluntary Action to Support the White Logistics Movement
- ↓ RC TOPICS: Kureha Construction's Mizuhiro Masaki received the Green Cross Award from the Japan Industrial Safety & Health Association in recognition of his occupational safety and health efforts

Goals and Vision

Eliminate serious personal injury accidents.

Fiscal Year 2022 Plan

- Maintain and improve the root cause analysis capabilities.
- Prevent accidents by enhancing the Skills Training Center functions and expanding the number of trainees.
- Improve safety levels through cross-checking and enhanced cooperation among Group companies in their activities.

Fiscal 2022 Performance and Outcomes

- Lost-time accidents: 6, non-lost-time accidents: 13 (including two business sites and Group companies within each site).
- Conducted why-why analysis training sessions for managers and supervisors to improve their root cause analysis and solution developing capabilities.
- Implemented thorough on-site checks and confirmed correction policies during factory manager patrols (18 times in total at two business sites).
- Disseminated information on priority items for scheduled maintenance at scheduled maintenance and safety meetings.
- Completed safety training for partner company supervisors, and expanded safety training to include partner company employees.

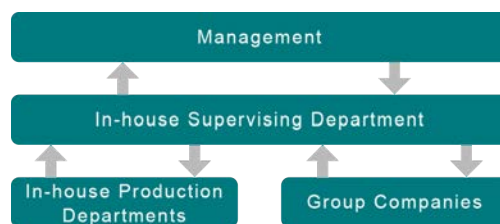
Occupational Safety and Health Management System

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

The Kureha Group aims to eliminate personal injuries and equipment-related accidents at all of its business sites, under the motto "Safety as a first priority." To achieve this goal, all employees are instilled with the importance of strictly avoiding accidents, going home safely, thoroughly following set rules, never taking shortcuts and never breaking promises. To ensure continued safety, in addition to renewing facilities and equipment, Group companies are collaborating to implement safety promotion activities and establish a centralized management system for emergency communication in the event of an accident. Through these efforts, we will continue to strengthen the safety system of the entire Group.



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

Safety and Health Committee and Health Committee

In accordance with the Industrial Safety and Health Act, Kureha has established a Health Committee at our head office and a Safety and Health Committee at each business site, where labor and management work together to promote initiatives that meet the needs of each business site. The minutes of the monthly committee meetings are posted on our internal 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 via e-mail and our online information system as soon as possible, as well as on a database, 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

In conjunction with Japan's National Safety Week, which is observed in July every year, executives at the Iwaki Factory conduct safety patrols and conventions to check the status of safety measures and raise safety awareness.

In July 2022, the General Manager of the Manufacturing & Technology Division and General Manager of the Iwaki Factory, Manufacturing & Technology Division conducted safety patrols together with factory executives to check the safety measures of each department and held a safety convention to commend departments that achieved zero personal injury and equipment-related accidents. In addition, a lecturer from outside Kureha was invited to give a speech titled Aim to Create a Safety-First Workplace: Practical Actions to Prevent Accidents and Missteps. The speech was livestreamed to the Ibaraki and Hyogo sites of our Plastics Processing Factory.

A lecturer from outside Kureha conducted training on why-why analysis in January 2023 at the Iwaki Factory, and again in February at the Plastics Processing Factory with the aim of maintaining and improving root cause analysis capabilities (target participants: managers and on-site supervisors at the Iwaki Factory and managers at the Plastics Processing Factory). This training consisted of two parts aiming to further improve their analytical skills. The first part was a structured introduction to the basics of why-why analysis, and in the second part participants put what they learned into practice by doing why-why analysis on past accidents to logically find their root causes.

For Japan's National Occupational Health Week, which is observed every October, each factory conducts activities and lectures on sanitation and health. In October 2022, the Iwaki Factory invited a lecturer from outside Kureha to give a special speech on safety and health titled Healthy Longevity Starts with Your Mouth—Preventing Lifestyle-related Diseases and Dementia through Oral Care. In October 2022, the Ibaraki and Hyogo sites of the Plastics Processing Factory conducted special lectures on occupational health titled Prevention of Stress-Related Diseases via recorded stream.



Training session (Iwaki Factory)

Chemical Substance Risk Assessment in the Workplace

Due to the revisions of the Ordinance on Industrial Safety and Health in 2022 and other revisions, information communication through SDS (Safety Data Sheet)¹ and labeling of chemical substances, risk assessments, and measures to prevent exposure to workers will be shifted to autonomous management starting in fiscal 2023. In addition, work records will be a requirement as the number of substances considered carcinogenic has increased significantly.

In order to respond to these revisions, education on their content was conducted within the Kureha Group. The Kureha Group will continue to implement various initiatives in all departments that handle chemical substances. In addition to BIGDr.Worker², which we have been using as a risk assessment tool, we have adopted CREATE-SIMPLE³ to enhance risk assessment in terms of both hazard and toxicity. For operations

identified as high-risk, risk reduction measures are taken under the leadership of both the Chemical Substance Manager and the Protective Equipment Manager.

In fiscal 2022, there were no cases of ailments or ill health caused by hazardous chemicals.

1. Documents describing hazard and toxicity information of chemical substances.
2. A worker risk assessment support tool developed by the Japan Chemical Industry Association (JCIA) that can be used to conduct risk assessments in accordance with the Industrial Safety and Health Act.
3. A simple chemical risk assessment tool developed by the Ministry of Health, Labour and Welfare for all types of industries.

Skills Training Center

At the Iwaki Factory, we are working together with Group companies to raise awareness about disaster prevention and occupational safety and health, and to eradicate occupational accidents. As part of that effort, we opened the Skills Training Center in November 2005 where employees learn to work with a heightened sense of safety by experiencing simulations of dangers that may occur during work. As of March 2023, a total of approximately 45,000 trainees have participated in the center since its opening.

In fiscal 2022, as part of our efforts to eliminate construction and maintenance work-related accidents at the Iwaki Factory, we conducted a safety course for employees of construction and maintenance partner companies working at the Iwaki Factory, with approximately 310 people having taken the course by March 31, 2023.



Skills Training Center

Skills Training Center Programs

✓ Safety Simulation Programs

- Clothing check
- Working at heights hazard simulation
- Rotating parts hazard simulation
- Slinging work hazard simulation
- Fire and explosion simulation (flammable liquid fire, dust explosion)
- Electrical hazard simulation (electrical fire, electric shock)
- First-aid simulation
- Emergency lifesaving simulation (CPR, AED)
- Hazard prediction training (short-time training)
- Point and call simulation
- Steam trap hazard simulation
- Dangerous liquid exposure simulation
- Decompression and liquid expansion hazard simulation

Responding to Revisions to the Industrial Safety and Health Act

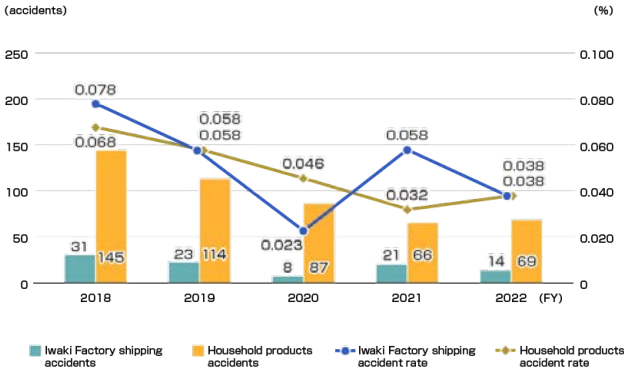
Revisions to the Industrial Safety and Health Act have made it mandatory to use fall arrest equipment that meet performance requirements when working at heights, and special training is also required for workers who use full-harness fall arrest equipment (4.5 classroom hours and 1.5 practice hours by law). The Skills Training Center is equipped with training tools and related equipment and has been conducting special training courses since October 2019. By the end of March 2023, a total of approximately 640 employees have undertaken special training here.

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.

Logistics Accidents



Declaration of Voluntary Action to Support the White Logistics Movement

Kureha endorses the White Logistics Movement advocated by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries, and on September 18, 2019 has submitted a Declaration of Voluntary Action to the White Logistics Movement secretariat. The White Logistics Movement aims to address the growing shortage of truck drivers, ensure stable logistics services necessary for daily life and industrial activities, and contribute to economic growth.



Use of ships in transportation

The initiatives expressed by Kureha in its Declaration of Voluntary Action are as follows:

1. Propose and follow logistics improvements
2. Improve shipping facilities
3. Use expressways
4. Make a modal shift to ship and rail transport
5. Draw separate contracts for fares and rates

We will position the White Logistics Movement as part of our CSR activities and work together with Group companies to achieve the initiatives expressed in our Declaration. By promoting these initiatives, we also respond to the regulation by law to limit the annual overtime hours of drivers to 960 hours starting in April 2024 (the "2024 problem").

RC TOPICS: Kureha Construction's Mizuhiro Masaki received the Green Cross Award from the Japan Industrial Safety & Health Association in recognition of his occupational safety and health efforts

On October 19, 2022, Kureha Construction's Mizuhiro Masaki (Vice President, General Manager of Safety and Health Management Department) received the Green Cross Award from the Japan Industrial Safety & Health Association at the 81st National Industrial Safety and Health Convention held at Marine Messe Fukuoka. This award is given to individuals and groups in all industries throughout Japan by the Japan Industrial Safety & Health Association for their outstanding achievements in promoting and improving industrial safety and occupational health over many years.

Vice President Masaki has been engaged in occupational safety and health management intermittently for a total of 34 years, starting as an on-site safety and health manager, and currently serves as the General Manager of the Safety and Health Management Department and General Safety and Health Manager at Kureha Construction. He has also participated in the promotion of local occupational safety and health activities at the Iwaki Labor Standards Association, where he has served as a director and auditor since 2017.

He was recognized for the work that he did during this period, including early proposals and promotion of such now-common practices as work safety checks with the participation of all workers, the use of clearly drawn layout plans for visualization of work steps, on-site patrols by supervisors, improved communication between workers and managers, and more effective health management through promotion of secondary health checkups.

The recognition of his steadfast efforts over many years is a source of pride for the Kureha Group and an encouragement to all employees.

Kureha Group places great importance on thorough management of safety based on our belief of safety first under any circumstances, and we will continue to strive for safety and health management based on this belief.



The 81st National Industrial Safety and Health Convention in Fukuoka



Disaster Prevention and Safety

As chemical-related companies, the Kureha Group handles dangerous materials, high-pressure gases, and poisonous substances on a daily basis. We consider disaster prevention, safety, and not having any serious equipment 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 and Safety at our Factories

↓ Disaster Prevention and Safety in Logistics ↓ Prevention of Equipment Accidents

Goals and Vision

Eliminate serious equipment accidents.

Fiscal Year 2022 Plan

- Continue stable and safe operations at all facilities, including those of Group companies.
- Improve emergency response capabilities through training based on various scenarios, pass on skills, and promote human capital development.
- Ensure implementation and maintenance of accident countermeasures.

Fiscal 2022 Performance and Outcomes

- Serious equipment accidents: 1, near misses: 9.
- Conducted multiple emergency training sessions and security lectures.
- Conducted various accident prevention activities.

Disaster Prevention and Safety 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

Every year, the Iwaki Factory conducts a comprehensive disaster drill for the entire site to prepare for large-scale disasters and accidents.

On December 2, 2022, we conducted a drill based on the following scenario: An earthquake with a seismic intensity of 5 occurred off the coast of Iwaki, Fukushima, causing a crack in the hexane tank yard piping, resulting in a leak. An aftershock occurred while the leak was being fixed, and a damaged electrical cable caused the hexane to ignite into a fire.

This drill reflected the lessons learned from the Great East Japan Earthquake to inspect the self-defense disaster prevention organization and confirm the roles of the commander and each unit. In fiscal 2022, approximately 1,450 employees, including those from Group companies, participated in the drill, along with the Iwaki City Nakoso Fire Department, the Iwaki City Fire Brigade No. 3 Branch, the Iwaki City Nakoso Branch Office, and the Iwaki City Minami Police Station. After the drill, the deputy chief of the Nakoso Fire Department stated, "There was accurate communication of information and precise coordination among platoons, and appropriate measures were taken in keeping with an actual disaster situation in all drills. I hope that you do more drills in the future of all kinds of disaster scenarios so that you can respond quickly and adequately."



Comprehensive disaster drill (Iwaki Factory)

In addition to comprehensive disaster drills, we also continuously conduct training for initial contact and other first-response activities at the time of a disaster in the Production Department, induction drills for the standing disaster prevention teams (Security Section), individual training for each department to improve the disaster mitigation capability of their standing disaster prevention team according to the equipment and substances handled in the Production Department, and joint training between the Production Department and the standing disaster prevention teams.

Furthermore, in order to keep the fire at the PPS (polyphenylene sulfide) plant that occurred in 2006 from fading into obscurity, the Iwaki Factory has designated September 7, the day of the accident, as Disaster Prevention Day and conducts the President's Safety Inspection every year in conjunction with disaster prevention training.



President's Safety Inspection (Iwaki Factory)

Disaster Prevention Training at the Hyogo and Ibaraki Sites of the Plastics Processing Factory

The Hyogo site conducted a comprehensive disaster drill on October 14, 2022 with the attendance of the General Manager of the Manufacturing & Technology Division, and the Ibaraki site conducted the same drill on November 4, 2022 with the President in attendance.

At both sites, the scenario used for the drills was of a fire that broke out during the daytime on a holiday. Ingenuity was required to minimize damage safely and quickly with the limited number of personnel available on a holiday, such as incorporation of large fire extinguishers as an initial response. Through drills that simulated a variety of situations, the participants acquired the ability to respond to fires, and reaffirmed their ability to mitigate disasters while protecting the safety of employees, thereby improving their disaster awareness and response capabilities.



Safety Inspection by the General Manager of the Manufacturing & Technology Division
(Plastics Processing Factory (Hyogo))



Safety Inspection by President
(Plastics Processing Factory (Ibaraki))

Disaster Prevention and Safety in Logistics

Kureha collaborates with Group companies involved in logistics to carry out training and education for disaster prevention and safety 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.



Training to simulate the difference between normal and abnormal conditions



Small-crew instruction



Delivery training

Moreover, at the Onahama Tank Facility, the main base for hazardous raw materials, to ensure prompt initial firefighting in the event of a high-pressure gas leak or fire, we conducted water sprinkling drills for tanks on September 29, 2022 and fire hose drills in the transfer station on November 29, 2022.



Sprinkling water on high-pressure gas tanks



Water fire hose drill



Water fire hose drill

Prevention of Equipment Accidents

Kureha is working to ensure stable operations at both the Iwaki Factory and the Plastics Processing Factory by promoting various initiatives to reduce accidents, strengthen disaster prevention and safety capabilities, and take measures to prepare for natural disasters, with the goal of maintaining zero serious equipment accidents.

At the Iwaki Factory, there was one serious equipment accident in fiscal 2022 (one in fiscal 2021) involving the leakage of flammable gas due to equipment damage, and six minor accidents (18 in fiscal 2021). Looking at the trend of accidents, five accidents were caused by human error by employees and partner companies, and two accidents were caused by defective or deteriorated equipment. In the analysis of the causes of equipment accidents that have occurred in recent years, the majority of accidents were caused by human error, such as confirmation errors, mishandling, and misjudgment, followed by accidents caused by insufficient equipment management.

Through strengthening our efforts in factory audits and static equipment inspections, the number of accidents at our facilities has been greatly reduced compared to fiscal 2021. In addition, we will introduce a method for understanding maintenance levels (Maintenance Optimum Strategic Management System, MOSMS) and create a database of case examples to ensure that recurrence prevention measures are thoroughly implemented and reflected in design, aiming to prevent equipment-related accidents and eliminate serious equipment-related accidents.

In addition, in order to minimize damage, including personal injury, in the event of a disaster, the Iwaki Factory has been systematically conducting small-scale drills and nighttime drills for each production department to repeatedly learn emergency procedures, thereby strengthening disaster prevention and safety capabilities and improving emergency response capabilities. Furthermore, in preparation for natural disasters, which have become increasingly severe in recent years, we are reviewing the establishment of operating standards for heavy rain and strong winds, confirmation of equipment integrity, response to flying debris, and employee safety assurance.

At the Plastics Processing Factory, there were three accidents in fiscal 2022 (nine in fiscal 2021). In a typical year, forklift accidents caused by human error account for approximately 75% of all accidents (seven accidents in fiscal 2021; approximately 78%). The Plastics Processing Factory, which is a production site, is required to ensure safe and stable production, and it is essential to ensure the safety of onsite logistics that support production activities.

Therefore, in fiscal 2022, we established new forklift operator classifications and ratings and rules accordingly, and began operating them in April. In addition, through activities to establish point and call to prevent human error, we were able to significantly reduce the number of accidents involving forklifts in fiscal 2022 to one (about 33% of the total). We will continue to prevent the recurrence of similar accidents by firmly establishing the point and call method and improving our ability to investigate the root causes of accidents and develop a safety framework.

Promoting Group-Wide Safety Activities

At the Kureha Group RC Council, held twice a year, examples of safety promotion activities and information on accidents to prevent similar accidents are shared among Group companies to promote safety activities as a united force.

Local Community

As a corporate group in the chemical industry, the Kureha Group has production sites in various regions and is engaged in production activities. We are committed to developing together with local communities through various contribution activities including economic, cultural, and educational activities, not to mention environmental preservation in the areas where we have production sites.

Kureha considers harmonious coexistence with local communities as one of its major themes, and is engaged in various activities to gain the trust of society and contribute to the development of local communities by maintaining good communication between local residents, Group companies, and employees, centered around main production sites.

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

Goals and Vision

Become a Group trusted by society through coexistence with the local community and ongoing risk communication.

Fiscal Year 2022 Plan

Communication

- Strengthen relationships and collaboration with local organizations, etc.

Fiscal 2022 Performance and Outcomes

Communication

- Continued to hold CSR regional dialogue meetings and Tamari Industrial Park liaison council meetings via paper to maintain relationships and collaboration.
- Advanced cooperation and collaboration with district councils, neighborhood associations, and local organizations (Some canceled due to the pandemic.)

CSR Local Dialogue Meeting

The Iwaki Factory, Kureha's main production site, has held annual CSR Local Dialogue Meetings since fiscal 2003 to report the Group's CSR activities to the local community and to provide an opportunity to exchange opinions.

Although the first meeting was held solely by Kureha, starting with the third meeting, neighboring Group companies have also participated. The fiscal 2019 meeting was held on November 15, and was attended by approximately 100 community members (government agencies, community organizations, neighborhood association board members, and neighborhood businesses). Group companies also set up booths to promote interaction with visitors. After the meeting, we also conducted a tour of our factory.

In fiscal 2020, due to the COVID-19 pandemic, we decided to conduct meetings through written correspondence such as explanatory materials. In fiscal 2021, however, we started individual visits in addition to holding written correspondence. In fiscal 2022, from November 30 to December 21, we visited 24 community organizations, 11 government agencies, 3 local newspapers, 3 business-related companies, and 5 Group companies to provide in-person explanations of the Group's activities.



The 17th CSR Local Dialogue Meeting
(held in fiscal 2019)



Group companies showcasing their initiatives at booths
(held in fiscal 2019)

Visit and Tour of Iwaki Factory (Canceled in fiscal 2020, 2021, 2022 due to the pandemic.)

The Iwaki Factory actively welcomes visitors from the local community to familiarize themselves with our production sites. We also hold Kureha Tours for employees' families.



Kureha Tour (conducted in fiscal 2018)



Kureha Tour (conducted in fiscal 2019)

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.

Support for Iwaki City's Countermeasures Against COVID-19

On weekday afternoons from May 10 to June 3, 2022, the Kureha Group collaborated with Kureha General Hospital to provide third doses of COVID-19 vaccines at the workplace. We set up a vaccination site in the multi-purpose hall of the Iwaki Factory and successfully administered the COVID-19 vaccine to 993 Kureha Group employees and their family members who had requested it. Our fourth-dose workplace vaccination campaign was canceled due to an anticipated significant decrease in the number of applicants due to a delay of more than one month from the implementation of vaccination at medical institutions and large vaccination sites.

Contributing to the Community Through Medical Care

Kureha-kai Medical Corporation (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). Since 1951, the hospital has been open not only to employees but also to the local community. In 1972, it became independent as Kureha-kai Medical Corporation (Kureha General Hospital), celebrating its 50th anniversary in fiscal 2022. As a core hospital in the southern sector of Iwaki City, it works closely with the community. 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 its patients and the community. Taking on part of the geriatric healthcare needs of Iwaki City, it opened a geriatric health services facility adjacent to the hospital called Gardenia in 2008, a visiting nursing station in 2013, and an integrated facility for medical and long-term care in 2019. These institutions practice team medical care, which includes nursing and long-term care under the guidance of physicians, as well as rehabilitation and nutritional guidance by professional staff. As for the COVID-19 pandemic that has spanned the past three years, in addition to PCR testing for outpatients with fever, the hospital has also provided vaccination (including workplace vaccinations) and taken on all positive patients requested by the government without refusal. On top of that, as a secondary emergency hospital, it has been admitting approximately 1,900 ambulance arrivals per year. Kureha-kai will continue to contribute to the realization of a safe and prosperous local community as a multifunctional medical care center in southern Iwaki City through safe and high-quality medical care services.

Number of users

		Unit	FY2021	FY2022
Kureha General Hospital	Total number of inpatients	Thousands of people	51	50
	Total number of outpatients	Thousands of people	90	91
	Total number of users of health management center	Thousands of people	16	17
	Number of ambulance responses	Ambulances	1,460	1,918
Gardenia	Total number of residents (including short-term residents)	Thousands of people	34	33
	Total number of day care users	Thousands of people	6	5
Home nursing station	Total number of users	Thousands of people	1	1
Nursing home	Total number of residents	Thousands of people	13	12

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



Geriatric health 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. In July 2014, Kureha established Sunshine Kureha as a special subsidiary* within the Iwaki Factory in the hope of further strengthening our relationship of mutual support with the local community, and to work toward achieving such an inclusive society. Since its establishment, Sunshine Kureha employees with physical, intellectual, and mental disabilities have worked together with able-bodied employees while making the most of their unique capabilities. We also accept students from local special education schools for work training and experience, and visit schools to conduct recruitment activities.

We use a public employment service center (Hello Work) to find people with disabilities who are motivated and aim for independence to hire through a process of touring the workplace, practical training, and interviews. To ensure that our employees can enjoy a long work life, we create a support network between ourselves, families, and support organizations and conduct periodic interviews.

Since fiscal 2022, we have included in our Management Policy "to actively provide employment opportunities for people with disabilities and support their independence." We will apply the know-how we have accumulated in the employment of people with disabilities to the Kureha Group, aiming to achieve an inclusive society.



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](#)

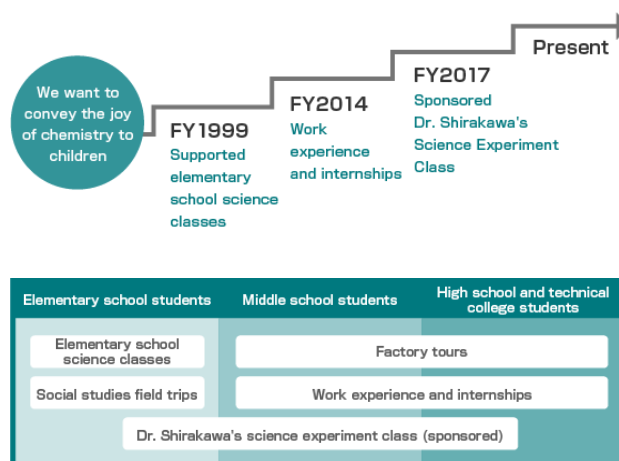
Educational Support

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.

Goals and Vision
Become a Group trusted by society through coexistence with the local community and ongoing risk communication.
Fiscal Year 2022 Plan
Development of the next generation of personnel <ul style="list-style-type: none"> Continue to provide educational support through tours, internships, etc.
Fiscal 2022 Performance and Outcomes
Development of the next generation of personnel <ul style="list-style-type: none"> In addition to conducting online tours, resumed some face-to-face educational opportunities due to the easing of COVID-19 restrictions.

Overview of Educational Support

In response to the problem of a decreased interest in science among children, we started an education campaign to support the next generation with the hope of conveying the joy of chemistry and its future possibilities. This activity, which started at the Iwaki Factory, has now spread to our other business sites. We provide support activities in various forms, such as science classes and work experience, for youth of all ages, from elementary school students to high school and technical college students.



Supporting Elementary School Science Classes: Teaching Kids that Chemistry is Fun! (Canceled in Fiscal 2020, 2021, 2022 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 23 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)



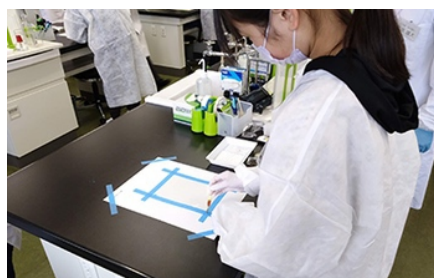
Messages of thanks from students

Sponsored Dr. Shirakawa's Science Experiment Class

Since fiscal 2017, Kureha has 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. The event was postponed in fiscal 2020 and 2021 due to the pandemic, and resumed in fiscal 2022, hosted by the Children's Experiential Science Museum O-Labo (Oita University, Oita City).



Hideki Shirakawa giving a lecture



Dr. Shirakawa's science experiment class

Company Tours for Middle and High School Students, Technical College Students, and Nursing Students

The Iwaki Factory conducts tours for nearby middle and high school students and technical college students to learn about the facilities and work in the chemical plant. Lectures include an introduction to three-shift work schedules at production sites and how production equipment works, as well as advice on career choices from graduates of the same school who are working at Kureha. In fiscal 2021 and 2022, amid the COVID-19 pandemic, we held summarized presentations, online sessions, and visits to schools to explain our Company. In addition, the Hyogo site of the Plastics Processing Factory provides opportunities for nearby nursing students to learn about employee work styles and examples of how to create an environment that promotes health as part of their Public Health Activities for Workers class.



Kureha presentation at a middle school



Nursing students in class

Work Experience and Internships

The Iwaki Factory accepts local middle school students, high school students, and technical college students for work experience and career education opportunities.

- Middle school students
Simulation of the dangers hidden in production sites, emergency lifesaving training, and practical training on the importance of safety awareness (1 day)
- High school students
Practical training to experience operation management at production sites (3 days)
- Technical college students
Practical training to learn about experiments and analysis work at manufacturing sites and laboratories, and the differences between experiments conducted at school and in corporations (5 to 10 days)

We also accept local high school students for internships at our Plastics Processing Factory.

- High school students
Practical training in the manufacturing process of NEW Krewrap



Work experience (middle school students, Iwaki Factory)



Internship (high school students, Iwaki Factory)



Practical training (technical college students, Iwaki Factory)



Internship (high school students, Plastics Processing Factory, Hyogo site)

Food Education Promotion Activities

With the aim of stimulating children's and families' interest in food, the annual Parent-Child Bento Day was created, which serves as an opportunity to hold Bento Contests and food education lectures for elementary school students in Iwaki City. These events are sponsored by supermarket Maruto Co., Ltd. and other local food companies, and Kureha also enjoys supporting the Bento Contest by serving as a judge and helping with the awards ceremony, as a way to contribute to the healthy upbringing of local children. Although the contest was scaled down due to the pandemic in fiscal 2022, it was still a success.



Maruto Co., Ltd. Bento Contest

External Recognition

Registered as an Organization Supporting Environmental Education and Certified as a Company Supporting Family Education by Fukushima Prefecture

In January 2017, the Iwaki Factory was registered as an Organization Supporting Environmental Education (a system for registering private organizations and businesses that conduct lectures and hands-on nature activities related to environmental preservation and restoration) by Fukushima Prefecture. In fiscal 2019, we were also certified as a Company Supporting Family Education (a program to certify companies that work to create an environment to promote family education) sponsored by the Fukushima Prefectural Board of Education. We will continue to enhance our support of local communities by utilizing our facilities and human resources, such as company tours, work experience programs, and rental company facilities such as Kureha's sports grounds.



Certificate of Registration as an Organization Supporting Environmental Education



Certificate as a Company Supporting Family Education

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.

Goals and Vision
Become a Group trusted by society through coexistence with the local community and ongoing risk communication.
Fiscal Year 2022 Plan
[Culture and Sports Exchange] • Participate in community events.
Fiscal 2022 Performance and Outcomes
[Culture and Sports Exchange] • Most events canceled to prevent the spread of COVID-19.

All Kureha Sports Festival (Canceled in fiscal 2020, 2021, 2022 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, 2022 due to the pandemic.)

Iwaki Odori is a traditional public dance event held in the Iwaki City every summer since its inception in 1960. 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)

Initiatives at the Plastics Processing Factory

Our Ibaraki and Hyogo sites participate in local council events in order to deepen exchanges with local residents for the purpose of harmonious coexistence, contribution to, and interaction with the local community.



Hyogo site employees participate in the local "Radio Calisthenics" summer circuit

Volunteering and Donating

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

Expenditures on Social Contributions

In fiscal 2022, our donation expenditure* totaled approximately 22 million yen. Donations to specified public interest corporations amounted to about 15 million yen, donations including those for human capital development in the chemical field amounted to about 6.8 million yen, and donations to the Japanese Red Cross Society and other organizations amounted to about 150,000 yen.

* Expenditures include in-house products as well as money donations.

Blood Drive

The Iwaki Factory cooperates in blood drives at the request of the Japanese Red Cross Society. Blood drives are usually planned to be conducted three times a year, but we also make impromptu accommodations when there is an urgent need. We began doing blood drives in July 1987, and since fiscal 2019, we have also been registering with the Japan Marrow Donor Program at the same time.



Employees donating blood

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 and confirmed November 16, 2022), published by the Center for Cancer Control and Information Service, a part of the National Cancer Center

Support for the United Nations World Food Programme

Currently, more than 800 million people* in the world are suffering from hunger. In order to contribute to the reduction of food loss through use of household products such as NEW Krewrap to preserve tasty leftovers that do not go to waste, starting in 2022 we have launched an initiative to support the United Nations World Food Programme (UN WFP) mission to eradicate hunger. We are conducting donation activities to support school lunches and maternal and child nutrition through participation in the Thanks for the Food Challenge organized by Japan Association for the World Food Programme, which is the official authorized NPO support contact for the UN WFP in Japan, and our own food loss campaign.



* Source - FAO "The State of Food Security and Nutrition in the World" (SOFI) 2022

Sponsorship of the 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)

Cap Collecting to Support Vaccinations

Since fiscal 2008, the Iwaki Factory has been participating in a campaign to collect plastic bottle caps to support vaccinations for children around the world. Although the program was temporarily suspended due to the absence of a collection agency, it was resumed in fiscal 2022, and a total of approximately 170 kg of plastic bottle caps was collected in a single year and donated to the Interact Club of Iwaki Agricultural High School. The Hyogo site of the Plastics Processing Factory has also been participating in the cap collection campaign of the Tamba City International Association since fiscal 2015 by donating their collected caps to the association.



Deposit to the Interact Club of Iwaki Agricultural High School



Donation to Tamba City International Association

Human Rights Efforts

As the Kureha Group engages in corporate activities in many countries and regions, we view the consideration of human rights in accordance with international standards as a material issue in our sustainability management. The Kureha Group Charter of Corporate Behavior states, "We respect the human rights of all people affected by our corporate activities." In every scenario, we conduct our corporate activities with respect for the human rights of all stakeholders.

- ↓ Human Rights Policy
- ↓ Management System
- ↓ Human Rights Due Diligence
- ↓ Education
- ↓ Grievance Mechanism
- ↓ Other Efforts

Human Rights Policy

On April 1, 2023, based on international standards such as the Guiding Principles on Business and Human Rights approved by the United Nations in 2011 and on input from outside experts, the Kureha Group established its Group Human Rights Policy.

Under this policy, the Kureha Group will undertake assured human rights due diligence and will advance initiatives aimed at ensuring respect for the human rights of all stakeholders in our own corporate activities and business relationships.

Kureha Group Human Rights Policy

As stated in our corporate philosophy, "we treasure people and the natural environment." The Kureha Group is committed to respect for human rights in our business activities and our business relationships.

To further promote Group-wide efforts to respect human rights, we have established the Kureha Group Human Rights Policy, based on the United Nations Guiding Principles on Business and Human Rights (hereinafter referred to as the "Guiding Principles") and it has been approved by the Board of Directors of Kureha Corporation.

Based on this policy, we will advance respect for internationally recognized human rights while collaborating and cooperating with stakeholders.

1. Basic philosophy

The Kureha Group understands the businesses may directly and indirectly impact on human rights. We respect the human rights* set forth in the United Nations International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

* These human rights include freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment, as set forth in core labor standards of the ILO.

2. Scope of application

This policy applies to all officers and employees (including non-regular employees) who work for the Kureha Group. We expect all our business partners, including partners in the value chain, to understand and support this policy and to respect human rights.

3. Our responsibility to respect human rights

By avoiding involvement in adverse human rights impacts through our own activities or business relationships and by taking appropriate measures to remediate any adverse human rights impacts that we identify we have caused or contributed to in line with the "Guiding Principles," we will fulfill our responsibility to respect human rights and will build responsible value chains.

4. Respect for human rights through our business activities

The Kureha Group will address human rights issues, including the following.

- We respect the basic rights of workers, including the freedom of association and the right to collective bargaining.
- We promote the improvement and enhancement of occupational health and safety in order to ensure safety.
- We comply with the laws and regulations of the countries and regions in which we engage in business, manage employees' working hours properly, and pay appropriate wages and benefits.
- We prohibit any form of discrimination or harassment.
- We prohibit child labor, unfair low-wage labor, or modern slavery including forced labor, human trafficking or the employment of workers under the age of 18 (young workers) for working at night, overtime, or in jobs that endanger their health or safety.
- We respect privacy and handle personal information properly in compliance with relevant laws and regulations.
- We respect the human rights, including the safety and health, of local communities.

We will seek, on a priority basis, to prevent and mitigate actual and potential adverse human rights impacts that are most severe or where delayed response would make them irremediable.

5. Education

The Kureha Group will conduct education for all officers and employees (including non-regular employees) to ensure that this policy is incorporated into all business activities and is embedded effectively.

6. Human rights due diligence

Based on the "Guiding Principles," the Kureha Group will establish a system of human rights due diligence, will identify any adverse human rights impacts that may be imposed through our business activities and our business relationships, and will construct continuous processes for the prevention and mitigation of such impacts.

7. Remediation

If the Kureha Group identifies that it has caused or contributed to adverse human rights impacts through our business activities or our business relationships, we will address the remediation of such impacts through legitimate processes.

If adverse human rights impacts in the value chain are found directly linked to our operations, or products or services by our business relationships, we will cooperate with our business partners and seek to prevent or mitigate the impacts.

We will provide an effective grievance mechanism for individuals and communities who may be subject to adverse human rights impacts in our business activities and business relationships.

8. Dialogue with stakeholders

In order to implement this policy, the Kureha Group will engage in sincere dialogue and consultation with our stakeholders including customers, business partners such as suppliers,

shareholders and investors, employees, internal and external expertise, local communities, and rights holders who may be affected by our business activities.

9. Information disclosure

Through our website and other means, the Kureha Group will disclose information on the progress of our efforts toward respect for human rights under this policy.

10. Applicable law

The Kureha Group complies with applicable laws and regulations in the countries and regions in which we engage in business activities.

When the laws and regulations of countries and regions differ from international norms, we will comply with the laws and regulations of the countries and regions while pursuing ways to respect international standards for human rights.

Established on April 1, 2023



Yutaka Kobayashi
KUREHA CORPORATION
President & Chief Executive Officer

Goals and Vision

Follow and comply with the Kureha Group Ethical Charter throughout the Group.

Fiscal Year 2022 Plan

- Implement compliance education for new employees upon joining the Company.

FY2022 Performance and Outcomes

- Implemented compliance education for new employees, including education on respect for human rights, and promoted understanding of Kureha's compliance system and approach to respect for human rights. (Number of participants: 65; coverage: all new Kureha employees, including mid-career hires; coverage rate: 100%).
- Explained the topic of business and human rights at a CSR briefing for Kureha employees and promoted understanding of our approach to respect for human rights. (Number of participants: 1,008; coverage: Kureha employees; coverage rate: 60%).

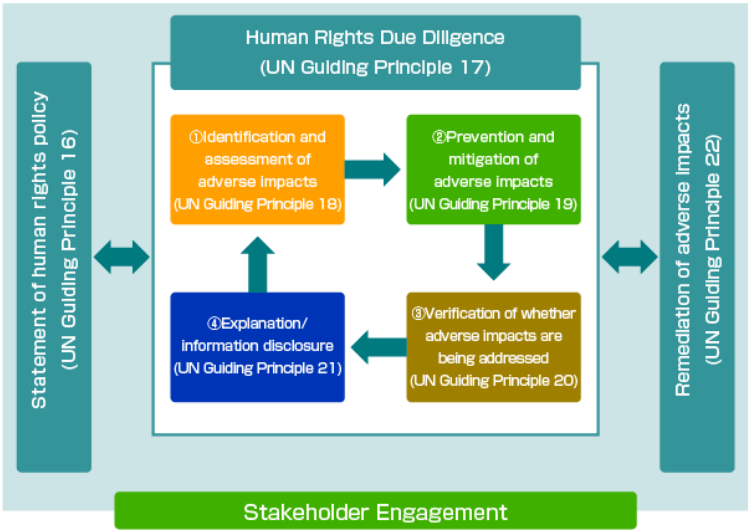
Management System

Based on the Kureha Group Human Rights Policy, we established a Human Rights Subcommittee as a body under the Sustainability Coordination Committee that was established in April 2023. A director or vice president serves as the chair of the Sustainability Coordination Committee. Departments of the Company with connections to human rights participate in the Human Rights Subcommittee, which oversees human rights due diligence and other initiatives aimed at respect for human rights, formulates annual plans, and manages progress of the plans. Progress and outcomes are reported to the Sustainability Coordination Committee, under appropriate supervision by top management.

Human Rights Due Diligence

Human rights due diligence refers to the series of actions by which a company identifies, prevents, and mitigates adverse impacts on human rights within the company, group companies, suppliers, and other parties, evaluates the effectiveness of efforts, and explains and discloses information on methods for dealing with adverse impacts.

Overall Picture of Corporate Human Rights Efforts



* Adapted by Kureha from the "Handbook for Management that Respects Human Rights," Japan Business Federation (Keidanren)

In fiscal 2022, with reference to materials from government bodies, international organizations, and other sources, we conducted an analysis of the potential for adverse impacts on human rights (human rights risks) in connection with the Kureha Group's business activities, and selected material human rights issues. To assess the current state of human rights in the Kureha Group and our related initiatives, we conducted a questionnaire-based survey of our entire Group (Kureha and 28 consolidated subsidiaries), following international human rights standards.

Since 2017, Kureha has also conducted ongoing questionnaire-based surveys of our business partners to assess their understanding of CSR issues, including human rights and labor, and to assess risks related to CSR. Through these surveys, we are working to better understand human rights risks in the supply chain and to further our communication with business partners with the aim of reducing risks.

→ [Purchasing and Procurement](#)

From fiscal 2023, we will undertake full-fledged activities in line with our human rights due diligence process, acting under the structure that we established on the basis of the new Kureha Group Human Rights Policy.

Education

The Kureha Group has created a Compliance Code of Conduct manual. Referencing concrete cases involving violations of compliance and of human rights, we are working to deepen understanding of these issues throughout the Group. We are also making active use of e-learning to deepen understanding of human rights, including concepts of internationally proclaimed human rights.

Education for Staff and Exchanges of Ideas with Experts

To boost the effectiveness of our initiatives aimed at respect for human rights, in fiscal 2022 we held exchanges of ideas with experts on topics including human rights policy proposals, and made the training below a part of our human rights training for staff.

- Training

Business and Human Rights Academy/Human Rights Due Diligence Training conducted by the United Nations Development Programme (UNDP)

- Exchanges of ideas with outside experts

Business and Human Rights Academy/Individual Guidance Sessions with domestic and overseas experts conducted by the UNDP

Employee Education

With the aim of effectively establishing the Kureha Group Human Rights Policy and incorporating it into all of our corporate activities, we will expand employee training on human rights throughout the Kureha Group.

Grievance Mechanism

The Kureha Group has established a consultation desk (i.e., hotline) for use in making reports or requesting counsel when an employee has become aware of problematic behavior, has doubts, or is unsure of judgment calls involving compliance. This hotline covers human rights-related matters as well. To encourage use of the hotline, we have set up an external consultation desk staffed by attorneys and a special harassment desk staffed by female counselors. Our regulations prohibit any unfair treatment of persons who use the hotline for reporting or counseling.

In fiscal 2022, no cases of discrimination or significant adverse impacts on human rights related to the business continuity of the Kureha Group were confirmed through the above hotline.

Among human rights issues that did not go through the hotline, too, there were no confirmed cases of significant adverse impacts on human rights.

Other Efforts

Respect for Human Rights through Responsible Procurement

To avoid any complicity in conflicts or human rights violations in the sourcing of raw materials, Kureha cooperates with business partners in conducting surveys of responsible mineral sourcing and surveys of procurement from high-risk areas.

✓ Responsible Mineral Sourcing

Conflict minerals (gold, tin, tantalum, and tungsten) provide sources of funds for armed groups in the Democratic Republic of the Congo and neighboring countries, creating international problems by contributing to environmental destruction and to conflicts and human rights violations. Similar problems have been noted with cobalt produced in the Democratic Republic of the Congo, and a new need has arisen to address the involvement of child labor in mica mining in India and Madagascar.

Kureha recognizes the problems surrounding these minerals, including cobalt and mica, as material issues that involve human rights. We conduct surveys and share information with business partners to ensure that we avoid raw materials made using target minerals from smelters, refiners, and producers that do not possess Responsible Minerals Initiative (RMI)* verification.

In fiscal 2022, as a result of surveys tracing the supply chain, no use of target minerals through non-RMI-certified business operators was identified for products manufactured and sold by Kureha.

* Responsible Minerals Initiative (RMI): An organization that leads initiatives related to responsible mineral sourcing. Over 400 companies and organizations around the world take part in the initiative.

✓ 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 recognizes this issue as one involving human rights, in the same manner as problems surrounding conflict minerals. We conduct surveys and share information with business partners to ascertain that the Xinjiang Uyghur Autonomous Region is not involved in products that Kureha manufactures and sells.

In fiscal 2022, our surveys did not confirmed any products for which procurement of raw materials or manufacturing in the Xinjiang Uyghur Autonomous Region is suspected.

Governance Report

Strengthening our corporate governance is a key management issue for Kureha in achieving continuous enhancement of our corporate value and building strong relationships of trust with our stakeholders. Our Company has established Corporate Governance Guidelines that set forth our basic approach and policies regarding corporate governance and demonstrate our stance to shareholders and investors.

Corporate Governance →	Ethics and Compliance →
Risk Management →	Intellectual Property →

Corporate Governance

Following our Corporate Governance Guidelines, we will enhance the transparency of our management and secure relationships of trust with our stakeholders as we continue to grow as a company and fulfill our social responsibilities. We will also work to enhance and improve the effectiveness of corporate governance throughout our Group. See details at the link below.

→ [Corporate Governance](#)

Goals and Vision

Following our Corporate Governance Guidelines, engage in fair and transparent management of the Kureha Group.

Fiscal Year 2022 Plan

- Review the effectiveness of the Board of Directors and the operational status of our internal control system.
- Within the Group, disseminate matters for deliberation by committees.

Fiscal 2022 Performance and Outcomes

- Held deliberations on matters including the size and composition of the Board of Directors, its operation, its discussions, nominations, remuneration, and audits, based on questionnaire surveys of directors and other parties. Through this, we confirmed that no items involved matters requiring immediate action and that the effectiveness of the Board of Directors overall is ensured. Disclosure of the review in the Corporate Governance Report.
- Deliberated the operational status of our internal control system within the Board of Directors and released a summary of its operational status in our Business Report.
- Within the Group, disseminated matters for deliberation by the Compliance Committee through Group information exchange meetings, and disseminated matters for deliberation by the Risk Management Committee during the process of reviewing the status of risk countermeasures.

Assessment of the Effectiveness of the Board of Directors

To enhance the functioning of the Board of Directors, our Company analyzes and evaluates the effectiveness of the board every year and releases a summary of the findings. In order for the Board of Directors to fulfill its roles, function at a high level, share information on essential issues, and hold discussions on initiatives to resolve issues, in fiscal 2022 we adopted a questionnaire that concretely describes matters calling for further improvement and priority matters for discussion. The findings of the questionnaire then undergo discussion by the Board of Directors.

→ [Corporate Governance Structure](#)

Ethics and Compliance

The Kureha Group recognizes compliance – the foundation for sustainability management that pursues sustainable development for society and the company – as a material issue in sustainability. In all aspects of corporate activities, the management and employees of our Group companies comply with domestic and international laws and regulations and conduct activities in line with social norms.

- ↓ Compliance Structure
- ↓ Initiatives for Compliance Education and Awareness Raising
- ↓ Whistleblowing System
- ↓ Tax Compliance

Goals and Vision

All employees and members of management comply with laws, regulations, and social norms, as well as the spirit of these, in the conduct of corporate activities, always acting in accord with social decency.

Fiscal Year 2022 Plan

- Implement compliance education for employees.
- Implement compliance education at Group companies.

Fiscal 2022 Performance and Outcomes

[Implement compliance education for employees]

- Raised awareness of compliance by conducting introductory education for new hires, e-learning for new hires and newly promoted executives, etc.

[Implement compliance education at Group companies]

- Raised awareness of compliance by selecting and implementing e-learning content matched to individual companies' circumstances and by conducting compliance education matched to individual companies' businesses.

Compliance Structure

The Kureha Group has established the Kureha Group Ethical Charter as its code of conduct for management and employees to follow, and has conducted its activities in line with social norms while complying with relevant domestic and international laws and regulations. In recent years, however, the business environment has undergone dizzying changes, as seen in globalization, technological innovation, and the adoption of the SDGs by the United Nations.

In response, in April 2023 we reviewed the Kureha Group Ethical Charter to encourage actions that take ESG (Environment, Society, Governance) aspects into consideration alongside conventional compliance matters, and established the Kureha Group Charter of Corporate Behavior, which seeks to achieve a sustainable society alongside sustainable growth for our Group.

Our Compliance Subcommittee, an organization under our Sustainability Coordination Committee, conducts training using a Compliance Handbook that contains the Compliance Code of Conduct to instill in all employees an awareness 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 structures, including compliance, in internal audits of the Group.

In fiscal 2022, there were no employee terminations due to non-compliance and no fines, penalties, or settlements related to corruption.

Initiatives for Compliance Education and Awareness Raising

Through compliance awareness surveys and information exchange meetings on the topics of incident response and education at Kureha and Group companies, the Kureha Group is making efforts to foster a compliance mindset at the Group level and to maintain and strengthen its compliance structure.

- Compliance awareness surveys (including at Group companies)
- Information exchange meetings on the topics of incident response and education at Kureha and Group companies
- Education on security export control
- Reviews of antitrust law compliance, personal information protection, etc.

Main Educational Initiatives (fiscal 2022)

Category (targeted persons)	Content	Number of participants
Introductory education (new hires)	Compliance structure and whistleblowing system, explanation of items in the Group Ethical Charter, protection of personal information	65
Compliance education (employees newly promoted to executives)	Compliance structure and whistleblowing system, mechanisms of fraud, initiatives related to antitrust law	20
e-learning (employees promoted to executives)	Dai-ichi Hoki Co., Ltd. "Introduction to Compliance for Working People"	20
e-learning (new hires, seconded employees)	JMA Management Center Inc. "Basic Course on Corporate Ethics and Compliance"	73

Whistleblowing System

We also have a hotline-based whistleblowing system that employees can use if they discover a compliance problem, have a question, or are unsure of how to handle something. Compliance advice on product safety, human rights, the environment, health and safety, fair and free competition, and relations with politics, government, and society is also available through the hotline. Internal rules prohibit disadvantageous treatment of persons for reporting or consulting via the hotline.

To encourage use of the hotline, we have set up an external consultation desk staffed by attorneys and a special harassment desk staffed by female counselors. We have also introduced an in-house leniency program that lessens discipline taken against those who voluntarily report their own violations.

In fiscal 2022, 12 cases of whistleblowing occurred. Five cases were reported to the Board of Directors in light of their severity, and disciplinary action was enacted in accordance with internal regulations for cases that require disciplinary action.

	FY2019	FY2020	FY2021	FY2022
The number of reports*	2	10	6	12

* 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.

By ensuring transparency in taxation along with timely and appropriate payment of our tax obligations under this policy, we aim to contribute to economic and social development in every country and region where we operate.

✓ 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.

Established June 2022

Kureha Corporation

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 Subcommittee, we extract, analyze, and rate risks, then consider and implement countermeasures for high-priority 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

Basic Policy on Risk Management

With the approval of our Board of Directors, Kureha has established the following Basic Policy on Risk Management.

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

Acting under the supervision of the Risk Management Subcommittee (a body under the Sustainability Coordination Committee which is under the direct control of the President), the departments and subcommittees appropriate to the classification of risks accompanying business activities take charge of risk management, in cooperation with the departments that directly address individual risks.

The Risk Management Subcommittee works to build our risk management system and verify implementation processes, while preventing oversights and omissions in the recognition of high-priority risks from a company-wide (i.e., management-level) perspective.

Goals and Vision

Establish a risk management system and ensure a structure that enables the minimization of damage and the continuation of our corporate activities when unforeseen events occur.

Fiscal Year 2022 Plan

- Instill risk management activities at Group companies.
- Instill BCP within the Company and within the Group by making guidelines known.

Fiscal 2022 Performance and Outcomes

- Amid the spread of COVID-19, Group companies enacted appropriate preventive measures in line with their business conditions, successfully continuing business without major impacts.

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 Subcommittee 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 the results of monitoring to the Risk Management Subcommittee. Reports are submitted by the Subcommittee to the Sustainability Coordination Committee, which verifies the results of monitoring and, in line with the results of verification, provides necessary instruction to the supervising department.

The Risk Management Subcommittee reports on the status of the above to the Executive Committee and the Board of Directors through the Sustainability Coordination Committee, and releases timely updates on responses to major high-priority risks as appropriate.

→ [Annual Securities Report, Business Risks \(Japanese Only\)](#) 

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.

With the recent worldwide spread of the COVID-19 pandemic, we revised our Guidelines for Control of New Infectious Disease on the basis of the various measures we undertook to prevent the spread of COVID-19 and to ensure the safety of our employees. We created new COVID-19 response manuals matched to the specifics and circumstances of our head office and business sites, ensuring business continuity.

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

Kureha has established basic policies for information security and maintains the availability, integrity, and confidentiality of the information assets of our Group, managing information appropriately through an information security management system.

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. In fiscal 2021, we brought all of our Group companies into compliance with these policies. In fiscal 2023, we will undertake an inspection and revision of our global information security policies to meet the latest security threats.

Information Security System

We established an Information Security Subcommittee under the Sustainability Coordination Committee, and have built and operate an Information Security Management System (ISMS) conforming to JIS Q 27001:2014 in order to effect continuous improvements to our information security. In fiscal 2019, we set up a Computer Security Incident Response Team (CSIRT) and a system to minimize information security incidents. We are also undertaking a review of our workflows and systems to address major threats and enable immediate action by the CSIRT.

Goals and Vision

Prevent the occurrence of information security incidents.
In the event of an incident, carry out appropriate information disclosure and prompt recovery.

Fiscal Year 2022 Plan

- Information security incidents: Zero.
- Fully comply with critical measures in departments subject to information security risk assessments.
- Strengthen measures against new cyberattacks.
- Implement information security measures for our research and production facilities and equipment.

Fiscal 2022 Performance and Outcomes

- Information security incidents: Zero.
- Conducted information security risk assessments at 23 departments and seven Group companies to ensure full compliance with critical measures. This periodic risk assessment has helped us to better understand the information security threats that could occur at Kureha and measures to control them.
- Implemented information security measures for research departments facilities and equipment in 16 departments and production facilities and equipment in 13 departments; improved effectiveness of measures.

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
We have introduced systems to detect and block incoming cyberattacks and to minimize damage when intrusion is detected. We maintain stable operation of the system through 24/7 year-round monitoring by a security 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 maintain a system of high-level security at all times through regular diagnostics by security vendors and through measures to strengthen security in response to cyberattacks, which are increasing in sophistication and ingenuity day by day.
4. Educate and train about information security
We continually provide information security education to all employees. We also conduct drills that simulate targeted email attacks to train users in proper responses to suspicious email.
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

We have introduced cloud services that incorporate disaster countermeasure environments for our enterprise system and internal email system. We make use of robust data centers in Japan, taking into account disaster countermeasures for our electronic file system as well.

Intellectual Property

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

Basic Policy for our Intellectual Property Strategy

To grow, promote, and facilitate our business activities, Kureha engages in intellectual property activities based on the following basic policies.

1. Formulation and execution of intellectual property strategies for the resolution of management issues
2. Acquisition and utilization of intellectual property rights to secure business competitiveness
3. Elimination of obstacles to business originating in the intellectual property rights of other parties







Intellectual Property Activities

Our main intellectual property activities are as follows:

- We formulate and execute intellectual property strategies that utilize analyses of the competitive environment based on patents, markets, competitive information, and other factors, in collaboration with relevant departments of the Company.
- We consider the usefulness in business of intellectual property rights and secure usable rights that can be exercised against other companies. We also maximize the restraining power of our specific intellectual property rights to build effective high barriers to entry.
- We conduct regular intellectual property clearance surveys for every product and in-development work, and strive to prevent infringement of the intellectual property rights of other parties.
- We conduct annual conferences among our laboratories, business department, and Intellectual Property Department to make appropriate intellectual property investments in line with our business plans and R&D plans.

Kureha Group's Products and Contributions toward Resolving Social Issues

The Kureha Group has set "contribution toward resolving social issues" as one of its material issues and 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). The Group has set the environment and energy, life, and digital communications as high-priority categories for contributions to the development of a sustainable society. And in our "if it doesn't exist, create it" spirit, we will strengthen our development and technological capabilities based on our strengths of accumulated technology and expertise to work to solve environmental issues and create products that contribute to society.

High priority categories	Kureha Group products	Contribution of products to issues	Contribution to development of a sustainable society	SDGs
Environment and Energy	Polyvinylidene Fluoride (PVDF)	Reducing CO ₂ emissions by developing lithium-ion battery binders for EVs	<ul style="list-style-type: none"> Mitigating global warming Supplying clean energy Stably supplying energy resources 	
	Polyphenylene Sulfide (PPS)	Saving energy and reducing CO ₂ emissions through reduced vehicle weight and demetallization by providing thermally stable, high-strength materials		
	Polyglycolic Acid (PGA)	Efficiently securing energy resources by developing efficient drilling tools for shale gas		
	Carbon Products GASTAK	Reducing environmental impact by providing spherical activated carbon and proprietary equipment and by cleansing wastewater and exhaust fumes		
Life	Household Products	Reducing household food waste by providing easy-to-use, high-performance household products	<ul style="list-style-type: none"> Reducing food loss Securing a safe and stable food supply Improving food productivity 	
	Packaging Materials	Improving food transportation and preservation by providing high-performance films and packaging equipment		
	Agrochemicals	Improving agricultural productivity by developing safe, low-dose agrochemicals to protect crops from disease		
Digital Communications	PVDF Piezo	Advancing digital communication technology, including sensor materials by developing ferroelectric resin films	<ul style="list-style-type: none"> Developing a smart IoT society Developing a digital communication society 	
	Carbon Fiber	Manufacturing semiconductor products, etc., and developing industries by being applied to high-performance heat insulators, etc.		

Environmentally and Socially Friendly Products

The Kureha Group is developing products and businesses with the wish 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).

Under the new mid- to long-term management plan, we will promote the manufacturing of differentiated products with our unique technologies in the high priority categories of the environment and energy, life, and digital communications for solving social issues.

[↓ Environment](#) [↓ Life](#)

Environment

"KF Polymer" Polyvinylidene Fluoride (PVDF)

Contributing to Mitigating Global Warming



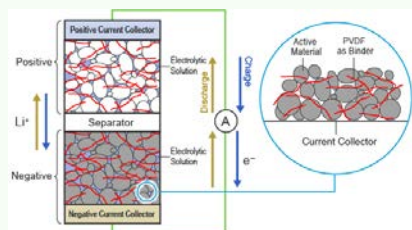
Binders for lithium-ion batteries on electric vehicles reduce CO₂ emissions

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

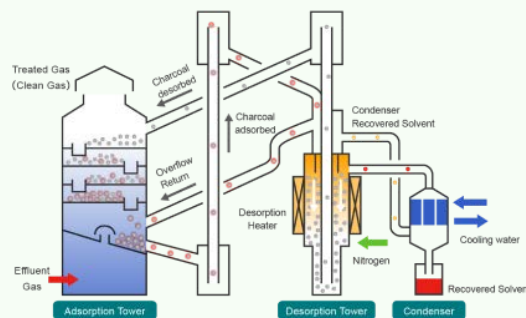
GASTAK, Fluidized-Bed Adsorption Type VOC Recovery & Deodorization Equipment

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.

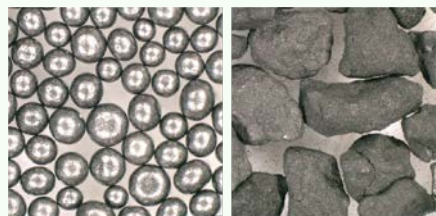


Basic system of GASTAK

→ [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.

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 sustainability 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 2022 to March 2023). However, some sections of this report may refer to the calendar year (from January 2022 to December 2022) or activities after April 1, 2023.



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 Sustainability English site → FAQ/Contact(CSR Department)
2-4	Restatements of information	<ul style="list-style-type: none"> → ESG Data Collection (Environment)  → (Information on external certification) 
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 → Kureha Group's Sustainable Product Development → Value Chains and CSR Activities → Major purchasing items
2-7	Employees	→ ESG Data Collection (Social) 
2-8	Workers who are not employees	→ ESG Data Collection (Social) 

3. Governance

Standard		Disclosure
2-9	Governance structure and composition	<ul style="list-style-type: none"> → Corporate Governance Structure → 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	<ul style="list-style-type: none"> → Corporate Governance Structure → 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	<ul style="list-style-type: none"> → Corporate Governance Structure → 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	<ul style="list-style-type: none"> → Promotion of Sustainability Activities → Annual Securities Report, Sustainability Philosophy and Initiatives (Japanese Only) 
2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> → Promotion of Sustainability Activities
2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> → Promotion of Sustainability Activities
2-15	Conflicts of interest	<ul style="list-style-type: none"> → Corporate Governance Guidelines I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information 
2-16	Communication of critical concerns	<ul style="list-style-type: none"> → Whistleblowing System
2-17	Collective knowledge of the highest governance body	—
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> → Assessment of the Effectiveness of the Board of Directors
2-19	Remuneration policies	<ul style="list-style-type: none"> → Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) 
2-20	Process to determine remuneration	<ul style="list-style-type: none"> → Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) 
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> → 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	<ul style="list-style-type: none"> → Compliance Structure → Initiatives for Compliance Education and Awareness Raising → Risk Management System → Information Security System
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> → Kureha Group Charter of Corporate Behavior → Grievance Mechanism → 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, Battery Association for Supply Chain, United Nations Global Compact

5. Stakeholder engagement

Standard		Disclosure
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> → Promoting Dialogue with Stakeholders → Dialogue with Shareholders and Investors → Customer Engagement → CSR Survey → Labor-Management Relations → CSR Local Dialogue Meeting
2-30	Collective bargaining agreements	<ul style="list-style-type: none"> → Labor-Management Relations <p>Percent of labor union members 100%*</p> <p>* $\text{Number of labor union members} \div \text{Number of eligible people} \times 100$ (excluding those stipulated in the labor agreement)</p>

3 : Material Topics

GRI 3 : Material Topics 2021

Standard		Disclosure
3-1	Process to determine material topics	→ Steps for Identifying Material Issues
3-2	List of material topics	→ Material Issues and Sustainability Issues
3-3	Management of material topics	→ Management System Audit → Material Issues and Sustainability Issues

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)  → Expenditures on Social Contributions
201-2	Financial implications and other risks and opportunities due to climate change	→ 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	→ Labor-Management Relations → Recruitment Requirements (Japanese Only)
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	→ Expenditures on Social Contributions There were no significant indirect economic impacts identified.

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 Structure → Initiatives for Compliance Education and Awareness Raising
205-2	Communication and training about anti-corruption policies and procedures	→ Initiatives for Compliance Education and Awareness Raising
205-3	Confirmed incidents of corruption and actions taken	→ Compliance Structure No instances of fines.

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	→ 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	→ Energy Use → 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	→ Water Use and Prevention of Water Pollution → Production Site
303-2	Management of water discharge-related impacts	→ Water Use and Prevention of Water Pollution
303-3	Water withdrawal	→ ESG Data Collection (Environment) 
303-4	Water discharge	→ ESG Data Collection (Environment)  → Water Use and Prevention of Water Pollution
303-5	Water consumption	—

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	→ TCFD Recommendation-based Disclosure → CO₂ Emissions throughout the Supply Chain → CO₂ Emission Volume → ESG Data Collection (Environment) 
305-2	Energy indirect (Scope 2) GHG emissions	→ CO₂ Emissions throughout the Supply Chain → ESG Data Collection (Environment) 
305-3	Other indirect (Scope 3) GHG emissions	→ ESG Data Collection (Environment) 
305-4	GHG emissions intensity	—

Standard		Disclosure
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> → CO₂ Emissions throughout the Supply Chain → CO₂ Emission Volume → ESG Data Collection (Environment) 
305-6	Emissions of ozone-depleting substances (ODS)	<ul style="list-style-type: none"> → ESG Data Collection (Environment) 
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> → 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	<ul style="list-style-type: none"> → Awareness of Efforts on Marine Plastic Pollution and Recycling of Plastics
306-3	Waste generated	<ul style="list-style-type: none"> → Waste Generation → ESG Data Collection (Environment) 
306-4	Waste diverted from disposal	<ul style="list-style-type: none"> → ESG Data Collection (Environment)  → Recycling Rates
306-5	Waste directed to disposal	<ul style="list-style-type: none"> → Volume of Waste Sent to Final Disposal → ESG Data Collection (Environment) 

GRI 308: Supplier Environmental Assessment 2016

Standard		Disclosure
308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> → Procurement Activities, Selection of Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> → 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	<ul style="list-style-type: none"> → Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only)  → Work-Life Balance → Mental and Physical Health Management → 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"> → Occupational Safety and Health Management System → Promotion Structure of RC Activities and RC 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 → Prevention of Equipment Accidents → Whistleblowing System

Standard		Disclosure
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"> → Safety and Health Committee and Health Committee → 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 and Safety in Logistics → Occupational Safety and Health Awareness Programs
403-6	Promotion of worker health	<ul style="list-style-type: none"> → Promoting Good Health → Mental and Physical Health Management → 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"> → Prevention of Equipment Accidents → ESG Data Collection (Social) 
403-10	Work-related ill health	<ul style="list-style-type: none"> → Chemical Substance Risk Assessment in the Workplace → ESG Data Collection (Social) 

GRI 404: Training and Education 2016

Standard		Disclosure
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> → Major Training Achievements → ESG Data Collection (Social) 
404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> → Open Enrollment Training and Seminars → Senior Seminar → Global Human Capital Development → Digital Human Capital Development → Autonomous Career Development Support → Technical Human Capital Development
404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> → ESG Data Collection (Social) 

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	N/A

GRI 408: Child Labor 2016

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

GRI 409: Forced or Compulsory Labor 2016

Standard		Disclosure
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	→ CSR Survey 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 413: Local Communities 2016

Standard		Disclosure
413-1	Operations with local community engagement, impact assessments, and development programs	→ 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	→ ESG Data Collection (Governance) 

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	N/A
417-3	Incidents of non-compliance concerning marketing communications	<ul style="list-style-type: none"> N/A → Safety Examinations

GRI 418: Customer Privacy 2016

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

Comparison with ISO 26000

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

Core Subjects	Issues	References
Organizational governance	Organizational governance	<ul style="list-style-type: none"> → Message from the President → RC Management System → Declaration of Responsible Care Implementation/Responsible Care Policy → Promotion of Sustainability Activities → Material Issues and Sustainability Issues → 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
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 → Procurements → 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 Caregiving → Major Training Achievements → Open Enrollment Training and Seminars → Encouraging Senior Human Capital → Global Human Capital Development → Technical Human Capital Development → Work-Life Balance → Mental and Physical Health Management → 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 → Energy Use → Water Use and Prevention of Water Pollution → CO₂ Emissions throughout the Supply Chain → CO₂ Emission Volume → Climate Change Mitigation in Logistics
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"> → Initiatives for Compliance Education and Awareness Raising → Tax Compliance → Product Safety and Quality Assurance → Safety Examinations → Safety Evaluations → ESG Data Collection (Governance) 

Core Subjects	Issues	References
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 → Management of Chemical Substances → Stakeholder Engagement → Product Safety and Quality Assurance → Safety Examinations → Safety Evaluations → Customer Engagement → Dialogue with Shareholders and Investors → Labor-Management Relations → Local Community Engagement
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)  → Endorsement of regional carbon neutrality declarations → Working Toward an Inclusive Society → Stakeholder Engagement → Communication about Risk → Social Activities → Contributing to the Community Through Medical Care

Sustainability Report Archive

Here you can find our Sustainability activities and detailed data.

Latest Sustainability Report

Sustainability Report 2023



The PDF version of our Sustainability Website as of the end of August 2023 is called "Kureha Sustainability Report 2023."

- The name of the website and the report will be changed to "Kureha Sustainability Website" and "Kureha Sustainability Report" beginning with the 2023 edition.

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



→ [ESG Data Collection](#)

Back Number

→ [CSR Report 2022](#)

→ [CSR Report 2020](#)

→ [CSR Report 2018](#)

→ [CSR Report 2016](#)

→ [CSR Report 2014](#)

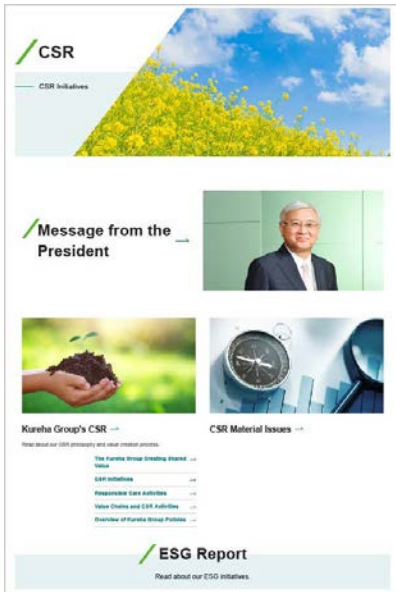
→ [CSR Report 2021](#)

→ [CSR Report 2019](#)

→ [CSR Report 2017](#)

→ [CSR Report 2015](#)

CSR Report 2022



Kureha CSR site archive (PDF version) as of the end of August 2022.



→ [Kureha Group Creating Shared Value](#)

→ [Fiscal 2021 CSR Summary Table](#)

→ [ESG Data Collection](#)

CSR Report 2021



Kureha CSR site archive (PDF version) as of the end of August 2021.



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

Group Company Initiatives

The Kureha Group promotes CSR activities tailored to each region at its domestic and overseas bases, and strives to build trust with society.

Kureha Trading Co., Ltd. →	Resinous Kasei Co., Ltd. →
Kureha Gohsen Co., Ltd. →	Kureha Extron Co., Ltd. →
Kureha Unyu Co., Ltd. →	Kureha Ecology Management Co., Ltd. →
Kureha Construction Co., Ltd. →	Kureha Service Co., Ltd. →
Kureha Engineering Co., Ltd. →	Kureha Special Laboratory Co., Ltd. →
KREHALON B.V. →	Kureha PGA LLC →
Kureha (Changshu) Fluoropolymers Co., Ltd. →	Kureha (Shanghai) Carbon Fiber Materials Co., Ltd. →
Kureha Vietnam Co., Ltd. →	

Contributing to the realization of a sustainable society together with our customers by offering environmentally friendly products.

Click here to visit the official website

→ [Kureha Trading Co., Ltd.](#)



President
Fumihiko Yamada

Fiscal 2022 Key CSR Objectives

- Contribute to the sustainable growth of society by offering products that reduce environmental impact and helping customers to develop environmentally friendly products.

Activities

In recent years, climate change, which is believed to be caused by global warming, has become a global issue, and efforts to reduce emissions of greenhouse gases are being sought. It is predicted that the global population will reach 9.7 billion by 2050, and the environmental impact brought on by increased livestock meat production in conjunction with population growth is raising concerns, due to increased greenhouse gas emissions by the livestock, expansion of deforestation for the cultivation of feed grains and massive water consumption for raising livestock. Therefore, it is expected that there will be a shift towards more sustainable plant-based proteins from livestock meat in the future.

We are working on development of plant-based, shelf-stable sausages through collaboration with our customers, connecting shelf-stable sausage manufacturers who are using Krehalon films and plant-based food producers. We aim to contribute to the sustainable growth of society by spreading the use of environmentally friendly sausages throughout the world.



Shelf-stable sausages made from soybeans (prototype)

Improving safety, the environment, and quality to produce environmentally friendly products.

Click here to visit the official website (Japanese only)

[→ Resinous Kasei Co., Ltd.](#)



President
Hiroyuki Takeuchi

Fiscal 2022 Key CSR Objectives

- Continue effective activities

Activities

Our ongoing key issues are accident-free operation, electric energy conservation, and reduction of non-recyclable industrial waste. In fiscal 2022, we continued to operate without any accidents. Electric energy conservation had a slight decrease, standing at 98% of the previous year, and we are still searching for ways to reduce the amount of non-recyclable industrial waste.

In the area of process safety and disaster prevention, for the first time we conducted a joint disaster prevention training with Kureha's Safety & Health Department. The training, based on a simulation assuming a fire outbreak caused by a major earthquake, included initial fire extinguishing, reporting the emergency, and calling for ambulances to rescue the injured. Employees were also able to operate a carbon dioxide fire extinguisher for the first time.

In April 2022, revisions to the Industrial Safety and Health Act came into effect. Although the number of substances subject to risk assessment has increased significantly, we have almost completed the assessment survey and are taking the required actions as well as disseminating information to factory floors. We understand the purpose of the changes in the law and will continue to work toward the realization of our most important goal, which is to maintain accident-free operations.



Joint disaster prevention training with Kureha's Safety & Health Department

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Growing and contributing to society by striving to surprise and inspire people through our unique plastic processing technologies under the philosophy "Always the best."

Click here to visit the official website (Japanese only)

→ [Kureha Gohsen Co., Ltd.](#)



President
Masahiro Hirano

Fiscal 2022 Key CSR Objectives

- Develop environmentally friendly products and improve production processes

Activities

In practice of our management philosophy of "Always the best," we have launched the Renewal KGC Project, which involves reviewing internal rules and regulations and developing a management system, as well as improving employee awareness of compliance and communication issues in order to increase employee and customer satisfaction.

As part of our manufacturing activities in line with the SDGs, we are developing environmentally friendly fibers and recovering used fibers for reprocessing. We are also striving to protect the global environment by improving production processes and installing equipment for better quality of factory wastewater.

In fiscal 2022, we became an official sponsor of a local professional basketball team (UTSUNOMIYA BREX) as a way of coexisting with the local community and contributing to regional vitalization.

We will continue our social contribution activities while proactively addressing social issues.



UTSUNOMIYA BREX corner in the office



UTSUNOMIYA BREX poster

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#)

Actively promoting environmental protection activities, achieving accident-free operations, and promoting disease prevention.

Click here to visit the official website

[→ Kureha Extron Co., Ltd. !\[\]\(4729e517bc6a7cd81c8025b9646574fb_img.jpg\)](#)



President
Takashi Ohashi

Fiscal 2022 Key CSR Objectives

- Promote environmental protection activities, achieve accident-free operations, and promote disease prevention

Activities

As key CSR objectives, we worked to promote environmental protection activities, achieve zero accidents, and promote disease prevention.

In our environmental protection activities, we are working to develop new products that utilize raw materials from nature with the aim of reducing environmental impact. In addition, all employees have taken environmental e-learning courses to deepen their understanding of the SDGs and carbon neutrality.

In our efforts to achieve zero accidents and promote disease prevention, we invited outside instructors to conduct hazard prediction training (Kiken Yochi Training, "KYT") sessions and health lectures for all employees in order to raise their individual awareness. KYT drills have become firmly established at each workplace by holding KYT sessions every two months, with each employee having attended a total of six sessions. As for health awareness, we have held five health lectures for shift workers where they are also provided opportunities to make their own health assessments by measuring their body composition and lung age. Thanks to these efforts, we were able to achieve zero accidents in fiscal 2022.

In fiscal 2023, we will continue to promote environmental protection activities, KYT activities at each workplace, and health lectures for all employees.



KYT session



Health lecture about cholesterol



Taking body measurements at a health lecture

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Working to improve logistics quality and reduce accidents through intensified safety activities.

Click here to visit the official website (Japanese only)

→ [Kureha Unyu Co., Ltd.](#)



President
Hitoshi Takahashi

Fiscal 2022 Key CSR Objectives

- Providing the best possible service from the customer's perspective through further enhancement of our accumulated proprietary technologies, based on our philosophy of "Safety as a first priority."

Activities

Even in fiscal 2022, the entire company worked together to build a safety system aimed at reducing accidents and improving logistics quality, our two most important issues. Since fiscal 2021, in order to firmly establish safety awareness, we have conducted company-wide hazard prediction training (Kiken Yochi Training, "KYT") sessions on a monthly basis at all workplaces and for all employees, including administrative staff. To further enhance its effectiveness, we relearned the basics of KYT at the Skills Training Center in Kureha's Iwaki Factory.



Kiken Yochi Training (KYT)

Since fiscal 2021, we have been conducting various workshops for young and mid-career employees and small group improvement activities for all employees to revitalize the organization and create a more rewarding workplace. In addition, to further improve the competence of the entire organization, we continued to provide internal training on compliance and CSR for all employees.

In terms of disaster prevention, in the Iwaki area, we conducted a joint disaster training with Kureha's Iwaki Factory and a vertical evacuation training based on a simulation of a tsunami after a major earthquake. On this occasion, we conducted our first communication drills using an emergency disaster radio service (Hazard Talk). In the future, we will increase the types and frequency of trainings to further strengthen our safety system.

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Kureha Ecology Management Co., Ltd.

Committed to occupational health and safety, the environment, and quality under our slogan "Safety as a first priority."

Click here to visit the official website

→ [Kureha Ecology Management Co., Ltd.](#)



President
Masahiro Namikawa

Fiscal 2022 Key CSR Objectives

- Building a safety culture

Activities

We promote various activities related to occupational health and safety, the environment, and quality in compliance with the laws, regulations, and our own voluntary standards. We also engage in a variety of CSR activities to strengthen our bonds of trust with local communities and business partners and to enhance our corporate value.

In occupational health and safety, we continue to uphold our policy of "Safety as a first priority" for the prevention of occupational accidents, disaster prevention, and improvement of health and safety levels. We will continue to raise our safety culture standards by utilizing our certified ISO 45001 Occupational Health and Safety Management System. In addition, we will continue to identify weak points and strengthen them through the evaluation of safety competency for industrial waste management companies.



Health and Safety Management Policy poster for fiscal 2022



At the Fiscal 2022 Safety Convention, special lecture by Masamitsu Tamura, Professor Emeritus of the University of Tokyo



Health and Safety Campaign Improvement Award
Recipients
(Iwaki)



Health and Safety Campaign Improvement Award
Recipients
(Kanagawa)

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

"For people, the environment, and the future,"
contributing to the creation of a comfortable
environment.

Click here to visit the official website (Japanese only)

→ [Kureha Construction Co., Ltd.](#)



President
Yoshinori Shiojiri

Fiscal 2022 Key CSR Objectives

- Comply with the rules in all business activities, including laws, social norms, and company regulations
- Prevent accidents and improve customer satisfaction based on a thorough commitment to safety first

Activities

The Kureha Construction Group promotes CSR activities based on its basic policies of compliance and safety first, with the ideal of becoming a company that employees can be proud of, building trust through our creation of future lifestyles.

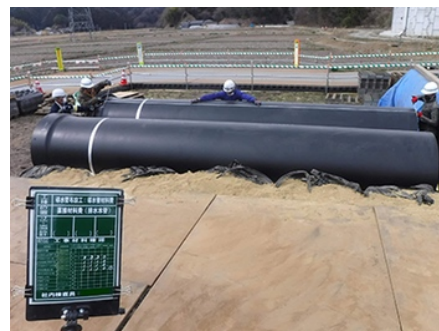
In the area of quality and after-sales care, we are striving to improve customer satisfaction through the implementation and utilization of ISO 9001 and prompt after-sales maintenance. We also conduct in-house inspections at key points during construction to ensure quality, and are working to provide reliable buildings that give customers peace of mind.

In the area of environmental preservation, our management method for industrial waste disposal, based on that of ISO 14001, was shifted from paper manifest processing to an electronic manifest system to improve waste management. In addition, this shift to an electronic manifest system has contributed to the reduction of waste by eliminating paper and shortening the time required for issuing and tallying the manifests through the electronic system.

Going forward, we will contribute to society by continuing these activities.



In-house inspection of a building's foundation



In-house inspection of an industrial water conduit

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#)

Providing high-quality services to contribute to the development of our customers' lives and businesses.

Click here to visit the official website (Japanese only)

→ [Kureha Service Co., Ltd.](#)



President
Tsukasa Sakane

Fiscal 2022 Key CSR Objectives

- Strive to improve customer satisfaction by providing services based on customer feedback.
- Earn the trust of society by complying not only with laws and regulations, but also with social norms and rules.

Activities

Kureha Service has established the KSK-G Safety Council, whose members are the four Kureha Service Group companies (Kureha Service, Kureha Engineering, Kureha Special Laboratory, and Kureha Staff Service). The purpose of the Council is to prevent accidents and disasters among members and their subcontractors by proactively promoting close cooperation among members, exchanging information, and actively promoting safety maintenance activities in order to ensure the safety of each member company's operations and other related activities.

In fiscal 2022, we held monthly Safety Council meetings to discuss safety measures in the event of disasters and exchange information on safety. We also conducted evacuation and firefighting drills. We will make use of the experience and knowledge we have gained while we continue our activities in a way that contributes to the Kureha Group and local communities.



Evacuation drill

Kureha Engineering Co., Ltd.

Performing high quality construction work with safety as our first priority, while striving to protect the environment and its resources.

Click here to visit the official website (Japanese only)

→ [Kureha Engineering Co., Ltd.](#)



President
Junichi Saitoh

Fiscal 2022 Key CSR Objectives

- Strengthen preventive safety through risk assessment

Activities

We operate as a construction prime contractor for plant construction and repair work, primarily at Kureha's Iwaki Factory. With the goal of eliminating all accidents, we have established a safety council with 27 partner companies, mainly from the local region, to provide all construction workers with adequate safety training and to eliminate unsafe behavior and conditions by employing specialized personnel who, in addition to construction managers, patrol work sites.

Moreover, we fulfill our responsibilities as a company that generates industrial waste by complying with all the laws and regulations related to the construction industry and promoting the effective use of energy and resources to reduce our environmental impact.

We are also committed to coexisting with local communities and contributing to their development.



Safety meeting

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#)

Kureha Special Laboratory Co., Ltd.

Protecting our living environment and contributing to the enrichment of people's health and lifestyles through our advanced analytical and evaluation technology.

Click here to visit the official website (Japanese only)

→ [Kureha Special Laboratory Co., Ltd.](#)



President
Tsukasa Sakane

Fiscal 2022 Key CSR Objectives

- Make efforts in accident and disaster prevention to provide reliable and stable measurement results

Activities

We are engaged in CSR activities based on our corporate philosophy of contributing to the enrichment of people's health and lives through various product and environmental analyses by leveraging our advanced analytical and evaluation technologies. In order to consistently provide reliable analysis results that satisfy our customers, we continuously identify potential accidents and conduct hazard prediction training (Kiken Yochi Training, "KYT") to prevent accidents in terms of both quality and safety. We also strive to make effective use of resources by complying with relevant laws and regulations and strengthening recycling activities towards forming a circular society.

In addition, we are strengthening our bonds with the local community by accepting local students for internships and collaborating in the activities of local organizations involved in disaster reconstruction. In fiscal 2022, we were commended by Iwaki City as an "Excellent Company for Employment of People with Disabilities" in recognition mainly of our initiatives in the continuous employment of people with disabilities to date. On the website of the Fukushima Labour Bureau of the Ministry of Health, Labour and Welfare, our initiatives toward workstyle reform were featured in the "Visiting Companies that Create Attractive Workplaces" section.



Reception of certificate of appreciation

→ [Fukushima Labor Bureau article \(Japanese only\)](#) 

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Developing recyclable films that support a circular economy and contributing to the reduction of food loss and CO₂ emissions through food packaging.

Click here to visit the official website

→ [KREHALON B.V.](#)



President
Tomoyoshi Koizumi

Fiscal 2022 Key CSR Objectives

- Develop recyclable films that support a circular economy
- Continuously improve energy efficiency

Activities

In Europe and Australia, where we sell our products, the demand for recyclable products for a circular economy (CE) is increasing day by day. In fiscal 2022, we launched food packaging materials compliant with the Australian recycling program "REDcycle," but, similar to Europe, Australian customers are also expected to shift to products with higher recyclability.

While there is ongoing debate over the standards for recyclable products, we are developing film compositions in line with the strict guidelines proposed by CEFLEX (a European consortium promoting the construction of infrastructure for the collection, sorting, and recycling of used packaging film), and we plan to proceed with customer reviews in fiscal 2023.



Our CE-compliant recyclable films on the market

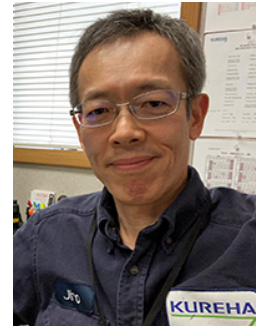
Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#)

Proceeding with cost reductions to realize business turnaround and continuing to pursue optimization of entire operation.

Click here to visit the official website

→ [Kureha America](#)



President
Jiro Masuko

Fiscal 2022 Key CSR Objectives

- Implement structural reforms to achieve business turnaround in fiscal 2023
- Motivate employees to keep moving forward
- Ensure safety and compliance
- Contribute to local communities

Activities

We implemented structural reforms to dramatically reduce costs in order to achieve turnaround for the PGA business in fiscal 2023. In addition, because of the three-year suspension of production activities since fiscal 2021, we conducted a test operation to maintain employee motivation and to make sure critical equipment is intact. This was a meaningful initiative in preparation for the upcoming production campaign.



Group photo on the 11th anniversary of the plant's operation

Since COVID-19 pandemic measures are relaxed, we encouraged employees to work onsite. For the first time in three years, we held company socials such as picnics and Christmas parties, which were well appreciated by employees and further enhanced team building.

We also continue to make donations to school cultural events, safety activities held by firefighters, and other activities by local institutions. Our efforts are appreciated by the community and are properly recognized as contributions of Kureha PGA LLC.

Our efforts are appreciated by the community and are properly recognized as contributions of Kureha PGA

LLC. Our employees also contributed to supporting the reopening of a nearby picnic facility that had been closed due to the damage caused by heavy rains in August 2020.



Constructing tables with students of the nearby career center



Donated picnic tables



Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Kureha (Changshu) Fluoropolymers Co., Ltd.

Recognizing social issues as our own and aiming to be a company that continues to grow while contributing to the creation of a sustainable society.

Click here to visit the official website

→ [Kureha \(Changshu\) Fluoropolymers Co., Ltd.](#)



President
Futoshi Saito

Fiscal 2022 Key CSR Objectives

- Promote corporate activities under the principles of "Zero Accidents" and effective use of all resources, with an emphasis on appropriate consideration for the environment.
- Through our corporate activities, try to create a sustainable society and contribute to the development of the world by providing a stable supply of high-quality products that people need.

Activities

We are continuously trying to resolve social issues and fulfill our corporate social responsibility through our activities toward creating a sustainable society.

In fiscal 2022, our CSR activities were much more restricted than in fiscal 2021 due to the impact of the pandemic and Zero-COVID policy in China. However, on the 10th anniversary of our founding, we launched the Smart Program 2030, based on digital transformation (DX) of our corporate activities toward realizing our vision of KFPC in 2030. We will formulate quantitative goals for automation, operational efficiency, and energy conservation, such as reduction of CO₂ emissions, to ensure that our corporate operations are consistent with the next generation.

In February 2023, a new R&D center was established, and we are planning to further enhance customer service and develop new applications that will benefit people's lives with our newly installed facilities. In terms of coexistence with the local community, we have made donations to local charitable organizations and the special education class for disabled children at Haiyu Central Elementary School through in-house fundraising activities.

We will continue to contribute to the creation of a sustainable society through our community-based activities.

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#)

Kureha (Shanghai) Carbon Fiber Materials Co., Ltd.

Creating environmentally friendly, highly safe factories with safe production by raising the safety awareness of all of our employees.

Click here to visit the official website (Japanese & Chinese Only)

→ [Kureha \(Shanghai\) Carbon Fiber Materials Co., Ltd.](#)



President
Yasushi Okada

Fiscal 2022 Key CSR Objectives

- Achieve safe, secure, and stable operations
- Continue reducing waste disposal
- Conduct safety training twice a year

Activities

We base our continued production and sales activities on the Kureha Group Basic Policy on Sustainability. Many of our major customers are advanced technology companies such as semiconductor, optical fiber, and metal injection molding (MIM) companies, which require environmental and safety initiatives in their supply chain management.

In fiscal 2022, we hired full-time personnel responsible for strengthening environment, health, and safety (EHS) compliance. We also intensified our efforts to improve legal compliance, and identify and address on-site work and environmental risks. When inventory shortages of silicon (Si) semiconductors became pronounced due to the Shanghai lockdown, to recover their production we increased the number of new employees, provided them with safety training, and asked them to take a compliance pledge. In July, we conducted a training on the revised Work Safety Law for Assistant Managers and above, and in November, the regular disaster trainings were held. In December, maintenance audits for ISO 9001, 14001, and 45001 were conducted simultaneously, and all updates were completed.

Due to the end of Zero-COVID policy at the beginning of 2023, we have already been approached by several customers for audit visits. We will continue to improve the work environment and promote 5S activities to enhance safety and customer satisfaction.



Safety consultant training



Disaster prevention training

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Fostering connections with the community by engaging in a variety of activities.



President
Koki Ikenoue

Fiscal 2022 Key CSR Objectives

- Creating an abundance of activities aimed at coexistence with the community

Activities

As a Japanese company in Vietnam, we are actively engaged in various activities to contribute to the development of the local community. Since fiscal 2013, we have been participating in activities to provide scholarships to underprivileged junior and senior high school students in Đồng Nai Province, and in March 2023 (fiscal 2022) we held a scholarship award ceremony, in which we and two other Japanese companies in Vietnam awarded scholarships to approximately 400 students. We were moved by the students' excited expressions and courteous behavior, and expect that they will grow into human resources who will support the future of Vietnam.

We will continue to engage in corporate activities together with our Vietnamese employees, placing importance on communication with the local community.



Scholarship award ceremony

Detailed company information and performance data are provided in Data Collection.

→ [ESG Data Collection\(Group Company\)](#) 

Recognition by External Parties

The Kureha Group is actively working to promote sustainability, anchored by the Kureha Group Corporate Philosophy. As a result, we have received the following recognition from outside the Company.

- ↓ Inclusion in ESG Indices
- ↓ Recognition by External Parties on ESG

Inclusion in ESG Indices

ESG Indices Selected by GPIF

- MSCI Japan Empowering Women (WIN) Select Index

This index, developed by the U.S.-based MSCI Inc., selects companies that promote women's advancement by calculating a score based on corporate disclosure materials related to gender diversity and publicly announced data from companies under the Act on the Promotion of Women's Active Engagement in Professional Life.

Kureha was included in the index for the first time in 2023.

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

- THE INCLUSION OF Kureha Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Kureha Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

- S&P/JPX Carbon Efficient Index

Developed by U.S.-based S&P Dow Jones Indices LLC and the Tokyo Stock Exchange (JPX), this index weighs companies based on their level of carbon efficiency and environmental information disclosure.

Kureha has been included in the index every year since 2018.



- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) (Excluding REITs)

This index was developed by U.S.-based Morningstar, Inc. utilizing Equileap's gender equality assessment methodology. Companies that are actively engaged in gender diversity are included in the index with higher investment weightings.

Kureha was included in the index for the first time in 2023.

Other ESG Indices

- iSTOXX MUTB Japan Platinum Career 150 Index

This index, jointly developed by Mitsubishi UFJ Trust and Banking Corporation and STOXX (a subsidiary of Deutsche Börse), focuses on human capital. It selects 150 Japanese companies that are actively developing "platinum careers" for their employees, consisting of the three important aspects of career development: long-term view, active learning, and social contribution. Kureha was included in the index for the first time in 2023.



- SOMPO Sustainability Index

This index was developed by SOMPO Asset Management Co., Ltd. by combining SOMPO Risk Management Inc.'s assessment of each aspect of ESG with stock valuation. The index consists of approximately 300 Japanese companies with excellent ESG performance and has been adopted by several pension funds and institutional investors. Kureha has been included in the index for 11 consecutive years since 2013.



Recognition by External Parties on ESG

- Recognized as a Health & Productivity Management Outstanding Organization by the Nippon Kenko Kaigi

This is a program to recognize enterprises, from large corporations to small and medium enterprises, that practice particularly excellent health and productivity management based on their efforts to address local health issues and their promotion of Nippon Kenko Kaigi's health promotion initiatives. Kureha has been recognized as a Health & Productivity Management Outstanding Organization (large enterprise category) every year since 2021.



Sustainability Site Editing Policy and Contents of the Report

↓ Editorial Policy ↓ Contents of the Report

Editorial Policy

The Kureha Group has changed the name of its "CSR Site" to "Sustainability Website" starting fiscal 2023. The main focus of the CSR Site to date has been to convey the social responsibilities that the Kureha Group should fulfill and its efforts to tackle various social issues. The Sustainability Website will convey the Kureha Group's approach to sustainability issues and its initiatives with the aim of deepening the understanding of all stakeholders.

The information presented is based on the material issues resolved by the Board of Directors. It also includes activity reports on material issues up to fiscal 2022.

We collect all types of numerical ESG data in the ESG Data Collection and work for comprehensive information disclosure.

The website is compiled in PDF format and archived as the "Kureha Sustainability Report" at the end of August.

The information in this report has been verified by the Chairman of the Sustainability Coordination Committee (Executive Vice President).

The Kureha Group announced its implementation of Responsible Care (RC) in 1995, and began publishing the Responsible Care Report to report on its 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. Since fiscal 2021, we have shifted from the traditional booklet-centric format to the CSR Site to disclose and disseminate information on the Group's various CSR activities. Past information is available in the archive.

Contents of the Report

Coverage (As of March 31, 2023)

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.

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

- Fortron Industries LLC, Keiyo Monomer Co., Ltd., Iwaki Sanso Center Co., Ltd., ELMECH ELECTRONICS INDUSTRIES CO., LTD., Chemics Kogyo, and NIPPON MEDICAL WASTE MANAGEMENT are not included in the scope of this report because they are companies related to the equity method.

Reporting Period

In principle, the reporting time frame for Kureha's CSR activities is the same as its fiscal year (from April 2022 to March 2023). However, some sections of this report may refer to the calendar year (from January 2022 to December 2022) or activities after April 1, 2023.

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 Sustainability English Site

November 2023 (updated annually; previous edition: October 2022; next edition: scheduled for October 2024)

Disclaimer

This site and the Sustainability 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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