

# Sustainability Management

Corporate Statements	Sustainability Management and Promotion Structure	Materiality of Kuraray Group
The Kuraray Group Code of Conduct	Quality Management	Chemical Products and Product Safety
Compliance Handbook	Risk Management and Compliance	Supply Chain Management
TOP STATEMENT	Tax Policy	Initiatives, etc.
Sustainability Management	Activity Target and Results	
Sustainability Management and Promotion Structure		
Materiality of Kuraray Group		
Quality Management		
Chemical Products and Product Safety		
Risk Management and Compliance		
Supply Chain Management		
Tax Policy		
Initiatives, etc.		
Activity Target and Results		
Safety Report		
Environmental Report		
Social Report		
Corporate Governance		
GRI Standards Content Index		
Kuraray Report (integrated report) / Sustainability website		

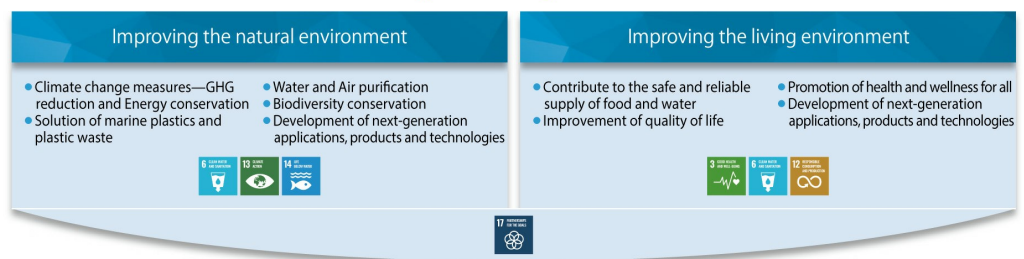
## Materiality of the Kuraray Group

In terms of previous materiality formulated in 2015, 18 material issues were determined, but the materiality was not sufficiently identified from the perspective of solving social issues through business. Accordingly, the Kuraray Group reviewed materiality, which forms the core of its Sustainability Concept.

In the review, we focused on clarifying the issues that the Kuraray Group should resolve through its business operations. To respond to the demands of the globalizing society, all division general managers in Japan and overseas participated in discussions to select new material issues. We believe the Kuraray Group's business utilizing pioneering technologies can contribute to addressing many material issues. These include the five domains currently specified as material issues, which are "improving the natural environment," "improving the living environment," "effective use of resources and reduction of environmental impact," "improving supply chain management" and "building a 'company that people can take pride in'."

Going forward, we plan to formulate a medium-term sustainability plan based on new materiality in line with the next medium-term management plan.

## New Materiality










### Creating Value to Strengthen the Foundation of Kuraray












### Linking Materiality with SDGs

In line with this revision of materiality, material issues that the Kuraray Group should address have been identified from the terms of the SDGs, as shown below in “Procedure to identify materiality.”

Each material issue has been linked with the SDGs to clarify the relationship. This allows the Group’s sustainability activities to not only address the Group’s material issues but also contribute to achieving the target of the SDGs.

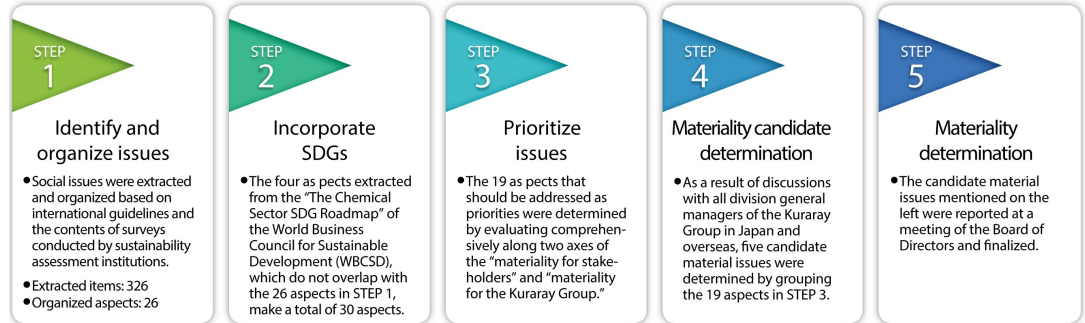
Improving the Natural Environment		Improving the Living Environment	
 <b>6.3</b>	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	 <b>3.8</b>	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
	 <b>13.3</b>		By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies
	 <b>14.1</b>	 <b>12.3</b>	
 <b>17.16</b>		 <b>17.17</b>	
Enhance the Global Partnership for Sustainable Development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries		Encourage and promote effective public,public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	

## Creating Value to Strengthen the foundation of Kuraray

Effective Use of Resources and Reduction of Environmental Impact		Improving supply chain management	
 <b>3.9</b>	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	 <b>6.3</b>	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
 <b>9.4</b>	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	 <b>13.3</b>	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
 <b>12.4</b>	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impact on human health and the environment	 <b>14.2</b>	By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
 <b>12.5</b>	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse		
 <b>17.16</b>	Enhance the Global Partnership for Sustainable Development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	 <b>17.17</b>	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

## Procedure to Identify Materiality

Material issues (materiality) that the Kuraray Group should deal with on a priority basis have been identified in accordance with the following procedure. Materiality will be reviewed periodically in accordance with developments in the international community, changes in the business environment, and so on.



### Step 1

The details of international guidelines and studies by sustainability assessment institutions that are used in extracting and summarizing social issues are as follows.

GRI, Environmental Reporting Guidelines (2012 Version), RBA, MSCI, FTSE4Good, DJSI, ISO26000, UN Global Compact, Green Paper EU, European Commission Strategy on CSR, German Stability Code, Circular Economy Package, American Chemistry Council

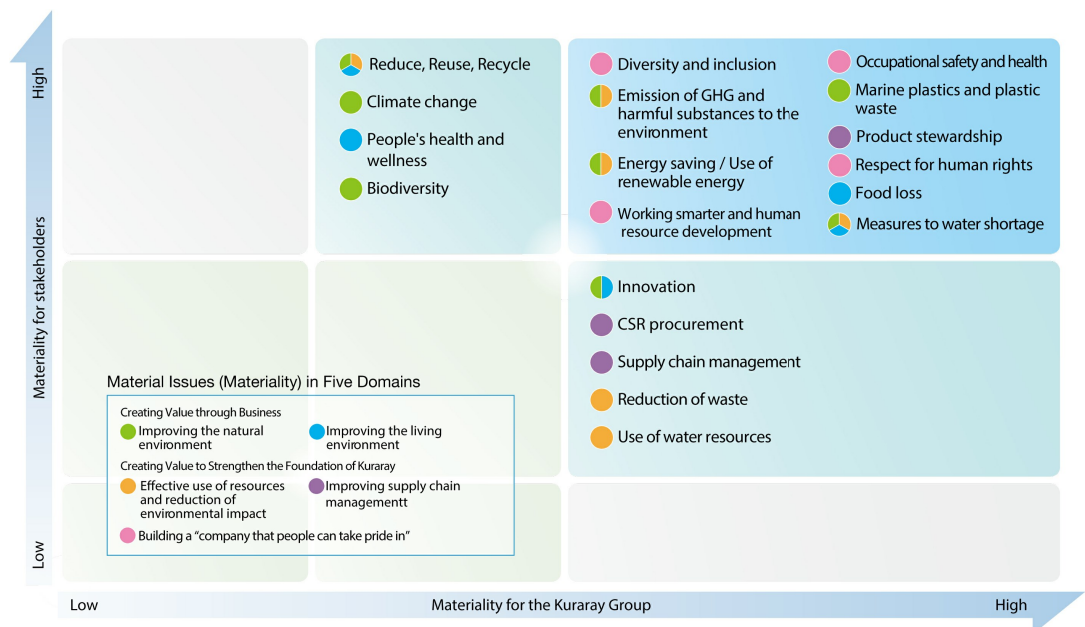
### Step 2

The four aspects extracted from the “The Chemical Sector SDG Roadmap” of the World Business Council for Sustainable Development (WBCSD) are as follows:

Food disposal, water processing, climate change, and people’s health and wellness

### Step 3

The materiality matrix of the Kuraray Group, which evaluates comprehensively by using the two axes of the “materiality for stakeholders” and “materiality for the Kuraray Group” is shown below.



### Materiality Matrix of the Kuraray Group

“Corporate governance,” “CSR management,” “ethics/code of conduct,” “risk management,” “relationships with stakeholders,” and “top statement” are to be dealt with separately from materiality.

As a result, materiality that the Kuraray Group is expected to deal with on a priority basis were identified as the following 19 aspects:

1	2	3	4	5

Diversity and inclusion	Emission of GHG and harmful substances to the environment	Energy saving / Use of renewable energy	Working smarter and human resource development	Occupational safety and health
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6	7	8	9	10
Marine plastics and plastic waste	Product stewardship	Respect for human rights	Food loss	Measures to water shortage

11	12	13	14	15
Reduce / Reuse / Recycle	Climate change	People's health and wellness	Biodiversity	Innovation

16	17	18	19
CSR Procurement	Supply chain management	Reduction of wastes	Use of water resources

#### Step 4

The 19 aspects identified in Step 3 were grouped to determine the following five items of “improving the natural environment,” “improving the living environment,” “effective use of resources and reduction of environmental impact,” “improving supply chain management,” and “building a ‘company that people can take pride in’” as materiality candidates.

In addition, “improving the natural environment” and “improving the living environment” were grouped under the broad category of “creating value through business,” with “effective use of resources and reduction of environmental impact,” “improving supply chain management,” and “building a ‘company that people can take pride in’” under “creating value to strengthen the foundation of Kuraray.”

	Materiality	The 19 aspects identified in the materiality matrix
Creating Value through Business	Improving the Natural Environment	2、3、10、11、12、14、15
	Improving the Living Environment	9、10、11、13、15
Creating Value to Strengthen the foundation of Kuraray	Effective Use of Resources and Reduction of Environmental Impact	2、3、10、11、18、19
	Improving supply chain management	7、16、17
	Building a "company culture we can be proud of"	1、4、5、8

#### Step 5

The materiality candidates determined in Step 4 were reported to and approved by the Board of Directors.

Corporate Overview	Search by Business	Basic Policy	Corporate Statements	Management Policies
Message from the President	Search by Product Name	Technologies and Products	Kuraray Group Code of Conduct	IR News
Corporate Statements	Search by Key Word	Organization	Kuraray Group Human Rights Policy	Learn about Kuraray
Executives		Progress	TOP STATEMENT	Results and Financial Information
Organization Chart		Highlights	Sustainability Long-term Vision and Sustainability Medium-term Plan	IR Library
History			Materiality of Kuraray Group	Stock Data
Awards and Accolades			Planet	IR Calendar
Main Group Locations			Product	FAQ
Corporate Profile Video			People	
covid19			Governance	
			GRI Standards Content Index	
			Kuraray Report (integrated report) / Sustainability website	
			Initiatives, etc.	