

Social Reporting

Corporate Statements

The Kuraray Group
Code of Conduct

Compliance Handbook

TOP STATEMENT

Sustainability
Management

Safety Report

Environmental Report

Social Report

Activities at
Workplaces

Interaction with
Society

Corporate Governance

GRI Standards
Content Index

Kuraray Report
(integrated report) /
Sustainability website

Activities at Workplaces

Interaction with Society

Activities at Workplaces

The Kuraray Group consists of employees from various nationalities and backgrounds, and the active participation of all diverse members is crucial to the long-term and sustainable improvement of corporate value.

We have developed basic policies that will guide each company in Kuraray Group to follow and to establish HR policies, systems, and work environments that enable all employees in the Group to contribute to the growth of the company and, at the same time, to pursue their personal growth and happiness through their jobs, regardless of the work they are involved in or where they are located.

The Kuraray Group Global HR Policy

1) We will respect human rights of individuals.

Based upon our Philosophy, "Respect for Individuals", we will respect the individual and the human rights of all people working in the Group. Any abuse of human rights, such as sexual harassment, bullying, child labor, forced labor and so on, will not be tolerated. We will also strive to prevent any direct or indirect complicity in or turning blind eyes to the conducts that may infringe on human rights.

2) We will abolish discrimination and respect diversity and individuality.

In all aspects of HR activities, including hiring, treatment, personnel development, assignment and evaluation, no discrimination based upon individual attributes such as race, nationality, age, gender, gender identity, sexual orientation, religious beliefs, shall be allowed. We will esteem and promote diversity that accepts the personal traits, culture and worldview of people from various nations.

3) We will comply with applicable laws and regulations. We will create and carry out HR systems that uphold equality, fairness and transparency.

We will strictly comply with applicable laws and regulations of each country. Based upon our Philosophy, "Respect for Individuals", we will give full consideration to equality, fairness and transparency in creating and carrying out HR policies and practices.

4) We will promote dialogues with all people working in the Kuraray Group to build constructive relations.

We respect the freedom of association and expression, and will build good relationships with people working for the Kuraray Group through direct and indirect dialogues to create an open workplace culture and environment.

5) We will strive to improve the environment of workplaces.

From the perspective of occupational health and safety, we will strive to maintain working environments that enable people to work safely and with regard for their physical and mental health.

6) We will employ personnel who are able to contribute to the development of the

Kuraray Group.

We will employ people who possess a sound sense of morals and ethics, as well as the desire, skill and knowledge to make significant contributions to the development of the Kuraray Group.

7) We will place the right person in the right job.

We will place each individual in its right job, in due consideration of capabilities, knowledge, suitability and skill development, with an aim to maximizing operational contributions and job satisfaction.

8) We will maintain an evaluation and benefits systems that is fair and transparent.

We will maintain an evaluation and benefits system that is fair and transparent to employees, with a focus on job content, contribution, performance and attitude through dialogue with evaluators.

9) We will support professional development.

We will provide an appropriate level of support for job skill and personal career development through performance of individual works.

10) We will maintain appropriate levels of disclosure of business information and protect privacy.

We will provide appropriate levels of disclosure of business information so that all Kuraray Group personnel can perform their duty proactively with a sense of unity. We will comply with all relevant laws and regulations regarding the handling of personal information and strive to prevent the loss or leakage of information.

Sociality Goals and Actual Performance (FY2019 actual)

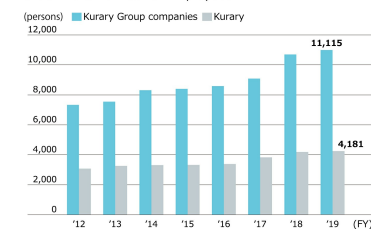
Theme	Goal	Event and result	Evaluation and challenges	Fiscal 2020 plan
Implementing personnel policy allowing employees to feel work is worth accomplishing	Provisioning of growth opportunities to employees	<ul style="list-style-type: none"> Provided the program "Training for Designing One's Own Career" to 116 employees. Disseminated information useful for career development on the company bulletin board each month 	<ul style="list-style-type: none"> To expand target participants and enhance the implementation scheme such as expansion of career advisors 	<ul style="list-style-type: none"> To maintain the "mechanism to support self career development"
		<ul style="list-style-type: none"> Implemented the 18th GTT (global team training): Half of participants were employees of overseas companies Trainee dispatch: Acceptance of three people from overseas to Japan in addition to eight people from Japan to overseas 	<ul style="list-style-type: none"> To increase the number of trainees accepted from abroad 	<ul style="list-style-type: none"> To continue implementation of global training and to review of the overall program in the next medium-term plan
		<ul style="list-style-type: none"> For the development of the global human resources system, a platform system for target management and personnel evaluation was introduced, and operation was started under the globally uniform system as set at the beginning of the fiscal year. 	<ul style="list-style-type: none"> To improve ease of use 	<ul style="list-style-type: none"> To develop the platform to manage the global human resource information To establish a globally uniform system for leadership development
	Implementation of work style reform	<ul style="list-style-type: none"> Implemented institutionalization of flextime Established work interval guidelines Returned the amount equivalent to reduced wages due to lower overtime work to employees (In the case of reduced overtime work due to higher productivity, a considerable amount was returned as a bonus.) 	<ul style="list-style-type: none"> Implemented as planned. To continue to conduct various measures 	<ul style="list-style-type: none"> To introduce annual paid leave by the hour To consider expanding the scope of employees eligible for each system

Theme	Goal	Event and result	Evaluation and challenges	Fiscal 2020 plan
Promotion of diversity and work-life balance	Promotion of active participation by female employees	<ul style="list-style-type: none"> Conducted training for managers with female subordinates 	<ul style="list-style-type: none"> To recognize unconscious prejudice against women and help them build their careers 	<ul style="list-style-type: none"> To conduct career training (workshop) for female employees
	Promotion of the employment of persons with disabilities	<ul style="list-style-type: none"> Kuraray's employment rate of persons with disabilities: 2.34% 	<ul style="list-style-type: none"> The statutory employment rate is to be raised to 2.3% from April 2021. To cope with these increases at the sites and affiliated companies with low employment rates. 	<ul style="list-style-type: none"> To achieve the statutory employment rate of 2.3% or more To increase the employment rate of persons with disabilities in major affiliated companies To expand the scope of work
Reinforcement and promotion of schemes for management of a healthy mind and body	Enhancement of continuous support for mental health	<ul style="list-style-type: none"> Line-care training and self-care training were continuously conducted (Achieved 100% attendance rate for line-care training) 	<ul style="list-style-type: none"> To implement continued training regarding mental health 	<ul style="list-style-type: none"> To implement training for managers about harassment, and to develop awareness among staff
	Promotion of anti-harassment measures	<ul style="list-style-type: none"> Conducted training for contact personnel in 2018. Started training for managers and supervisors in 2019. The training continued into 2020. 	<ul style="list-style-type: none"> Confirmed the effectiveness of raising knowledge and awareness of harassment. To continue implementation of education and training so that the effectiveness takes root in the corporate culture. 	<ul style="list-style-type: none"> To continue implementation of training for managers and supervisors To hold training for general employees in parallel from the second half of 2020

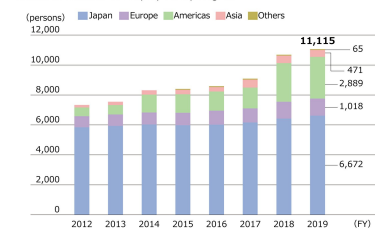
Number of Employees

Number of Employees As of December 31, 2019			
	Total	Male	Female
Kuraray Group as a whole	11,115	9,092	2,023
Kuraray only	4,181	3,695	486

Trends in the Number of Employees



Trends in Number of Employees by Region



Employee Turnover Rate (Kuraray Co., Ltd.)

Employee Turnover Rate (Kuraray Co., Ltd.) FY2019

	Number of Employee Turnover	Turnover rate
Personal reasons	64	1.53%

	Number of Employee Turnover	Turnover rate
Retirement	24	0.57%

Talent Development

For the Kuraray Group companies in Japan, we have established a companywide training scheme to support acquisition of the knowledge and skills required for jobs and career-building efforts by employees themselves.

The training is open not only to regular employees but also part-time and contract-based ones. The Kuraray plants and domestic group companies plan and implement their own talent development programs and provide their employees with finely tuned support for skill development and career-building. We also have an incentive system under which it furnishes grants for acquisition of certain public qualifications by employees for their own self-improvement.

In fiscal 2020, we launched the Kuraray PRIDE Academy as a mechanism to strengthen our business creation capability, and **A**utonomous **L**earning **P**rogram for **A**chieving **C**areer Development (ALPACA) as a mechanism to promote and support employees' autonomous competence enhancement.

Kuraray Company-wide Training System



Business skill/Mindset	Education on IT systems
	Education on compliance
	Education on labor management
	Education on intellectual property
	Program per job type
Self-selective training	Autonomous Learning Program for Achieving Career Development (ALPACA) <ul style="list-style-type: none"> • Capability assessment • Attending outside business schools • Online courses
	Language training programs
	Education by correspondence, e-Learning
Career support training	Training for career design by self
	Career advisor system

Global Talent Development Program

The Kuraray Group's sales ratio outside Japan is close to 70% in recent years, and 40% of the entire Group's staff work outside Japan.

The Kuraray Group, for our global growth, launched a Global Talent Development Program starting in fiscal 2007, in order to foster personnel who can actively play a part on the global stage. Over 800 persons globally have attended in the 13 years up to fiscal 2020, and we conduct annual reviews to the program while providing continued training.

GTT (Global Team Training) is a prominent example of our training, aimed at developing global leadership among section manager class personnel, and has been held 18 times in total with approximately 350 attendees. The network of training alumni offers significant contributions toward promoting group-wide communication that goes beyond national borders.

Our trainee program is another successful example, where we send young employees between Japanese and overseas companies for a three-month period. More than 100 people have participated, and many of them have been engaging in achievements as global talent later, such as being stationed abroad.

Time Spent on Competence Development

The chart below shows the time our employees have spent in competence development each year (Kuraray Co., Ltd.).

	2017	2018	2019
1) Total hours employees spent in competence development	269,012	283,142	299,920
• Hierarchical Training	28,843	30,661	41,279
• Selective Training	5,442	5,705	7,237
• Global talent development program	7,656	9,754	11,678
• Business skill / Mindset training	59,261	65,705	60,443
• Self-selective training	24,068	20,408	24,320
• Career support training	4,557	4,904	6,364
• Trainings in divisions	139,185	146,006	148,599
2) Average hours spent per employee	57.2	58.2	60.0
3) Average days spent per employee	7.4	7.5	7.7

Global Talent Management

Similarly, with regard to talent management, we are engaging in initiatives to develop the foundations for talent management at a global scale with an aim to optimize the worldwide utilization of talent. Since fiscal 2017, we have introduced a globally uniform personnel evaluation system and human resource information system on a stepwise basis. Based on these systems, We will implement the following basic human resource management processes on a global scale: 1) setting work goals and performing personnel evaluation based on these goals; 2) supporting capacity building and career development; 3) finding competent personnel, rotation and optimal allocation of personnel, and reviewing the personnel succession plan.

Kuraray also introduced behavioral indicators (Kuraray Competency 5x5) that will be applied to the Group companies globally, and is utilizing them as personnel evaluation items and indicators of capacity development. In addition, We sorted out job grades, which were different in each country and company, as global grades based on the duty size and is utilizing them for personnel allocation and selection of participants for human resource development programs.

• Mechanism to Support Autonomous Career Development

The Kuraray Group has been utilizing a “mechanism to support a self-career development,” aiming at creating organizations in which each employee actively tackles their career development and engages in work enthusiastically. As part of this scheme, “Training for Designing One’s Own Career” is undertaken for employees.

From the launch of the program in 2015, 800 persons received the training. After receiving the training, the trainees are interviewed by an in-house career advisor and receive support to attain their career goals.

Fair and Equal System

• HR System

Kuraray has instituted a personnel evaluation system in which elements such as improvement of job execution capabilities, performances, roles, and spirits to tackle demanding targets (as opposed to seniority or personal factors) are reflected in remuneration. Specifically, we instituted a scheme of role and rank for management positions, under which remuneration slides with the

role and performance, and a scheme of skill and position for ordinary employees, under which remuneration reflects the extent of skills and performance. We have also incorporated a scheme whereby personnel can change education courses to suit their desired career paths.

A review of wages, allowances, bonuses and work systems will be continued to further enhance people's understanding of the employee treatment system.

• Evaluation

Personnel evaluation is based on the targets setting for job duties and competence developments in the interview between the superior and the subordinate and the achievement management of the targets. Evaluator trainings are continuously provided.

Promotion of Diversity and Work-life Balance

To maximize the capabilities of each one of Kuraray's diverse human resources, and link them to personal and corporate growth, employees need to accomplish both work and life at the same time. Through various systems and reforms, Kuraray strives to enhance comfort in the workplace and provides support attuned to employees' life events.

• Promotion of Active Participation by Female Employees

Efforts have been made with a focus on three points, employing more female employees, expanding responsibilities of their jobs and enabling female employees to work longer at their workplaces. In fiscal 2019, we held workshops for managers with female subordinates to support the careers of female employees. Initiatives in fiscal 2020 included holding training for female employees in managerial positions jointly with other companies, and career workshops for female employees in Tokyo and Osaka.

• Employment of People with Disabilities

In addition to meeting the statutory employment rate (2.3% from March 2021), Kuraray is supporting self-sustenance of people with disabilities in cooperation with communities and support groups for people with disabilities. In cooperation with local welfare facilities, Kuraray has opened workshops for people with intellectual disabilities and strives to enhance their knowledge and share insight through the holding of seminars for workshop supervisors.

• Leave for Childcare and Nursing Care

Kuraray has a scheme in place to help its employees conduct childcare and nursing care. In consideration of the timing of admission into a day-care center, employees are allowed to take the childcare leave until the day when child becomes two years old if necessary. We recommend male employees to take a childcare leave to encourage more fathers to get involved in child rearing.

Kuraray also holds seminars that help balance work and nursing care to provide opportunities for employees to acquire basic knowledge on nursing care and know-how on achieving balance.

Number of Employees Taking Leave for Childcare/ Nursing Care (Kuraray)

Number of Employees Taking Leave for Childcare/ Nursing Care (Kuraray)			
Fiscal year	Childcare	Male (of all childcare)	Nursing care
2015	48	18	2
2016	43	27	0
2017	52	33	0
2018	52	36	0
2019	60	39	0

• System Allowing Employees to Take Temporary Leave from Duty to Live Abroad with

Spouse Assigned to Overseas Post

A system has been established and implemented allowing employees to take a temporary leave from the duty to accompany their spouse who is assigned to an overseas post or in a similar circumstance. Those employees who take a temporary leave from the duty are allowed to return to their posts in the Kuraray Group when the overseas assignment of their spouse terminates or when the similar circumstance ends.

• “Come-back” Rehiring System

In addition to the system to rehire employees after nursing care leave and the system to rehire employees who retired for personal reasons for those who wish to work at Kuraray again, we newly launched the “Come-back” rehiring system through the Kuraray Alumni Network and other channels in 2019. Our doors are wide open to employees so they can thrive at Kuraray again by drawing on their experience outside the Company on top of their career at Kuraray.

• Efforts to Support LGBT

In 2020, in addition to sexual harassment and abuse of authority, a lecture on abolition of discrimination or harassment based on sexual orientation was included in the training for managers to prevent harassment. (In 2021, all employees are to attend the course.) An internal company newsletter communicated information on LGBT to facilitate understanding at workplaces.

Initiatives for Work-style Reform

Kuraray is promoting work-style reform to establish a working environment where each and every employee can work in good physical and mental health while striking a balance between work and private life and in turn, deliver results.

• Flexible Work-style

In an aim to enhance productivity and achieve work-life balance, Kuraray introduced a telework program in fiscal 2018, a conventional flextime system in fiscal 2019, and an hourly flextime system in fiscal 2020. In fiscal 2021, Kuraray is planning to expand the scope of employees eligible for these systems and revise them to improve convenience.

• Efforts to Curb Long Working Hours

To support employees’ proactive efforts towards improved productivity, Kuraray has launched an initiative in fiscal 2019 that gives employees the equivalent of compensation for their reduced overtime hours in their bonuses.

We also implement “training on high-intensity work technique to improve productivity” for employees to enhance productivity by reviewing how they carry out their work. Another initiative is “no overtime work week,” in which each person declares a particular week as their “no overtime work week” and tries to leave work on time. This is based on an awareness of issues where “no overtime work days” would sometimes result in increased overtime on adjacent days, and was launched with the aim of improving efficiency in work arrangements and establishing a habit of leaving the workplace without engaging in overtime work.

• Appropriate Working Hour Management

Kuraray is developing the infrastructure for a work attendance management system. The system is used for appropriate work hour management by enabling employees to register working hours accurately so that we can identify any discrepancies with the uptime of PCs of all employees who use a PC including managers. The system will flag any departments with overtime work

exceeding a certain number of hours so they can work on reducing overtime work by preparing a working hour improvement plan to mitigate long work hours in addition to health support such as having industrial physicians and other professionals interview the personnel whose overtime work exceeded the set standard.

Kuraray has also established and operates the work-interval guidelines that states employees must take more than a certain number of hours as an interval (10 hours or more) between the end of the previous work day and the beginning of the next work day.

• **Efforts to Promote Paid Holidays**

As a result of efforts to improve the rate of taking annual paid holidays, targeting 80% or more, we achieved a rate of 87.8% in fiscal 2019. Kuraray will continue its efforts to maintain and improve the rate in fiscal 2021 onward.

• **Initiatives at Overseas Bases**

Also at Kuraray's overseas bases, efforts are being made to carefully manage working hours and secure employees' private time based on the laws of each country. In 2020, as the new coronavirus crisis raised concerns over long working hours due to increased employees who telework, each base took measures including having their presidents and human resource departments issue messages to encourage "preventing long working hours and securing private time and holidays."

Scheme for Management of Healthy Mind and Body

• **Basic Policy for Occupational Health**

Based on the Kuraray Group Human Resource (HR) Policy, Kuraray has stipulated the Occupational Health Action Policy to promote occupational health promotion activities. The Director responsible for Administrative Unit, who is in charge of occupational health activities, attends the Central Council on Occupational Safety held every year, where attendees from both labor and management discuss the current situation and issues in occupational health activities, which are to be reflected in next year's activities.

<Occupational Health Action Policy>

1. Kuraray shall develop internal mechanisms and systems to maintain and improve employees' health and support employees so that each and every employee raises his/her awareness and take action regarding health.
2. Kuraray shall provide a safe, reliable and comfortable work environment for employees, secure their health and will always be considerate of the health condition of employees.
3. Kuraray shall ensure that it handles and manages the personal information including health information appropriately and promote health management in compliance with laws and regulations.

The Troisdorf site of Kuraray Europe GmbH and the Legnago and Rho sites of Chemviron Italia S.r.l. have been certified ISO45001, which is an international standard for the Occupational Health and Safety Management System.

• **Mental Health Care Schemes**

Kuraray has four care schemes including schemes for a self-care and a line care in an effort to

reduce mental disorders. Kuraray has implemented and is promoting a stress check, training for the prevention of a mental or physical disorder, a consulting system such as counseling, and a work attendance system allowing employees on a rehabilitation program to work on a time schedule suiting their rehabilitation programs when they return to their workplaces.

• Schemes to Prevent Harassment

Kuraray is striving to ensure employees' mental health and improve the working environment through schemes to prevent many forms of harassment, with a focus on power harassment and sexual harassment. Kuraray promotes measures including training sessions to prevent incidents of harassment, activities to utilize the results of stress checks and other tests, and work to reinforce our counseling desk system. Anti-harassment training is held at Kuraray Group companies inside and outside Japan, and all managers and supervisors (around 470 in 2020 out of around 900 in scope) have taken the course at Kuraray Co., Ltd.

• Support for Health Improvement

Enhancement of health awareness of the employees is promoted through personal guidance on health, promotion of health improvement campaigns and other means. "Health Improvement Operation" is carried out companywide urging the employees to voluntarily work on improving their lifestyles as countermeasures against the metabolic syndrome. In addition to requiring employees to set targets for exercising, they are provided specific health guidance as individual measures. The ratio of employees who received specific health guidance is 45.2% (fiscal 2019). Health checkups featuring checkup items surpassing those required by laws are provided so that we can find employees at the early stage who need to improve their health.

In 2020, we held online exercise promotion seminars for Group company employees and their family members countrywide as a measure to tackle lack of exercise due to self-quarantining amid the COVID-19 crisis.

About Us	Product Information	R&D	Sustainability	Investor Relations
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.	

