

Planet

Corporate Statements

The Kuraray Group
Code of Conduct

TOP STATEMENT

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【Notes】As a result of the change in months in each fiscal year, the environmental data and information contained in this report including graphs are as follows.

- Before fiscal 2013: Actuals in 12 months from April to March of the following year
- Fiscal 2014: Actuals for 9 months from April to December + Actuals for January to March 2014 (or estimated value) [Partially overlaps with fiscal 2013]
- After fiscal 2015 : Actuals for 12 months from January to December

Environmental Management

Kuraray's Approach to Environment

We believe that the Kuraray Group's mission is to manufacture basic and intermediate materials that will contribute to creating a low-carbon and environment-friendly society and minimize their environmental impact as much as possible. Based on this philosophy, the Kuraray Group continues to conserve the environment, such as promoting to combat global warming, curb chemical substance emissions, and effectively utilize resources, through global manufacturing.

Environmental Conservation Promotion System

To undertake company-wide environmental conservation activities, the Kuraray Group has established the Global Environment / GHG Emissions Reduction Measure project team under the umbrella or Sustainability Committee which is chaired by the President and promoting measures against global warming, managing chemical substance emissions and ensuring the beneficial use of wastes and water resource.

Kuraray Group Environmental Policy

The Kuraray Group has established the Kuraray Group Environmental Policy, and is engaged in activities for environmental conservation. Furthermore, continuous improvements in its environmental activities are made by implementing a Plan-Do-Check-Act (PDCA) cycle and improving it in the production sites, group companies and head office in accordance with Kuraray

Environmental Activity Management Rules. The Kuraray Group's production sites and affiliates have acquired ISO 14001 (Environmental Management Systems) certificates and are continuing to operate.

Kuraray Group Environmental Policy

The Kuraray Group has established the following policy to contribute to the sustainable development of society and fulfill its responsibilities to future generations through business activities in harmony with environment.

Basic Policy

- (1) We give maximum consideration to the environment in conducting our business operations.
- (2) We conduct perpetual environmental improvement activities.
- (3) We develop technologies and products which contribute to improvement of the environment.

Guiding Principles

- (1) Reduce greenhouse gas emissions
Actively promote the improvement of energy efficiency, fuel conversion, and the utilization of sustainable energy such as biomass fuel. Continuously engage in the reduction of greenhouse gas emissions.
- (2) Reduce emission of hazardous chemicals into the environment
Promote replacement with less hazardous chemicals and continuously reduce emissions, and strive to minimize the emission of hazardous chemicals into the air, water, and soil.
- (3) Reduce the volume of waste
Promote reduction, reuse, and recycling of waste, and strive to minimize the volume of waste resulting from business operations.
- (4) Promote efficient utilization of water resources
Recognizing that water is a limited resource, strive to minimize the amount of water necessary for business operations by promoting the optimization of operation conditions and recycling.
- (5) Develop and provide environmental improvement technologies and products with low environmental load
Strive to develop and provide technologies that reduce the environmental load throughout the entire lifecycle, and contribute to the environment.
- (6) Reduce environmental load in procurement (raw materials, supplies, and equipment) and logistics
Strive to procure environment-friendly materials, supplies, and equipment, while at the same time reducing the environmental load in the logistics process (transportation and storage).
- (7) Consideration to biodiversity
Give maximum consideration to biodiversity, and strive to preserve biodiversity and engage in the sustainable use of biological resources.

(8) Proactively disclose environmental information and promote dialogue with society
Proactively disclose corporate information regarding the environment (including risk information), and promote dialogue with the local community and society as a whole in order to build mutual understanding and trust.

(9) Increase employee awareness of the environment and improve the level of environmental management
Increase employee awareness and understanding of the environment through training and internal communications. Improve the level of environmental management by deploying environment activity management systems and environmental accounting.

■Environmental Conservation Management

In fiscal 2020, no leak accidents of chemical substances and waste that cause severe damage to the environment were reported, although there were minor problems such as a temporary exceedance of standard values. The statutory effluent standards for emissions into the atmosphere and public waters are strictly observed by the Kuraray Group in Japan, and there were no incidents causing a significant impact on the atmosphere, bodies of public water such as rivers, underground water, marine water, soil, and so on. The transportation of hazardous wastes, which includes transportation of waste containing polychlorinated biphenyls (PCBs) to outside disposal companies, is handled appropriately in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act). The Kuraray Group outside Japan also manages the concentration of exhaust gases such as soot and smoke and the quality of wastewater in accordance with the laws and regulations of the countries and regions where its production sites are located.

Environmental Targets and Results

☆☆☆: Largely achieved, ☆☆: Achieved, ☆: Need to be improved

	Scope	FY 2020			FY 2021 target ^{*1}
		Target	Actual performances	Evaluation	
Global warming prevention	Kuraray Group in Japan	Reduce GHG ^{*2} emissions by 13,000 tons-CO2e or more year on year	Reduced GHG emissions by 14,000 tons-CO2e year on year	☆☆	Reduce GHG emissions by 13,000 tons-CO2e or more year on year
		Improve the GHG emission intensity index by at least 1.0 percentage point year on year	GHG emission intensity index: Down 14.3 percentage points year on year	☆	Improve the GHG emission intensity index by at least 1.0 percentage point year on year
	Kuraray Group outside Japan	Improve the energy ^{*3} intensity index by 1.0 percentage point or more year on year	Energy intensity index: Up 0.2 percentage point year on year	☆	Improve the energy intensity index by at least 1.0 percentage point year on year
Management of chemical substance emissions	Kuraray Group in Japan	Reduce JCIA-designated PRTR substance emissions to less than the FY2016 level (957 tons)	JCIA-designated PRTR substance emissions: 805 tons	☆☆☆☆	Reduce JCIA-designated PRTR substance emissions to less than the FY2016 level (957 tons)
	Kuraray Group outside Japan	—	—	—	Comply with the emission regulations of chemical substances in each country and region of overseas production bases and continue quantitative management
Reduction of waste	Kuraray Group in Japan	Reduce waste by the equivalent of 1% relative to FY2016 (900 tons), or more	Reduced waste by 2,486 tons	☆☆☆☆	Reduce waste by the equivalent of 1% relative to FY2016 (900 tons), or more
		Final landfill volume: 616 tons	Reduce JCIA-designated PRTR substance emissions to less than the FY2016 level (957 tons)	☆	Reduce final landfill volume to less than the FY2016 level (251 tons)
	Kuraray Group outside Japan	—	—	—	Comply with the legal requirements of each country and region of overseas production bases and continue to reduce and quantify waste generation
Effective utilization of water resources	Kuraray Group in Japan	—	—	—	Set no numerical targets for the time being in view of the location of the Kuraray Group in Japan, but continue to quantify water consumption while striving to conserve water as much as possible
	Kuraray Group outside Japan	Improve the water intensity index (excluding seawater) by 1.0 percentage point or more year on year	Water intensity index (excluding seawater): Down 4.6 percentage points year on year	☆	Improve the water intensity index (excluding seawater) by 1.0 percentage point or more year on year

*1) The initial fiscal year of the next Medium-Term Environmental Plan was changed to fiscal 2022, and the targets for fiscal 2021 were set as single-year targets.

*2) Greenhouse gas

*3) Almost all electric power and steam is purchased from external sources at the Kuraray Group outside Japan. Because the source of supply has a large effect on GHG emissions (changes in the emission factor), energy consumption is evaluated without incorporating the impact of the supply source in order to properly evaluate the activities of the Kuraray Group outside Japan.

* Production Intensity Index = Converted Production Volume/Environmental Load

Converted production volume: Production volume converted from the production volume of each product as the production volume of the reference product using a conversion factor determined based on the environmental load intensity of each product in the reference year.

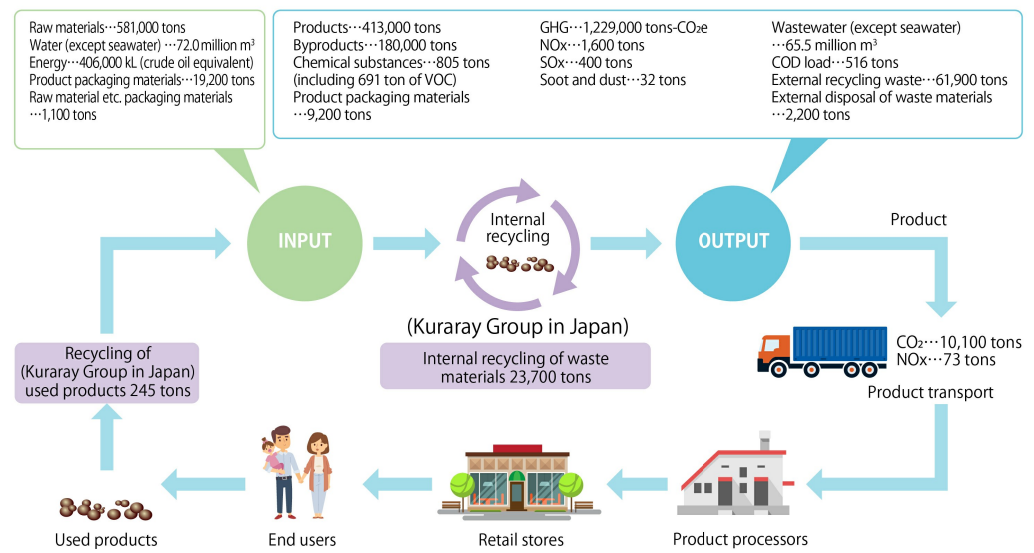
Environmental Load: GHG Emissions Volume (Japan), Energy Consumption Volume (outside Japan), etc.

Converted production volume per environmental load unit. Figures are an index based on fiscal 2016 as 100. Kuraray newly introduced an “Intensity Index” of converted production volume to evaluate “how efficiently the company conducted production activities.” While reviewing the conversion coefficient in accordance with a change in the business environment, it helps reflect on-site environment improvement activities more clearly. Starting from fiscal 2018, Kuraray aims to improve this “Intensity Index” as an environmental objective.

Material Flow in Business Activities

The Kuraray Group uses large amount of energy, chemical substances and water resources required for its business activities. We make quantitative surveys on the used raw materials, resources, products supplied outside the Group and emitted substances every year to help reduce environmental load associated with our business activities.

Material Flow in Business Activities (Fiscal 2020, Kuraray Group in Japan)



■ Collaboration with industry associations

The Kuraray Group has joined Japan Chemical Fibers Association (board member), Japan Chemical Industry Association (member), and Japan Petrochemical Industry Association (member) to enhance our environmental management efforts, and engages in a broad range of activities, such as reduction of GHG emissions, energy conservation, reduction of chemical substance emissions, and prevention of marine plastic pollution, in cooperation with the industry in order to address global environmental issues.

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