

Planet

Corporate Statements

The Kuraray Group
Code of Conduct

TOP STATEMENT

Sustainability Long-term
Vision and Sustainability
Medium-term Plan

Materiality of Kuraray
Group

Planet

Environmental
Management

Global Warming
Prevention

Reduction of
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(integrated report) /
Sustainability website

Initiatives, etc.

Planet priority measures in the Sustainability Medium-Term Plan

| Planet | | | Benchmarks | 2024 | 2026 |
|--------|---------------|----------|------------------------------------|---|------|
| | GHG emissions | Scope1+2 | Year 2019:3.2 million tons | No increase in emissions compared to 2019 | |
| | | Scope3 | Year 2019:0.9 million tons (Japan) | | |
| | | | | Target the entire Group and identify the category dominates for more than two-thirds of emission In fiscal 2023, formulate numerical reduction targets for fiscal 2024 and fiscal 2026 | |

Targets for 2022

| Planet | | | 2022 |
|--------|---------------|----------|--|
| | GHG emissions | Scope1+2 | No increase in emissions compared to 2019 |
| | | Scope3 | Identify the category dominates for more than two-thirds of emission |

Environmental Management

Global Warming Prevention

Updated

Reduction of Environmental Load

Environmental Accounting

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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, we continue to conserve the environment through global manufacturing, including the promotion of measures against global warming, reduction of chemical substance emissions, and effective use of resources.

Kuraray Group Environmental Policy

The Kuraray Group has established the Kuraray Group Environmental Policy, and is promoting environmental conservation activities. Based on the Kuraray Group Environmental Activity Management Rule, these activities are carried out for constant improvement in the P (plan) D (do) C (check and evaluate) A (act and improve) cycle in cooperation with Kuraray plants / subsidiaries and the head office. Those plants and subsidiaries have acquired ISO 14001(Environmental Management Systems) certification and are steadily operating ISO 14001 systems.

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 2021, 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.

Fiscal 2021 Environmental Targets and Results

The Kuraray Group carried out previous Medium-Term Environmental Plan for three years from fiscal 2018 to fiscal 2020. We set targets and carried out activities for a single year in fiscal 2021 as an extension of the policies of the previous Medium-Term Environmental Plan. Environment-related targets and plans for 2022 and beyond are set within the Sustainability Medium-Term Plan (2022-2026). Specific numerical targets and results for fiscal 2021 are shown in the table below.

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

| | Scope | FY2021 | | |
|--|-----------------------------|--|--|------------|
| | | Target | Actual performance | Evaluation |
| Global warming prevention | Kuraray Group in Japan | Implement measures to reduce GHG*1 emissions by 13,000 tons-CO2 or more year on year | Implemented measures to reduce GHG emissions by 30,000 tons-CO2 year on year | ☆☆☆ |
| | | Improve the GHG emission intensity index*2 by at least 1.0 percentage point year on year | The GHG emission intensity index improved by 7.7 percentage points year on year | ☆☆☆ |
| | Kuraray Group outside Japan | Improve the energy*3 intensity index by at least 1.0 percentage point year on year | The energy intensity index worsened by 0.3 percentage points year on year. | ☆ |
| Emission management of chemical substances | Kuraray Group in Japan | Control the amount of JCIA-designated PRTR substance emissions to less than fiscal 2016 result (957 tons) | The JCIA-designated PRTR substance emissions were 985 tons | ☆☆ |
| | Kuraray Group outside Japan | Comply with the emission regulations of chemical substances in each country and region of overseas production sites and continue quantitative management | Implemented quantitative emission control in compliance with chemical substance emissions regulations in each country/area | ☆☆ |
| Effective use of waste | Kuraray Group in Japan | Implement measures to reduce waste by the equivalent of 1% relative to fiscal 2016 level (900 tons) or more | Implemented measures to reduce waste by 4,934 tons | ☆☆☆☆ |
| | | Control final landfill volume to less than fiscal 2016 result (251 tons) | The final landfill volume was 655 tons | ☆ |
| | Kuraray Group outside Japan | Comply with the legal requirements of each country and region of overseas production sites and continue to reduce and quantify waste generation | Implemented quantitative control of waste in compliance with legal requirements in each country/area | ☆☆ |
| Effective use 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 | Pursued effective use of water resources and implemented quantitative control of water usage | ☆☆ |
| | Kuraray Group outside Japan | Improve the water (excluding seawater) intensity index by at least 1.0 percentage point year on year | The water (excluding seawater) intensity index improved by 9.5 percentage points year on year | ☆☆☆☆ |

*1) Greenhouse gas

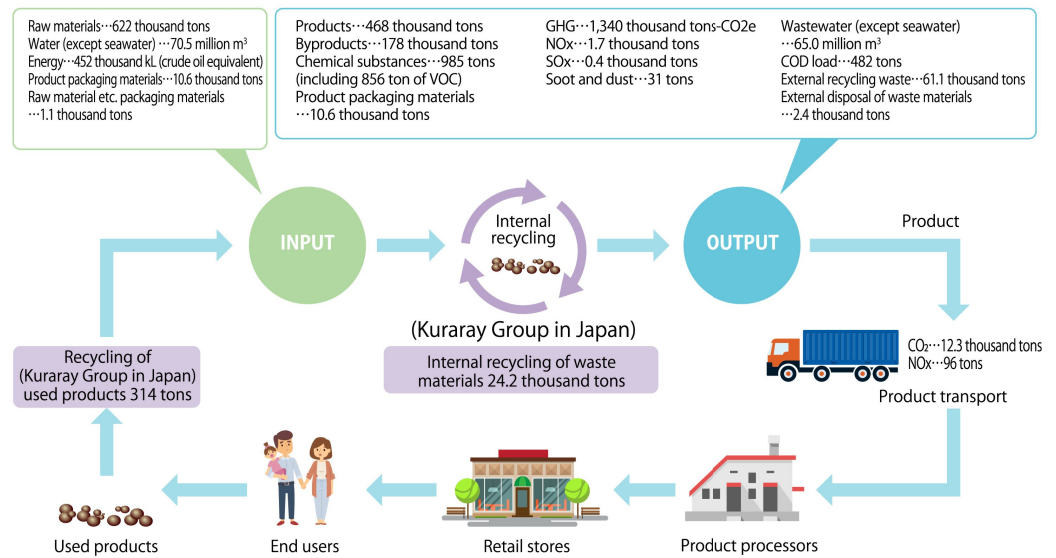
*2) Intensity index = Converted production volume / Environmental impact
 Converted production volume : Production volume converted from the production volume of each product as the production volume of the reference product using a conversion factor determined based on the environmental load intensity of each product in the reference year.

*3) Because the GHG emission factor of energy supplier has a large impact on GHG emissions

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 2021, Kuraray Group in Japan)



Collaboration with industry associations

The Kuraray Group has joined Japan Chemical Fibers Association (committee 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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