

ESG Promotion

Management Approach

Basic Policy

In 2018, Kaneka Group established the ESG Charter to evolve its ESG management. Aiming to provide valuable solutions globally with a focus on chemistry, the ESG Charter serves as an action agenda for each employee to materialize our Corporate Philosophy.

ESG Charter

Putting the Corporate Philosophy Into Practice

1. We offer solutions characterized by value to global markets and contribute to the evolution of lifestyles and the environment through innovative chemistry.

- 1** We bring innovation to lifestyles and the environment by harnessing the unlimited potential of chemical materials to help communities achieve sustainability. (Earthology Chemical Solution)
- 2** By adopting a unified approach to food and medicine that is defined by a focus on chemistry, we provide innovative solutions that empower people to live healthier lives. (Active Human Life Solution)

2. We fulfill our social responsibility by empowering individual employees to put our corporate philosophy into practice through serious, forward-looking effort.

- 1** We actively contribute to our communities by cultivating understanding of the cultures and customs of the countries and regions where we do business and by pursuing corporate activities that are deeply rooted in those communities.
- 2** We operate our businesses in a fair and impartial manner based on the principles of free competition and legal compliance.
- 3** We're committed to communicating with shareholders and other stakeholders and to making information about our operations available in a timely and appropriate manner.
- 4** We strive to foster an organizational culture that respects the personalities and uniqueness of all employees so that they can enjoy good health, feel motivated, and make the most of their abilities.
- 5** Reflecting a commitment to make safety the top priority in our operations, we work to create safe and healthy workplaces, ensure product safety, and protect and preserve the

ESG Promotion System

We reorganized our ESG-related organization with the establishment of the Engine of Sustainability Management on April 1, 2022. It is tasked with overseeing and enhancing ESG management. The Engine of Sustainability Management consists of eight implementation organizational entities. These work to promote ESG and the SDGs overseeing the activities of all related departments across the organization. We will work to protect the environment, to contribute to the restoration of humanity, and to strengthen “Wellness First” health management to support a society that nurtures life.

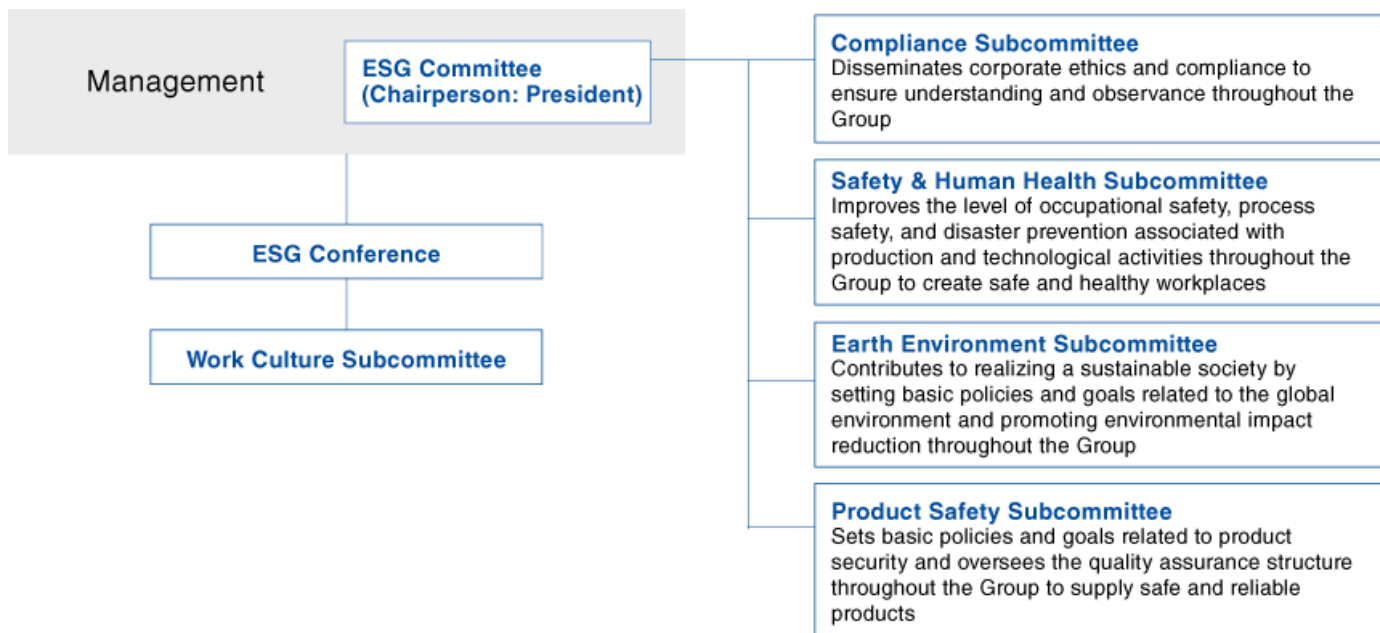
■ Diagram of ESG Promotion System (April 1, 2022)



Until fiscal 2021, there were four subcommittees formed under the ESG Committee, chaired by the president, working to resolve environmental, social, and governance issues: the Compliance Subcommittee, the Safety & Human Health Subcommittee, the Earth Environment Subcommittee, and the Product Safety Subcommittee.

In April 2019, the ESG Conference was newly established to set policy directions to promote ESG management, wellness-first management, and work culture innovation, aiming to enhance sustainable corporate value.

■ Diagram of ESG Promotion System (through Fiscal 2021)



ESG Promotion

ESG Promotion Activities

ESG Committee

In fiscal 2021, the ESG Committee met twice, and the four subcommittees met individually (Compliance: twice, Safety & Human Health: twice, Earth Environment: twice, Product Safety: twice), and efforts were made to resolve environment, social, and governance issues.

The ESG Committee assessed the implementation status of each Subcommittee's activities, shared information on key issues, deliberated the fiscal 2022 action policy plan, and decided on necessary management measures.

ESG Inspections

To inspect the legal and regulatory compliance status of the Kaneka Group and to improve its occupational safety and health performance, ESG inspections are carried out, comprising ESG safety and quality inspections and ESG evaluation audits, targeting Group companies within and outside Japan.

To monitor progress of ESG activities, we conduct ESG safety and quality inspections to check the progress of activities from the standpoints of safety/hygiene, environmental conservation and quality assurance of product/commodity/work in process. ESG evaluation audits to ensure compliance with the Antimonopoly Act. Kaneka's Environmental Health and Safety Management Regulations and Quality Management Regulations clearly define the actions and responsibilities expected of Group companies. Encouraging employees to be proactive, we endeavor to reduce environmental impacts and occupational accident risks, as well as to improve our crisis response capabilities in case of natural disasters and product accidents.

We conducted ESG safety and quality inspections in fiscal 2021 at all parent manufacturing sites and at eight sites of six Group companies in Japan, focusing on the key areas of operations and improvements based on risk assessment standards, initiatives to prevent human error, and the management of irregular work and crisis response.

We conducted ESG evaluation audits at all Kaneka business divisions, 28 Group companies in Japan, and 20 Group companies overseas in the area of competition laws like the Antimonopoly Act in Japan. Executives of Kaneka and Group companies in Japan involved in sales, purchasing, and business development are required to undergo antitrust law compliance training and submit a written oath. At Group companies in Japan, we confirmed the status of issues related to equal pay for equal work and revisions to the Act on Stabilization of Employment of Elderly Persons.

ESG Education

We engage in educational activities to promote ESG within the company through training sessions and the company intranet.

In fiscal 2021, we posted a section on the company intranet entitled “Deepening Your ESG Understanding” and sought to disseminate information on the ESG-related social issues companies are called on to address, Kaneka’s progress toward achieving ESG management, and commentary on the ten principles of the UN Global Compact.

We will continue to enhance employees’ understanding of ESG to resolve social issues through corporate activities.

Support for the United Nations Global Compact

In March 2015, Kaneka Group became a signatory to the United Nations Global Compact. The UN Global Compact is a voluntary code of conduct through which the top management of signatory companies commit themselves to take action aimed at achieving ten principles in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. As Kaneka Group with a global network, we actively share information about our commitment to global sustainable growth as a responsible corporate citizen with our stakeholders and the international community.

WE SUPPORT



United Nations Global
Compact

■ The Ten Principles of the UN Global Compact

Human Rights	<ul style="list-style-type: none"> • Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and • Principle 2 : make sure that they are not complicit in human rights abuses.
Labour	<ul style="list-style-type: none"> • Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; • Principle 4 : the elimination of all forms of forced and compulsory labour; • Principle 5 : the effective abolition of child labour; and • Principle 6 : the elimination of discrimination in respect of employment and occupation.
Environment	<ul style="list-style-type: none"> • Principle 7 : Businesses should support a precautionary approach to environmental challenges; • Principle 8 : undertake initiatives to promote greater environmental responsibility; and • Principle 9 : encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	<ul style="list-style-type: none"> • Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

ESG Promotion

Promoting Responsible Care

Promoting Responsible Care

Since 1995, Kaneka Group has put in place policies governing safety and Responsible Care(*), and internal regulations ensuring effectiveness of the Responsible Care approach.

In September 2008, we signed the Declaration of Support for the Responsible Care Global Charter and announced that we would undertake Responsible Care activities worldwide. The Responsible Care Global Charter was revised at the board meeting of the International Council of Chemical Associations (ICCA) in May 2014. Responding to the revision, we signed the revised Responsible Care Global Charter in October 2014 to continue to actively promote our Responsible Care activities.

* Responsible Care refers to actions undertaken on a voluntary basis by the chemical industry to promote improvements in aspects of environmental, safety, and health performance, throughout the entire process from the development of chemical products to their manufacture, usage and disposal. The initiatives and achievements are communicated to the public to raise public confidence in their operations. Kaneka has been actively promoting this approach since 1995 as a founding member of the JCIA Responsible Care Committee (former Japan Responsible Care Council) established by the Japan Chemical Industry Association.



Signed the Responsible Care Global Charter revised in 2014

Basic Policies for Responsible Care

In keeping with our corporate philosophy, we at the Kaneka strive to ensure the conservation of resources and reduce environmental impact throughout the entire product lifecycle, while working to help realize the sustainable development and prosperity of society.

Basic Policies for Responsible Care

1. Protect the natural ecosystem and reduce environmental impact

Focusing on the impact of corporate activities on the global environment and the ecosystem, we endeavor to reduce environmental impact and promote resource conservation and energy saving throughout the lifecycle of products.

2. Offer safe products and information

We endeavor to offer products that are safe to distribute and use, and to provide adequate information on the products such as instructions on how to use and handle products correctly.

3. Develop products and technologies in consideration of the environment and safety

Upon the development of new products, we give consideration to the environment and safety throughout the lifecycle of the products to the greatest extent possible, and endeavor to develop products and technologies with low environmental impact.

4. Reduce waste and promote the recycling of plastics

We reduce waste associated with manufacturing and its processes. We actively develop technologies for the adequate disposal or recycling of plastic waste concerning our products in cooperation with relevant industries, and endeavor to dispose of and recycle waste in a proper manner.

5. Enhance process safety, disaster-prevention, and occupational safety and health

Safety and disaster prevention constitute the foundations of the local community's trust, and occupational health and safety are issues that need to be fulfilled by chemical companies. We persistently strive to make improvements in these areas.

6. Win public confidence

From the management to every employee, all our members shall act in compliance with laws, regulations, standards, etc. relating to environment and safety both at home and abroad. Our approach to Responsible Care as such shall be publicized accurately to the public, in hope of rightfully gaining public recognition and confidence.

Responsible Care Activities

We carry out a range of Responsible Care activities to further promote measures that can be taken by the chemical industry to protect human health and safety and preserve the environment. To ensure progress with respect to the six RC codes (environmental protection, process safety and disaster prevention, occupational safety and health, chemicals and product safety, distribution safety, and interaction/communication with the public), Kaneka has set up a system to guide its initiatives.

Environment

Management Approach

Basic Policy

In keeping with our corporate philosophy, we at the Kaneka Group will contribute to realizing sustainable development and the enrichment of society by conserving resources and reducing environmental impacts at each stage of the entire product lifecycle.

Policy

Basic Policies for Responsible Care

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Promotion System

Important matters relating to protection of the natural environment are deliberated by the Earth Environment Subcommittee, under the direction of the ESG Committee. Chaired by the president, the ESG Committee decides on issues, which are also shared and discussed in the Management Committee, the Plant Management Committee, and other relevant bodies. The Mid-Term Management Plan calls for strengthening initiatives on important matters to further enhance ESG management.

The Corporate Manufacturing Integrity Center and the Global CSV (Quality Environment) Center manage environmental affairs for Kaneka as a whole and support the environmental protection activities of Kaneka Group companies.

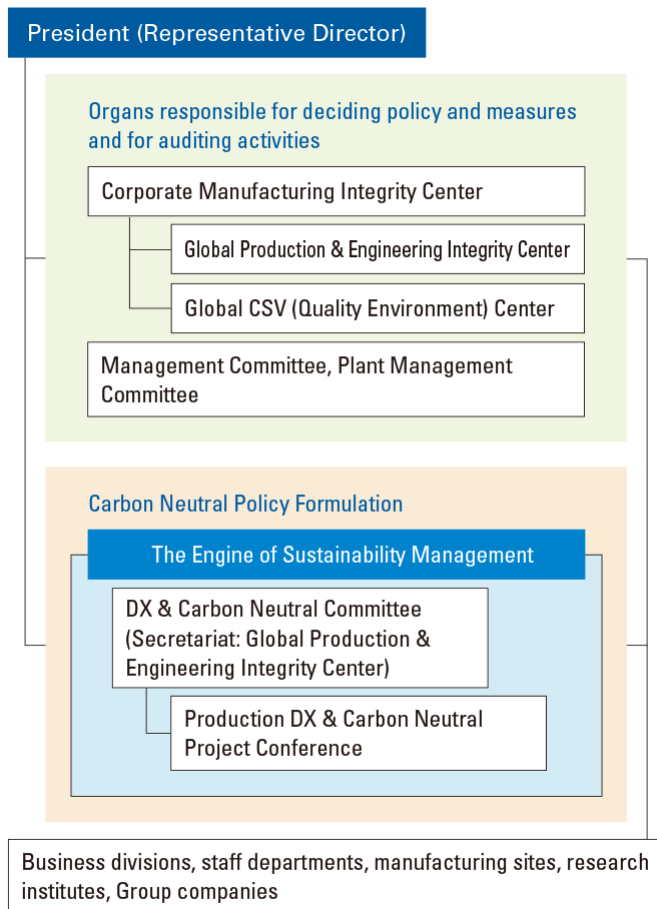
Meanwhile, toward realizing a sustainable society, we have set out the Basic Policies for Responsible Care under which we ensure strict observance of laws protecting human health and safety and rigorous compliance with environmental legislation such as the Air Pollution Control Act and the Water Pollution Control Act and the criteria set out in related agreements. Internal auditing, ESG safety and quality inspections, and other tools are used to confirm compliance and to manage environmental impact and risk reduction.

■ Diagram of Promotion System (through Fiscal 2021)



We reorganized our ESG-related organization with the establishment of the Engine of Sustainability Management on April 1, 2022. It is tasked with overseeing and enhancing ESG management. When dealing with important matters relating to global environment protection, the Corporate Manufacturing Integrity Center, which is under direct presidential control, and the Global CSV (Quality Environment) Center take the lead role in sharing the issues with the Management Committee, the Plant Management Committee, and other relevant bodies and then formulating policies and measures. With specific focus on carbon neutrality, we have established a DX & Carbon Neutral Committee under the control of the Engine of Sustainability Management to accelerate initiatives.

■ Diagram of Promotion System (as of April 1, 2022)



Targets and Performance

Target		Fiscal 2021 performance
Energy intensity index (*1)	Average annual reduction of 1% or more	90.4 (all parent manufacturing sites) 2.1% year-on-year reduction
CO ₂ emission intensity index (*2)	Average annual reduction of 1% or more (fixed emissions factor) Estimated fiscal 2021	85.8 (all parent manufacturing sites)

Target		Fiscal 2021 performance
	performance 92.3 (fiscal 2030 target 84.3)	
Air and water pollution prevention		Strict compliance with standards set by Air Pollution Control Act/Water Pollution Control Act and with criteria agreed with local governments
Chemical substance emissions reduction	VOC emissions 1,800 tons or below	Due to increased production volume and changes in product mix, VOC emissions, at 1,905 tons, were not on target
Waste reduction	Kaneka final landfill disposal rate: 0.2% or below Zero emissions at Kaneka and Group companies in Japan	Kaneka final landfill disposal rate 0.053% Zero emissions achieved by Kaneka and Group companies in Japan based on final landfill disposal rate of 0.43% (*3)
Check legal compliance of waste disposal subcontractors		Visited disposal subcontractors where on-site survey was possible and carried out checklist-based inspection

*1 Energy intensity index: a value for energy intensity indexed against a value of 100 for fiscal 2013. The value is calculated by dividing manufacturing energy consumption by activity volume (all parent manufacturing site production volume).

*2 CO₂ emission intensity index: a value for energy-origin CO₂ emission intensity indexed against a value of 100 for fiscal 2013. The value is calculated by dividing energy-origin CO₂ emissions by activity volume.

*3 Zero emissions (Kaneka definition): final landfill disposal volume less than 0.5% of total generated waste.

Environmental Management Systems

We operate based on ISO 14001 and Eco-Action 21 environmental management systems, with the aim of reducing environmental impacts, preventing environmental problems, and responding quickly if any problems arise.

The ISO 14001 acquisition rate at Kaneka manufacturing sites is 100%.

■ ISO 14001 Certification

Manufacturing Sites and Group Companies	Registration No.
Takasago Manufacturing Site	JCQA-E-0105
Osaka Manufacturing Site	JCQA-E-0053

Manufacturing Sites and Group Companies	Registration No.
Shiga Manufacturing Site	JCQA-E-0015
Kashima Manufacturing Site	JCQA-E-0054
Vienex Corporation	JSAE1511
Osaka Synthetic Chemical Laboratories, Inc.	JCQA-E-0343
Kaneka Solartech Corporation	JQA-EM6704
Kanto Styrene Co., Ltd.	JEN-2024.0
Sanvic Inc.	JMAQA-E841
Showa Kaseikogyo Co., Ltd. Hanyu Headquarters Factory	E0062
Cemedine Co., Ltd. Ibaraki Plant, Mie Plant	JCQA-E-0366
Cemedine Co., Ltd. Kinuura Plant	497791UM15
Tatsuta Chemical Co., Ltd. Koga Plant	4357081
Tochigi Kaneka Co., Ltd.	JCQA-E-0256
Kaneka Belgium N.V.	97 EMS 002g
Kaneka (Malaysia) Sdn. Bhd.	EMS00400
Kaneka Innovative Fibers Sdn. Bhd.	EMS00400
Kaneka Eperan Sdn. Bhd.	EMS00400
Kaneka Paste Polymers Sdn. Bhd.	EMS00400
Kaneka Apical Malaysia Sdn. Bhd.	EMS00400
Kaneka MS Malaysia Sdn. Bhd.	EMS00400
Kaneka (Thailand) Co., Ltd.	EMS727351

■ Eco-Action 21 Certification

Group Company	Certification and Registration No.
OLED Aomori Co., Ltd.	0010329
Kaneka Kanto Styrol Co., Ltd.	0004259
Kaneka Sun Spice Corporation	0003556
Kaneka Chubu Styrol Co., Ltd.	0006600
Kaneka Tohoku Styrol Co., Ltd.	0010773
Kaneka Nishinippon Styrol Co., Ltd. Headquarters, Saga Plant, Kagoshima Plant, and Nagasaki Plant	0003949
Kaneka Foods Manufacturing Corporation	0003491
Kaneka Foam Plastics Co., Ltd. Moka Plant	0003247
Kaneka Hokkaido Styrol Co., Ltd.	0001805
Kaneka Medix Corporation	0001893
Kyushu Kanelite Co., Ltd.	0001637
Kochi Styrol Co., Ltd.	0011039
Taiyo Yushi Corporation	0003575
Tokyo Kaneka Foods Manufacturing Corporation	0003473
Nagashima Shokuhin Co., Ltd.	0003093
Hokkaido Kanelite Co., Ltd.	0001905

Environment

Environmental Performance

By providing solutions that contribute to the global environment and a rich life and working to reduce environmental impacts and disclose timely information in fundamental business domains, Kaneka Group engages in various environmental initiatives.

Material Balance

Kaneka Group is working to reduce environmental impacts by aggregating the status of energy and resource inputs and material outputs through emissions and products to grasp production activity volume, targeting Kaneka and Group companies within and outside Japan.

In fiscal 2021, the main raw material, energy consumption, and water inputs decreased by 71 thousand tons (4.2%), 53 thousand kiloliters (8.0%) and 2.1 million m³ (6.0%), respectively from the previous year. The product, GHG, SO_x, COD, and SS outputs increased by 134.1 thousand tons (6.6%), 92.8 thousand tons-CO₂e (7.2%), 23.6 tons (37.6%), 32.2 tons (10.3%), and 23.1 tons (11.0%), respectively. Meanwhile, the amount of externally recycled waste decreased by 5,730.4 tons (9.4%) due to the decrease in the amount of waste generated by Kaneka, and the final landfill waste output decreased by 1,320.6 tons (19.5%) due to differences in the product mix for some Group companies outside Japan.

For data of indicators related to climate change and environment protection, we have received third-party assurance to ensure the reliability and transparency of Data Sheet 2022. [PDF](#)

For indicator data, some calculation methods have been changed. For details, please refer to “Calculation Methods for Data of Indicators related to Environment”. [PDF](#)

■ Fiscal 2021 Results

INPUTS Energy and Resources

Legend (from top)
 Kaneka and Group companies in Japan (*1)
 Group companies outside Japan

Main raw materials
1,474 thousand tons
279
Energy (Crude oil equivalents)
558 thousand kiloliters
162
Water
27.6 million m ³
10.1

Kaneka
 Group companies in Japan 47
 Group companies outside Japan 16

OUTPUTS Discharges, Recycling, and Products

■ Products
 ■ Into the atmosphere
 ■ Into water systems
 ■ As waste

Products	GHG	SOx
1,821 thousand tons	1,220 thousand tons-CO ₂ e	85.5 tons
351	328	0.8
NOx	Soot and dust	PRTR Law designated substances
876.3 tons	22.6 tons	149.2 tons
62.1	2.4	-
Chemical Oxygen Demand	Suspended Solids	PRTR Law designated substances
236.2 tons	207.9 tons	16.8 tons
107.7	26.0	-
Nitrogen	Phosphorous	
152.6 tons	4.6 tons	
3.1	0.6	
Final landfill	External recycling	External reduction
350.2 tons	48,906.8 tons	7,492.1 tons
5,109.7	6,500.5	3,949.5

*1 Kaneka, 40 Kaneka consolidated subsidiaries in Japan, and seven non-consolidated subsidiaries. Consolidated subsidiaries in Japan do not include subsidiaries of Cemedine Co., Ltd.

Environmental Accounting

We efficiently and effectively promote environmental conservation activities by quantitatively grasping the investment and expenditure costs related to environmental conservation and the quantitative and economic impacts of environmental measures. We calculate these costs and effects based on the 2005 edition of the Environmental Accounting Guidelines by Japan's Ministry of the Environment with Kaneka's own unique way of thinking, targeting all parent manufacturing sites and 30 Group companies in Japan (manufacturing companies).

In fiscal 2021, environmental costs (investments) were 3,988 million yen, an increase of 2,938 million yen from the previous fiscal year.

In terms of environmental costs (expenditures), pollution prevention costs increased by 543 million yen, resource recycling costs decreased by 132 million yen, and research and development costs increased by 50 million yen.

The economic impacts of environmental measures yielded 398 million yen more in cost reductions over the previous year, due largely to cost reductions from energy conservation. Income earned from recycling and other activities was 4 million yen while improved resource conservation and intensity yielded cost reductions of 1,133 million yen. However, cost reductions due to recycling and other activities were lower by 361 million yen.

■ Environmental Costs (Investments, Expenditures)

(Millions of yen)

Cost Classifications	Main Efforts	Fiscal 2019		Fiscal 2020		Fiscal 2021	
		Investments	Expenditures	Investments	Expenditures	Investments	Expenditures
Business Area		1,314	5,674	1,049	5,637	3,987	6,048
1. Pollution Prevention	Air and water pollution prevention	1,293	3,550	947	3,338	3,737	3,881
2. Environmental Conservation	Addressing climate change and energy saving	-	-	-	-	-	-
3. Resource Recycling	Waste processing, recycling, and reduction	20	2,096	102	2,299	250	2,167
Upstream and Downstream	Product recycling, collection, and processing	0	8	0	25	0	25
Management Activities	Environmental education for employees and environmental impact monitoring and measurement	7	463	0	397	1	419

Cost Classifications	Main Efforts	Fiscal 2019		Fiscal 2020		Fiscal 2021	
		Investments	Expenditures	Investments	Expenditures	Investments	Expenditures
Research and Development	Research and development of products contributing to environmental conservation	-	9,364	-	9,169	-	9,219
Social Activities	Greening, beautification, and disclosure of environmental information	0	113	1	114	0	107
Environmental Damage	Payment of sulfur oxide emission charges	0	9	0	8	0	2
Total		1,321	15,604	1,050	15,350	3,988	15,820

We calculate these costs and effects based on the 2005 edition of the Environmental Accounting Guidelines by Japan's Ministry of the Environment with Kaneka's own unique way of thinking, targeting all parent manufacturing sites and 30 Group companies in Japan (manufacturing companies).

Note: Figures do not include global environment conservation investments and expenditures and research and development investments. Amounts reported here may not fully match, due to rounding.

■ Quantitative Impact of Environmental Conservation Efforts

Category	Initiatives	Items	Units	Fiscal 2019	Fiscal 2020	Fiscal 2021
Pollution Prevention	Atmospheric and water discharges of hazardous substances	SOx emissions	Tons	86.7	61.7	85.5
		NOx emissions	Tons	871.7	877.1	876.3
		Chemical oxygen demand	Tons	234.7	220.9	236.2
		PRTR Law-designated chemical emissions	Tons	186.2	188.3	166.0
Environment	Greenhouse gas emissions	GHG	Thousand tons-CO ₂ e	1,189.6	1,177.1 (*2)	1,219.6
	Energy consumption	Crude oil equivalents	Thousand kiloliters	508.0	520.4	557.6
Resource Recycling	Final landfill	Landfill	Tons	760.8	479.5	350.2
	External recycling	Amounts recycled	Tons	47,263.3	55,750.8	48,906.8

*2 In making group companies in Japan subject to third-party assurance starting with fiscal 2021 results, we reviewed fiscal 2020 data to confirm year-on-year changes. As a result, we discovered input and other errors, and have corrected fiscal 2020 figures.

Measures	Fiscal 2019	Fiscal 2020	Fiscal 2021
Revenue from recycling	131	189	184
Cost reductions by better resource efficiency (output per unit of input)	8	1,335	202
Waste disposal cost reductions by recycling	253	481	120
Cost reductions by energy conservation Total	227	24	422
Total	619	2,028	927

Note: Amounts reported here may not fully match, due to rounding.

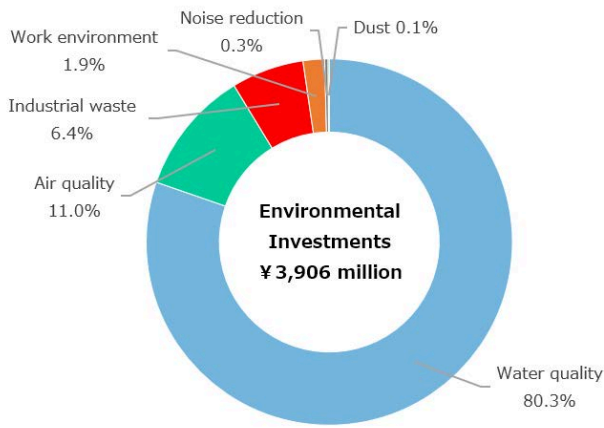
Environmental Investments (Kaneka)

We continue to invest in environmental conservation.

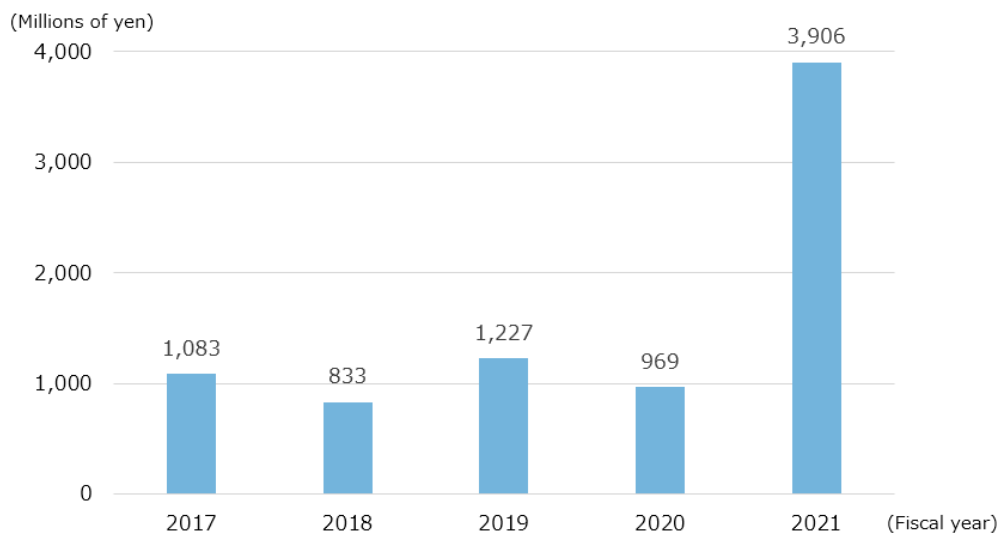
Environmental investments in fiscal 2021 totaled 3,906 million yen. Of this total, 80.3% was for water quality, 11.0% was for air quality, 6.4% was for industrial waste, 1.9% was for the work environment, 0.3% was for noise reduction, and 0.1% was for dust. The main reason for the year-on-year increase was the enhancement of wastewater treatment equipment to address the higher wastewater volume associated with expanded production capacity of KANEKA Biodegradable Polymer Green Planet™. Specifically, we rolled out a range of equipment to treat the increased environment impact (total organic carbon content [TOC], total phosphorus, total nitrogen), including anaerobic treatment equipment, nitrification and denitrification equipment, coagulation sedimentation equipment, sludge dehydration equipment, and desulfurization and boiler equipment. We plan to use biogas generated by the anaerobic treatment equipment as fuel for steam generation.

Environmental investment over the past five years averages about 1,600 million yen, leading with water quality (55.1%), followed by air quality (20.3%) and the work environment (12.1%). We will continue to invest proactively to maintain and improve the environment.

■ Environmental Investments in Fiscal 2021



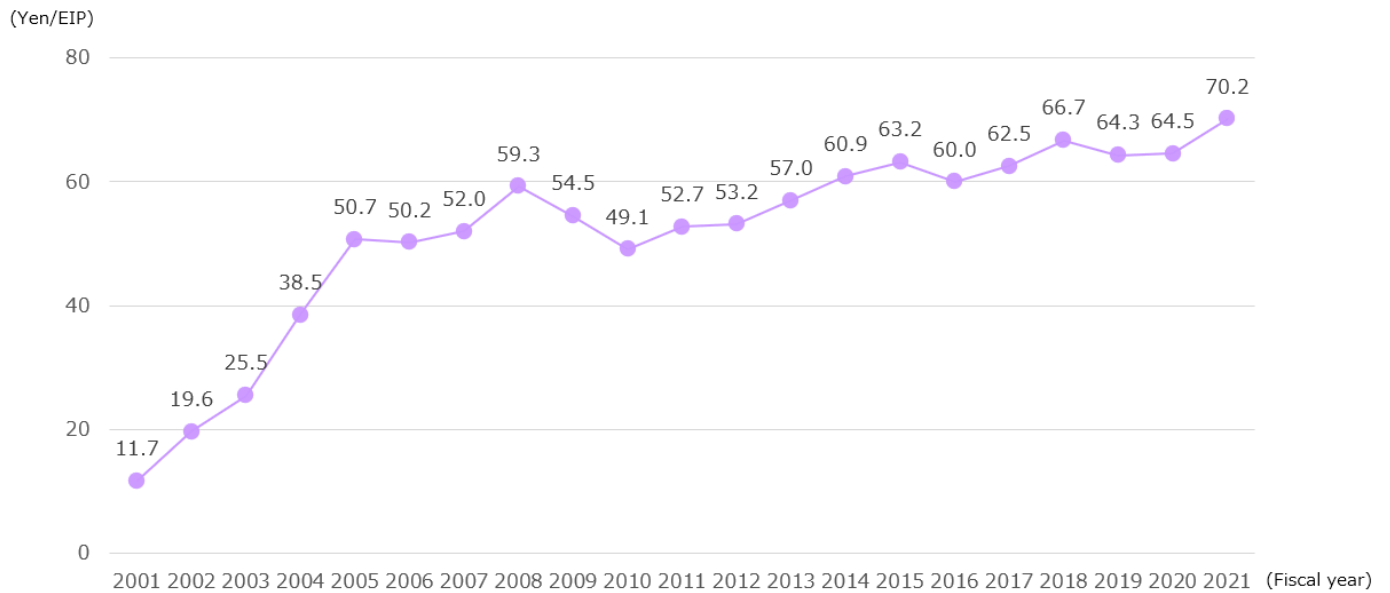
■ Cumulative Environmental Investments



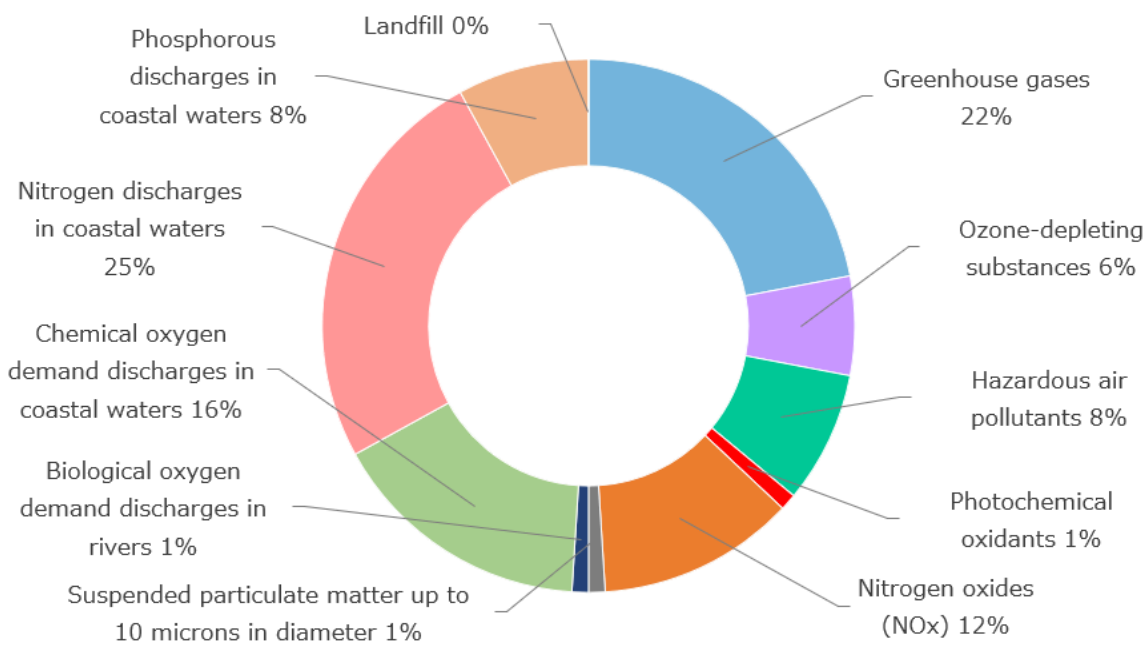
Environment Efficiency (Kaneka)

Kaneka assesses the environmental impact of our production activities using Environmental Impact Points (EIPs), which are compiled using the JEPIX methodology, and we use these points to assess our environmental efficiency. Our total environmental impact increased by 10.0% from the previous year in fiscal 2021, primarily in terms of greenhouse gases ozone-depleting substances, and discharges COD and nitrogen in coastal waters, with EIPs at 4.77 billion. However, environmental efficiency improved by 8.8% from the previous year.

■ Environment Efficiency



■ Details of Total Environmental Impact



Fiscal Year	Net Sales (million yen)	Environmental Impact (100 million EIPs)	Environmental Efficiency (yen/EIP)
2019	292,084	45.4	64.3
2020	279,774	43.3	64.5
2021	334,675	47.7	70.2

CHECK & ACT

Under environmentally friendly management, we continue working to reduce environmental risks by complying with environmental regulations and legislation and criteria in agreements with local governments and by checking compliance with them through various means, including ISO 14001 internal audits and ESG safety and quality inspections.

We will also continue working to further reduce environmental impact and improve environmental efficiency by promoting energy conservation activities.

TOPICS

Green Bond (Environmental Bond) Issued

As its 7th unsecured straight bond, Kaneka issued a green bond (environmental bond) to procure funds for the manufacture and R&D of KANEKA Biodegradable Polymer Green Planet™ (“Green Planet™”) in September 2019. A green bond is an ESG bond, and fund usage is limited to projects that contribute to resolving environmental issues. It is the first such industrial bond issued by a Japanese chemical company.




Green Planet™ is a 100% plant-based polymer extracted from microorganisms that process plant oils and is biodegradable in the sea and soil. It is expected to contribute to reducing marine pollution caused by microplastics.

For the issuance of the green bond, Kaneka has established the Green Bond Framework, which conforms to the Green Bond Principles 2018 of the International Capital Market Association (ICMA) and the Green Bond Guidelines 2017 Edition of Japan’s Ministry of the Environment. To obtain eligibility for and transparency of this green bond and raise its appeal for investors, as a third-party evaluation, Kaneka has obtained a second opinion from Rating and Investment Information, Inc. (R&I) of how this framework conforms to the Green Bond Principles 2018 and the Green Bond Guidelines 2017 Edition. Kaneka has also obtained top-level evaluation in the green bond assessment by R&I, the GA1 preliminary evaluation.

The relevant business segments of the green bond principles and the relevant development objectives of the SDGs are shown in the table below.

Green bond principles / Green project categories	SDGs Development objectives
<ul style="list-style-type: none"> • Pollution Prevention and Control • Eco-Efficient and/or Circular Economy Adapted Products, Production Technologies and Processes 	

Annual Reporting

- [Green Bond 2020 Annual Reporting \(PDF\)](#)  PDF
- [Green Bond 2021 Annual Reporting \(PDF\)](#)  PDF
- [Green Bond 2022 Annual Reporting \(PDF\)](#)  PDF

Environment

Climate Change Initiatives

To address global warming, we at the Kaneka Group are working to promote energy conservation and reduce CO₂ emissions through a range of measures, including our own environmental capital investment program. We are implementing life cycle assessment (LCA) for our main products and intend to successively expand the range of products covered going forward. We are also working to introduce carbon-life cycle analysis (cLCA), which calculates the contribution to GHG emissions reduction relative to comparable products, and indirect GHG emissions calculation, which covers business activities throughout the supply chain (Scope 3 emissions).

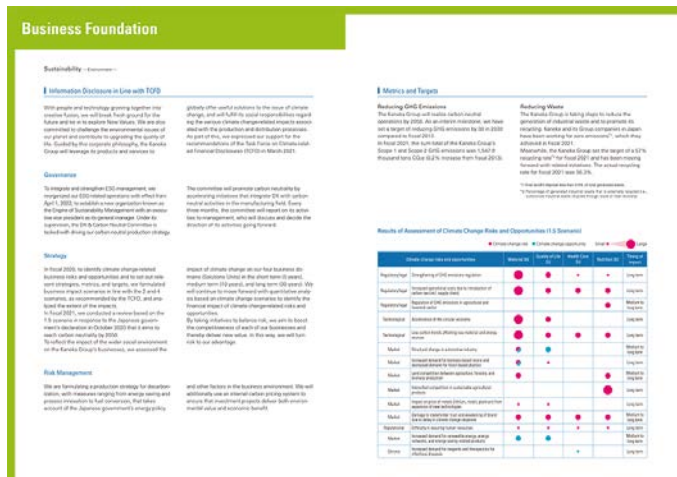
Initiatives for Climate Change: Achieving TCFD and Carbon Neutrality

In March 2021, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

In fiscal 2021, we conducted an impact analysis associated with the shift to low-carbon energy and a natural disaster risk assessment for each site.

In the impact analysis associated with shift to low-carbon energy, we compared two scenarios and estimated the respective impact: (a) introducing green energy at the current usage ratio of electricity and heat sources, and (b) introducing green energy after shifting to electricity to the greatest extent possible. Regarding the natural disaster risk assessment for each site, we estimated the degree of risk that could occur at our main sites, the Takasago Manufacturing Site and the Osaka Manufacturing Site, and estimated the projected damage in each case.

We summarized our efforts in line with the four TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets.



▶ Enlarge the figure (48.1KB)

We will strengthen and accelerate our initiatives for the realization of carbon neutrality by 2050.
 (For details, please see Management Strategy: [Carbon Neutrality](#).)

Energy Conservation Efforts

We are engaged in energy conservation activities, using the energy intensity index as an indicator for management.

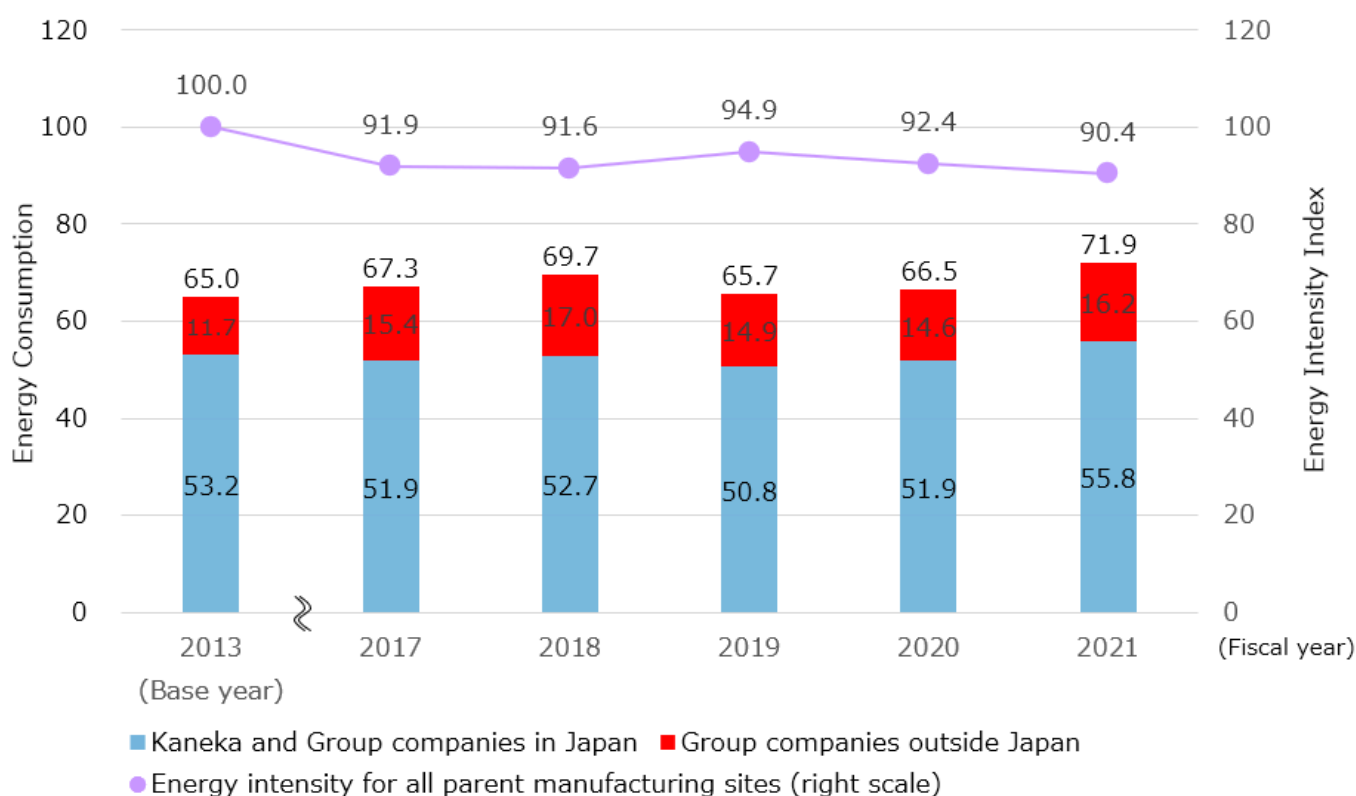
The energy intensity index for all parent manufacturing sites in fiscal 2021 was 90.4, a decrease of 2.1% from the previous fiscal year, and reached our goal of an annual average decrease of 1% or more. The average rate of change over the five-year period was a decrease of 0.4%, which did not reach our goal of an annual average decrease of 1%. Although products that have a high impact on intensity saw improved intensity compared to the fiscal 2013 benchmark, their intensity was significantly worse when compared with fiscal 2017, the first year of the five-year average. This and the production of specialized products that have higher intensity than simple products were the main reasons for falling short of the goal.

Kaneka and Group companies in Japan used 558 thousand kiloliters of crude oil equivalents, an increase of 7.4% from the previous fiscal year, mainly due to an increase in production volume.

For details, please refer to “Calculation Methods for Data of Indicators Related to Environment”  PDF

■ Energy Consumption (Crude Oil Equivalents) and Energy Intensity Index

(10 thousand kiloliters)



■ Kaneka Group Energy Consumption (Fiscal 2021)

	Kaneka and Group companies in Japan	Group companies outside Japan	Total
Energy Consumption (Crude Oil Equivalents) [10 thousand kiloliters/year]	55.8 (Of which Kaneka 48.4)	16.2	71.9
Energy Consumption (GWh Conversions) [GWh/year]	4,247.1 (Of which Kaneka 3,731.2)	1,226.8	5,473.9

Initiatives to Reduce CO₂ Emission Intensity

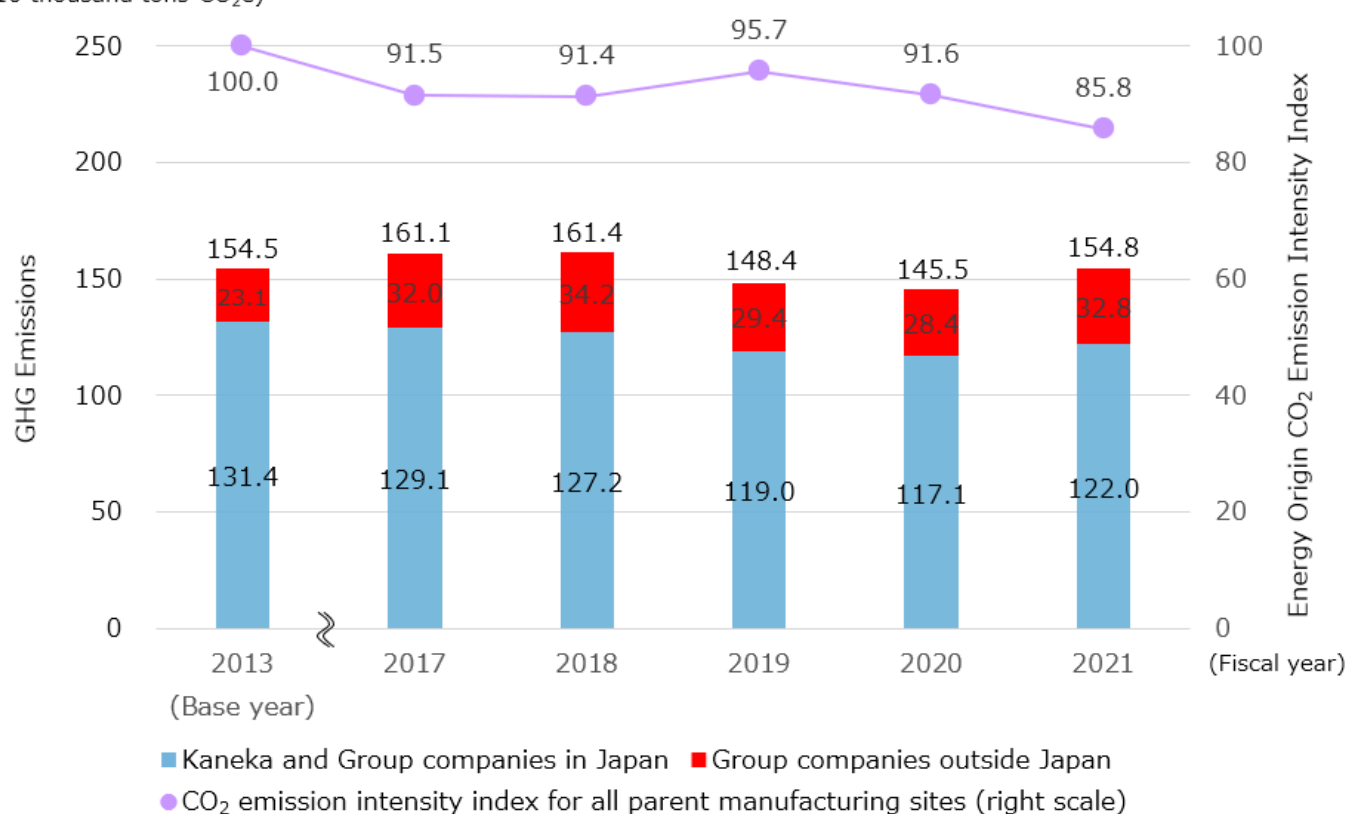
At Kaneka, we are working to reduce CO₂ emission intensity, using a CO₂ emission intensity index as an indicator for management, based on CO₂ emissions from energy consumption associated with production activities.

In fiscal 2021, the index for all parent manufacturing sites was 85.8, achieving our fiscal 2021 target of 92.3 (toward a fiscal 2030 target of 84.3).

GHG emissions for Kaneka and Group companies in Japan increased by 4.1% from the previous year to 1,220 thousand tons-CO₂e, due to the impact of increased production volume. Going forward, we will continue to take energy saving actions and, based on our strategy for carbon neutrality, will work to reduce GHG emissions by means of actions such as streamlining production processes through innovation and switching to alternative fuels.

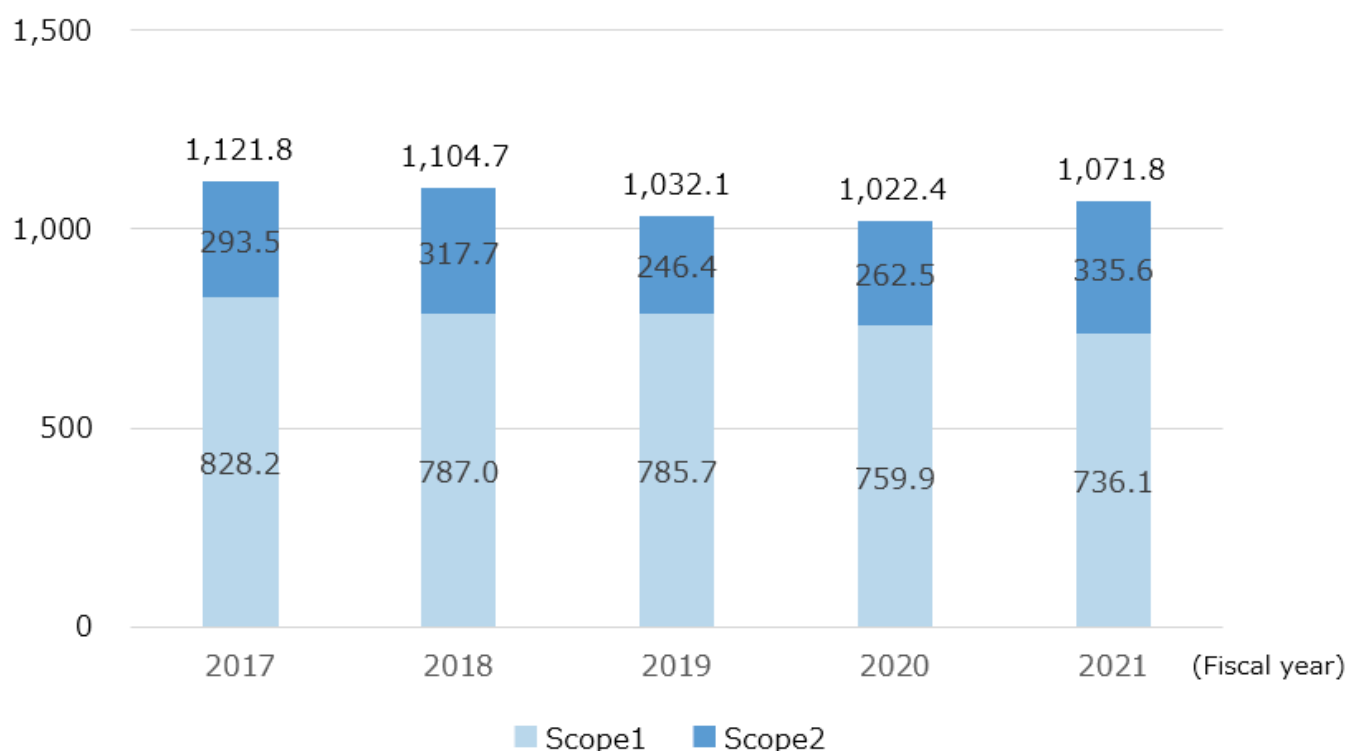
■ GHG Emissions and Energy Origin CO₂ Emission Intensity Index

(10 thousand tons-CO₂e)



■ Scope 1 and 2 Emissions (Kaneka)

(Thousand tons-CO₂e)



■ Scope 1 and 2 Emissions (Fiscal 2021)

(Thousand tons-CO₂e/year)

	Kaneka and Group companies in Japan	Group companies outside Japan	Total
Scope 1 direct emissions (*1)	811.4 (Of which Kaneka 736.1)	100.6	912.0
Scope 2 indirect emissions from energy consumption (*2)	408.2 (Of which Kaneka 335.6)	227.7	635.9
Total	1,219.6 (Of which Kaneka 1,071.8)	328.3	1,547.9

*1 Non-energy CO₂ emissions and CO₂-equivalent of methane and N₂O emissions are included.

*2 Scope 2 emissions calculated using the location-based method for Kaneka and Group companies in Japan were 546.8 thousand tons CO₂e (including 407.2 thousand tons CO₂e for Kaneka). For Group companies outside Japan, Scope 2 emissions were the same calculated using location-based and market-based methods.

GHG Emissions from Business Activities throughout the Supply Chain

We have calculated indirect GHG emissions (Scope 3) associated with our business activities through supply chains. The following tables show Kaneka's Scope 3 emissions calculated by category.

■ Scope 3 Emissions Calculated by Category (Fiscal 2021 results at Kaneka)

	Category	GHG emissions [Thousand tons- CO ₂ e/year]
1	Purchased goods/services	2,044.4
2	Capital goods	77.2
3	Fuel-and energy-related activities not included in Scope 1 or Scope 2	169.9
4	Upstream transportation and distribution	21.7
5	Waste generated in operations	5.8
6	Business travel	1.6
7	Employee commuting	1.0
8	Upstream leased assets	0.0
9	Downstream transportation and distribution	– (*3)
10	Processing of sold products	– (*3)
11	Use of sold products	– (*4)
12	End-of-life treatment of sold products	560.6
13	Downstream leased assets	0.0
14	Franchises	– (*5)
15	Investments	462.4

Category	GHG emissions [Thousand tons- CO ₂ e/year]
Total of Scope 3 emissions	3,344.6

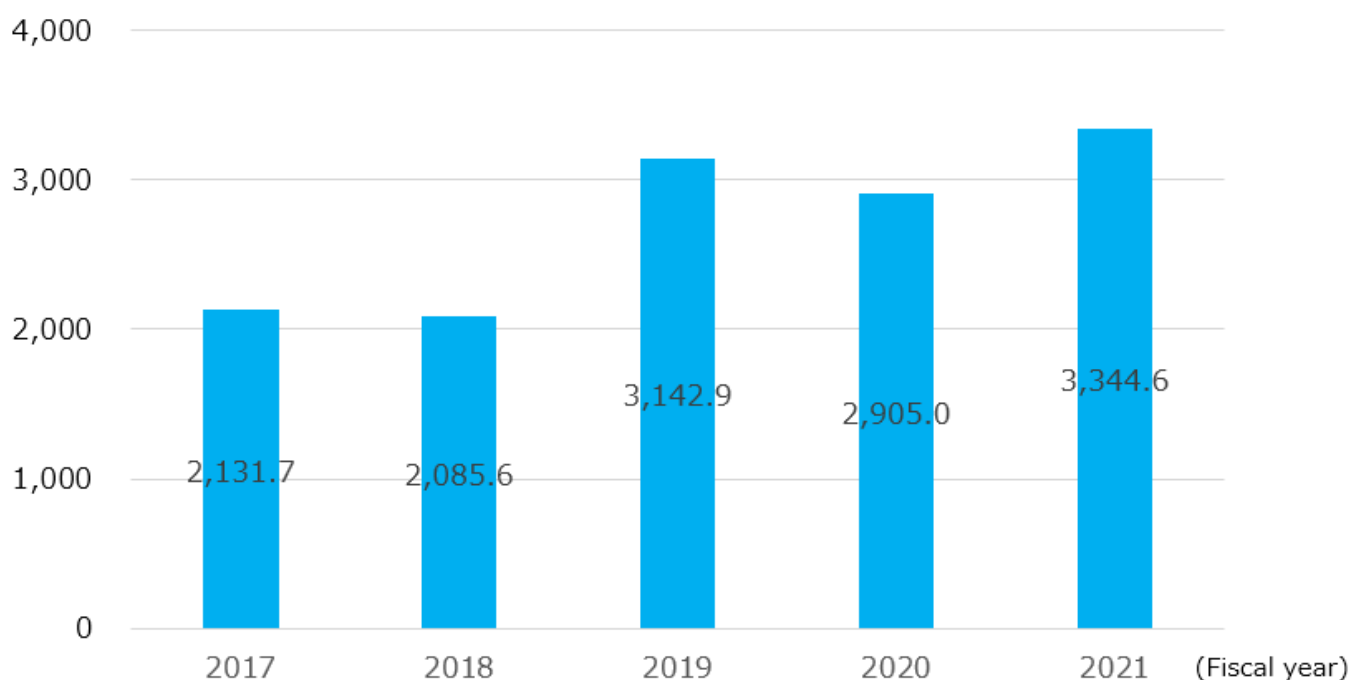
*3 GHG emissions for this category were not calculated because we were unable to determine a rational calculation method due to the high percentage of intermediate products.

*4 Some products generate emissions when used. However, since it was confirmed that this represented less than 0.1% of total Scope 3 emissions, such emissions were excluded from the calculation range.

*5 GHG emissions for this category were not calculated because we have no franchise stores.

■ Scope 3 Emissions (Kaneka)

(Thousand tons-CO₂e)



Note: The reason for the large increase in Scope 3 emissions from fiscal 2018 to fiscal 2019 was the addition of a category to the scope of calculation.

Investments in Energy-Efficient Facilities

To continue reducing energy intensity and CO₂ emission intensity, we are implementing our own environmental capital investment program, with an annual budget of 300 million yen (the budget was 200 million yen until fiscal 2020 but we increased it in fiscal 2021 to strengthen our climate change response). Investments are for small and medium investments that have a relatively long payback period, through activities in three areas – global warming prevention, effective use of resources, and environmental impact reduction – that are priorities in Kaneka's environmental management program. In fiscal 2021 we continued allocating a large portion of this fund to projects that address climate change, including broader initiatives such as visualizing energy







consumption. We will continue to use this investment program effectively to promote actions which to reduce energy and CO₂ emission intensity.

■ Results of Our Own Environmental Capital Investment Program

Fiscal Year	Investments (million yen)	Number	Reduced CO ₂ Emission of the Year
2017	200	15	1,654 tons-CO ₂
2018	200	24	1,748 tons-CO ₂
2019	200	29	1,227 tons-CO ₂
2020	200	27	1,010 tons-CO ₂
2021	300	36	1,757 tons-CO ₂

Eco-Friendly Products

The Kaneka Group has focused on eco-friendly management since fiscal 2017. We have enhanced and expanded our lineup of eco-friendly products*, which we define as products that help reduce the burden on the natural environment compared to conventional products at the customer use, disposal, and recycling stages (see the table below).

	<p>Energy Creation</p> <p>Product name VISOLA™ / SoltileX™ / GRANSOLA™</p> <p>Intended use Photovoltaic power generation systems</p> <p>Reason for environmental contribution Creating energy with houses equipped with this product</p>		<p>Energy Storage</p> <p>Product name Residential electricity storage systems</p> <p>Intended use Residential stationary batteries</p> <p>Reason for environmental contribution Storing energy by houses equipped with this product</p>
	<p>Energy Saving</p> <p>Product name Kaneppearl™</p> <p>Intended use Residential/automotive foams</p> <p>Reason for environmental contribution Saving energy as insulation and lightweight residential/automotive materials</p>		<p>Energy Saving</p> <p>Product name Eperan™</p> <p>Intended use Automotive parts, Package cushioning materials</p> <p>Reason for environmental contribution Saving energy as lightweight automotive parts</p>
	<p>Waste Reduction</p> <p>Product name Green Planet™</p> <p>Intended use Biodegradable Biopolymer (straws, cutlery)</p> <p>Reason for environmental contribution A naturally derived and biodegradable resin that has little environmental impact when discarded</p>		<p>Chemical Pollution Prevention</p> <p>Product name KANEKA Surfactin™</p> <p>Intended use Biosurfactant, Cosmetic, Cleaning agents</p> <p>Reason for environmental contribution A naturally derived and biodegradable material friendly to the environment</p>

Eco-friendly products have been defined as follows.

Type of Environmental Contribution	Qualitative Definition
GHG Reduction	Products reducing greenhouse gas (GHG) emissions
Energy Saving	Products lowering energy consumption
Energy Creation	Products creating energy
Energy Storage	Products storing energy
Waste Reduction	Products reducing waste
Resource Saving	Products achieving resource savings
Biomass	Products (derived from non-fossil materials) reducing reliance on fossil materials
Water Resources	Products saving water and improving the water environment
Chemical Pollution	Products preventing chemical pollution
Biodiversity	Products conserving biodiversity
Intermediate Materials	Intermediate materials essential to ensuring that finished products contribute to the environment
Disaster Control	Products helping disaster prevention and preparedness and reducing environmental impacts during a disaster
Adaptive Contribution	Products adapting to global warming

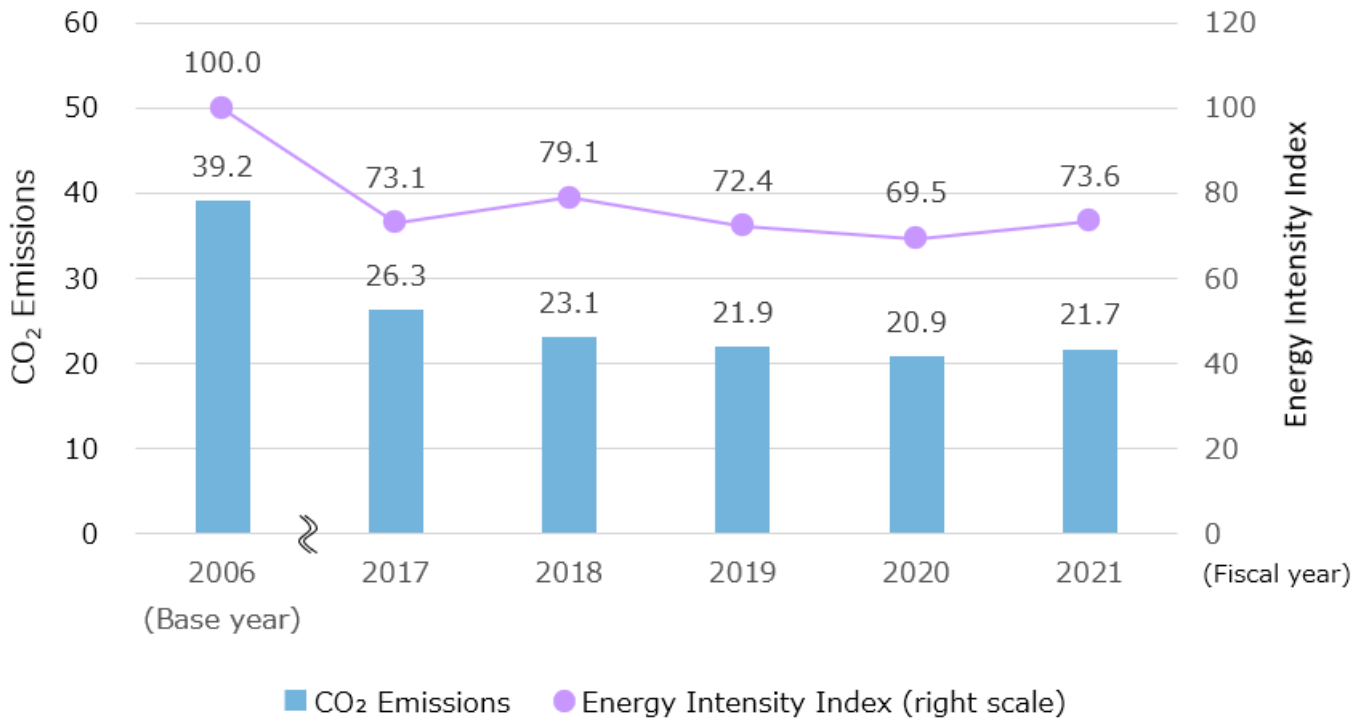
Energy-Efficiency Initiatives in Logistics

To achieve an annual 1% reduction in energy intensity and a continuation of 1% improvement in five-year average energy intensity as a specified consigner under the amended Act on Rational Use of Energy, we continued working plant by plant towards implementing modal shifts, promoting joint distribution, and improving cargo load ratios.

In fiscal 2021, CO₂ emissions were down due to a decrease in transportation volume (ton-kilometer), but in terms of sales volume (ton-kilometer), a greater proportion of truck transportation resulted in an overall increase of 0.8 thousand tons in CO₂ emissions. The result was a worsening in the energy intensity index 5.8% from the previous year.

■ CO₂ Emissions and Energy Intensity Index from Logistics (Kaneka)

(Thousand tons-CO₂e)



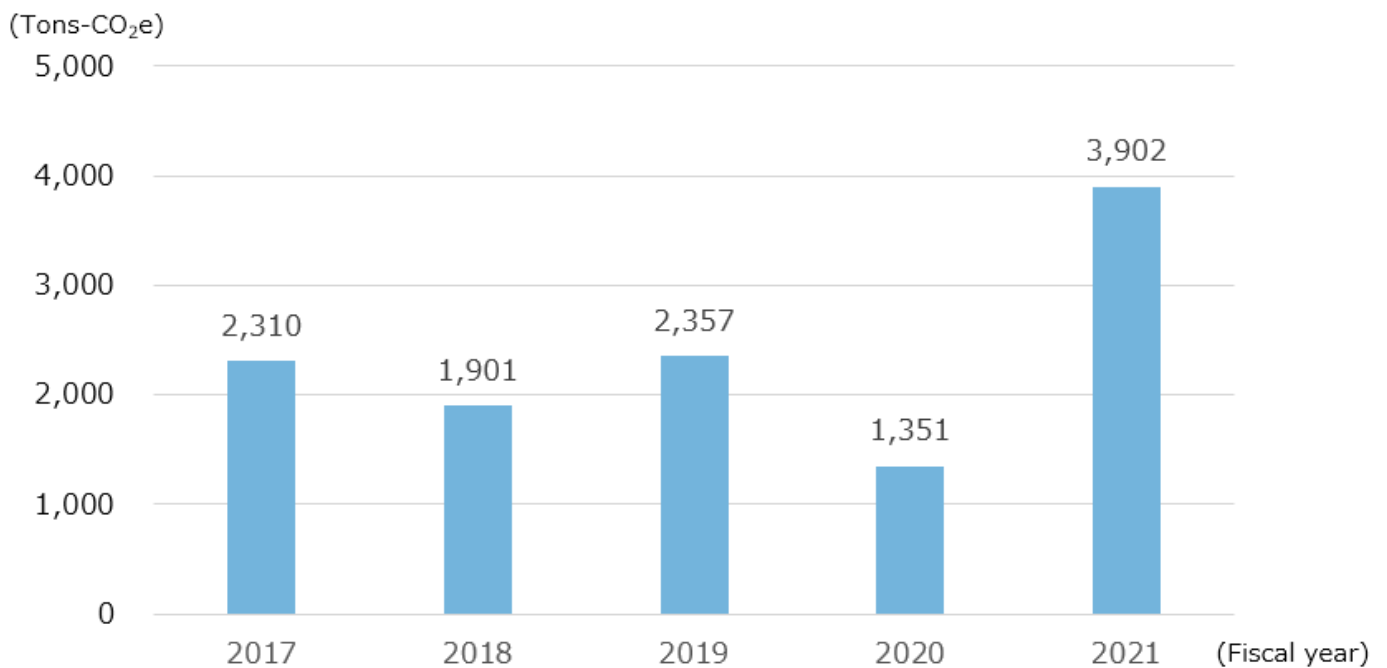
Response to the Fluorocarbons Emission Control Law

Complying with the Act on Rational Use and Appropriate Management of Fluorocarbons in Japan, we are promoting the replacement of aging equipment as well as strengthened management of equipment. The estimated leakage of fluorocarbons in fiscal 2021 at all manufacturing sites was 3,902 tons CO₂e, an increase of 2,551 tons from the previous fiscal year due to a problem with one piece of large equipment. As a result, we did not achieve our target. We have upgraded the equipment in question to a model that does not use fluorocarbons, and expect a significant reduction in fiscal 2022. At Group companies in Japan, there were no estimated leakage of fluorocarbons exceeding 1,000 tons-CO₂.

To reduce the estimated leakage of fluorocarbons to less than 1,000 tons-CO₂, we will continue to systematically update aging equipment, selecting equipment with low global warming potential (*6), and promoting fluorocarbon-free production. We will also reduce the leakage of fluorocarbons by inspecting equipment to detect and eliminate fluorocarbon leaks at an early stage.

*6 Global warming potential is a figure that shows, on the basis of carbon dioxide, how other greenhouse gases have the property of causing global warming.

■ Estimated Leakage of Fluorocarbons (Kaneka)



Environment

Preventing Pollution and Managing Chemical Substances

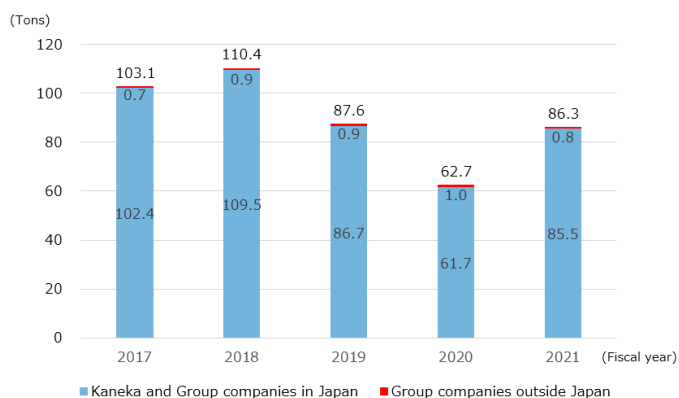
We are working for the prevention of air and water pollution, the appropriate management of toxic chemical substances, and the reduction of related emissions.

Preventing Air Pollution

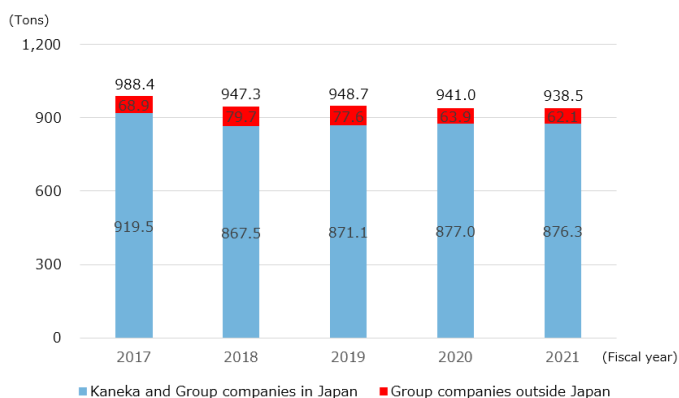
Our production activities comply with the standards stipulated in the Air Pollution Control Act as well as the criteria in agreements with local governments.

Regarding the atmosphere, SOx and NOx emissions from all parent manufacturing sites increased in fiscal 2021 from the previous fiscal year, but soot and dust emissions decreased. This was due to the effect of changing the geographic origin of coal used in coal boilers. From Group companies in Japan, SOx emissions also increased, but NOx emissions decreased year on year.

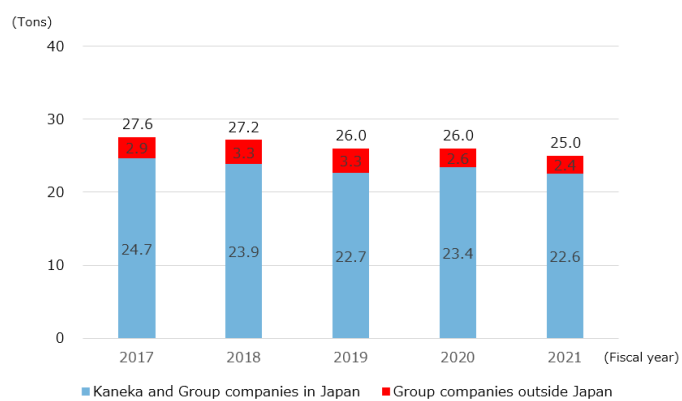
SOx Emissions



NOx Emissions



■ Soot and Dust Emissions



■ Kaneka's Atmospheric Emissions

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
SOx Emissions (Tons)	73.2	74.5	70.1	48.9	71.6
NOx Emissions (Tons)	869.9	825.7	834.9	828.1	830.7
Soot and Dust Emissions (Tons)	23.7	22.8	21.7	22.3	21.7

Water Conservation

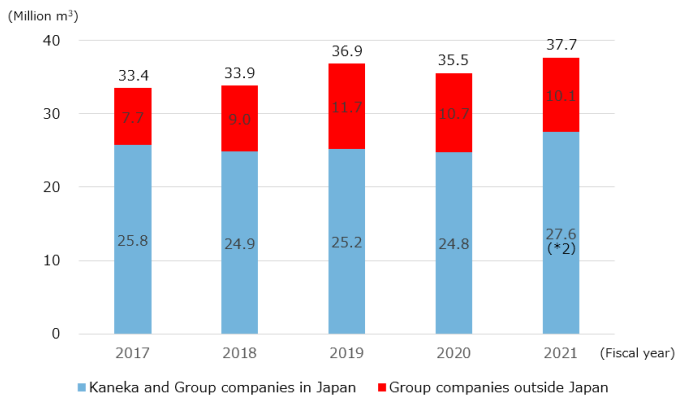
Our production activities comply with the standards stipulated in the Water Pollution Control Act as well as the criteria in agreements with local governments.

In fiscal 2021, the Kaneka Group consumed 37.7 million m³ of water and discharged 29.6 million m³ of water. We monitor the amount of water intake and strive to use water efficiently.

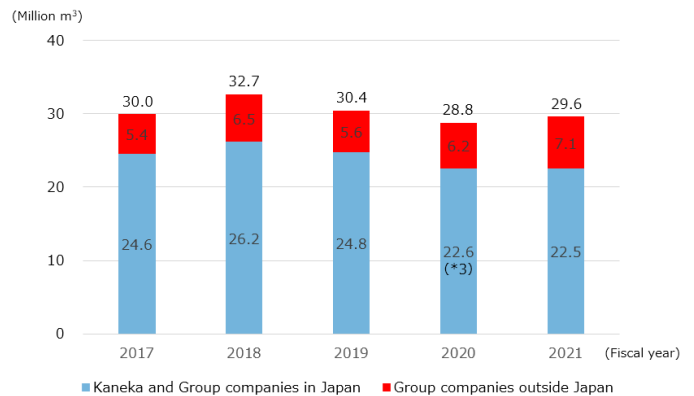
Also in fiscal 2021, we conducted water risk assessments for each Kaneka Group site and the bases of Group companies in Japan and overseas. We use an assessment tool to identify areas with high water stress and, based on the proportion of water intake from water-stressed areas to total water intake, have confirmed that the Kaneka Group as a whole does not face high water risks. Going forward, we will expand the scope of the assessment targets in terms of geographical location and time, and prioritize and implement measures based on results of the assessment.

In terms of preventing water pollution, Kaneka's COD, nitrogen, and SS emissions increased, but phosphorus emissions decreased. At overseas Group companies, emissions of COD, nitrogen, and SS decreased due to the impact of increased production volume and the variety of products made. We will continue to maintain and improve the quality of water discharged into public waterways.

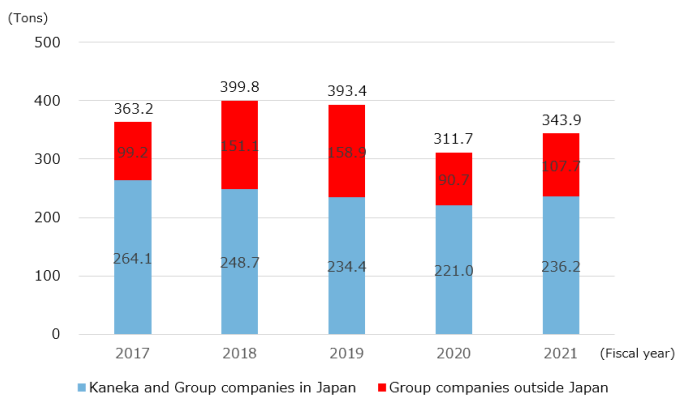
Water Consumption (*1)



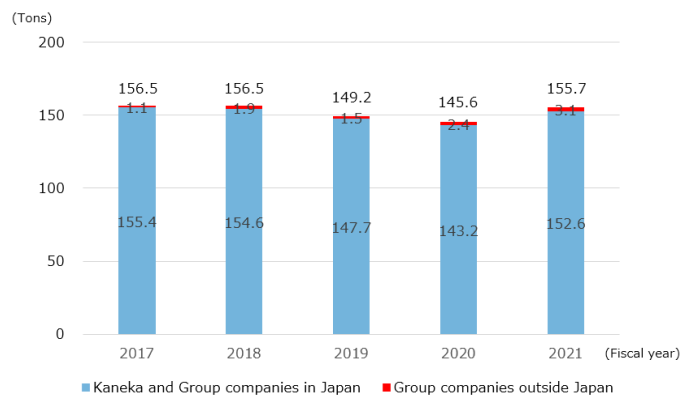
Wastewater Discharges (*1)



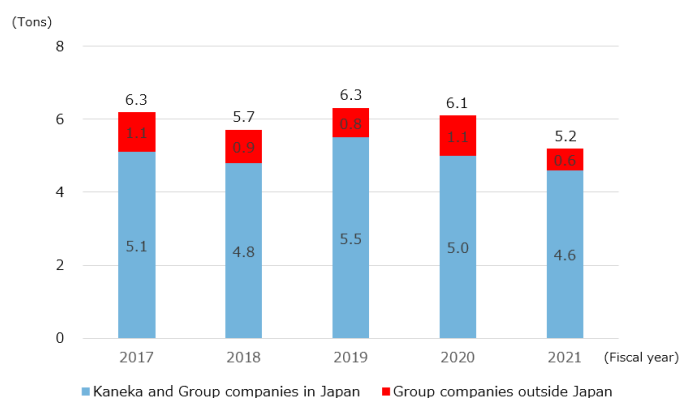
Chemical Oxygen Demand in Wastewater (*1)



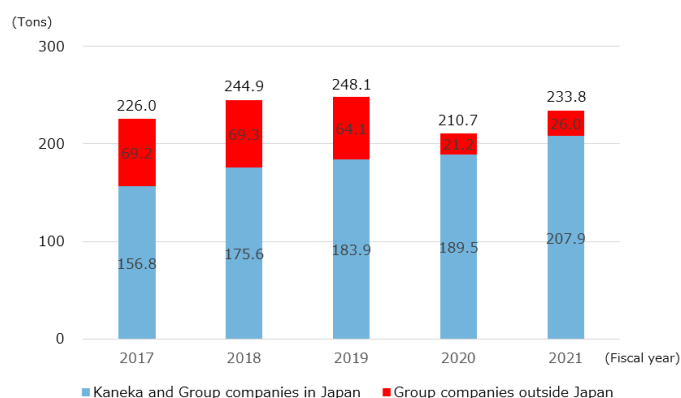
Nitrogen in Wastewater (*1)



■ Phosphorous in Wastewater (*1)



■ Suspended Solids in Wastewater (*1)



- *1 Our water consumption and wastewater volume include those generated from non-manufacturing facilities other than the plant department.
- *2 Seawater consumption at some manufacturing sites in Japan was included in totals starting in fiscal 2021. Such consumption was previously not included, as measuring instruments were not set. Note that this seawater had already been included in wastewater discharges since previous years.
- *3 In making group companies in Japan subject to third-party assurance starting with fiscal 2021 results, we reviewed fiscal 2020 data to confirm year-on-year changes. As a result, we discovered input and other errors, and have corrected fiscal 2020 figures.

■ Kaneka Emissions into Waterways

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Water Consumption (Million m ³)	22.0	21.6	21.8	21.5	24.3
Wastewater Discharges (Million m ³)	21.4	23.0	21.5	19.5	19.5
Chemical Oxygen Demand in Wastewater (Tons)	257.0	241.4	227.4	215.7	230.2
Nitrogen in Wastewater (Tons)	154.0	153.5	146.5	141.9	150.7
Phosphorous in Wastewater (Tons)	5.0	4.7	5.3	4.9	4.4
Suspended Solids in Wastewater (Tons)	150.1	170.1	178.2	183.4	199.7

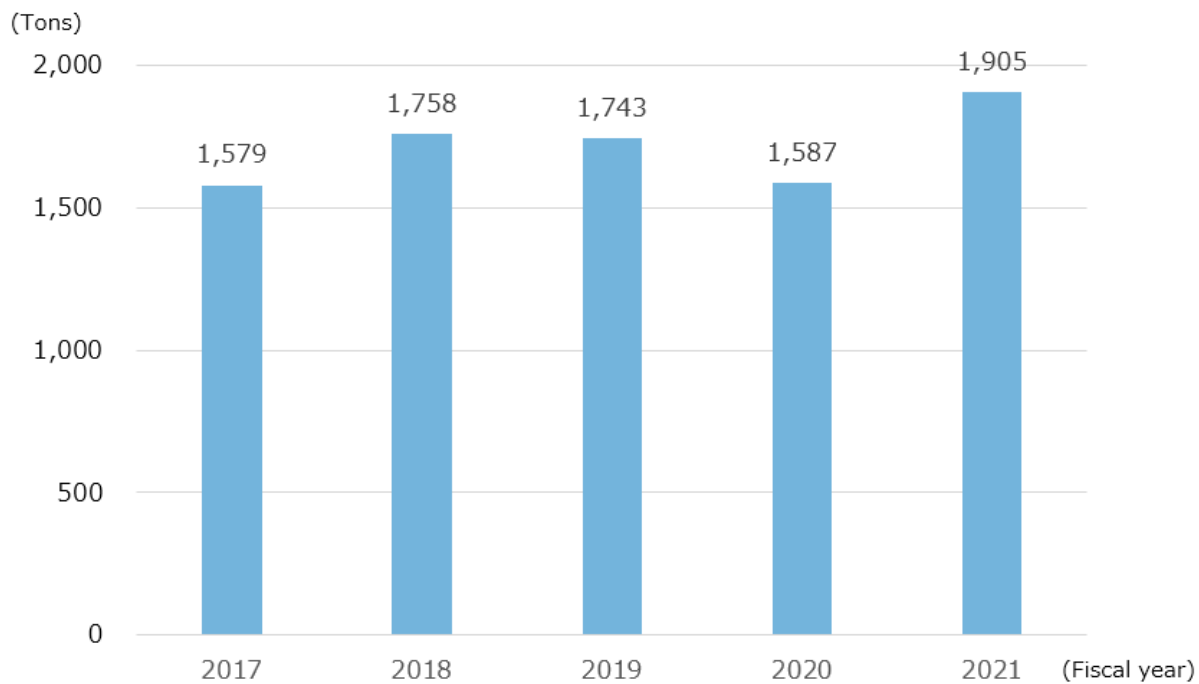
Volatile Organic Compounds Emission Reductions

We are committed to reducing the emission of VOCs (*4), which are known to cause photochemical smog. In fiscal 2015, we at Kaneka set the goal of controlling VOC emissions to below 1,800 tons.

In fiscal 2021, total emissions were 1,905 tons, an increase of 20.0% from the previous fiscal year, and we did not achieve our target. This was due to the impact of higher production volume and differences in the product mix. We will continue our efforts to manage and reduce VOC emissions.

*4 Volatile Organic Compounds (VOCs) are organic chemical substances that cause suspended particulate matter and photochemical oxidants.

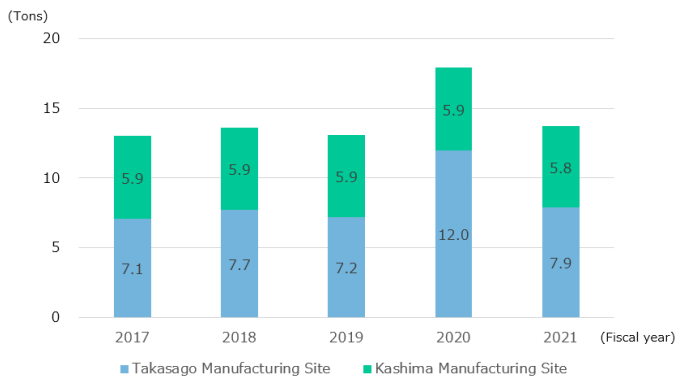
■ VOC Emissions(Kaneka)



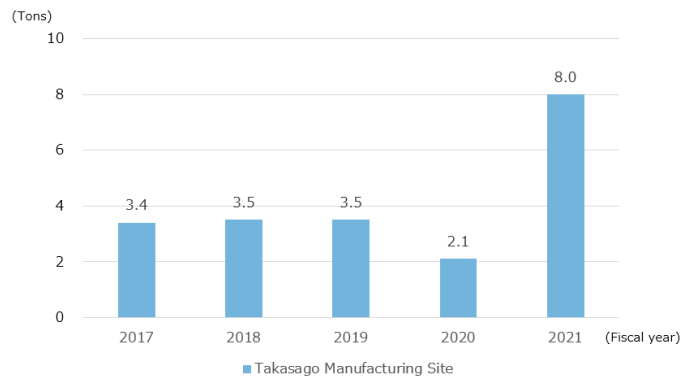
Hazardous Atmospheric Pollutants

Kaneka is voluntarily aiming to reduce emissions of hazardous atmospheric pollutants (shown by manufacturing site in the following graphs). Total emissions of these six pollutants in fiscal 2021 were 27.1 tons, which represented a year-on-year increase of 9.7%. The increase was due to higher emissions of 1,2-dichloroethane and chloroform stemming from an equipment failure at the Takasago Manufacturing Site. To prevent future problems, we established an inspection cycle for the equipment in question and are working to reinforce management. Meanwhile, 1,3-butadiene emissions decreased due to improvements in processes and equipment. We will continue to make efforts to control total emissions to reduce environmental impact.

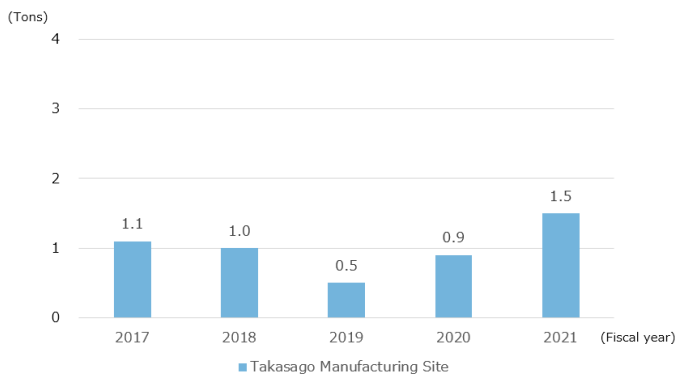
Chloroethylene Emissions



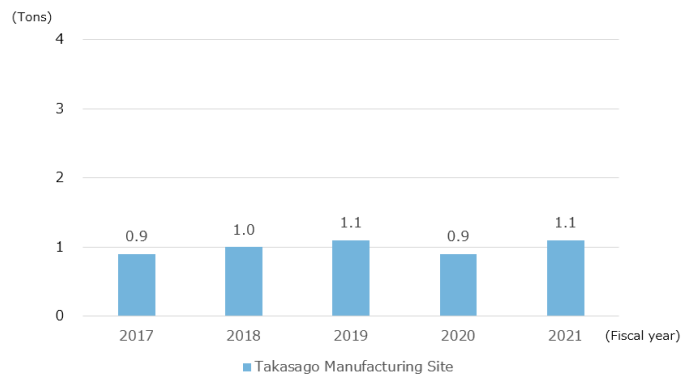
1,2-Dichloroethane Emissions



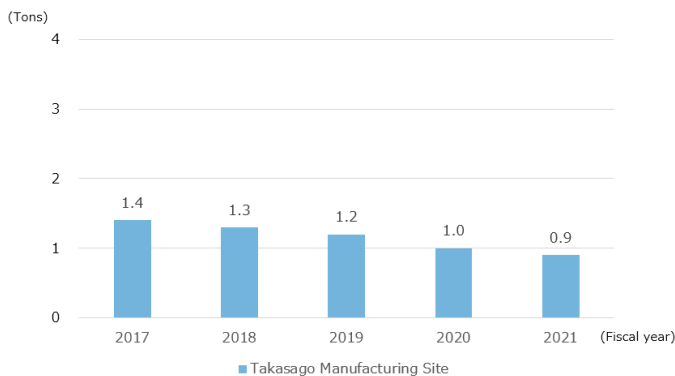
Chloroform Emissions



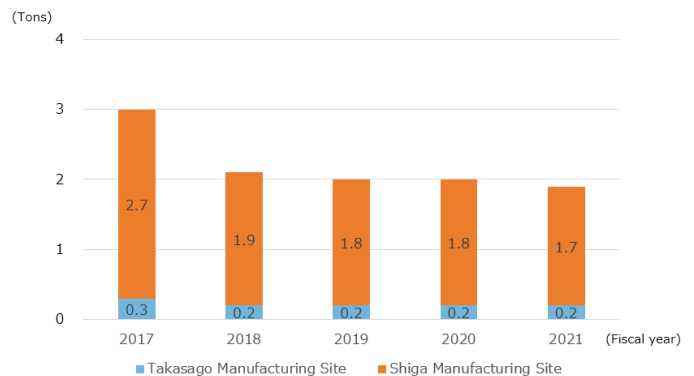
Acrylonitrile Emissions



1,3-Butadiene Emissions



Dichloromethane Emissions



Substances Subject to the PRTR Law

Based on the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR Law), we calculate the release and transfer amount of chemical substances subject to the law.

In fiscal 2021, Kaneka's total discharge of the relevant substances was 96.1 tons, an increase of 11.3 tons from the previous fiscal year. The total discharge by Group companies in Japan was 69.9 tons, an decrease of 19.3 tons compared to the previous fiscal year.

■ Kaneka Emissions Subject to the PRTR Law

(Kilograms)

	Designated Number under Ordinance	Chemical Substances	Fiscal 2021					Fiscal 2020	
			Emissions					Transferred	Emissions
			Atmospheric Emissions	Discharges into Public Waterways	Discharges into Soil	Internal Landfill	Total	Total	Total
Large Discharges of 10 Substances	392	n-hexane	19,476	0	0	0	19,476	82,550	15,406
	94	Chloroethylene (vinyl chloride)	13,733	312	0	0	14,044	957	18,253
	275	Sodium dodecyl sulfate	0	8,479	0	0	8,479	0	8,430
	157	1,2-dichloroethane	7,978	27	0	0	8,005	0	2,147
	134	Vinyl acetate	5,863	305	0	0	6,168	0	4,258
	232	N,N-dimethylformamide	4,254	1,353	0	0	5,607	215,543	3,541
	420	Methyl methacrylate	5,465	5	0	0	5,470	11	5,177
	240	Styrene	5,383	42	0	0	5,425	12,290	5,256
	7	n-butyl acrylate	3,670	0	0	0	3,670	3,282	3,931
	123	3-chloropropene (allyl chloride)	3,107	0	0	0	3,107	0	1,644
Total Other than the 10 Substances Above			10,477	6,208	0	0	16,685	152,503	16,756
Grand Total for All Substances			79,406	16,730	0	0	96,136	467,136	84,800

Note: Of the 462 substances subject to the PRTR Law, Kaneka reports about 64 items.
Amounts reported here may not fully match, due to rounding.

■ Group Companies in Japan Emissions Subject to the PRTR Law

(Kilograms)

	Designated Number under Ordinance	Chemical Substances	Fiscal 2021					Fiscal 2020	
			Emissions				Transferred	Emissions	
			Atmospheric Emissions	Discharges into Public Waterways	Discharges into Soil	Internal Landfill	Total	Total	Total
Large Discharges of 10 Substances	232	N,N-dimethylformamide	26,035	0	0	0	26,035	28,734	34,645 (*5)
	300	Toluene	21,009	0	0	0	21,009	545,174	24,963 (*5)
	186	Dichloromethane (methylene dichloride)	14,273	0	0	0	14,273	247,967	22,722
	296	1,2,4-trimethylbenzene	2,662	0	0	0	2,662	0	2,268
	80	Xylene	2,486	0	0	0	2,486	0	2,116
	242	N,N-dimethylacetoamide	1,690	0	0	0	1,690	81,170	0
	355	Bis (2-ethylhexyl) phthalate (DEHP)	717	42	0	0	759	247,255	855
	392	n-hexane	470	0	0	0	470	9,050	1,200
	56	Ethylene oxide	351	0	0	0	351	0	329
	127	Chloroform	100	0	0	0	100	3,150	50
Total Other than the 10 Substances Above			42	2	0	0	44	16,053	38
Grand Total for All Substances			69,835	44	0	0	69,879	1,178,553	89,186

Note: Of the 462 substances subject to the PRTR Law, Group companies in Japan reports about 27 items.
Amounts reported here may not fully match, due to rounding.

*5 Because N,N-dimethylformamide and toluene emissions at some manufacturing sites in fiscal 2020 were calculated without deducting transferred amounts, we made corrections.

CHECK & ACT

We are working to reduce environmental impacts on air and water quality and ensure rapid response to any abnormality.

Environment

Reducing Waste and Recycling Resources

To make effective use of limited resources, Kaneka seeks to reduce and recycle industrial waste from our operations through the 3Rs (*1). We have been able to achieve zero emissions (*2) for 15 consecutive years. We are also working toward all Group companies in Japan being able to achieve zero emissions.

*1 3Rs refers to reduce, reuse and recycle.

*2 Zero emission definition by Kaneka: The final landfill waste must be less than 0.5% of the generated waste.

Reducing Industrial Waste Sent to Final Landfill

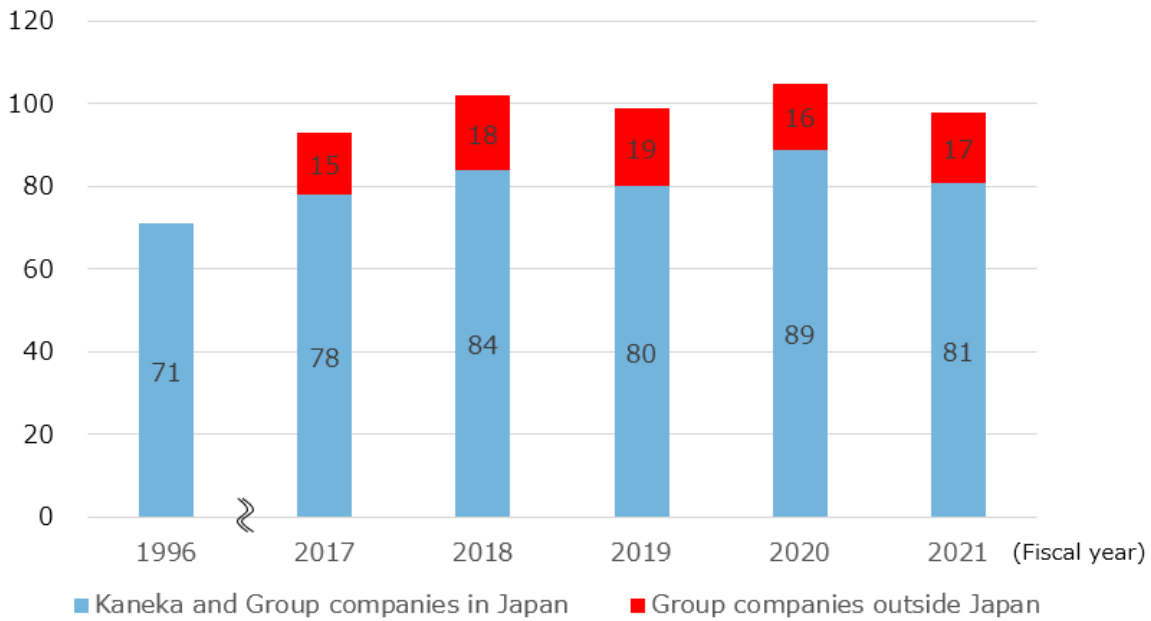
In fiscal 2021, the Kaneka Group generated 98,495 tons of waste, a decrease of 6,527 from the previous fiscal year. The main reason for this was a lower volume of soot and dust generated achieved by curbing the amount of coal used at night and reducing the amount of coal ash.

In fiscal 2021, we effectively achieved zero emissions, with a final landfill volume for all parent manufacturing sites of 34.5 tons, equivalent to a final landfill rate of 0.053%. For 47 Group companies in Japan, final landfill volume was down by 134 tons, resulting in a final landfill rate of 1.9%. As a result, the final landfill rate for Kaneka and Group companies in Japan was 0.43%, effectively achieving zero emissions. The final landfill volume of overseas Group companies was 5,110 tons, a decrease of 1,191 tons from the previous fiscal year. This was due to recycling and a shift to incineration.

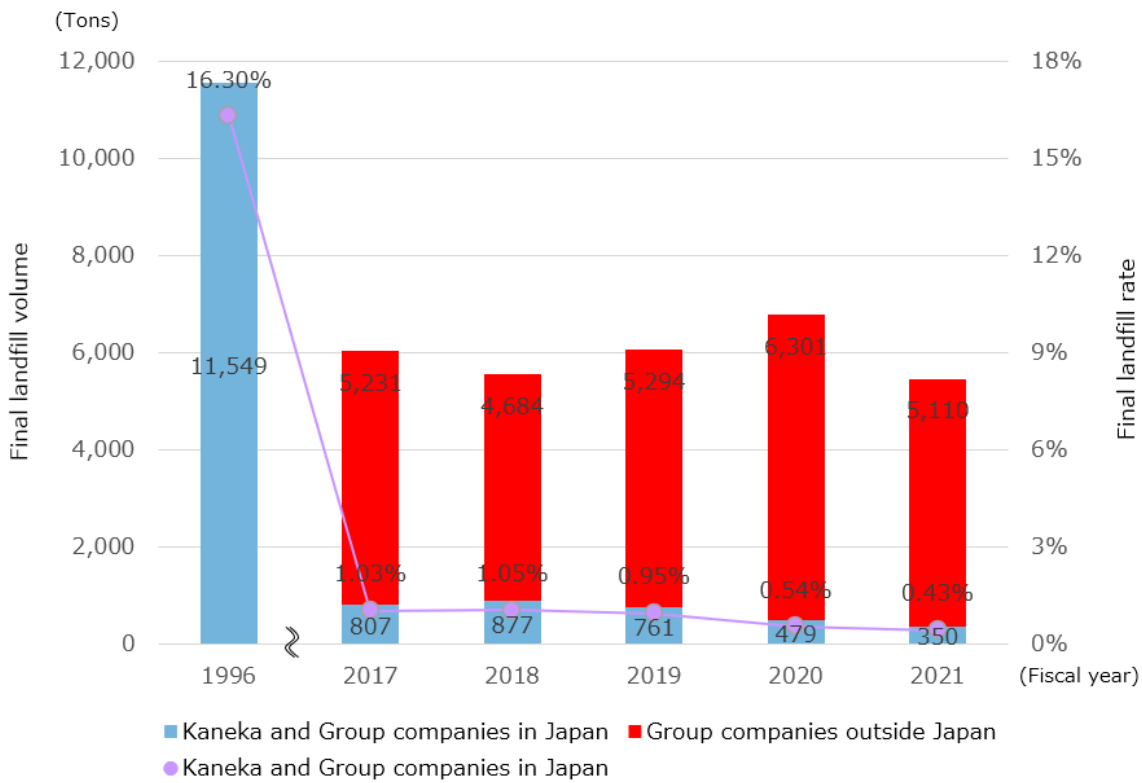
The Kaneka Group recycled 55,407 tons of waste, a decrease of 5,730 tons from the previous year. Kaneka's waste generation was down in line with a reduction in coal ash. However, due to the lower volume of waste recycled, the recycling rate of waste for the Kaneka Group was 56.3%.

■ Waste Generated

(Thousand tons)

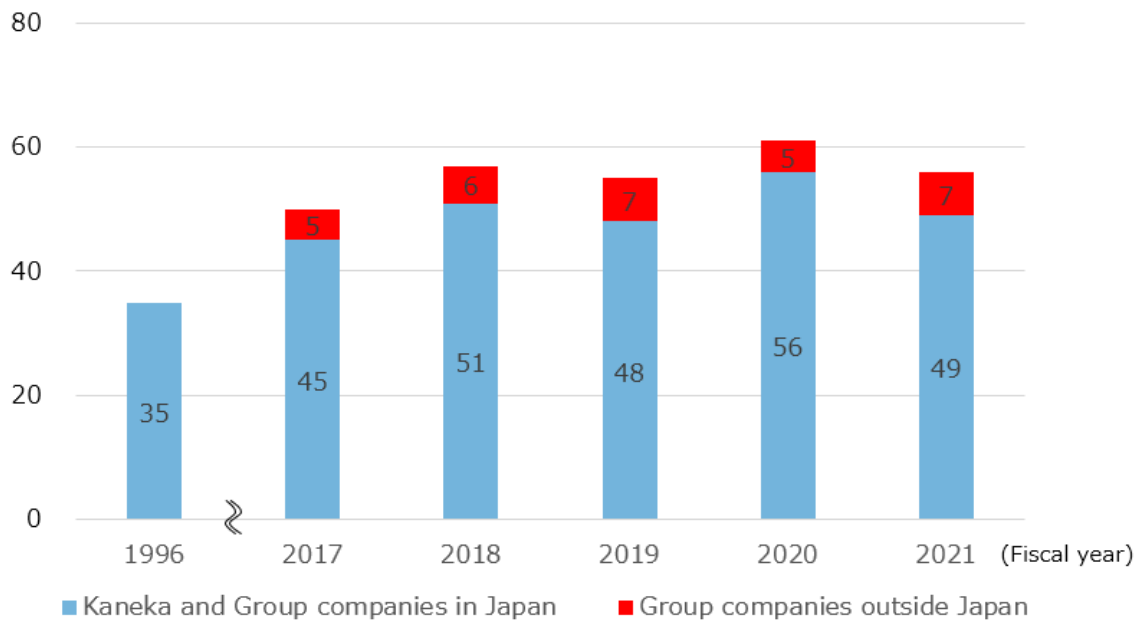


■ Volume and Rate of Waste Sent to Final Landfill

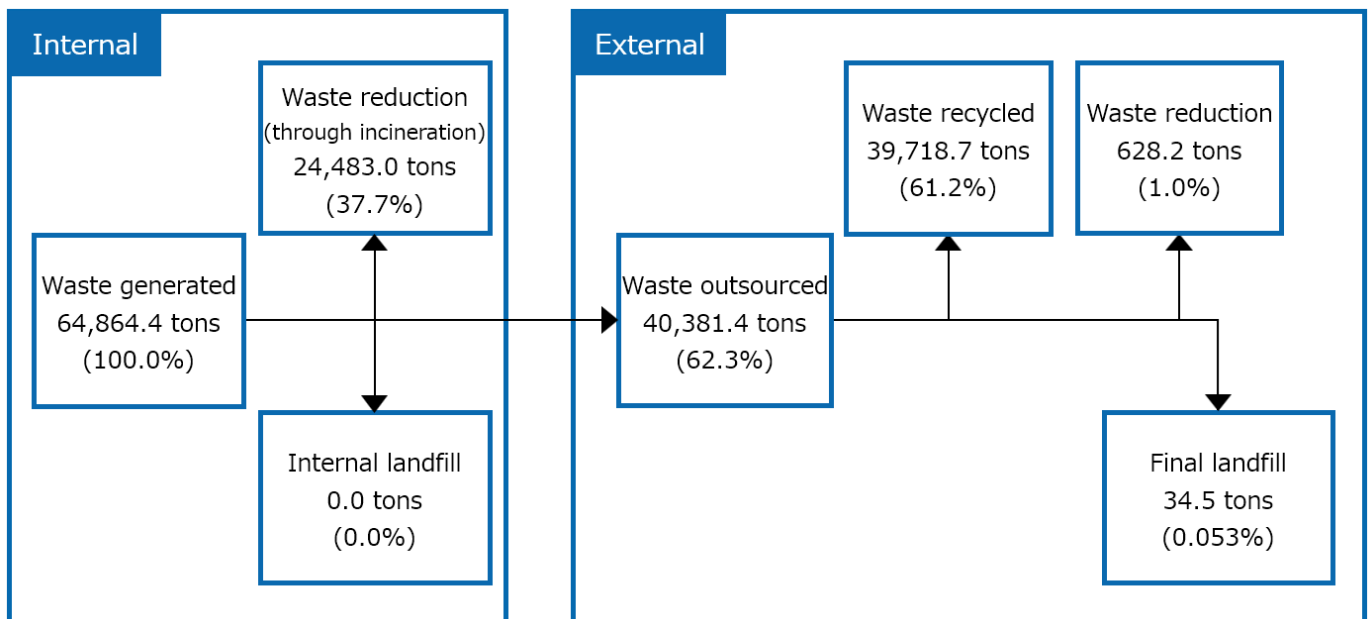


■ Waste Recycled

(Thousand Tons)



■ Waste Flow: From Generation to Landfill (Fiscal 2021 results at Kaneka)



■ Waste at Kaneka

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Final landfilled (Tons)	0.9	2.2	23.1	29.4	34.5
Final landfilled (%)	0.001	0.003	0.035	0.041	0.053
Waste generated (Tons)	63,326	67,902	65,917	72,402	64,864
Waste Recycled (Tons)	37,410	42,711	40,060	47,421	39,719

Proper Disposal of Industrial Waste

In fiscal 2021, while considering the effect of COVID-19, we visited waste disposal subcontractors that allowed on-site visits and conducted surveys based on a checklist.

3R Initiatives

We are taking actions across the company to reduce waste, recognizing that this ties into the maintaining and improving the natural environment in terms of saving resources, cutting costs, and reducing CO₂ emissions, among other benefits.

Kaneka and Group companies in Japan are pursuing activities to reduce waste and recycle materials, mainly through a 3R approach at our various production facilities. We also facilitate continuous improvement activities through process analysis at Group companies in Japan using Material Flow Cost Accounting (MFCA).

CHECK & ACT

For industrial waste, we will control waste generation to increase the recycling rate of waste from our operations at home and abroad.

Environment

Biodiversity

Considering the impacts of our businesses on ecosystems, we at Kaneka strive to develop technologies, materials and products that have less environmental impacts, as well as to mitigate environmental impacts of our production.

As part of our corporate social responsibility efforts, we also collaborate with stakeholders outside the company in biodiversity conservation activities.

Partnership for Biodiversity Conservation

We join the following initiatives.

- Promotion Partners of the Declaration of Biodiversity by Keidanren
- Japan Business and Biodiversity Partnership

Takasago Manufacturing Site “Kaneka Forestry for the Future”

Since 2012, employees at the Takasago Manufacturing Site have been involved in the Kaneka Forestry for the Future project aimed at conserving a private forest of about 15 hectares in Taka Town, Hyogo Prefecture. Training of newly hired employees has been used as a part of the project. Assisting each other on the forest terrain in cutting and transporting timber, the participants build solidarity and teamwork. Every year, new employees gather in the spring and employees and their families gather in the fall to carry out tree thinning. The carbon sink since the start of the project amounts to 2.08 tons-CO₂. We will continue this private forest preservation project.



Timber felling through cooperation among newly hired employees.



Tree thinning by employees and their family members

The photo shows the activity in fiscal 2019.

Osaka Manufacturing Site “Settsu-no-mori Kaneka Biotope”

Since 2012, we have operated the Settsu-no-mori Kaneka Biotope(*) on the premises of the Osaka Manufacturing Site in collaboration with the Settsu Firefly Society, to create a firefly habitat in Settsu City. Along with the appearance of fireflies in May and June, we open the Osaka Manufacturing Site to the public for a firefly viewing gathering. Since 2017, as the yearly kickoff event of this gathering, we have held an ensemble concert by the Japan Century Symphony Orchestra at the site. We will continue our activities as a plant open to the local community.

* Biotope: A place where organisms live as they do in nature. In human environments such as cities, biotopes are artificial environments created to regenerate and preserve a natural habit.



“Firefly Evening Concert”



Adult firefly



Firefly viewing gathering

The photo shows the activity in fiscal 2019.

Shiga Manufacturing Site “Walnut School”

Employees at the Shiga Manufacturing Site have joined the Walnut School’s efforts to conserve the Konooka Biotope, a precious natural environment of Lake Biwa, as a steering committee member.

The Walnut School consists of members of local residents’ associations, including Shiga Prefecture, Otsu City, and the Shiga Manufacturing Site. We participated in its summer and autumn nature observation gatherings and regular activities, such as grass mowing, sidewalk maintenance, the updating of tree signs and so on.

The natural observation gatherings provide valuable learning opportunities for children to observe rare plants, wild birds, and insects in the biotope and to understand its importance.

We will continue to contribute to the conservation of the beautiful natural environment of Lake Biwa.



Nature observation gathering
The photo shows the activity in fiscal 2019.

Safety / Quality

Management Approach

Basic Policy

Placing the top priority for management on safety, we have established the Basic Policy on Safety, under which all employees as well as all persons working at the Kaneka Group and our partner companies work to create safe and healthy workplaces and share the importance of safety with the goal of no accidents and no disasters. As for product quality, aiming to benefit society and satisfy customers through a stable supply of safe and reliable products, the Kaneka Group has set Quality Management Regulations to ensure thorough day-to-day quality control and product safety at all stages, from product design and development to delivery to customers.

Policy

Basic Policies for Responsible Care

1. Protect the natural ecosystem and reduce environmental impact

Focusing on the impact of corporate activities on the global environment and the ecosystem, we endeavor to reduce environmental impact and promote resource conservation and energy saving throughout the lifecycle of products.

2. Offer safe products and information

We endeavor to offer products that are safe to distribute and use, and to provide adequate information on the products such as instructions on how to use and handle products correctly.

3. Develop products and technologies in consideration of the environment and safety

Upon the development of new products, we give consideration to the environment and safety throughout the lifecycle of the products to the greatest extent possible, and endeavor to develop products and technologies with low environmental impact.

4. Reduce waste and promote the recycling of plastics

We reduce waste associated with manufacturing and its processes. We actively develop technologies for the adequate disposal or recycling of plastic waste concerning our products in

cooperation with relevant industries, and endeavor to dispose of and recycle waste in a proper manner.

5. Enhance process safety, disaster-prevention, and occupational safety and health

Safety and disaster prevention constitute the foundations of the local community's trust, and occupational health and safety are issues that need to be fulfilled by chemical companies. We persistently strive to make improvements in these areas.

6. Win public confidence

From the management to every employee, all our members shall act in compliance with laws, regulations, standards, etc. relating to environment and safety both at home and abroad. Our approach to Responsible Care as such shall be publicized accurately to the public, in hope of rightfully gaining public recognition and confidence.

Promotion System

As for safety, the Safety & Human Health Subcommittee, with the director in charge of process safety as the chair, which was established in the ESG Committee, sets policies and goals related to occupational safety, process safety, and disaster prevention and checks the progress of goals. In his greetings at New Year and on the yearly anniversary of our foundation, the president delivers a related message directly to employees. As set out in our Basic Safety Policies, our Zero Accident Principles, and the Kaneka Group Code of Conduct, we prioritize safety above all else, observe the principles of safety, and work to ensure that safe practice is taken on board and strictly adhered to. In this way we seek to guarantee safety and peace of mind through stable day-to-day manufacturing operations.

Message from the President

On my frequent visits to our plants, I sense a growing safety awareness at each site and feel keenly that this commitment to safety has been taken fully on board by frontline staff. However, we must never imagine that we have perfected our safety system. Instead of relying on the fact that safety measures have been put in place, we must all take individual responsibility for ensuring the safety of our team.

We in management will continue to work tirelessly to protect the lives of our employees and to ensure their safety and peace of mind.

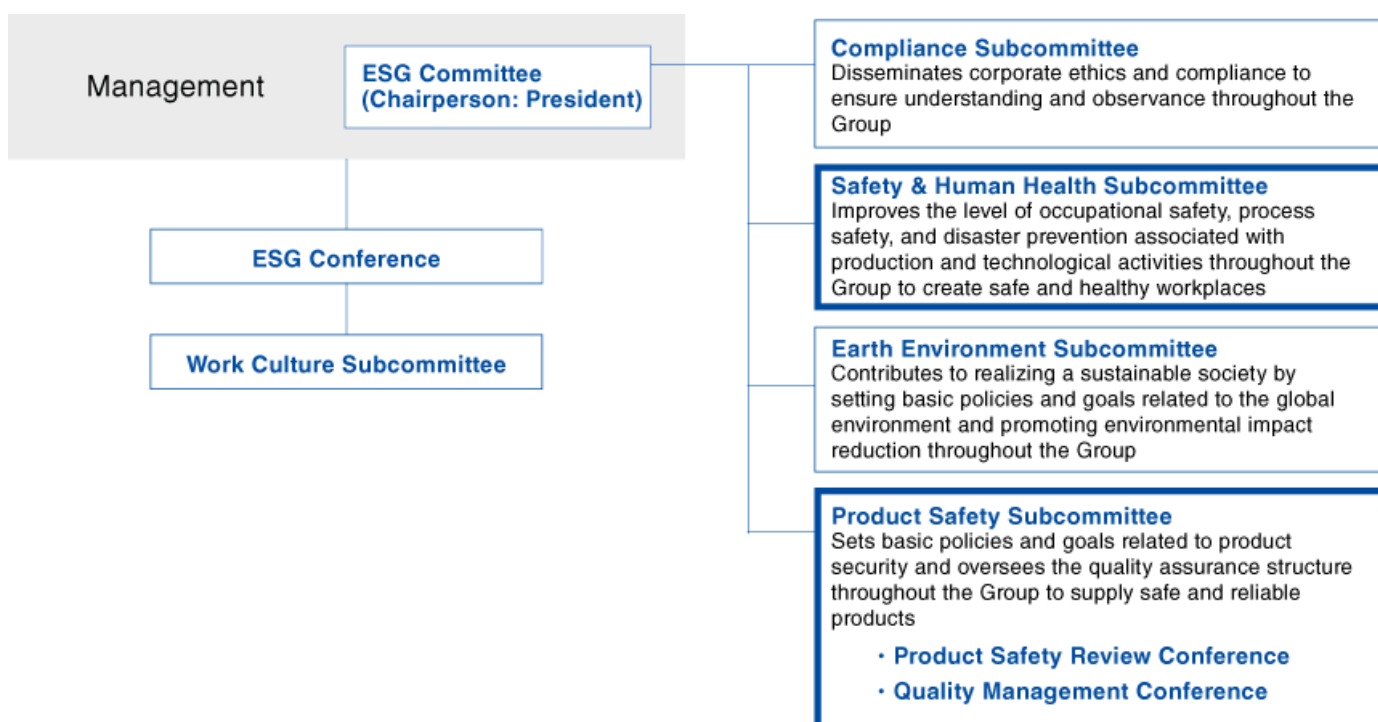
As for product quality, the Product Safety Subcommittee sets policies and goals related to product safety and quality assurance and checks the progress of the goals. We have also established the Quality Management Conference and the Product Safety Review Conference as bodies that implement measures, including product

safety assurance, at all stages from product design and development to raw material procurement, manufacturing, storage, and transportation.

Each of our businesses undergoes regular third-party auditing and inspection based on ISO 9001 and other established standards and regulations. We also take steps in-house to enhance our quality management system and thereby raise product quality standards through ESG safety and quality inspections and internal audits.

We also conduct ESG safety and quality inspections targeting all Group companies in Japan and overseas to check the progress of activities from the standpoints of occupational safety, product safety and quality assurance, and environmental protection. In fiscal 2021, we conducted surveys at all parent manufacturing sites and at eight sites of six Group companies in Japan, focusing on the key areas of operations and improvements based on risk assessment standards, initiatives to prevent human error, and the management of irregular work and crisis response.

■ Diagram of Promotion System (through Fiscal 2021)



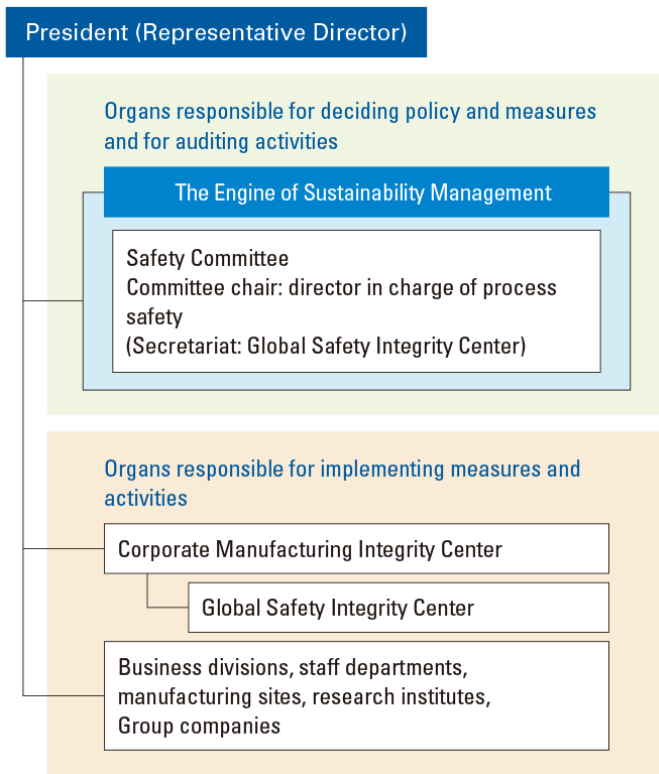
We reorganized our ESG-related organization with the establishment of the Engine of Sustainability Management on April 1, 2022. It is tasked with overseeing and enhancing ESG management.

As for safety, established under the Engine of Sustainability Management, the Safety Committee sets policies and goals related to occupational safety, process safety, and disaster prevention and to check their implementation and progress.

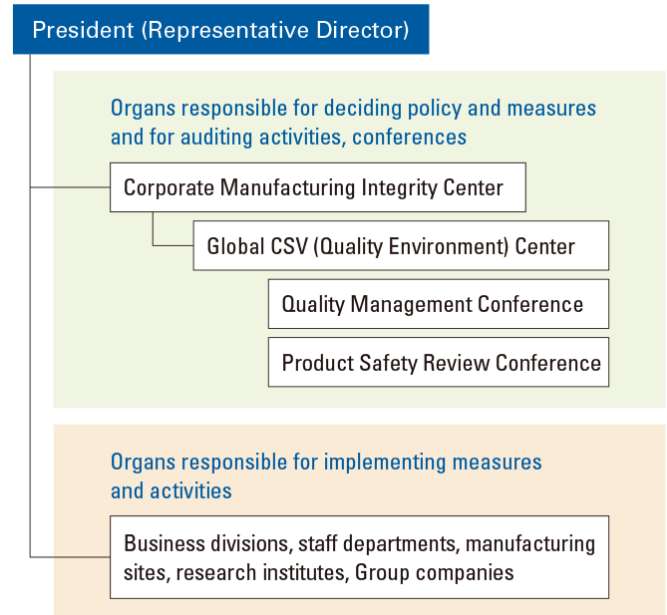
As for product quality, the Global CSV (Quality Environment) Center operates the Quality Management Conference and the Product Safety Review Conference. Through these bodies, we coordinate quality assurance activities throughout the Kaneka Group and drive quality management, including product safety assurance, at all stages from product design and development to raw material procurement, manufacturing, storage, and transportation.

■ Diagram of Promotion System (as of April 1, 2022)

Safety



Quality



Target and Performance

Target		Fiscal 2021 performance
Strengthen process safety and disaster prevention Ensure occupational health and safety		<ul style="list-style-type: none"> ESG safety and quality inspections carried out at all parent manufacturing sites and 8 sites of 6 Group companies in Japan Emergency response and evacuation drills and comprehensive disaster prevention drills carried out in readiness for emergency
Process accidents Occupational accidents	Zero accidents	<ul style="list-style-type: none"> Process accidents: 8 Occupational accidents: Accidents resulting in lost time: 8; accidents not resulting in lost time: 9.

Safety / Quality

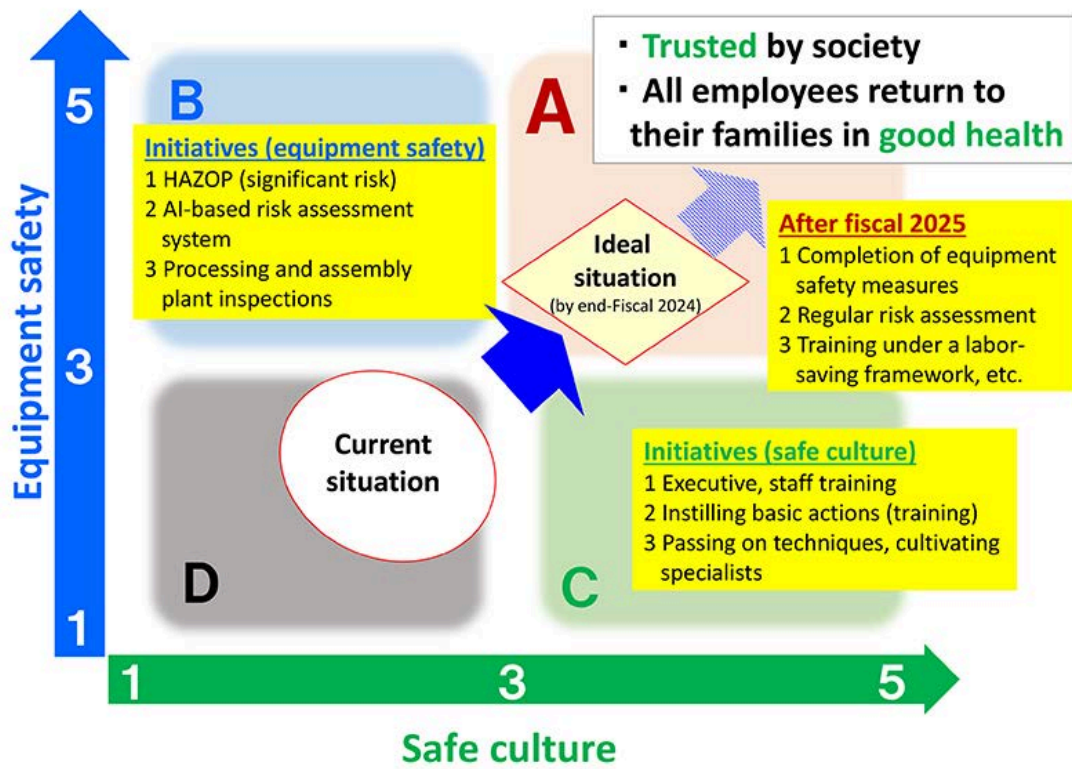
Process Safety and Disaster Prevention

Targeting Zero Process Accidents

Basic Safety Policies

- **Safety forms our management foundation, and is the basis of all corporate activities.**
We take action with priority given to ensuring safety in all activities in the company.
- **Safety is the foundation of local and worldwide communities' confidence in Kaneka.**
We do our best to develop their trust.
- **Safety is based on our belief that "All accidents can be prevented."**
We always move forward without being satisfied with lukewarm results.
- **Safety is the responsibility of every employee in accordance with his/her duties.**
We fulfill our responsibilities by mutually clarifying the duties we have assumed.
- **Safety must be maintained continuously.**
We ensure safety through steady efforts on a daily basis.

Based on a shared commitment to safety first, management and frontline staff are advancing toward our goal of zero process accidents by working to foster a safe culture and ensure the intrinsic safety of equipment, thus inspiring public trust in the safety of our manufacturing sites.



Safe Culture

- Promotion of safety awareness: Safety management training for plant general managers and production supervisors
- Ensuring adherence to basic safety practice (the 3S's, greetings, handrail holding)
- Development of physical awareness of danger: Hands-on training to heighten sensitivity to danger based on learning through physical experience with virtual reality equipment

Emergency Response Training

We annually conduct comprehensive disaster drills, based on scenarios such as a large-scale earthquake or a fire caused by hazardous material leakage, at all parent manufacturing sites jointly with local governments and local industrial facilities so that we can promptly and effectively respond to emergency situations.

■ Emergency Response and Evacuation Drills (Examples in fiscal 2021)

No.	Training	Content (Purpose)
(1)	Undisclosed scenario training	Abnormal events and scenarios are not disclosed in advance. A third party introduces ad-lib elements to train training participants in making on-the-spot judgments and communication methods.
(2)	Comprehensive disaster drills	Assuming plant damage, the entire plant participates in these drills, with participation by government representatives. Training often uses undisclosed scenarios from (1). Serves also to convey safety and security to the government.
(3)	Drills for nighttime power outages	Training to carry out bare minimum activities in complete darkness (while wearing a headlamp, etc.).

No.	Training	Content (Purpose)
(4)	Toxic gas leakage evacuation drills	Evacuation drills positing a chlorine gas leak, including at adjacent plants. Includes evacuating buildings, wearing a gas mask, and practicing gas concentration measurement.

■ Comprehensive Disaster Drills

Manufacturing Site	Date	Participants	Details
Takasago Manufacturing Site	December 13, 2021	2,078	An earthquake resulting in a hazardous material leakage
Osaka Manufacturing Site	November 10, 2021	1,024	An earthquake resulting in a fire
Shiga Manufacturing Site	December 20, 2021	446	An earthquake resulting in a fire
Kashima Manufacturing Site	March 7 and 14, 2022	120	A fire caused by flammable gas leakage

We advance countermeasures against natural disasters in order of priority, including promoting the earthquake-proofing of equipment in preparation for large-scale earthquakes, and implementing risk assessment for typhoons, heavy rains and floods, which have frequently occurred in recent years, based on hazard maps for all parent manufacturing sites and Group companies in Japan.

We also learn how to initially respond to a fire and how to use a hydrant to prevent the spread of a fire through daily training to ensure that we can immediately perform self-defense fire-fighting operations.

To constantly improve our disaster coping skills and strengthen anti-disaster activities, we join a hydrant operation competition held locally, ranking higher every year.



Equipment Safety

To prevent accidents in the Kaneka Group, we have been working to develop technology and assessment techniques focusing on explosions and leaks, and on equipment safety measures for rotating equipment. In addition, with a view to the sustainable factory model we are aiming for in the future, we are pursuing initiatives to address problems with digital technology. For example, we have begun efforts to develop an AI-based risk assessment system and introduce image recognition technology to prevent human error. Although eight process accidents, including minor accidents, occurred in fiscal 2021, there were no serious accidents related to process safety. When the accidents occurred, we promptly notified the relevant public fire department. And, we apologized to local residents and anyone affected by the disturbance.

Safety Best Practices

To further raise the level of safety across the Kaneka Group, we have issued safety best practices, sharing information from the perspectives of safety measures, risk assessment, education, and the passing on of safety techniques. We will continue to share the best practices on a regular basis to raise safety awareness and facilitate safety behavior.

Plant Safety Initiatives

We previously conducted a variety of safety management and safety technology training in a group format, targeting newly appointed manufacturing department general managers, section managers, and safety & technology promoting expert. By switching to online venues and distributing audio materials, we have continued to carry out training seamlessly even during the COVID-19 pandemic. We assess the safety of equipment using HAZOP (*). We make it compulsory that employees registered as evaluators through the in-house certification program should assess the safety of equipment. To foster safety evaluators, we annually hold a HAZOP workshop, inviting external experts as lecturers. We have established a technique for assessing the risk of accidental chemical mixing and a method for evaluating thermal runaway in chemical reactions. We will continue to improve these safety techniques to ensure plant safety.

* HAZOP (Hazard and Operability Studies): A hazard identification technique used for chemical plants.

CHECK & ACT

To reduce the number of process accidents, we will work to ensure risk assessment and intrinsic safety by setting risk assessment standards and fostering safety evaluators. We will continue to make company-wide efforts to thoroughly prevent recurrence and similar accidents.

Safety / Quality

Occupational Safety and Health

Occupational Safety and Health Initiatives

Zero Accident Principles

- **All people, you and me, are indispensable**
We ensure everyone is working safely.
[Pledge of zero accidents]
- **Safety is everyone's responsibility**
We do not miss sparing the time to seek safety.
[Participation in safety]
- **There is no trick to safety**
We always value a fundamental approach to it.
[Adherence to safety basics]
- **Be aware of potential danger**
We endeavor to eliminate safety risks.
[Safety in advance]
- **Where there is carelessness, there is the possibility of an accident**
We do not allow even a small chance of negligence.
[99%, yet 0%]

Safety is a top management priority for the Kaneka Group, and it is our social mission to improve safety. To ensure safe and secure operations, we believe it is important to create a workplace environment where employees can work in good physical and mental health.

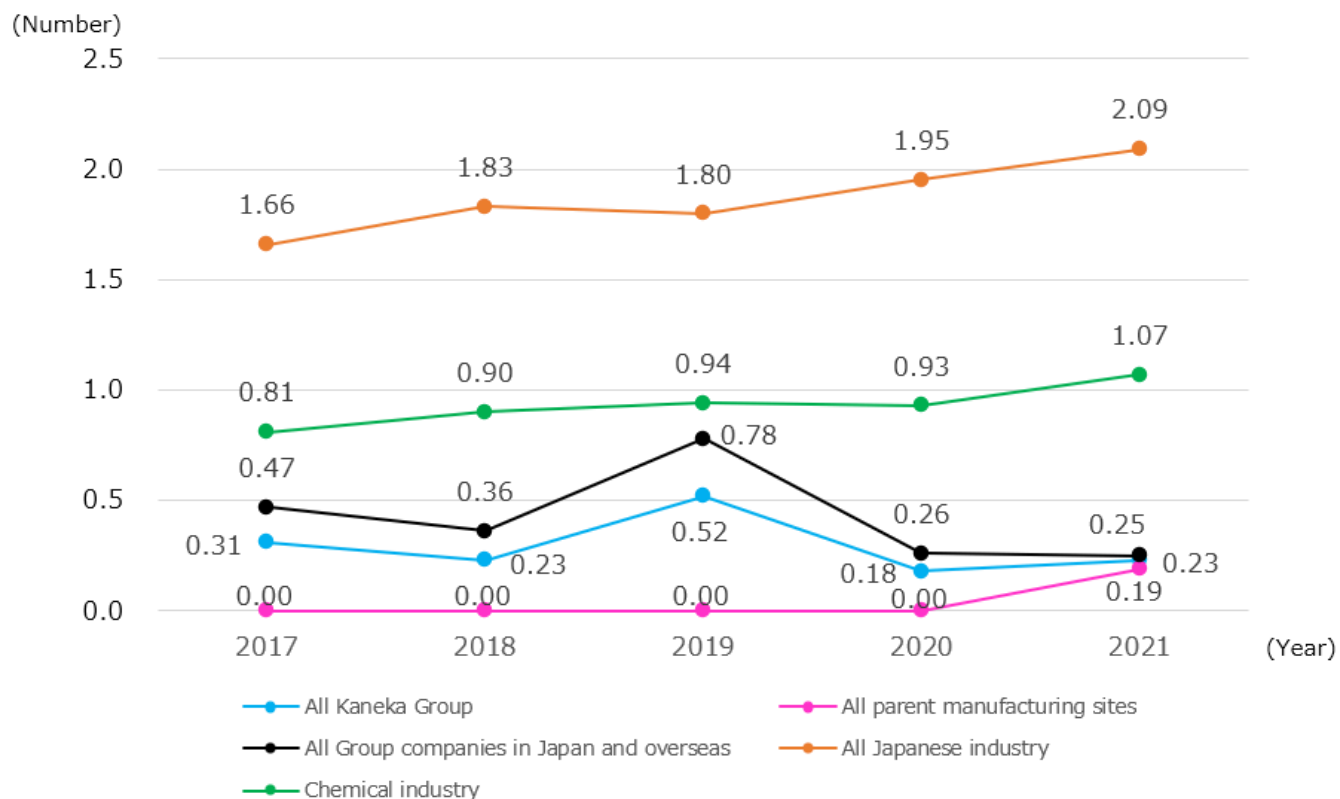
While being committed to continuing to protect safety, we have established the Zero Accident Principles, based on which all employees, including members of top management, make a point of following the rules. We also conduct ESG safety and quality inspections to check the safety management status of plants on-site. We assess the evidence of the status and share items that need improvement between the Head Office and the relevant plant. Based on a one-year-term improvement plan, we implement the PDCA cycle throughout the year.

Severity rate and frequency rate are indicators for occupational accidents.

Occupational accidents in 2021 were caused by sudden unsafe actions and carelessness. The frequency rate was 0.23, 0.05 points worse than the previous year. We will continue to improve the safety awareness of each

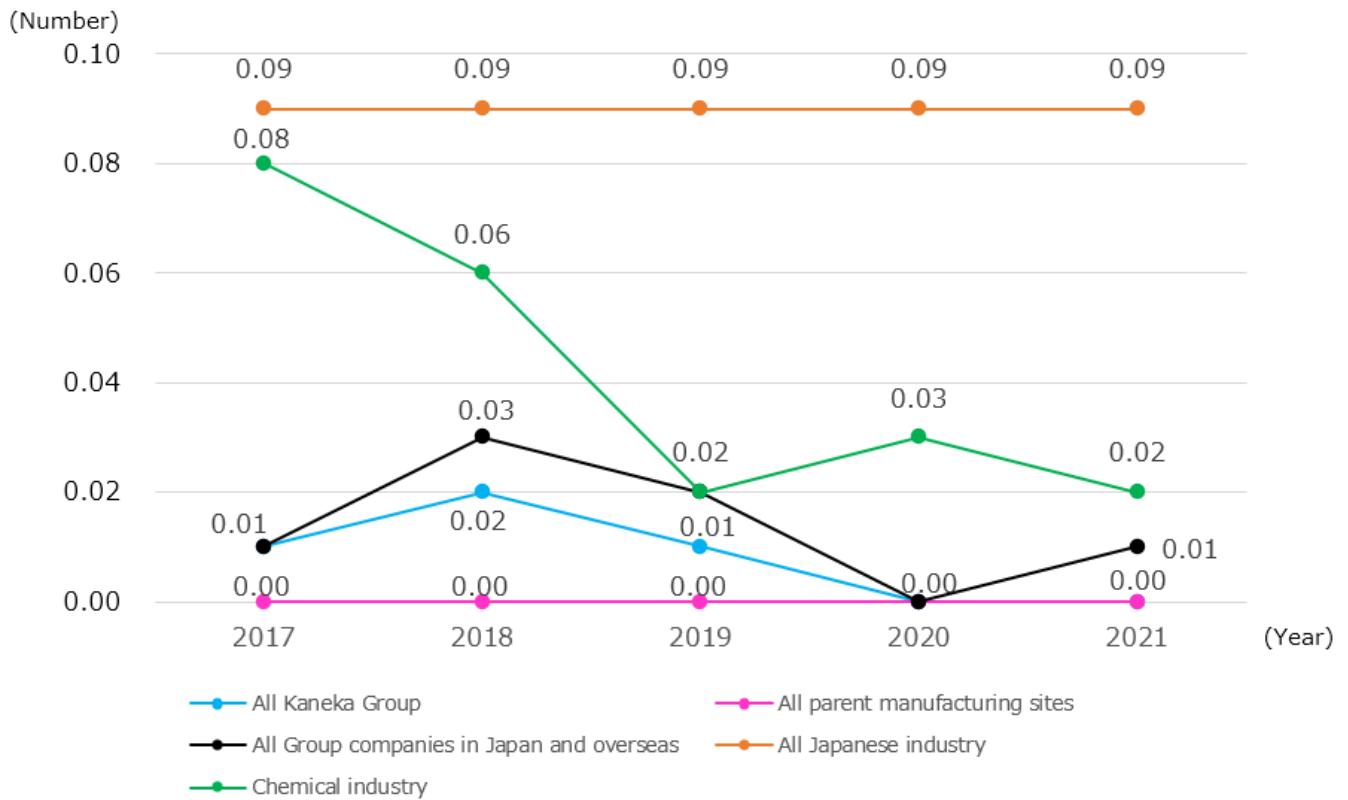
employee and prevent occupational accidents by pursuing safety activities that adhere to the Zero Accident Principles, such as raising awareness of ways to make facilities safer and predict danger.

■ Accident Frequency Rate



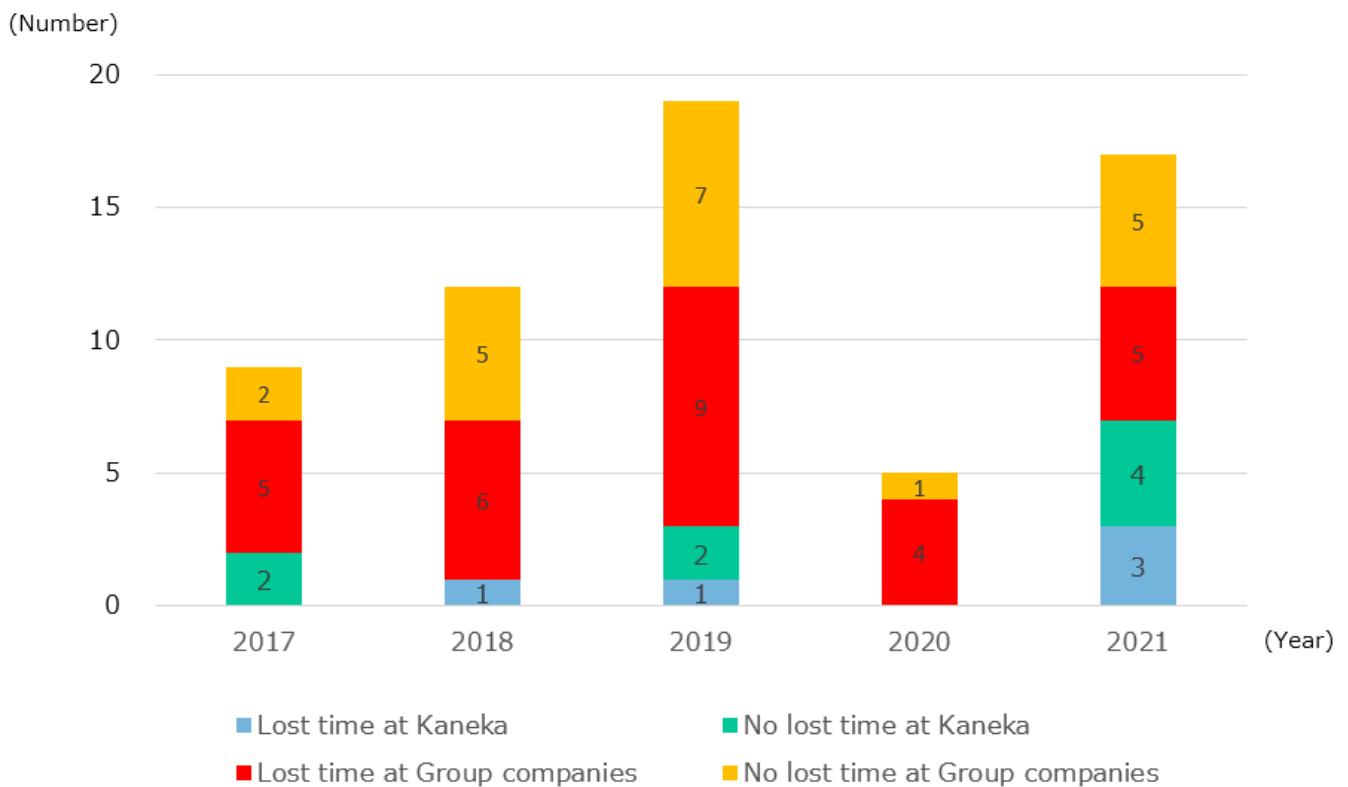
Accident Frequency Rate: An indicator that shows the frequency of occupational accidents that caused death and/or injury by indicating the number of casualties per total 1 million actual working hours. Accident frequency rate is calculated targeting employees at Kaneka and Group companies.

■ Accident Severity Rate



Accident Severity Rate: An indicator that shows the level of severity of occupational accidents by indicating the number of lost work days per total 1,000 working hours. Accident severity rate is calculated targeting employees at Kaneka and Group companies.

■ Accidents Resulting/Not Resulting in Lost Time



Note: The number of occupational accidents includes those among employees at Kaneka and partner companies working in the Kaneka Group.

Enhancing Our Occupational Safety and Health Management System

Our all parent manufacturing sites acquired Occupational Safety and Health Management System (OSHMS) certification from the Japan Industrial Safety & Health Association (JISHA) in fiscal 2007, and have continued our efforts to enhance these systems.

■ OSHMS Certifications

Manufacturing Site	Location	Certification Date	Certification No.
Takasago Manufacturing Site	Hyogo	March 10, 2008	08-28-13
Osaka Manufacturing Site	Osaka	August 21, 2007	07-27-10
Shiga Manufacturing Site	Shiga	January 15, 2008	08-25-6
Kashima Manufacturing Site	Ibaraki	December 13, 2010	10-8-26

Prevention of Machine Accidents

To prevent machine accidents such as being caught in machinery and to raise the level of equipment safety assessment, we are fostering experts based on guidelines for comprehensive safety standards for machinery. As of fiscal 2021, we had registered a total of 62 comprehensive machine safety assessors certified as safety sub-assessors (*) under our internal certification system.

*Safety sub-assessor: A certification for machine designers with the basic knowledge and ability needed to confirm safety validity.

Feeling Danger Physically: Experiential Learning

The Kaneka Group is pursuing hands-on learning to enhance sensitivity to risks. In addition to conventional hands-on safety experience equipment, we newly introduced virtual reality-based learning equipment that allows participants to experience 16 simulation scenarios, including crashes, electric shocks, and explosions. All of the equipment is portable, allowing us to offer opportunities for hands-on learning to numerous employees and work to increase safety awareness.



Real learning experience of being caught in machinery



Virtual reality-based experiential learning

Safety Awards

In May 2021, our Shiga Manufacturing Site received the Safety Excellence Award in an award scheme operated by the Japan Chemical Industry Association to recognize business sites that conduct exemplary safety activities. Across the Kaneka Group as a whole, four companies received designation as a 'certified safe business site.'

We present the President's Safety Award to all business sites that have achieved no accidents (no process accidents) and no disasters (no accidents resulting / not resulting in lost time) based on the internal standards. Going forward, we will continue raising safety awareness toward our goal of zero accidents.

■ Certification as a Safety-conscious Company by the Japan Chemical Industry Association

Group Company	Certification for Zero Accident and Disaster Period
Kaneka Shiga Manufacturing Site	December 14, 2015 —(7 years)
Kaneka Hokkaido Styrol Co., Ltd. Shibetsu Plant	August 28, 2009 —(11 years)
Tochigi Kaneka Co., Ltd.	May 26, 2012 —(8 years)
Showa Kaseikogyo Co., Ltd.	January 17, 2015 —(5 years)

■ President's Safety Award for No Accidents and No Disasters based on the Internal Standards (Fiscal 2021)

Group Company	Award for Zero Accident and Disaster Period
Kaneka Shiga Manufacturing Site	December 14, 2015 —
Vienex Corporation	June 8, 2013 —

Group Company	Award for Zero Accident and Disaster Period
Kaneka Medical Tech Corporation	September 7, 2013 –
PT. Kaneka Foods Indonesia	January 17, 2014 –

CHECK & ACT

In 2021, 17 occupational accidents occurred. To achieve zero accidents, we will work to promulgate basic safety actions to all employees, improve production line management, and strengthen the risk assessment foundation.

Safety / Quality

Product Responsibility

Aiming to benefit society and satisfy customers through a stable supply of safe and reliable products, the Kaneka Group has set Quality Management Regulations to ensure thorough day-to-day quality control and product safety at all stages, from product design and development to delivery to customers.

Quality Management

The Global CSV (Quality Environment) Center operates the Quality Management Conference and the Product Safety Review Conference. Through these bodies, we coordinate quality assurance activities throughout the Kaneka Group and drive quality management, including product safety assurance, at all stages from product design and development to raw material procurement, manufacturing, storage, and transportation. Each of our businesses undergoes regular third-party auditing and inspection based on ISO 9001 and other established standards and regulations. We also take steps in-house to enhance our quality management system and thereby raise product quality standards through ESG safety and quality inspections and internal audits.

Quality Assurance Initiatives

- We reviewed our systems to ensure strict legal compliance following the revision of the Pharmaceutical Affairs Law and confirmed the introduction of HACCP (hazard analysis and critical control point) in response to the revision of the Food Sanitation Act.
- We held quality management conferences on four occasions, inviting personnel in charge of quality management in each business division, to instill the Company-wide policy and instructions and to exchange views on product quality assurance and share quality information.
- To facilitate timely and speedy response to the demand for PCR test diagnostics during the continuing COVID-19 pandemic and to the market demand for sustainability-friendly solar roof systems, the administrative office of the Product Safety Review Conference conducted active pre-consultations to cover safety issues and put in place a service delivery system.
- External experts were deployed by food-related Group companies to conduct ongoing checks on the operation status of quality management systems and hygiene management, including in the supply chain, as a way to further improve quality.
- An internal audit checklist was sent to the production, sales, and administration divisions of Group companies for self-check to enhance the quality system while quantitative evaluation was carried out to identify its strengths and weaknesses. Where weaknesses were found, efforts were made in cooperation with the supervising business department to plan for the next fiscal year's checking operations as a way to target improvement.

- We held a Quality Internal Audit Secretariat Division Meeting and confirmed the status of contracts with customers and contractors as a common confirmation item for each business division in the current fiscal year.
- Aiming to raise the quality assurance level of each employee, we sent employees to outside seminars, prepared e-learning materials on internal rules and standards, and brought in outside lecturers to hold workshops for the purpose of understanding the importance of consumer perspectives and improving the level of internal auditors.

Going forward, we will continue working to enhance the quality management system, including in the supply chain, through audits, inspections, and other checks and human resource training. In this way, we aim to ensure full compliance and product safety.

Chemical Substance Management

We take appropriate action at all stages of product development, manufacturing, transportation, sales, and disposal based on a clear grasp of the requirements of Japanese and international laws and regulations on the management of chemical substances, with each division adapting its response to its particular circumstances. For raw material procurement, we have established the Green Procurement Standards to prevent mixing of chemicals prohibited under the Control Act.^(*1) When supplying products, we take active measures to convey information on the hazard level of the chemical substances, including displaying a GHS^(*2) label and providing a product safety data sheet.

We also take careful note of legislative trends. Among the changes in recent years have been revisions to Chinese law requiring advance registration of new chemical substances and revisions to South Korean occupational safety law and UK law on the registration, evaluation, authorization and restriction of chemical substances (REACH). Our response to these changes includes the use of external consultants.

As part of our in-house education efforts, we used e-learning materials to gain understanding of the Green Procurement Standards and held in-house seminars to raise the level of practitioners involved with the Chemical Substances Control Act and SDS preparation. We also brought in an outside lecturer to speak about learning from chemical substance management failures, while ensuring rigorous product safety through legal compliance and appropriate chemical substance management.

*1 Chemical Substances Control Act: Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.

*2 GHS: A worldwide system for classifying and labelling chemicals according to their hazardous properties.

Certification Acquisition Status

■ ISO 9001 Certification

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Vinyls and Chlor-Alkali SV	Caustic soda, hydrochloric acid, sodium hypochlorite, liquid chlorine, vinyl chloride monomers, polyvinyl	JCQA / JCQA-1263

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
	chloride, polyvinyl chloride paste, heat-resistant polyvinyl chloride, and OXY chlorination catalyst	
Performance Polymers (MOD)SV	Impact modifiers (Kane Ace™ B etc.), processing aids and specialty additives (Kane Ace™ PA etc.), toughener for thermosetting resins (Kane Ace™ MX), engineering resin for injection molding (Kaneka Hyperite™), zero birefringence PMMA material (Kaneka Hyperite™), and Acrylic film (Sunduren™)	
Performance Polymers (MS)SV	Silyl-terminated polyether (Kaneka MS Polymer™ etc.), acrylic silicon polymer (Kaneka Gemlac™), terminally reactive liquid acrylic polymer (KANEKA XMAP™ etc.), and isobutylene-based thermoplastic elastomer (SIBSTAR™)	LRQA / ISO9001-0066620
Green Planet Project	Biodegradable polymer (KANEKA Biodegradable Polymer Green Planet™)	
Foam & Residential Techs SV		
Hokkaido Kanelite Co., Ltd.	Bead technique-based polyolefin resins and molded products (Eperan™, Eperan PP™), bead technique-based expandable polystyrene (Kanepearl™), and extruded polystyrene foam board (Kanelite™)	JCQA / JCQA-0673
Kyushu Kanelite Co., Ltd.		
E & I Technology SV	Ultra-heat-resistant polyimide films (Apical™, Pixeo™), optical film (Elmech™), optical acrylic resin, polyimide varnish for flexible displays, bonded magnets (Kaneka Flux™), multi-layered insulation materials, PVC pipes for underground electric cables, high thermal-conductive graphite sheet (Graphinity™), thermal conductive elastomer, and flexible cover coat ink	LRQA / ISO 9001-10414748
	Thermo-resistant, light-resistant transparent resin and molded products	DNV / 01635-2006-AQ-KOB-RvA/JAB
PV & Energy Management SV	Design, development, manufacturing, sales, and services of photovoltaic modules	JQA / JQA-QMA13200
Kaneka Solartech Corporation	Sales and services of photovoltaic power generation system materials	
Kaneka Solar Marketing		

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Corporation		
Foods & Agris SV		
Takasago Manufacturing Site Foods Manufacturing Department	Margarine, shortening, edible oils and fats, edible refined oils and fats, whipped cream, concentrated milk products, modified milk, fermented milk products, flour paste, butter cream, chocolate, frozen dough, cheese, mayonnaise, cooking fillings, prepared foods, yeast, radish sprout extract, enoki mushroom extract formulations, and seasoning materials	JQA / JQA- QMA10274
Kaneka Foods Manufacturing Corporation		
Tokyo Kaneka Foods Manufacturing Corporation		
Kaneka Foods Corporation	Purchase, design, sales, technological services, and quality assurance for processed foods and raw materials, and sales of food processing machinery	
NJF Co., Ltd.	Production instruction of processing contractors	
OLED Business Development Project	Organic electroluminescent lighting	JMAQA / JMAQA- 2532
OLED Aomori Co., Ltd.		
Showa Kaseikogyo Co., Ltd.	Plastic compounds	ASR / Q0556
Tatsuta Chemical Co., Ltd.	Plastic film, plastic sheet	BVJ / 4503769
Sanvic Inc.	Synthetic resin sheets and films	JMAQA / JMAQA- 1824
Tobu Chemical Co., Ltd.	Plastic wallpaper, vinyl chloride resin wallpaper	LRQA / YKA0958154
Cemedine Co., Ltd.	Development and manufacture of general and industrial adhesives, sealants and special paints	JCQA / JCQA-0386
Kanto Styrene Co., Ltd.	Manufacturing of polystyrene foam molded products	IIC / JN-1050.0

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Kaneka Foam Plastics Co., Ltd. Moka Plant, Kyusyu Plant	Bead technique-based polyolefin molded products	ASR / Q1919
Tamai Kasei Co., Ltd.	A series of operations related to order receipt, manufacturing, inspection, and shipping of Phase Change Material (PCM) (Patthermo)	ASR / Q4131
Vienex Corporation	Electronic products	JSA / JSAQ2593
Shinka Shokuhin Co., Ltd.	Modifiers for bread and confectionery, processed fruit products, outsourced products (margarine, cooking fillings, modified milk)	JQA / JQA-QMA15323
Taiyo Yushi Corporation	Margarine, shortening, edible refined oils and fats, edible vegetable oils and fats, refined lard, other edible oils and fats, processed fats, dairy products, and food additives	JQA / JQA-QMA14671
	Cosmetics for hair and skin care, dental care items, body soaps, and soaps for clothes, dish washing and house cleaning	BVJ / 4171923
Kaneka Sun Spice Corporation	(1) Product design and development of spices and secondary processed products incorporating spices (2) Purchase and sales of general processed foods and their ingredients	JQA / JQA-QMA11351
Nagashima Shokuhin Co., Ltd.	Frozen puff pastry dough and frozen cookie sheets	JQA / JQA-QMA15844
Tochigi Kaneka Corporation	Bonded magnets (Kaneka Flux™), multilayer insulation materials, and high thermal-conductive graphite sheet (Graphinity™)	LRQA / ISO 9001-0076860
Kaneka Belgium N.V.	Modifier resins (Kane Ace™), bead technique-based polyolefins (Eperan™, Eperan PP™), modified silicone polymer (Kaneka MS Polymer™), and acrylic sol	AIB-VINCOTTE / BE-91 QMS 028j
Kaneka North America LLC	Ultra-heat-resistant polyimide films (Apical™), modifier resins (Kane Ace™, Kaneka Telalloy™), heat-resistant vinyl chloride resins, and modified silicone polymers (Kaneka MS Polymer™)	BSI / FM72722
Kaneka (Malaysia) Sdn. Bhd.	Modifier resins (Kane Ace™)	SIRIM QAS / QMS 00900

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Kaneka Paste Polymers Sdn. Bhd.	Vinyl chloride paste resin	SIRIM QAS / QMS 00900
Kaneka Apical Malaysia Sdn. Bhd.	Ultra-heat-resistant polyimide films (Apical™), High thermal-conductive graphite sheet (Graphinity™)	SIRIM QAS / QMS 00900
Kaneka MS Malaysia Sdn. Bhd.	Modified silicone polymer (Kaneka MS Polymer™)	SIRIM QAS / QMS 00900
Kaneka Innovative Fibers Sdn. Bhd.	Synthetic fibers (FPW)	SIRIM QAS / QMS 00900
Kaneka Eperan Sdn. Bhd.	Development, manufacture of polyethylene foam, polypropylene foam beads and planks	SIRIM QAS / QMS00996
Kaneka Eperan (Suzhou) Co., Ltd.	Bead technique-based polyolefins (Eperan™, Eperan PP™)	SGS / CN18/20031
Kaneka (Foshan) High Performance Materials Co., Ltd.	Bead technique-based polyolefins (Eperan™, Eperan PP™)	Beijing East Allreach certification Center Co., Ltd. / USA19Q44009R1S
Kaneka (Thailand) Co., Ltd.	Development, manufacture of mini pellets and polyolefin beads, including product application development	BSI / FM714676
KSS Vietnam Co., Ltd.	Processed spices, herbs, dried vegetables, and mixed spices	Intertek Certification Limited / CPRJ-2015-040996
Kaneka Eurogentec S.A.	Development, production and sales of products and services for research and development in life sciences	BSI / FS 638601
Anaspec Inc.	Peptides, antibodies, synthetic resins, amino acids, and reagents for research	SQA/09.357.1

■ ISO 13485 Certification (*3)

Division or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
Medical SV	Adsorbents, Lixelle™, liposorber™, catheters, silascon™, ED coil, and in-vitro diagnostics	TÜV SÜD / Q5 024736 0069
Kaneka Medix Corporation		
Kaneka Medical Vietnam Co., Ltd.		
Kaneka Medical Tech Corporation	Catheters (parts)	
Kaneka Medical Tech Corporation	Endoscopic instruments, catheter electrodes	
Kaneka Eurogentec S.A.	Contract manufacturing of in vitro diagnostic oligonucleotides	BSI / MD 638600

*3 ISO 13485 is an international standard covering the comprehensive management system requirements for the design and manufacture of medical equipment.

■ ISO 22000 Certification (*4)

Production Unit or Group Company	Main Products	Registry Organization and Number
Takasago Manufacturing Site Pharmaceutical Department	Coenzyme Q10 (Kaneka Q10™, Kaneka QH™)	SGS / JP10 / 030379
Kaneka Sun Spice Corporation	Spices and secondary processed products incorporating spices	JQA / JQA-FS0123
KSS Vietnam Co., Ltd.	Processing of spices, herbs, dried vegetables, and mixed spices	Intertek Certification Limited / 38191405003
Shinka Shokuhin Co., Ltd.	Modifiers for bread and confectionery, processed fruit products, outsourced products (margarine, cooking fillings, modified milk)	JQA-FS0286

*4 ISO 22000 is an international standard for food safety management systems.

■ Food Safety System Certification 22000 (FSSC 22000) (*5)

Division or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
Takasago Manufacturing Site Foods Manufacturing Department	Margarine, shortening, edible oils and fats, edible refined oils and fats, whipped cream, concentrated milk products, modified milk, and yeast	JQA / JQA-FC0047-1
Kaneka Foods Manufacturing Corporation	Margarine, flour paste, buttercream, cheese, fermented milk products, antifreeze protein, antifreeze polysaccharide, and seasoning materials	JQA / JQA-FC0047-2
Tokyo Kaneka Foods Manufacturing Corporation	Margarine, shortening, flour paste, buttercream, and whipped cream	JQA / JQA-FC0047-3
Taiyo Yushi Corporation	Margarine, shortening, edible refined oils and fats, edible vegetable oils and fats, refined lard, other edible oils and fats, processed fats, and dairy products (butter)	JQA / JQA-FC0044
Nagashima Shokuhin Co., Ltd.	Frozen dough (pies and confectionery)	JQA / JQA-FC0109
PT. Kaneka Foods Indonesia	Manufacturing of bread fillings and whipping creams, manufacturing of bread improver, manufacturing of speciality fats and blended margarines	SGS / ID22/00000151

*5 The Food Safety System Certification 22000 (FSSC22000) offers a complete certification Scheme for Food Safety Management Systems based on ISO 22000, ISO/TS 22002-1, and additional FSSC 22000 requirements.

■ ISO22716 Certification (*6)

Group Company	Main Products	Registry Organization and Number
Taiyo Yushi Corporation	Shampoos, conditioners, body soaps, and hand creams	BVJ / 4521945

*6 ISO 22716 is guidelines on the Good Manufacturing Practices (GMP) of cosmetic products.

■ ISO17025 Certification (*7)

Group Company	Main Products	Registry Organization and Number
Tokyo Kaneka Foods Manufacturing Corporation	Microbial testing (viable bacteria count, coliform count)	JAB / RTL04360
Kaneka Foods Manufacturing Corporation	Microbial testing (viable bacteria count)	JAB / 113749

*7 ISO 17025: General requirements for the competence of testing and calibration laboratories; Criteria based on which an accreditation body assesses whether the relevant testing and calibration laboratory can produce accurate measurement and calibration results.

■ IATF 16949 Certification(*8)

Group Company	Main Products	Registry Organization and Number
Kaneka Eperan Sdn. Bhd.	Development, manufacture of polypropylene foam beads	SIRIM QAS / 0388920

*8 IATF 16949 is a sector standard for quality management systems based on ISO 9001 with the addition of automobile industry-specific requirements.

CSR Procurement

Management Approach

Basic Policy

The Kaneka Group works to build relationships of trust with its business partners (suppliers) with the aim of mutual increase in corporate value. Under our Basic Procurement Policy, we pursue efficient procurement activities that also take account of fairness and equity in terms of ensuring safety and quality, protecting the global environment in areas such as climate change and biodiversity, showing respect for human rights, and ensuring legal compliance.

In 2015, we signed the United Nations Global Compact to show our agreement with its principles for voluntary action in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. In 2018, with the aim of further evolving our ESG management, we additionally set out an ESG Charter as an action agenda for each individual employee to help realize our corporate philosophy. On this basis, we pursue procurement activities for a sustainable society.

Policy

Basic Procurement Policy

- We will engage in procurement activities that enhance the corporate value of both Kaneka and our business partners.
- We will endeavor to reduce environmental damage by engaging in green procurement.
- We will provide opportunities for business partners to make fair and rational transactions in consideration of quality, price, supply stability, technical development capabilities, environmental protection, and safety.
- We will abide strictly by the relevant Japanese and foreign laws and regulations.

CSR Procurement

CSR Procurement

Responsible Procurement Initiatives

In all procurement activities within the framework of our business operations, we undertake responsible procurement and management of raw materials and other resources. Our Basic Procurement Policy requires the general manager of each business division to put in place and take charge of an appropriate system to manage procurement, including that of mineral raw materials, with the cooperation of business partners. Additionally, as part of sustainable raw material procurement that takes due account of the environment and human rights, we have acquired RSPO supply chain certification.

Green Procurement Based on Basic Procurement Policy

Based on the Basic Procurement Policy, the Kaneka Group declared its commitment to pursue green procurement, aiming to reduce the burden on the environment. Based on this commitment, we have established the Green Procurement Standards.

In fiscal 2021, we revised our list of target substances to reflect the addition of regulated substances to the Chemical Substances Control Act and Poisonous and Deleterious Substances Control Act in Japan and to REACH regulations in the EU. We revised the Green Procurement Standards three times. We also launched a program using e-learning materials to gain deeper and wider understanding of the Green Procurement Standards. Recognizing that green procurement initiatives are one of the most important elements of our environmental protection activities, we will continue to work actively with our business partners going forward.

Procurement Initiatives

Our procurement departments stay in close communication with our business partners, continually working with them to strengthen our partnerships.

Together with our business partners, we keep our eye on continually changing market conditions to create new value and to grow together.

Based on the results of a questionnaire on CSR procurement initiatives received from business partners in fiscal 2019, we are sharing issues with business partners and pursuing response initiatives. We will continue to make needed improvements through communication with our business partners.

Initiatives for Logistics Safety

Logistics safety initiatives for fiscal 2021 included drafting an annual health and safety plan and identifying and enhancing risk assessment in logistics transportation, identifying and improving areas of danger by means of safety questionnaires from the point of view of drivers, and training on predicting risks during transportation and cargo handling. We took steps to prevent accidents and carried out activities to enhance safety awareness. Also, in cooperation with partner transportation companies, we are making ongoing efforts to further improve the level of emergency response through training, such as carrying out emergency reporting drills for product leakages during transportation to promptly and accurately notify relevant parties and prevent accidents from expanding in the event of an emergency.



Training on emergency handling of poisonous and deleterious materials

Declaration of Partnership Building

Based on the belief that it is important to actively work on strengthening the supply chain, Kaneka endorses the aims of the Council on Promoting Partnership Building for Cultivating the Future advanced by the Cabinet Office and other related ministries and agencies. We announced our Declaration of Partnership Building in October 2022.

The aim is to build new partnerships by promoting cooperation, coexistence, and coprosperity with business partners in the supply chain and other business operators seeking to create value.

CHECK & ACT

Kaneka Group continues to engage in procurement activities based on the Green Procurement Standards.

Human Resource Strategies

Human Resource Strategies
Trust & Respect
Kaneka is a Human Driven Company

Basic Policy

Our growth is driven by the willingness of each employee to take on challenges. We create an environment of openness to challenges—one that provides opportunities, fosters growth, and enables change. That guides Kaneka’s human resource strategies as a Human Driven Company.

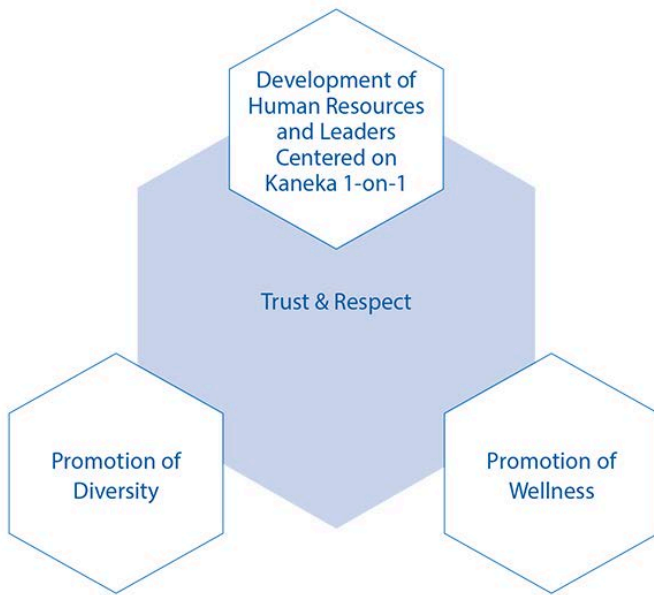
Human Resource Strategy: The Three Pillars

As a Human Driven Company, Kaneka is promoting the tenet of the ESG Charter to respect the personalities and uniqueness of all employees so that they can enjoy good health, feel motivated, and make the most of their abilities.

The pillars supporting these efforts are:

- The development of human resources and leaders centered on Kaneka 1-on-1,
- The promotion of diversity, and
- The promotion of wellness

Human Resource Strategy the Three Pillars



Promotion System

We established the Engine of Sustainability Management to oversee and strengthen ESG management in related departments across the company, adopting “Wellness First” health management for a healthier world as the platform for our activities.

The ESG Charter declares our commitment to foster an organizational culture that respects the personalities and uniqueness of all employees so that they can enjoy good health, feel motivated, and make the most of their abilities. This implies working styles and an organizational culture that balance the growth of people and the organization. To put this into practice, we are taking steps to reform our work culture.

Under the direction of the Engine of Sustainability Management, we have established a Work Culture Committee and a Diversity Committee, combining the activities of the Human Resources Department to create a company-wide promotion framework.

Human Resource Strategies

Human Resource Strategies
Trust & Respect
Kaneka is a Human Driven Company

Development of Human Resources and Leaders Centered on Kaneka 1-on-1

Kaneka 1-on-1: Lighting a Fire in People's Hearts

People are everything. A major challenge for management is to improve communication skills to think of people and be close to them.

We want to light a fire in people's hearts. With this in mind, we created Kaneka 1-on-1.

<The aims of Kaneka 1-on-1>

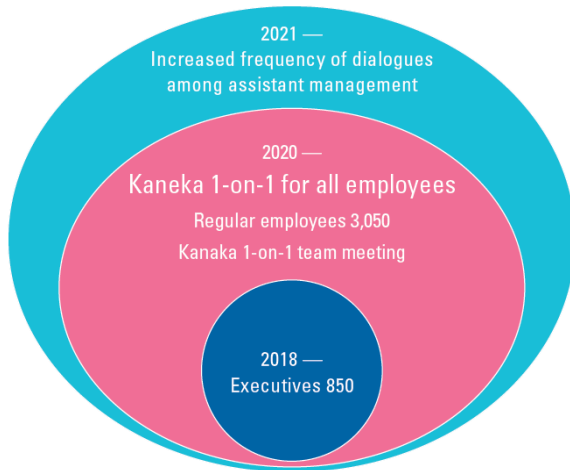
- Increase corporate value through the growth of people and drive the growth of the Company.
- Team supervisors and subordinates frequently conduct one-to-one dialogues that focus on reviewing progress against plans and on building skills that will help subordinates develop their careers.
- Empowering people and organizations (lighting a fire in their hearts) by building relationships through dialogue.



By strengthening the relationship between bosses and their employees through frequent dialogue (communication), Kaneka 1-on-1 aims to spur employees' personal motivation and elicit greater autonomy and initiative.

We started this program in fiscal 2018, targeting executives, and are gradually extending its scope to include assistant managers and other employees. The program contributes to improving “the power of individuals and the power of the organization” while flexibly changing measures through communication.

Expansion of Kaneka 1-on-1 (to Kaneka 1-on-1 for all employees)



Cumulative number of dialogues: approximately 50,000/year

Furthermore, we hold workshops to enhance the effectiveness of Kaneka 1-on-1. We will evolve Kaneka 1-on-1 with the aim of enhancing leadership and followership.

Kaneka 1-on-1 Workshop

We are working to improve the coaching skills of bosses, targeting executives.

This program teaches the key points of listening, recognizing, and questioning by means of lectures and exercises conducted by professional lecturers. In fiscal 2021, 145 people took part in the course (505 people have taken part since the course began).

Kaneka 1-on-1 Team-Meeting Workshop

We started Kaneka 1-on-1 Team-Meeting Workshops as a team-building initiative to strengthen our teams and organization to better achieve organizational goals. Through lectures and exercises conducted by specialist instructors, this program gives executives an opportunity to consider how to manage meetings. The course drew 21 participants in fiscal 2021.

Leadership that Lights a Fire in People’s Hearts

We conduct training programs for employees, including those at Group companies in and outside Japan, to develop future executive candidates and leaders who will bring strong leadership to our businesses and operations. Some participants in the programs have been appointed to division chief and executive positions at overseas Group companies.

Hitotsubu-no-Tane Momi Juku

Hitotsubu-no-Tane Momi Juku, our training program led by top management, entered its eighth year in 2022. Trainees directly encounter the ideas of top management and gain numerous insights from the team of instructors.

Trainees gain new experience and reinforce their leadership and management skills in different contexts through career-building job rotations and challenging assignments.

「The Leadership Challenge Workshop」

We hold these workshops to give people an opportunity to develop the mindset and leadership approach needed to grow into leaders who light a fire in people's hearts. Nearly 2,000 people have taken part in the workshops in Japan and overseas. We will continue striving to enhance practical leadership skills by drawing on the awareness and learning gained through the workshops.

Program	Fiscal 2021 (participants)		Fiscal 2022 (participants)		Total from start of program (participants)	
Hitotsubu-no Tane Momi Juku	12 (of which, female 3)		12 (of which, female 3)		97 (of which, female 7)	
The Leadership Challenge Workshop	outside Japan:	(*1)	outside Japan:	(*1)	outside Japan:	464
	in Japan:	114	in Japan:	56	in Japan:	1,465

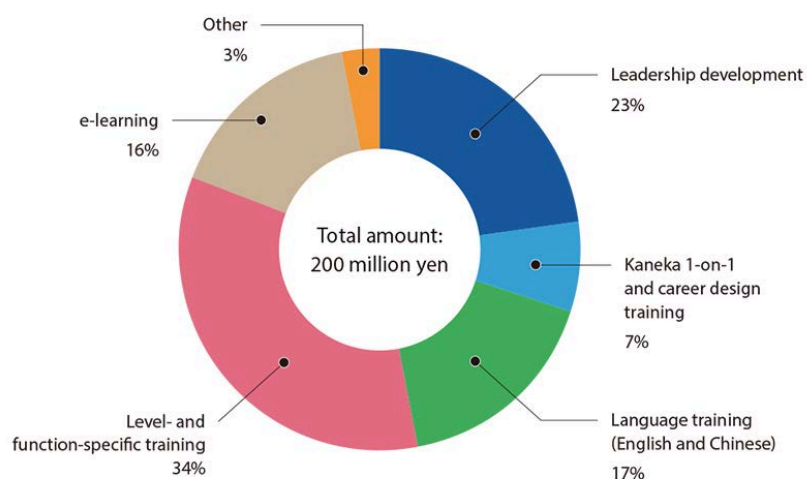
*1 There are no workshops for overseas personnel yet.

Toward the Active Participation of a Diverse Workforce

We are working to cultivate personnel to achieve the active participation of diverse workforce.

In addition to daily activities based on the above-mentioned Kaneka 1-on-1 as well as the training of leaders through the Hitotsubu-no-Tane Momi Juku program that seeks to inculcate greater perspective, we are also focusing on language education (English and Chinese) to expand the pool of human resources who can play an active role on the global stage.

■ Results of Company-Wide Training in Fiscal 2021



■ Language Learners

Purpose of training	Program	Participants		
		Fiscal 2020	Fiscal 2021	Fiscal 2022
Acquisition of languages required for overseas businesses and assignments	English and Chinese language training (by selection)	70	68	70
	English and Chinese language training (by application)	348	286	274
	Language training before overseas transfer	7	10	7
Acquisition of advanced language proficiency and cross-cultural understanding	Work experience at group companies outside Japan (overseas training)	3	3	4
	Overseas language study program	(*2)	(*2)	(*2)

*2 Cancelled due to the COVID-19 pandemic, etc.

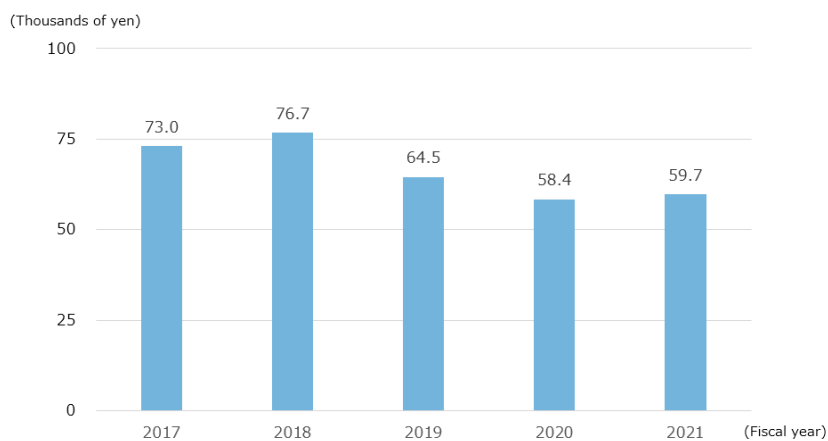
Fostering Security and Compliance

We are also using e-learning to expand our training menu to include information security, compliance, harassment, and labor management.

■ Human Rights/Compliance Education

Purpose of training	Program	Participants		
		Fiscal 2020	Fiscal 2021	Fiscal 2022
Human rights/compliance education	Introductory training for new employees	129	83	74
	Training for newly appointed executives	59	57	65
Acquisition of workforce management knowledge required for executive positions	Compliance training for executives	784	840	860

■ Training Costs (per Person)



Note: The main factor behind the decrease in training costs from fiscal 2018 to fiscal 2019 was the promotion of education-related digital transformation and the shift to online and e-learning training in line with revisions to the training system.

Human Resource Strategies

Human Resource Strategies
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 Kaneka is a Human Driven Company

Promotion of Diversity

We want to create new value to inspire the world through a wide variety of human resources.

There are approximately 11,000 employees (including 3,000 employees of foreign nationality) working in the Kaneka Group globally.

Kaneka is a Human Driven Company. Individual employees in good physical and mental health generate the results and value of work and realize innovation.

Diversity in the workforce is essential for the growth of diverse businesses. We believe that new ideas grow out of the collision between different values in an atmosphere of respect.

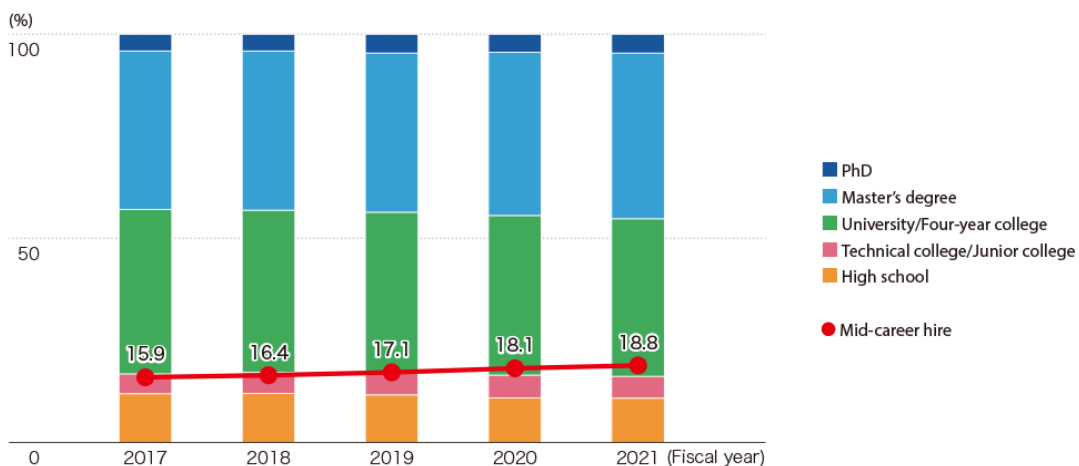
Regardless of age, gender, nationality, type of employment, or other factors, we provide opportunities for highly motivated personnel who can lead others and support them in taking on challenges.

We want to be a company that brings together the DNA of diverse human resources. Be different!

Composition of Executive Team

We promote executives on the basis of merit, regardless of academic background or length of service.

■ Composition of Executive Team (as of April 1 each year)



Supporting Senior Employees

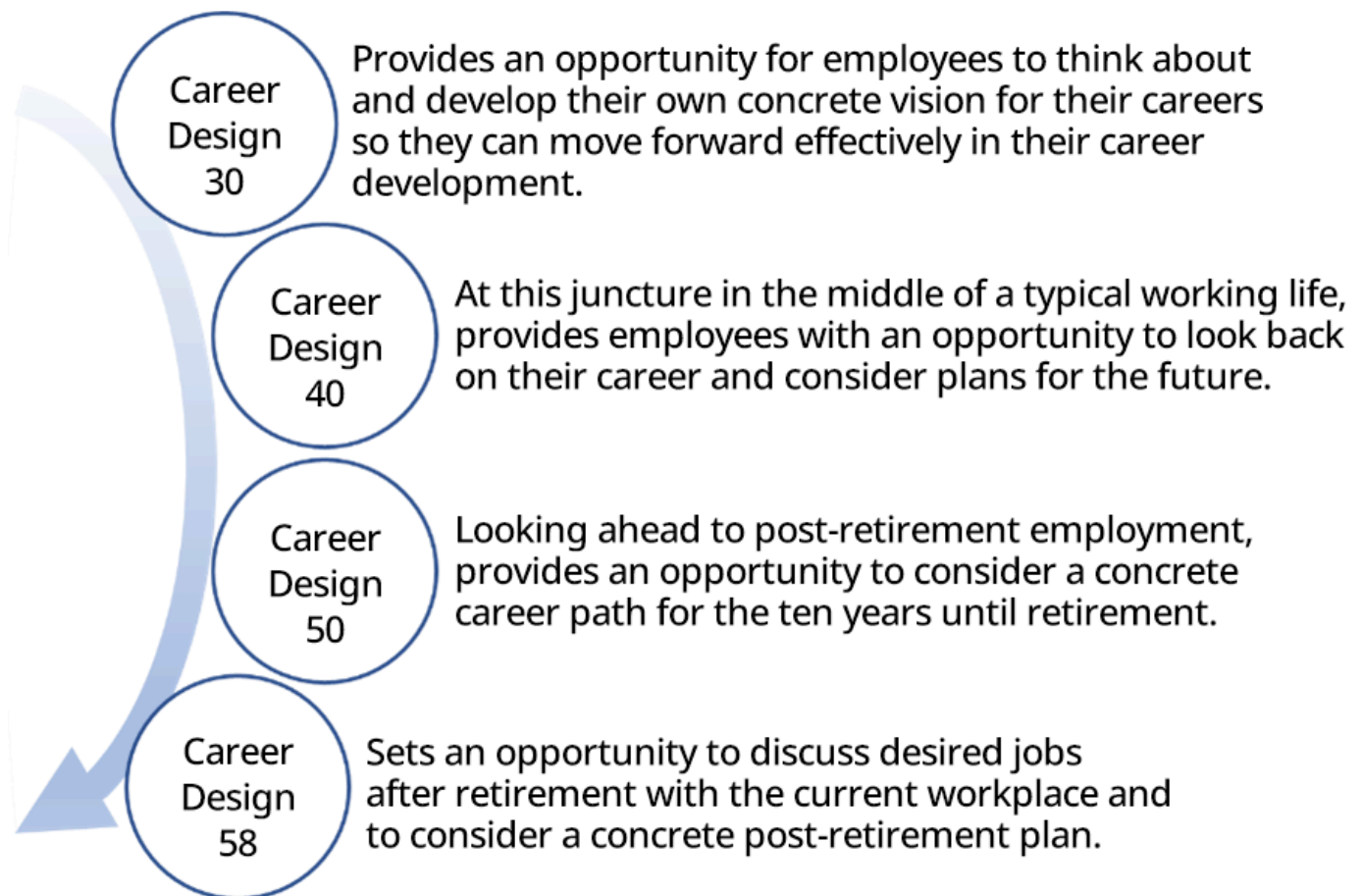
To accelerate innovation, it is vital to have an environment where diverse human resources can play an active role at any age.

We are working to foster an environment in which highly motivated and talented senior employees can engage fully in their work.

Given the increasingly diverse lifestyles and values of senior employees, we have introduced a job matching program that allows them to select employment from among advertised departmental positions based on their desired job and working style.

The job matching program has seen cases in which employees applied for and were successfully matched with jobs in departments other than the ones they were working in at the time of retirement.

We believe it is crucial to provide employees with opportunities to think about their future careers from an early stage, and take initiative in planning their career paths to develop skills and gain experience. We thus offer career design training for employees reaching their 30th, 40th, 50th, and 58th birthdays to help them realize their career plans.

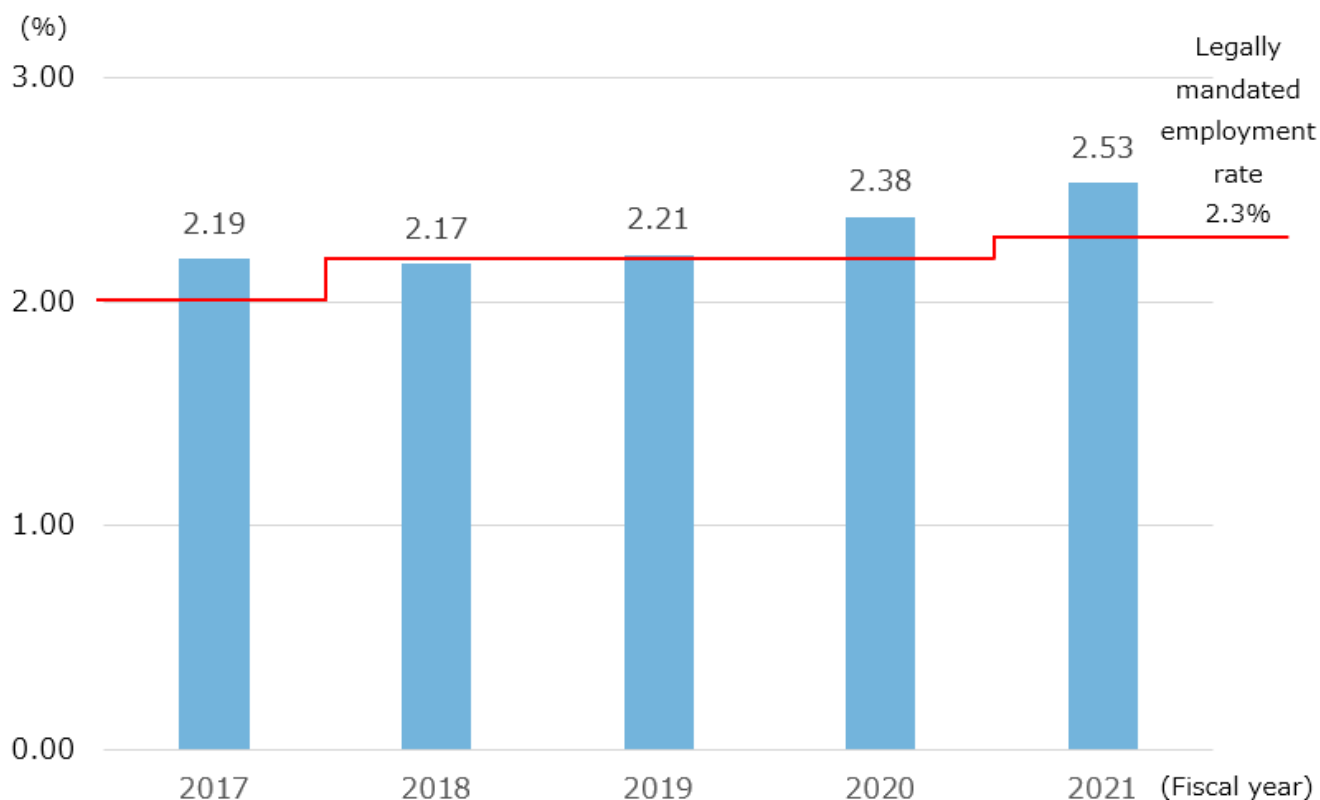


Employing People with Disabilities

The employment rate of persons with disabilities at Kaneka in fiscal 2021 was 2.53%.

We will continue to improve this employment rate by creating a comfortable working environment and expanding job opportunities.

■ Employment Rate of Persons with Disabilities



Supporting Employees of Foreign Nationalities

We are also resuming our development of executive human resources at overseas group companies, having paused these activities due to the COVID-19 pandemic.

In 2022, we hosted an executive from Kaneka (Malaysia) Sdn. Bhd. in Japan, increasing their experience as management executives.

Active Participation of Female Employees

As a major management policy, we promote the active participation of women, with the aim of increasing the number of female employees involved in decision-making.

We are striving to actively hire female employees, promote them to executive positions, and create welcoming workplace environments for women.

■ Action Plans for Promotion of Active Participation of Female Employees

Target 1	Increase the number of female executives threefold or more.
Target 2	Increase the rate of male employees who take childcare leave for 2 consecutive weeks or longer within a year after their child is born to 30% or more.
Target 3	Work on preparing a workplace environment for female employees.

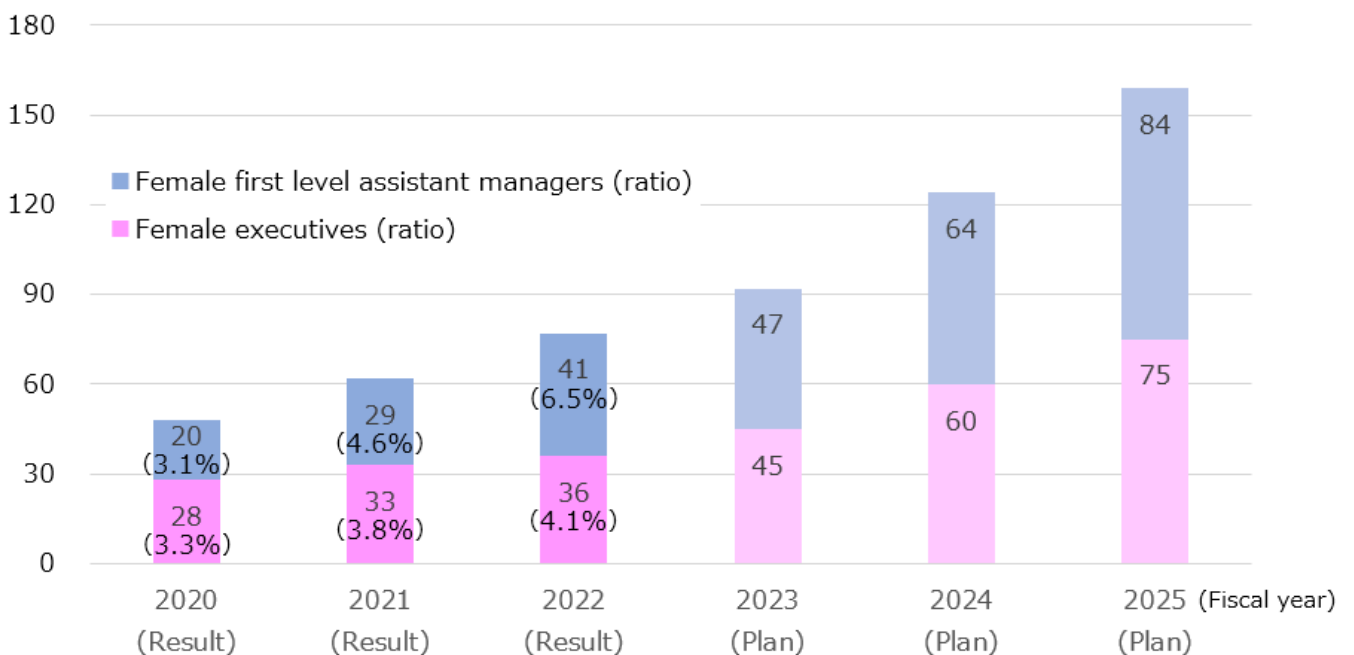
Executive Level

We are promoting the development of female executives.

There has been steady growth in the number of female employees who have built up their careers and are in charge of core operations in the organization.

■ Female Executives and Candidates

(Persons)



“Female Challenge Dialogue”

We held the Female Challenge Dialogue in fiscal 2021, a workshop to advise management what is needed for female employees to take on more prominent positions and play a more active role in the company.

Ten female executives gathered to hold discussions over a four-month period under the facilitation of outside lecturers.

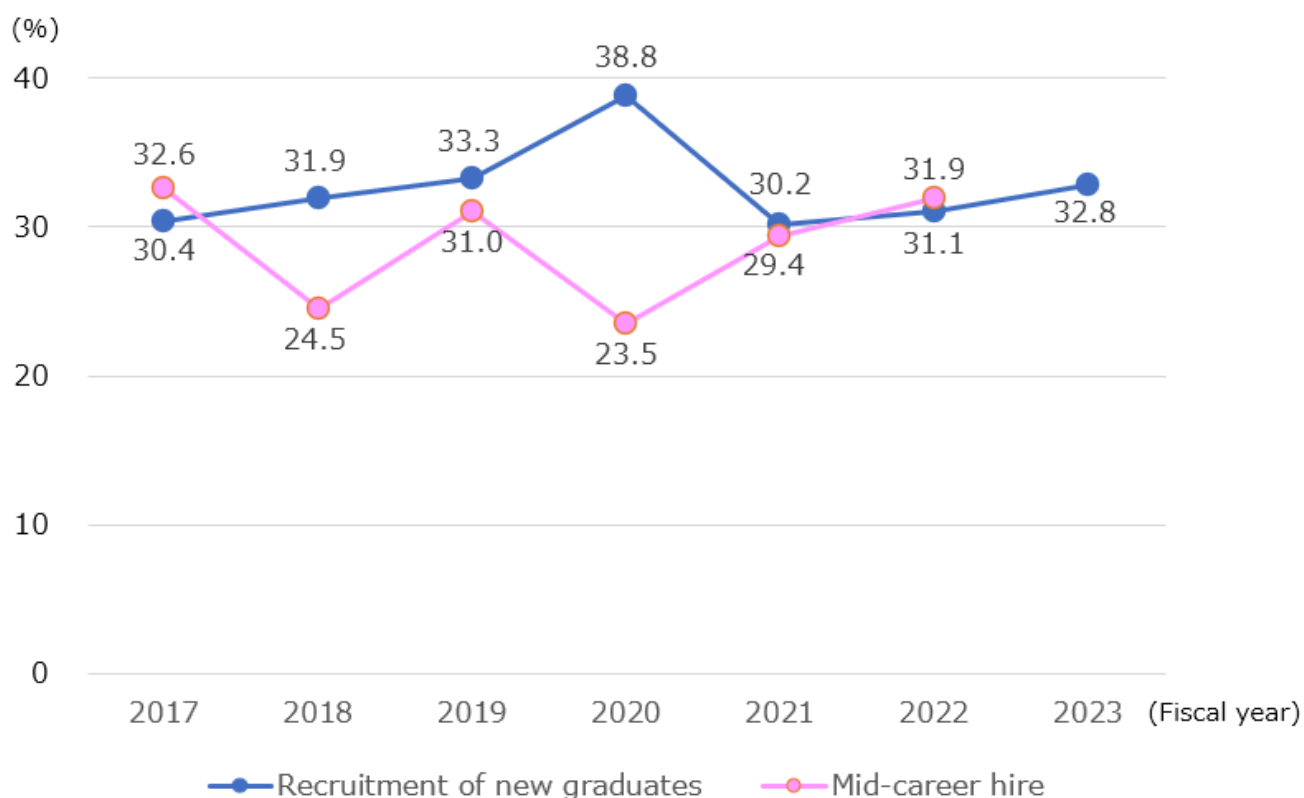
We will draw on the various opinions and feedback obtained from these meetings to formulate and put in place measures to enable the even more active participation of women.

Recruitment

The company is hiring an increasing number of female new graduates.

In our recruiting activities, we create opportunities for dialogue with senior employees about candidates' vision for their career path after joining the company and the ins and outs of the business. Many highly motivated men and women are joining the company as a result.

■ Percentage of Females Among New Recruits



Fostering Welcoming Working Environments

We are working to create working environments where employees can engage in their work fully and in good health, support career development, and augment support systems.

Many of our employees take advantage of various systems to work flexibly, including flexible working hours, individually staggered working hours, and working from home, not only to accommodate childcare and nursing care.

We have established paternity leave for male employees at the time of birth, childcare support leave, and other systems to support employees' childcare.

Also, following revisions to the national system in Japan, we set up a consultation desk for childcare and other

issues and are working to encourage leave-taking, including raising awareness of our systems through videos. We have also put in place systems to enable employees to balance work and childcare, setting standards higher than the legal requirements, such as for reduced fixed working hours and exemptions from restrictions on overtime.

Going forward, we will continue to enhance these systems so that employees can choose flexible working styles while maintaining a balance between work and their private lives, not only for childcare and nursing care.

Encouraging Male Employees to Take Childcare Leave

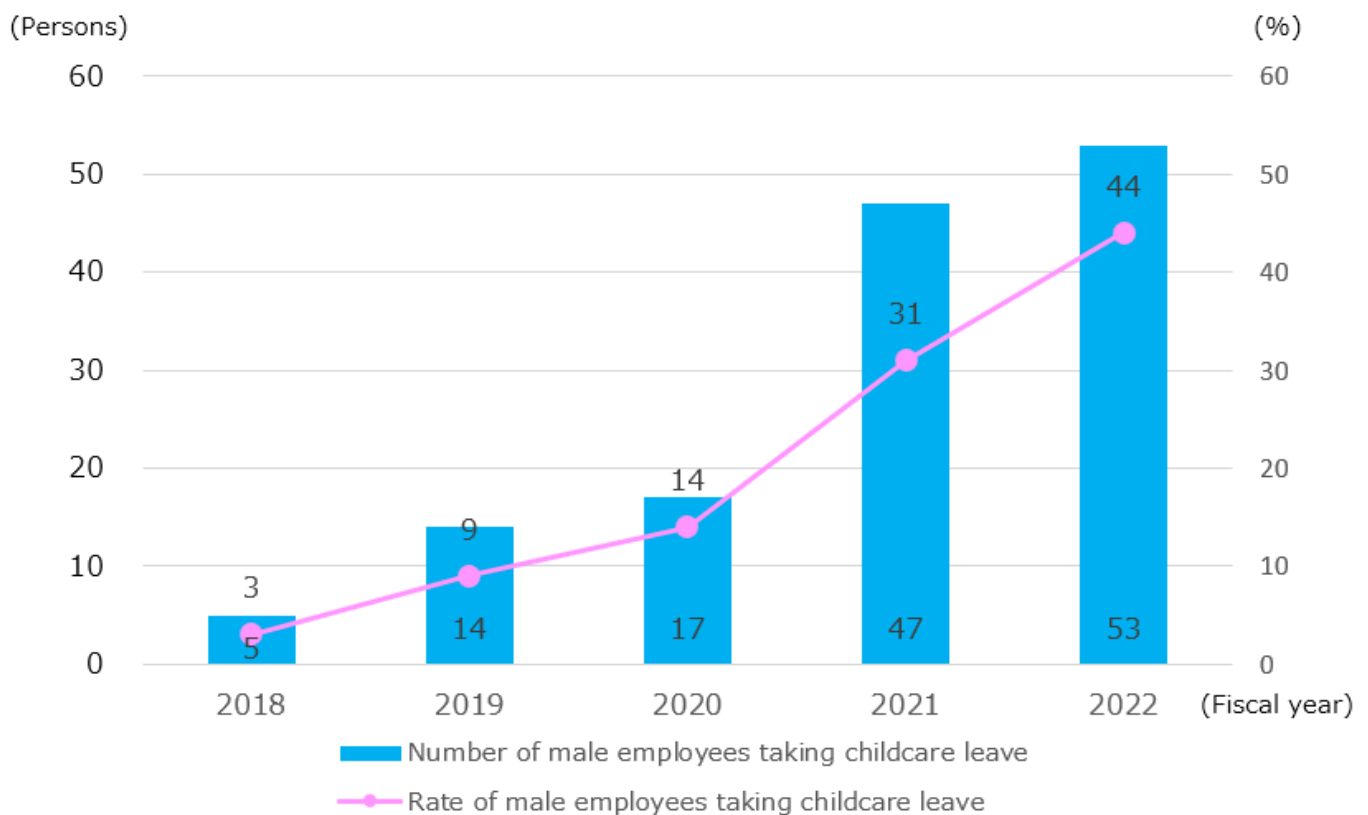
In striking a balance between work and childcare, it is important for employees to help and support one another, understand the importance of childcare, and create supportive working environments and fulfilling workplaces.

We created a handbook on childcare leave, summing up information on internal systems related to childcare and on childcare leave. We distribute the handbooks to male employees who are expecting a child, encouraging them to participate in childcare.

We are also striving to foster a corporate culture that makes it easier for anyone to raise children, issuing a booklet for bosses on how to support employee childcare leave and posting a video explaining childcare leave on the company's intranet.

We will continue working to promote the awareness and use of various support systems.

■ Number and Rate of Male Employees Taking Childcare Leave



Human Resource Strategies

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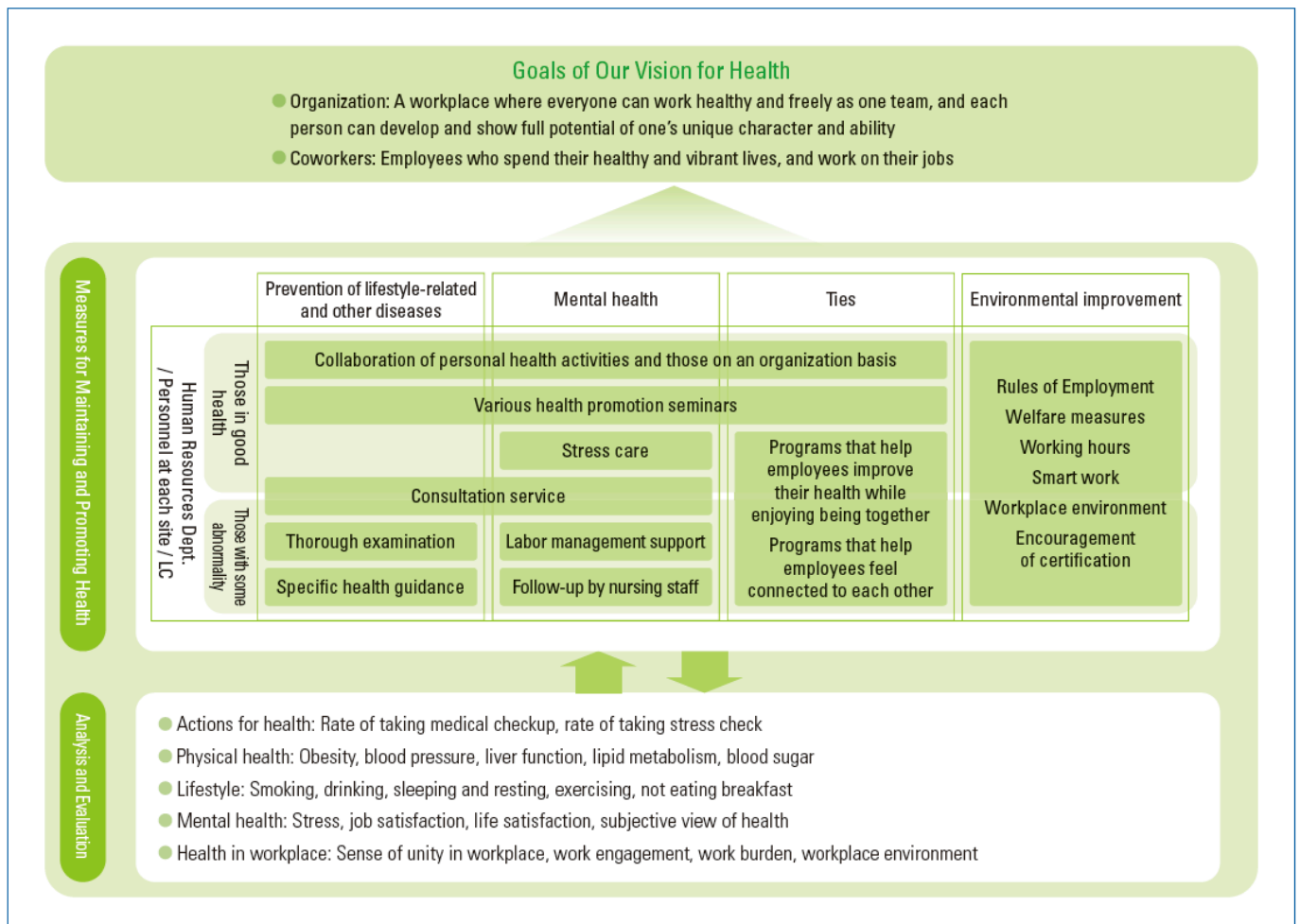
Promotion of Wellness

To be able to boldly take on challenges, each employee must be healthy in body and mind.

We have defined Vision for Health based on which we are working to improve the wellness of our employees and our organization.

The Engine of Sustainability Management will lead a company-wide task force to promote wellness and create a healthy organization. This initiative focuses on three perspectives: prevention of lifestyle-related and other diseases, mental health, and ties between people.

Health Management in the Kaneka Group



Wellness Promotion System



Prevention of Lifestyle-Related and other Diseases

We monitor the health status of people and the organization through health checkups and interviews, stress checks, and self-reported employee questionnaires.

Depending on an individual's health status, we offer health guidance, arrange visits to medical institutions, and set up interviews with industrial physicians for employees experiencing a high degree of stress.

■ Rate of Taking Medical Checkups and Interviews/Stress Checks

Program	Fiscal 2020	Fiscal 2021	Fiscal 2022
Rate of taking medical checkups and interviews	100.0%	100.0%	100.0%
Rate of taking stress checks	96.8%	97.2%	96.6%
Rate of receiving specific health guidance	13.8%	29.2%	-

■ Absenteeism

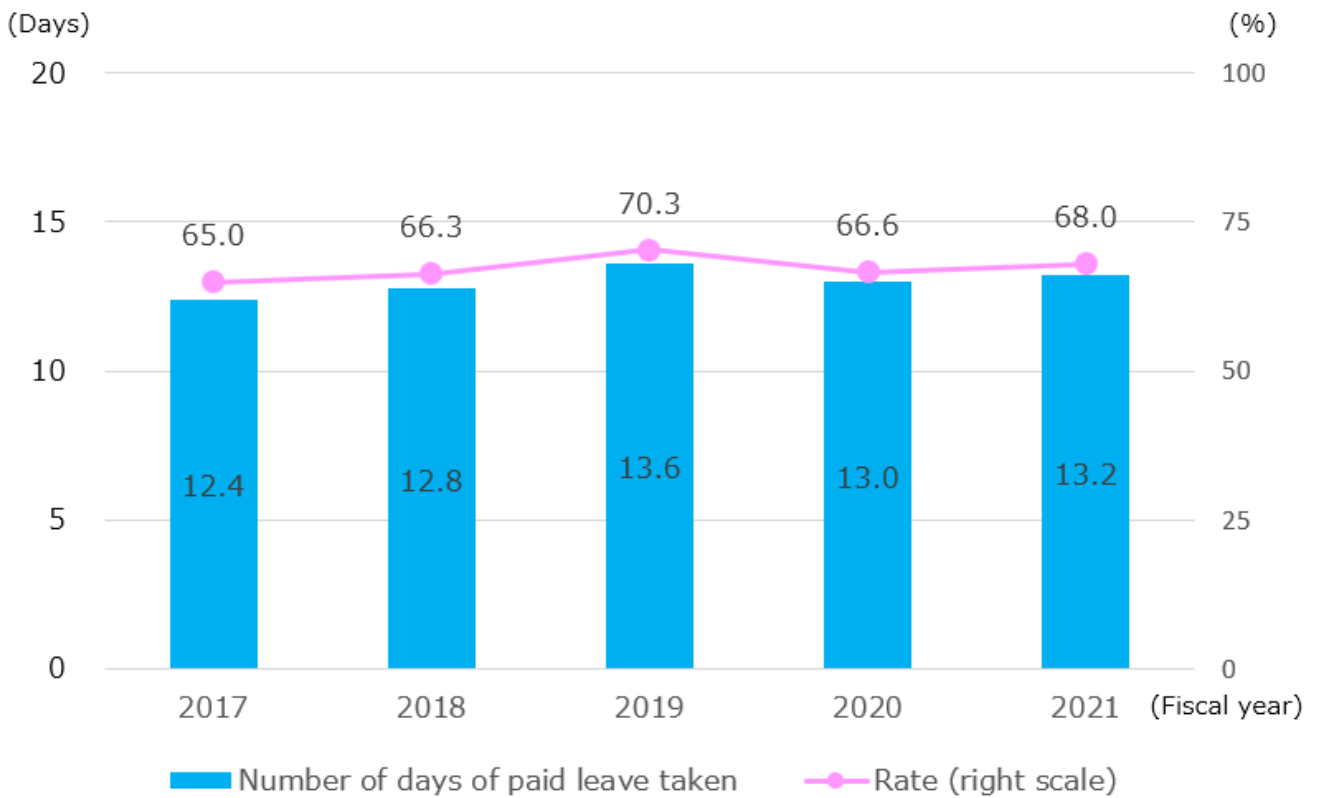
	Fiscal 2020	Fiscal 2021	Fiscal 2022
Absenteeism (*1)	1.9%	1.8%	1.5%

*1 Percentage of people absent from work for 30 days or more due to illness, injury, mental illness, etc.

Mental Health

We have enhanced our systems so that employees can choose flexible working styles while maintaining a positive balance between work and their private lives.

■ Number of Days and Rate of Paid Leave Taken



KANEKA Wellness Center Kaze no Mori

In July 2022, Kaze no Mori was completed at Takasago Manufacturing Site. It will serve as a base for promoting the wellness of our employees and the local community. We want to treasure humanity (Nature) through improving health. This is the idea behind establishing KANEKA Wellness Center.

We plan to provide health literacy education and other programs concerning health themes specific to women (menstruation, childbirth, breast cancer, etc.), mental and physical health support seminars during periods of physical change, and physical measurement sessions and training seminars on the importance of maintaining and improving leg muscle strength for seniors.

Ties Between People

Wellness centers around the ties between people, organizations and the Group.

We are working to break down the physical and psychological barriers created by the COVID-19 pandemic and to restore the ties between our employees and the Group.



Participation of Group Employee Runners in the Hokkaido Marathon

The Hokkaido Marathon, of which Kaneka is a sponsor, was held for the first time in three years.

Approximately 100 runners from the Kaneka Group ran the Sapporo course.



Run, Run, Run. Kaneka 2022

The group ekiden was held for the first time in three years. Around 2,400 employees and family members of the Group attended the event.

In keeping with the theme of the event—to breathe the same air, laugh, cheer, and celebrate—there were smiles all around and ties between people were formed.

Fiscal 2021 Performance

We provide various opportunities to help individual employees raise their health awareness and change their behavior so that they can improve self-care awareness and establish a healthy lifestyle. Even under the situation where all of us must coexist with viruses, many employees actively take part in them by using AI tools and other methods.

- In “Ekiaru (*2)”, an event using a health application, 403 teams consist of total 2,007 people from our Group companies participated.

*2 Ekiaru: An event that focuses on “walking”. Its participants walk for total 1,163.3km (equal to the distance between Tokyo Station and Sapporo Station) during the 1 month-long event period (5 persons/team)



- Conducting initiatives for improving “health” as per situation of each site, to enhance health awareness, maintain and improve fitness, and increase physical strength.
 - Online marathon training sessions and seminars
 - Constantly delivering programs such as sleep seminar and yoga seminar

- In cafeterias of our sites (Takasago Manufacturing Site, Osaka Manufacturing Site, Shiga Manufacturing Site, Kashima Manufacturing Site), we provide healthy menus for our employees. There are smart meals which are certified for “healthy meals and dietary environment”. Every Friday is a “non-fry day” while 8th, 31st (30th) of every month is a “vegetable day”.



- Our activities for raising awareness of health include online courses targeting different age groups (25, 35, 45 and 55 years old), promoting self care method, issuing a health-related newsletter, and seminars held by nursing professional for understanding health issues at each life stage.
- At the Tokyo and Osaka offices, we have offered two programs— RIZAP 15-min. training and Challenge+15min.—that allow employees working at the office or from home and their families to enjoy a period of refreshment during their lunch breaks.



- At Takasago Manufacturing Site, we have appointed a health promotion leader for each workplace and have developed and implemented activities across workplaces to achieve the health objectives of each individual and team.



- Strengthening subsidies for outpatient visits to stop smoking and flu vaccinations.

Social Contributions

Management Approach

Basic Policy

As a good corporate citizen, Kaneka Group engages in various activities to deepen stakeholder understanding, such as disaster reconstruction support, youth development, international contributions, and environmental conservation. Thereby, we work to build strong ties with communities and society as a highly open and transparent company.

Social Contributions

Supporting Disaster Reconstruction

Establishment of the KANEKA UNITED Kizuna Foundation

In fiscal 2018, Kaneka decided to move toward ESG Management. KANEKA thinks “Wellness First.” Under this management philosophy, we established the KANEKA UNITED Kizuna Foundation in September 2019 to help areas severely affected by natural disasters, such as a typhoon and an earthquake, return to normal and healthy condition as soon as possible. The Foundation is financed by the company and regular voluntary contributions from our directors and employees who agree with the purpose of the Foundation. We regularly recruit new supporters and post an annual report each year, and the provision of donations is reported on the company intranet.

Disaster Reconstruction and Other Support

<Kaneka (Malaysia) Sdn. Bhd.>

- During flooding in Kuantan District, Pahang, we distributed household goods, meal coupons, blankets, and other supplies, and assisted in cleaning houses. We also supported students from a neighboring elementary school so they could continue to attend classes.



- Donated 15 new tents for use as COVID-19 clinics.

<Taiyo Yushi Corporation>

- Donated Taiyo Yushi hand soap to the fire department after the landslide in Atami City.

Social Contributions

Fostering Youth Development

Kaneka Group is active in efforts to foster youth development in communities where it operates. We will make a continuous contribution to local communities through youth development.

Kaneka Manufacturing Class

We provide support to Core-Net, a certified non-profit organization that aims to foster youth development, using know-how from industry and the experience and knowledge of retired executives of companies. Core-Net is mainly involved in education support (manufacturing and science experiment classes for kindergarten, elementary, and junior high school students) and corporate support (entrepreneurship and vocational courses for senior high school and university students). Continuing from 2014, we worked together with Core-Net to annually offer Kaneka Manufacturing Classes, in which sixth graders assembled Scrollers II (a small self-powered rolling robot) kits, aiming to increase children's interest and improve understanding of manufacturing.

Every year, retired employees and newly hired employees of our company take part as lecturers in classes at elementary schools near Takasago Manufacturing Site, Osaka Manufacturing Site, and Shiga Manufacturing Site. In fiscal 2021, lecturers took part in classes at Torikai Nishi Elementary School, located near the Osaka Manufacturing Site. At Takasago Elementary School, located near the Takasago Manufacturing Site, to prevent the spread of COVID-19, instead of providing face-to-face instruction, we prepared supplementary teaching materials to help students at the school experience the enjoyment and the sense of achievement that can come from creating something. We will continue to offer these classes.



<Takasago Manufacturing Site, Kaneka Takasago Service Center Co., Ltd.>

- Altogether, around 330 people took part in planting seedlings in the spring and digging sweet potatoes in the fall in the fields around the plant with local kindergarteners, elementary school students, and students from a special needs school.



Potato digging

<Takasago Manufacturing Site>

- Held classes at a nearby elementary school on Kaneka's product, Kaneka biodegradable polymer Green Planet™, under the topic of the SDGs.
- Local lecturers participated at a nearby junior high school, teaching on the topic of "learning about the region."

<Osaka Manufacturing Site>

- Implemented a work experience program at a nearby junior high school to foster an attitude of setting goals and systematically tackling problems posed by companies, and thinking about career choices through classes.



Work experience

<Kashima Manufacturing Site>

- Provided work experience online for a nearby high school so students could experience working in a plant.



Work experience

<Kaneka Africa Liaison Office>

- Held leadership training.

<Kaneka Solartech Corporation>

- Gave lectures on leading-edge science and technology for students at a model STEAM education school.

<Kaneka Nishinippon Styrol Co., Ltd., Kochi Styrol Co., Ltd.>

- Hosted a social studies field trip from a neighboring elementary school.



Social studies field trip

<PT.Kaneka Foods Indonesia>

- Provided interns with opportunities to learn leadership and communication skills and experience product analysis.



Interns

<Kaneka Hokkaido Co., Ltd.>

- Employees served as instructors, holding bread-making training for students of a cooking course at a nearby high school.



Bread-making class

<Kaneka Hokkaido Styrol Co., Ltd., Shinka Shokuhin Co., Ltd., Tochigi Kaneka Corporation>

- Accepted local high school students for on-site training.



On-site training at Tochigi Kaneka

<Kaneka (Malaysia) Sdn. Bhd.>

- Supported the renovation of nearby school facilities.



<Taiyo Yushi Corporation>

- Held Black Ship Soap, a joint project with a local elementary school and neighboring organization, and implemented OEM(*) production as a joint initiative between industry, government, and academia.

*Original equipment manufacturing: Making products for other companies' brands. Or, a company to which manufacturing is outsourced.

- Lecturers visited schools and other facilities under the theme of thinking about the environment starting with a single bar of soap.



Visiting lecturer

- Co-sponsored Children's Eco-Life Mission 2021 held in Yokohama. Companies support various environmental activities for elementary school students. Donated sponsorship money to environmental conservation activities of the UN World Food Programme (WFP), and received a letter of appreciation from WFP.

Social Contributions

Local Communities (Efforts of the Kaneka Group)

Kaneka Group engages in highly open and transparent corporate activities to build strong ties with communities and deepen stakeholder understanding as a good corporate citizen.

With Local Communities and Environmental Initiatives

<Kaneka>

Since September 2016, we have sponsored the Japan Century Symphony Orchestra as a corporate supporter. In addition to regular concerts, the orchestra focuses on community-based activities, such as educational programs to encourage children to become more familiar with music, and outreach concerts at hospitals and special needs schools.



Touch the Orchestra



Playing a handmade trumpet

<Kaneka, Taiyo Yushi Corporation>

As a company using palm oil, gained full membership in the RSPO (Roundtable on Sustainable Palm Oil), a global non-profit organization that aims to promote sustainable palm oil production and use, focusing on the environment and human rights.

Taiyo Yushi Corporation participated as a board company in the Japan Sustainable Palm Oil Network (JaSPON), founded to accelerate the procurement and consumption of sustainable palm oil in the Japanese market.

<All parent manufacturing sites, Group companies in Japan and overseas>

- Implemented cleanup activities in the various regions and around plants.

<Osaka Manufacturing Site>

- Participated in training for Settsu City firefighters, offered training on pumping, relaying, and spraying water from natural water sources.

<Kashima Manufacturing Site>

- Held tours of the mega-solar power generation facilities on plant grounds.
- Controlled traffic at crosswalks along school routes of a neighborhood elementary school.

<OLED Aomori Co., Ltd.>

- Provided corporate sponsorship for a community soccer club.

<Kaneka Africa Liaison Office>

- Held teaching workshops for local beauticians to raise awareness of the importance of quality and teach how to run a beauty salon.



Workshops

<Kaneka Sun Spice Corporation>

- Supported production of newsletters for local disaster prevention and safety associations.
- Donated to Red Feather Community Chest.

<Kaneka Takasago Service Center Co., Ltd.>

- Grew vegetables on facility grounds, sold them and donated the proceeds to Takasago City Goodwill Bank. Also provided vegetables for free to children's cafeterias.

<Kaneka Tohoku Styrol Co., Ltd.>

- Co-sponsored local summer festivals.

- Donated to Japan National Council of Social Welfare to promote community welfare.
- Donated to Oirase Town Community Chest Council.

<Kaneka Hokkaido Styrol Co., Ltd.>

- Co-sponsored local festivals.
- Donated to Red Feather Community Chest.

<Kaneka Hoken Center Co., Ltd.>

- Donated to organizations such as intractable disease treatment support centers and scholarship funds for orphans.
- Co-sponsored local Tenjin Festival.

<Kaneka (Malaysia) Sdn. Bhd.>

- Participated in engagement sessions to discover local talent and connect talent with industry demand.
- Co-sponsored commemorative ceremony of National University of Malaysia and participated as forum panelist.
- Built partnership with the Pahang Ministry of Environment, participated in and supported programs for regional safety and river conservation.

<Kaneka Medix Corporation>

- Provided parking for local events.

<Showa Kasei Kogyo Co., Ltd.>

- Sponsored local soccer team. To foster healthy youth development and deepen ties with the local community, employees also participated in team matches as athletes and joined in junior school activities.

<Taiyo Yushi Corporation>

- Supported Cosmetics Bank Project, offering free surplus cosmetics to economically disadvantaged people.
- Participated in and co-sponsored events held by Yokohama City and Hiratsuka Ward Office to help bring about a sustainable society.
- Donated Taiyo Yushi products to support local events.



<HiHua Fiber Co.,Ltd.>

- Employees donated blood.
- Donated drinking water to volunteers.



Donating drinking water

<Tokyo Kaneka Foods Manufacturing Corporation>

- Participated in firefighting drills using water-based fire extinguishers at local fire department headquarters.



Firefighting training

- Placed ads in regional government magazines and helped disseminate government information. Distributed to all households in town.

<Tochigi Kaneka Corporation>

- Employees donated blood.

International Contributions

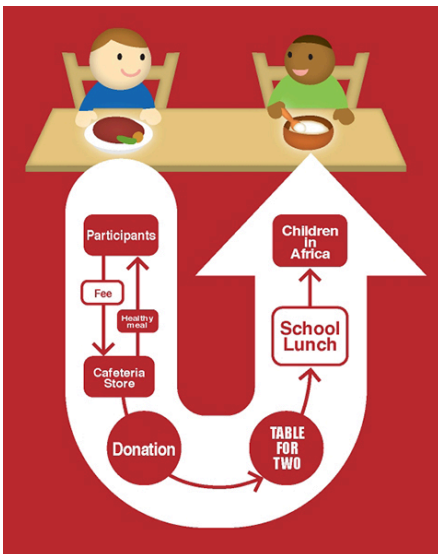
<Kaneka>

- As corporate partner, have continued to support the school meal program of the United Nations World Food Programme (WFP) since 2013. In Africa, the largest market for Kanekalon synthetic performance fibers, supported school meals, aimed at increasing school registration rates and academic success, and distributed take-home meals aimed at encouraging school attendance in areas where girls' attendance rate is low.
- Sponsored WFP Charity Essay Contest 2021 hosted by the United Nations WFP. Kaneka and Kaneka Sun Spice Corporation co-sponsored WFP Walk the World in Osaka 2021.



<Takasago Manufacturing Site, Osaka Manufacturing Site, Shiga Manufacturing Site, Tochigi Kaneka Corporation>

- Continued to participate in the social contribution activities of Table for Two (TFT) by donating 20 yen for every TFT lunch bought at company cafeterias to school meals for children in developing countries. In fiscal 2021, made a donation of 213,420 yen equivalent to 10,671 school meals.



System of TFT



TFT menu (Shiga Manufacturing Site)

Awards and Certifications

<Takasago Manufacturing Site>

- Received Takasago City Commendation Award for donations to the city.

<Osaka Manufacturing Site>

- Received Excellence Award in Settsu City Green Curtain contest.

<Kashima Manufacturing Site>

- Certified as a Sports Supporter Company recognizing proactive efforts to promote employee health through sports.



<Kaneka Hoken Center Co., Ltd.>

- Recognized as 2022 Health & Productivity Management Outstanding Organization (Small and Medium-Sized Enterprises Category).

<Kaneka (Malaysia) Sdn. Bhd.>

- At AIGA 2020 award ceremony co-hosted by Malaysia Productivity Board and Integrated Institute of Integrity Malaysia, received Gold Medal for governance and anti-bribery initiatives and policies.



<Kaneka Medix Corporation>

- Kanagawa Office received Director's Excellence Award in Kanagawa Labor Bureau Health and Safety Awards ceremony.



<Kaneka Your Health Care Co., Ltd.>

- Employees received letter of appreciation from police chief for preventing damage from unconventional fraud.
- Recognized as 2022 Health & Productivity Management Outstanding Organization (Small and Medium-Sized Enterprises Category).



<Sanvic Inc.>

- Received letter of appreciation from fire chief for taking appropriate life-saving measures for a person in cardiopulmonary arrest.



<Shinka Shokuhin Co., Ltd.>

- Received an award for excellent food hygiene facilities from Governor of Akita Prefecture recognizing improvement in food hygiene.



<Taiyo Yushi Corporation>

- Received a meritorious service award from Yokohama City Disaster Prevention Association for recognizing the importance of daily fire and disaster prevention and proactive disaster prevention activities.

<HiHua Fiber Co.,Ltd.>

- Received an award from All-China Federation of Trade Unions recognizing contributions to the organization.

<Tokyo Kaneka Foods Manufacturing Corporation>

- Received accident-free record certificate from Tokorozawa District Labor Standards Association for efforts to prevent industrial accidents for 1.24 million hours from May 24, 2018 to October 15, 2021.



- Maintained Silver Certification for excellence in health management from Tokyo Federation of Health Insurance Societies.

<Tochigi Kaneka Corporation>

- Received Accident-Free Organization award from Japan Chemical Industry Association.



Stakeholder Communication

Basic Policy

Under its ESG Charter, which declares that ‘we fulfill our corporate responsibility by empowering individual employees to put our corporate philosophy into practice through serious, forward-looking effort,’ the Kaneka Group, aspires as a good corporate citizen to a sustainable future in partnership with all its stakeholders. We will work to build relationships of trust with stake-holders through active information disclosure and communication with the aim of realizing this sustainable society.

Communication with Stakeholders



Customers

Policy

We provide quality products, services and value aimed at creating a sound society, ensure product safety, and disclose information to those who purchase our products as well as potential customers.

Communication

- Communication with customers through sales and marketing
- Information posting on websites and social media
- Exhibitions
- Quality assurance/customer support

▶ [Click here for information on our product responsibility initiatives.](#)



Providing technology and product information and online store on our official website



Holding exhibitions

Society

Policy

Our business is rooted in local communities, promoting social contributions and community engagement. We also contribute to creating a well (sound) community and society, ensuring safe operation of plants and disclosure of information.

Communication

- Interaction with local residents/participation in local events/dialogue
- Fostering youth development/hosting plant visits
- Supporting disaster reconstruction
- Participation in initiatives

▶ [Click here for information on our community and social initiatives.](#)



Sponsoring the UN World Food Programme (WFP) School Lunch Support Program as a Partner Company



Holding the Kaneka Manufacturing Class

Shareholders and Investors

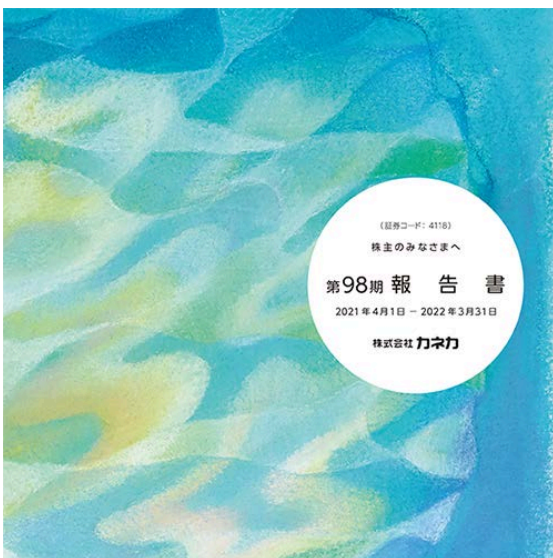
Policy

We offer appropriate returns and disclose timely information to those who recognize our corporate stance and brand value and who own our shares, so that we can increase overall trust in the Group seeking to ensure a company culture and a society characterized by wellness.

Communication

- Opinion exchange with investors/analysts, holding of business and results briefings
- Timely and appropriate information disclosure on the corporate website
- General Meeting of Shareholders

▶ [Click here for IR information.](#)



Issuing reports (To Our Shareholders) twice a year

Employees

Policy

Bearing in mind Kaneka Group employees and their family members, we offer a workplace environment of wellness — job satisfaction, appropriate treatment and remuneration, and safe working environments — and respect their diversity.

Communication

- Empowering of diverse human resources
- Employee health
- Labor-management links
- Internal whistleblowing system

▶ [Click here for information on our HR initiatives.](#)



Publishing four issues a year of “Kaneka News,” an in-house newsletter that strengthens ties and relationships within the Company

Offering “Healthy Eating and Eating Environment” certified smart meals at plant canteens

Vendors

Policy

We conduct fair transactions with suppliers and contractors focusing on compliance and build mutually beneficial and well (sound) relationships of trust with them, offering equal opportunities to do business.

Communication

- Regular questionnaire surveys and dialogue with vendors
- Cooperation, coprosperity and coexistence with vendors
- Quality improvement in logistics operations
- Appropriate information disclosure
- Internal whistleblowing system

▶ [Click here for information on our CSR procurement initiatives.](#)



Providing an online store that connects with bakeries nationwide by supporting the purchase and development of ingredients

The Environment

Policy

We make efforts to reduce environmental burden in raw material procurement, manufacturing and transportation processes. We also fulfill social responsibilities by developing cutting-edge materials and unique technologies to enhance the wellness of the global environment.

Communication

- Initiatives on global environment protection/resource conservation/environmental impact reduction
- Promotion of environmental impact reduction in raw material procurement
- Cleaning activities/local forest conservation/environmental conservation activities
- Appropriate information disclosure

▶ [Click here for information on our environmental initiatives.](#)



Carrying out local clean-up activities

Shareholder Reporting

We issue reports to shareholders twice per year and also publish them on our website for anyone to read. For topics the reports cover developments of the preceding period using photos and a readable format, and interim reports carry the President & Representative Director's explanation of the company's management strategy, as well as special articles of interest to shareholders. We fully redesigned the report cover in 2010 and adopted a larger page format in 2013, all in an effort to improve the look. We also print our publications using environmentally friendly vegetable ink and use easy-to-read Universal Design fonts.



Reports (for Shareholders)

Information Disclosure and Investor Relations

Kaneka prepares management strategy and plans based on its management philosophy, and in order to maintain the understanding and support of shareholders and other stakeholders, works to provide appropriate and timely information and enhance management transparency.

We conduct briefings after announcing annual and quarterly results, with the Representative Director or Director in charge providing explanations. We also hold business briefing sessions and business inspection tours, where the Representative Director and Director in charge provide explanations.

Our website also carries a variety of reports, including financial briefs, securities reports, quarterly reports, Kaneka integrated reports, and financial results briefing materials.

CHECK & ACT

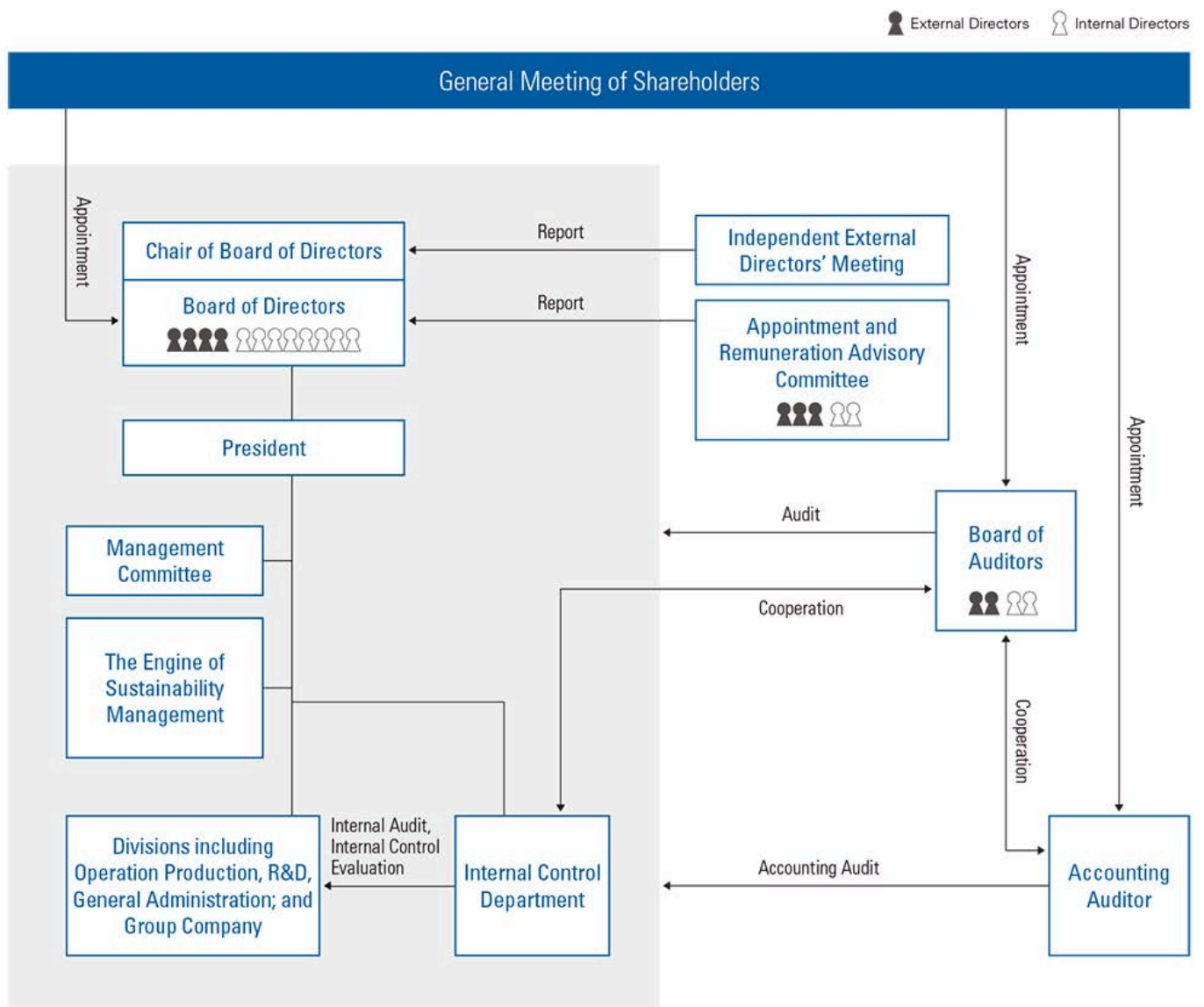
In this fiscal year, we will continue to build on our efforts in the previous fiscal year to ensure proper information disclosure to shareholders and investors.

Corporate Governance

Basic Policy

Guided by our Corporate Philosophy, Kaneka aims to achieve sustainable growth, improve medium- to long-term corporate value, and build trust among all stakeholders, including shareholders, investors, customers, local communities, vendors, and employees, realizing optimum corporate governance to fulfill our social responsibility.

- Diagram of Corporate Governance System (June 29, 2022)



We reorganized our ESG-related organization on April 1, 2022, establishing the Engine of Sustainability Management, which is tasked with overseeing and enhancing ESG management.

We also changed the name of the Internal Control Division of the ESG Department to the Internal Control Department.

▶ Please see here for the Board of Directors.

Corporate Governance Structure

Organizational Design

We currently have four independent external directors and two independent external auditors. Since both the overseeing of business operations by the Board of Directors and auditing by the Board of Auditors are functioning well, Kaneka has chosen to be a Company with Board of Auditors under the Companies Act.

Directors and the Board of Directors

The Board of Directors seeks to ensure efficient and effective corporate governance in order to realize the company's sustainable growth and increase corporate value in the medium to long term.

The Board of Directors exercises its oversight functions on overall management to ensure fairness and transparency, as well as to appoint management positions, evaluate and determine remuneration, evaluate serious risks and determine strategies to counter them, and make the best decisions on important business operations. The Board of Directors makes resolutions on important matters related to the management of the Kaneka Group after deliberation by the Management Committee, which includes the president. There are at most 13 members on the Board of Directors. Of these, four are independent external directors, in principle, to strengthen the oversight function. Directors serve for a period of one year to clearly define management responsibilities.

Auditors and the Board of Auditors

Auditors and the Board of Auditors seek to ensure healthy and sustainable corporate growth and to establish a structure with good corporate governance that can gain social trust by checking on the performance of directors in regard to their duties.

The Board of Auditors comprises four members, two of whom are independent external auditors in principle, and performs audits in coordination with the Accounting Auditor and the Internal Control Department. Auditors are given space to periodically exchange views with the president, and monitor the state of business operations when necessary, by attending key meetings of the Board of Directors and those of the Management Committee, which decides on the implementation of important matters, as well as division head meetings.

Appointment and Remuneration Advisory Committee / Independent External Directors' Meeting

We have established the Appointment and Remuneration Advisory Committee and Independent External Directors' Meeting. The Appointment and Remuneration Advisory Committee discusses remuneration of Directors, and candidates for Directors and Audit & Supervisory Board Members, and reports them to the Board

of Directors. The Independent External Directors' Meeting discusses the effectiveness of the Board of Directors to report to the Chair of the Board of Directors. In order to increase neutrality, the majority of the Appointment and Remuneration Advisory Committee are the independent external directors.

Implementation of Business Operations

Kaneka has adopted the executive officer system to harmonize the oversight function of directors with the implementation function of business operations, which also facilitates decision-making and clearly defines roles. The Board of Directors decides on key management strategies and business operations of the entire Kaneka Group, while executive officers handle business operations in their respective areas of responsibility. The Executive Officers' Meeting is held monthly to share management policies and issues with the aim of achieving management goals speedily. Division heads, including executive officers appointed by the Board of Directors, are given extensive authority over daily business execution. Monthly division head meetings are held to enable the directors and auditors to directly hear progress reports from each division head. The Internal Control Department evaluates the effectiveness of internal control and conducts an internal audit.

Selection Criteria for Directors

At Kaneka, directors are selected by the Board of Directors, on the basis of character, judgment, expertise and experience as well as ethics, after deliberation by the Appointment and Remuneration Advisory Committee, which is comprised of directors and independent external directors.

We are expanding diverse businesses globally. In order for the Board of Directors to make accurate and prompt decisions and supervise these corporate activities, we place great importance on appointing directors with different backgrounds such as diverse knowledge, experience, and expertise. Specifically, we expect knowledge, experience, and abilities related to business, global, technology, and corporate and governance. We also believe that the Board of Directors as a whole has a well-balanced knowledge, experience, and abilities, and is composed of an appropriate number of people.

In selecting directors, no restrictions are made in terms of gender, age or nationality.

A skill matrix covering each director is disclosed in the Notice of the Annual General Meeting of Shareholders.

Analysis and Evaluation of Effectiveness of the Board of Directors

Kaneka regularly implements an analysis and evaluation of the effectiveness of the Board of Directors, and discloses a summary of the evaluation results. Specifically, the Chair of Board of Directors periodically receives reports from the Independent External Directors' Meeting and opinions from the internal directors.

Based on these reports, the current status of operations of the Board is evaluated. In the evaluation process in fiscal 2021, the Independent External Directors' Meeting held discussions focusing on the operation of the Board of Directors (number of meetings held, frequency, length, contents of information provided beforehand, contents of agendas, deliberations, etc.), role of external directors, information provision to external directors, and risk management. Based on the discussion results, the Board of Directors conducted a self-evaluation. As a result, it has been confirmed that the Board of Directors functions effectively in making decisions on important matters for the Group such as risk management and supervising business execution. We will continue to enhance the effectiveness of our Board of Directors through effectiveness evaluations.

■ Our Efforts to Strengthen the Governance Capacity

2006	<ul style="list-style-type: none"> • Introduced the executive officer system • Changed the number of directors from 21 to 13 • Formulated the Basic Policy on Internal Control System
2011	<ul style="list-style-type: none"> • Appointed an external director
2013	<ul style="list-style-type: none"> • Formulated the Criteria for Independence of External Directors
2015	<ul style="list-style-type: none"> • Increased the number of external directors from 1 to 2 • Formulated the Basic Policy on Corporate Governance • Established the Appointment and Remuneration Advisory Committee • Established the Independent External Directors' Meeting
2016	<ul style="list-style-type: none"> • Commenced the effectiveness evaluation on the Board of Directors
2019	<ul style="list-style-type: none"> • Revised part of the Basic Policy on Corporate Governance
2020	<ul style="list-style-type: none"> • Increased the number of external directors from 2 to 4 • Revised part of the Basic Policy on Corporate Governance
2021	<ul style="list-style-type: none"> • Revised part of the Basic Policy on Corporate Governance (the Majority of the Appointment and Remuneration Advisory Committee are the independent external directors, etc.)
2022	<ul style="list-style-type: none"> • Appointment of one female director

Standards for Independence of External Directors/Audit & Supervisory Board Members

We have defined the Standards for Independence of External Directors/Audit & Supervisory Board Members to guarantee the independence of independent external directors and auditors in practice.

The standards are disclosed in our notice of convocation of general meeting of shareholders, corporate governance report, etc.

Business Risks and Uncertainties

Basic Policy

Kaneka Group has formulated a basic risk management policy to respond to potential risks in business operations, aiming for the goal of “Wellness First” to make the world healthy.

Our basic risk management policy is that each division identifies operational risks and other types of risks that it may face, takes appropriate preventive measures, and responds appropriately in cooperation with other relevant divisions if a risk manifests itself.

For preventive measures against potential risks including those related to ethics and legal compliance, the Compliance Committee oversees the development and implementation of the company-wide plans.

When a risk occurs or is likely to occur, the Compliance Committee handles the risk in cooperation with the relevant divisions.

We regularly check whether the above-mentioned activities are implemented properly to prevent our risk management system from falling into mere formality, and strive to maintain and improve its effectiveness.

Business-Related Risks

Factors that may significantly affect the financial status, performance results, and cash flow status of the Kaneka Group include those described below.

1. Risks related to the novel coronavirus (COVID-19) pandemic
2. Risks related to the Group’s ability to maintain operational advantages and trends in the Japanese and overseas economic environment
3. Risks associated with the globalization of our business
4. Risks of price fluctuations of raw materials and fuel
5. Risks associated with product liability, industrial accidents and large scale disasters
6. Risks associated with the protection of intellectual property rights
7. Impact of environment related regulations
8. Risks associated with legal action

9. Risks associated with information security

10. Other risks

Please note that the matters described are only those that we considered risks, but that this is not an exhaustive list of risks borne by the Group.

▶ See the Financial Section for more details.

Enhancing Crisis Management Systems

Based on our basic risk management policy, we have set forth Crisis Management Regulations that define our basic system and roles for emergency response, providing emergency examples and clarifying ranks, etc. We will continue to fulfill our social responsibility by maintaining corporate activities while avoiding and reducing adverse effects on the Kaneka Group as much as possible. In preparation for an emergency, we regularly conduct a disaster drill and a safety confirmation system drill. We also provide employees with the Crisis Management Handbook about the initial response. This handbook explains emergency procedures: proper incident notification, instructions, consultation, and response, as well as the smooth flow of information.

Strengthening of Information Security

Information systems play a key role in all aspects of business activities.

Based on our Basic Information Management Policy, we have put in place a risk management system at the Kaneka Group that is led by management. We appropriately manage information to avoid information leakage and other risks, and we promote effective use of information and efficiency in operations.

To protect our information assets from risks, we review existing facilities and deploy new security systems and tools, and strive to enhance security levels by using the knowledge of external experts. In addition, we disseminate our Basic Information Management Policy to employees. We use the Information Security Guidebook along with hold training programs, audits, drills, and online courses to promote correct information management.

Basic Information Management Policy

1. Observance of laws/regulations and rules

The trust and confidence of society and customers is the most precious asset the Group must protect.

Complying with laws and regulations, social norms, and internal regulations/procedures is the basic principle that all individuals engaged in business activities should follow.

2. Protection of confidential information

Confidential information concerning manufacturing processes, research, sales, etc. is the

source of the Group's competitiveness.

All individuals engaged in business activities must be fully aware of this, and must not leak such information or use it for illicit purposes. In particular, data requiring strict handling, such as personal information and information entrusted as confidential from other entities, must be identified as such and managed strictly by the person in charge of information management at each company.

3. Establishment of systems/structures

In order to sustain and expand the Group's business, it is essential to make effective use of information and increase the efficiency of business operations.

In addition to establishing rules regarding information security and continuing to improve information systems to ensure safe, effective use of information, the persons responsible for information management should be determined to ensure appropriate information management.

4. Implementation of training and awareness-raising programs

With the strengthening of Group management and increased use of external resources, people with diverse values and ethics are involved in Kaneka's business operations.

To ensure smooth cooperation with these members, efforts should be made to raise awareness of information security risks and to enhance and continue training on information security including ethical aspects.

Compliance

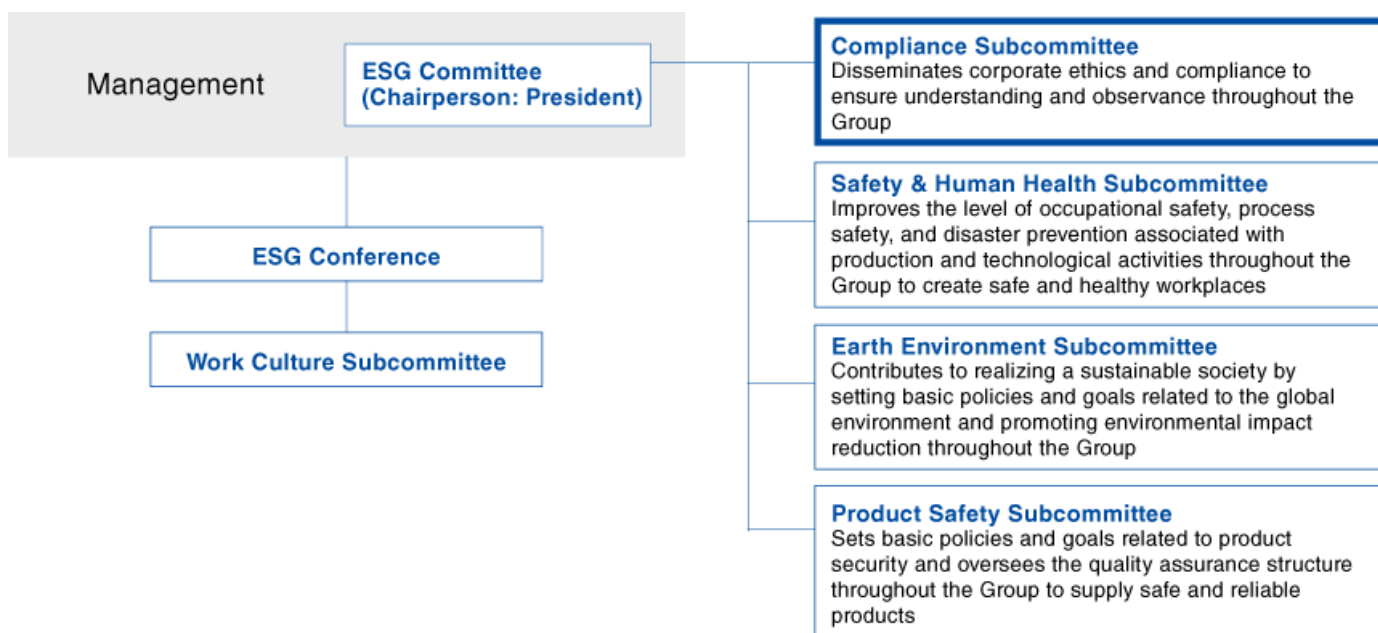
Basic Policy

Viewing compliance as an important management issue, we implement various initiatives to ensure compliance among all directors and employees not only with all applicable laws and regulations, but also with business and social ethics. We aim to improve our compliance activities by thoroughly implementing the ESG Charter and the Code of Ethical Conduct, which serve as the guidelines for each individual's behavior, enabling us to build relationships of trust with our stakeholders.

Promotion System

The Compliance Subcommittee in the ESG Committee is responsible for ensuring corporate ethics and compliance throughout the company while promoting and overseeing activities such as checking employees' understanding and observance and providing consultation hotlines.

■ Diagram of Promotion System (through Fiscal 2021)



We reorganized our ESG-related organization with the establishment of the Engine of Sustainability Management on April 1, 2022. It is tasked with overseeing and enhancing ESG management. Established under the Engine of Sustainability Management, the Compliance Committee disseminates corporate ethics and compliance to ensure understanding and observance throughout the Kaneka Group.

■ Diagram of Promotion System (as of April 1, 2022)



Reinforcing Legal Compliance and In-house Training

The Kaneka Group carries out business activities globally and as various rules are strengthened around the world, it faces a need for even greater legal compliance.

The “Ethical Code of Conduct” and “Compliance Guidebook” that all of our directors and employees should follow are posted on the company’s intranet. We strive to conduct our business activities in a fair, appropriate, and transparent manner.

There were no serious violations of laws, regulations, or rules in fiscal 2021. We conducted ESG evaluation audits at all Kaneka business divisions, 28 Group companies in Japan, and 20 Group companies overseas in the area of competition laws like the Antimonopoly Act in Japan. Executives of Kaneka and Group companies in Japan involved in sales, purchasing, and business development are required to undergo antitrust law compliance training and submit a written oath. At Group companies in Japan, we confirmed the status of issues related to equal pay for equal work and revisions to the Act on Stabilization of Employment of Elderly Persons. Improving compliance is essential for our business activities since earning the trust of our stakeholders is vital. We will continue to conduct various training programs to strengthen legal compliance and raise awareness.

- Excerpts from the Compliance Guidebook

I Relationship with Society

1. Environmental Preservation and Protection
2. Compliance with Laws and Regulations
3. Compliance with Export Controls
4. Contributions and Political Donations
5. Determined Response to Antisocial Elements
6. Timely Disclosure
7. No Insider Trading
8. Proper Accounting and Tax procedures

II Relationship with Customers, Business Partners, and Competitors

1. Product Safety
2. Compliance with Antitrust Laws
3. Fair Dealing with Contractors
4. Trade Secret
5. Appropriate Advertise and Publicity
6. Entertainment and Gift

III Relationship with Employees

1. Respecting Human rights and prohibiting discrimination
2. No Sexual Harassment
3. Protection of Privacy
4. Safety and Hygiene at Workplace
5. Strict Adherence to Labor-related Laws

IV Company Properties

1. Trade Secrets
2. Company's Properties
3. Intellectual Properties
4. Use of Information Systems



Internal Reporting and Establishment of Consultation Hotlines

To prevent compliance violations and ensure early detection and prevention, we have established internal reporting and consultation services within the Company and at outside law firms.

In fiscal 2021, there were five cases of reporting and consultation concerning violation of internal rules, harassment, work content and work environment. Fact-finding investigations and hearings were conducted, and the cases were handled in accordance with internal rules. The details of the cases are reported regularly to the Compliance Subcommittee. In addition, we have established rules on whistleblowing and employee employment regulations to ensure that whistleblowers and consultants are not subject to any discrimination.

Respect for Human Rights

Human rights are the rights that anyone can feel, the right to live like a human being, which each and every one of us is born with. Since its foundation, Kaneka has practiced respect for humanity in its management. We have a fine tradition of maintaining a culture and climate that tries to make the most of the good qualities of each individual. We see respect for human rights as a fundamental principle that should be upheld by the Company and each of its employees. Throughout our business activities, we strive to raise awareness of respect for individuality and human rights.

To maintain a workplace environment where all employees feel healthy and fulfilled in their work and where there is no harassment, we will deepen awareness and understanding among employees and make the workplace environment a more comfortable place for them to work.

■ Human Rights/Compliance Education

Program	Content	Participants		
		Fiscal 2019	Fiscal 2020	Fiscal 2021
Introductory training for new employees	Providing explanation about issues such as sexual harassment, power harassment and national origin discrimination	121	129	83
Training for newly appointed executives	Human rights and compliance education provided by external specialist	59	59	57
Compliance training for executives	Acquisition of workforce management knowledge required for executive positions	679	784	840

Intellectual Property

Basic Policy

Kaneka's Intellectual Property Department, operating directly under the President, secures intellectual property rights, such as patents for our R&B results, aiming to provide prompt solutions to help resolve social issues.

All our researchers and engineers recognize intellectual property as one of the outputs of R&B+P activities and actively seek to acquire intellectual property rights for their achievements including know-how.

We also provide training and other initiatives to ensure that sales staff understand the importance of intellectual property and are able to bring it to bear in their work.

The Intellectual Property Department handles shared global intellectual property and the intellectual property of Group companies in Japan. In the Americas, Europe, and Asia, we have put a framework in place to respond directly to local issues, assigning intellectual property specialists to each regional headquarters. To avoid intellectual property risks and the leak of trade secrets at Group companies in Japan and overseas, we are also shoring up cooperation between the various Group companies and the Intellectual Property Department.

To respect the intellectual property rights of others and avoid patent disputes, we always carry out patent and trademark searches at various stages in the business development process, such as theme proposals, commercialization, specification changes, and brand naming, taking every possible precaution to ensure clearance.

In 2019, to give R&B members greater incentive to file patents, we put in place a system to reward employees when they file to patent their inventions. The system is beginning to bear fruit, with the number of patent applications increasing.

After revising the Corporate Governance Code in 2021, we continue taking actions to improve our governance of intellectual property. The director in charge of the Intellectual Property Department receives reports and gives directions at monthly reporting meetings. The heads of the business and research divisions and the general manager of the Intellectual Property Department also meet yearly to better share the direction of Intellectual Property Department activities and better coordinate the intellectual property strategy and the business and research strategies of each division.

Strategic Intellectual Property Portfolio Construction

In fiscal 2021, we applied for patents and obtained rights with a focus on technological fields that aid our bio-manufacturing and environmental efforts.

In Japan, we received patent approval for an application related to a plant transformation method using our proprietary gene delivery technology. We were also granted a patent following an application for a structural adhesive using a polymer resin compositions with excellent mechanical strength.

In the U.S., KANEKA Biodegradable Polymer Green Planet™ has been granted patent approval for an application related to enzymes that are key in the production of polymeric polymers and in industrial production. An application has also been registered relating to the intermediate structure of iED Coil™ for cerebral aneurysm embolization.

In terms of technologies for tackling environmental issues, in the U.S., we were able to apply for planarization technology for perovskite solar cells, an important technology that we have marked as a new challenge and priority theme. In China, we succeeded in obtaining rights for an application related to the intermediate layer.

Actively Using Data

IP Landscape™ Initiatives

We are also making use of IP landscape™, a system that combines intellectual and non-intellectual property information for analysis. In fiscal 2021, we have deployed dedicated personnel to identify the needs of the R&B departments and explore our own IP landscape™ through trial and error, seeking to determine what kind of information is useful in what kind of situation.

To this end, we started out by classifying our own technology. We also explored what kind of technologies Kaneka could develop to address the global issue of carbon neutrality, among other issues. Through such efforts, we aim to contribute to Kaneka's patent application and business strategies.

IP landscape™ is a registered trademark of Shobayashi International Patent & Trademark Office.

Robust Promotion of Intellectual Property and Digital Transformation

To check for relevant prior art, we have embarked on an attempt to use rapidly advancing AI search tools to optimize our pre-patent application prior art search while shortening the timeframe required for reporting. Convinced of the prospect of shorter lead times until the filing of patent applications, we will further explore the use of these tools and work to help speed up R&B activities.

We are also exploring the application of AI tools to SDI searches, in which R&B members routinely check for new patent applications or article submissions by competitors. This tool is an AI-based automatic classification function which extract patent information related to needed technologies more efficiently from the SDI search result population including patent information across a variety of technical fields. If applying this tool is feasible, we expect it to free up time for R&B members to use for their own research.

Patent Valuation

We introduced LexisNexis' PatentSight™ in fiscal 2020 and are using it to evaluate patent value. In one instance, we used the Patent Asset Index™ that various other companies are exploring to confirm changes in the overall value of our patents, finding that the value has remained roughly flat for the past 10 years. Going forward, we plan to focus on the value of our patents as well as the number of patent applications filed and rights held, aiming to shape an intellectual property portfolio that contributes to our businesses.

PatentSight™ and Patent Asset Index™ are registered trademarks of PatentSight GmbH.

Number of Patents Held

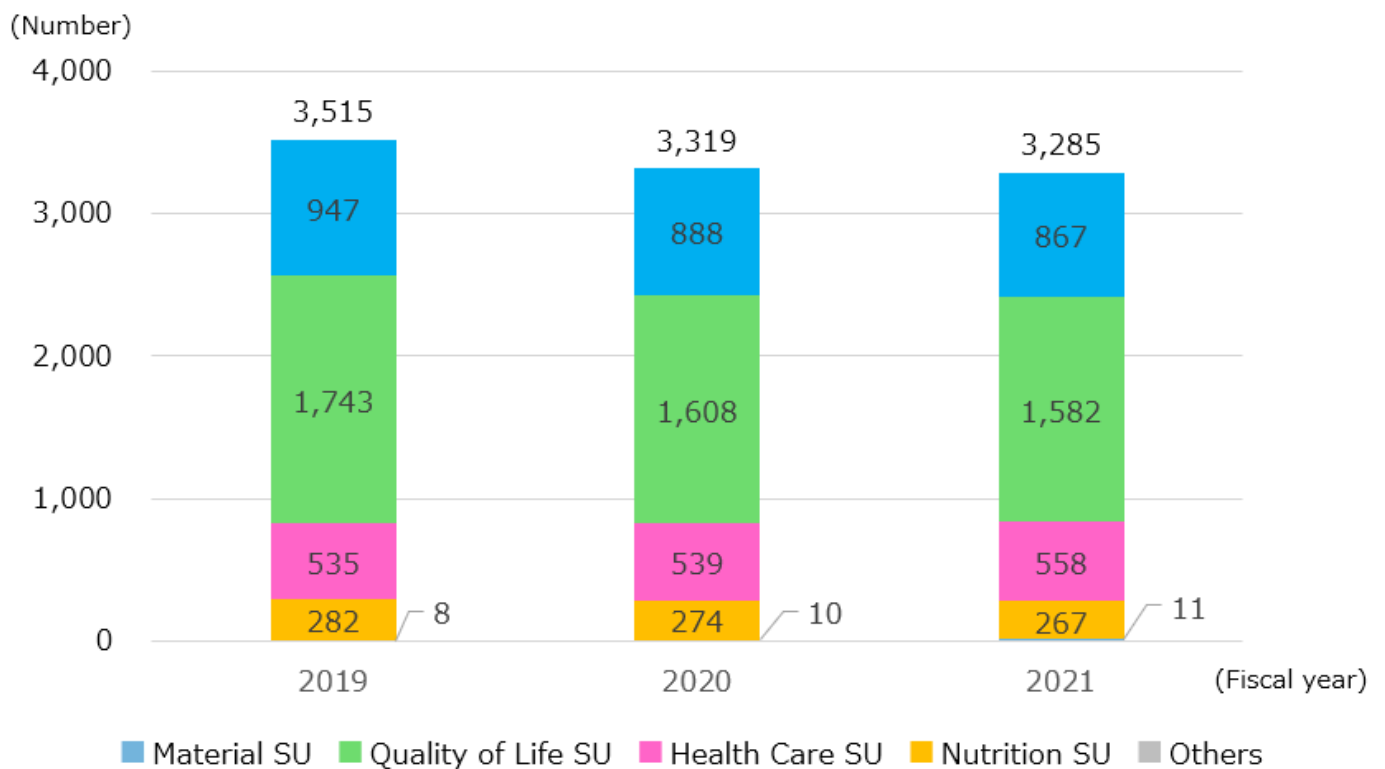
We are actively filing domestic and foreign patent applications to secure intellectual property rights with a view toward transforming our business portfolio.

In fiscal 2021, we newly registered 258 domestic patents and 280 foreign patents.

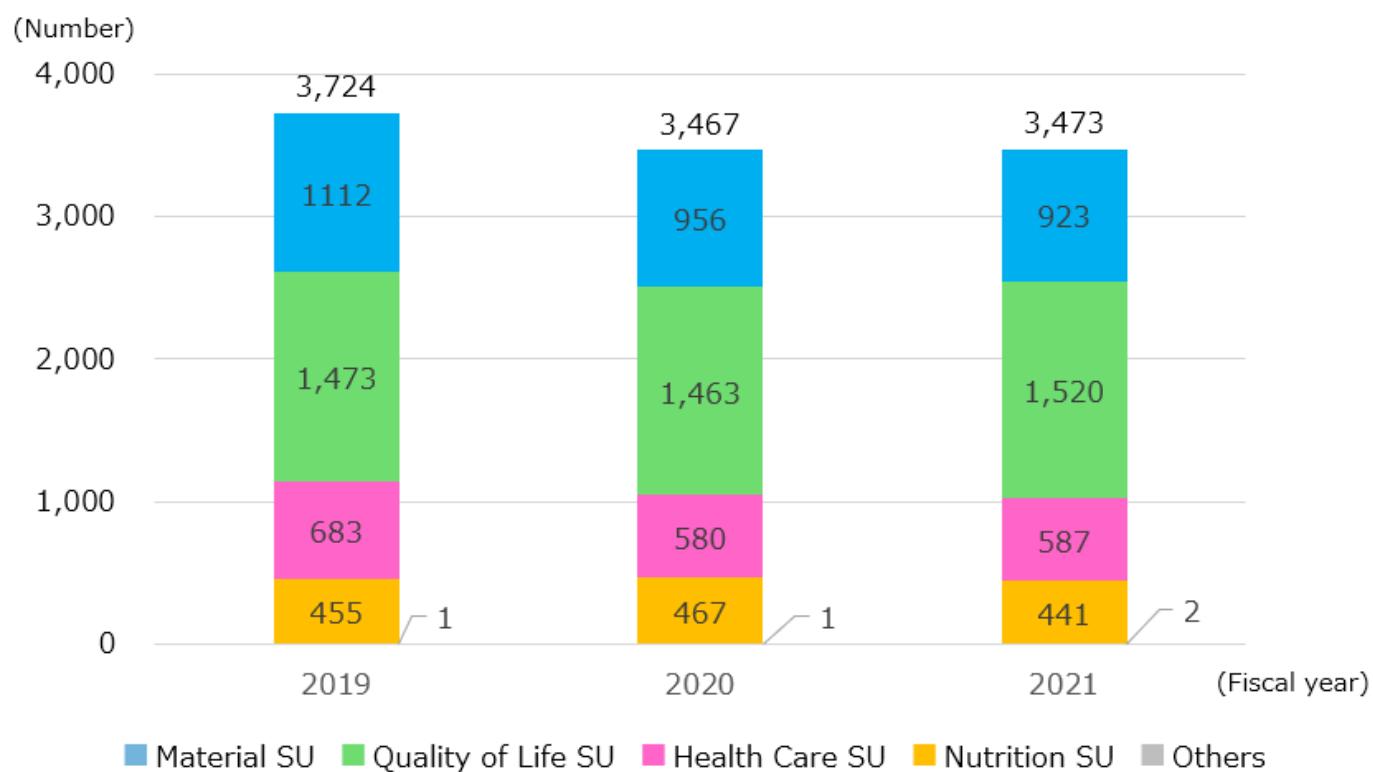
At the same time, we strive to manage our intellectual property expenses efficiently, actively abandoning unused patents. At the end of fiscal 2021, we held 3,285 domestic patents and 3,473 foreign patents, roughly on a par with the previous fiscal year.

We will continue to work with the Corporate Research & Business Division to reinforce our intellectual property portfolio.

■ Number of Domestic Patents Held



■ Number of Foreign Patents Held



“Divergent Discussion” and “Edge of Technology” as Starting Points!

- Cultivating the ability to identify future seeds

Fiscal 2021 marked the fourth year of our initiative to cultivate Kaneka’s ability to identify future seeds (first stage). We launched a new initiative (second stage), in which employees who participated in the first stage and have a strong desire to continue their explorations aiming for a higher level can choose to take part in more in-depth discussions. Under the keywords “Divergent Discussion” and “Edge of Technology,” these ambitious members gather together again, each bringing their own topics of interest, to further hone their ability to create seeds for the future.



From the Editorial Team

From the Editorial Team

Kaneka Integrated Report 2022, covering both financial and non-financial information, has been issued to enhance the understanding of our stakeholders regarding the Kaneka Group's value creation in the medium to long term.

Kaneka Group is strengthening efforts for ESG (Environment, Social, and Governance) management to contribute to the sustainability of the earth and the establishment of a sustainable society.

Organizations Covered in This Report

This report covers Kaneka Corporation and its consolidated subsidiaries both in Japan and other countries. The data on Responsible Care activities encompass the parent and 63 Group production subsidiaries (47 in Japan and 16 outside Japan).


▶ Organizations Covered in This Report

In this report, “Kaneka” refers specifically to Kaneka Corporation. “Kaneka Group” encompasses Kaneka Corporation and Group companies (its consolidated subsidiaries). References to “Group company / companies” do not include Kaneka Corporation.

Numerical values listed in the graphs and tables may not add up to the totals shown due to rounding, and some past data may be modified.

Third-Party Guarantee

For data of indicators related to climate change and environment protection in the Data Sheet 2022, we have received the third-party assurance by KPMG AZSA Sustainability Co., Ltd. to ensure the reliability and transparency of data. The indicators subject to assurance are marked with the “★” symbols. We will continue to expand the scope of information covered by the guarantee in the future.

▶ Data Sheet 2022 (1.51MB)  PDF

▶ Independent Assurance Report (192KB)  PDF

The above is an electronic version of items contained in the original assurance report. The original is stored separately by KPMG AZSA Sustainability Co., Ltd. and by Kaneka.

Period Covered

Fiscal 2021 (April 1, 2021 to March 31, 2022). In some cases, reporting covers activities before or after fiscal 2021.

Reference Guidelines

This report has been produced with reference to the following sources:

- GRI Standards
- Environmental Reporting Guidelines (2012 edition) issued by the Ministry of the Environment of Japan
- Environmental Accounting Guidelines (2005 edition) issued by the Ministry of the Environment of Japan

Notes Regarding Future Prospects

Statements in this report regarding performance forecasts and other future prospects are based on currently available information and certain assumptions that we consider reasonable, and Kaneka Corporation does not guarantee their achievement. Actual results may differ greatly due to various factors.

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Organizations Covered in This Report

Organizations Covered in This Report

This report covers Kaneka and 63 Group companies (47 in Japan and 16 outside Japan) that conduct Responsible Care (RC) activities.

Regarding environmental accounting, all parent manufacturing sites and 30 manufacturing companies in Japan are covered.

KANEKA

<Manufacturing Sites>

- Takasago Manufacturing Site
- Osaka Manufacturing Site
- Shiga Manufacturing Site
- Kashima Manufacturing Site
- Foods & Agris Solutions Vehicle
Eniwa Office

<Laboratories outside Manufacturing Sites>

- Toyooka Technical Center
- Foods & Agris Solutions Vehicle
Foods Technology Center
Development Group
- Process Development Research Laboratories
- Regenerative Medicine and Cell Therapy Laboratories
- Agri-Bio Research Center

<Offices>

- Tokyo Head Office
- Osaka Head Office
- Nagoya Sales Office

Group Companies in Japan

<Manufacturing Companies (30)>

- Kaneka Hokkaido Styrol Co., Ltd.

- Kaneka Tohoku Styrol Co., Ltd.
- Kaneka Kanto Styrol Co., Ltd.
- Kaneka Chubu Styrol Co., Ltd.
- Kaneka Nishinippon Styrol Co., Ltd.
- Kanto Styrene Co., Ltd.
- Kochi Styrol Co., Ltd.
- Kaneka Foam Plastics Co., Ltd.
- Hokkaido Kanelite Co., Ltd.
- Kyushu Kanelite Co., Ltd.
- Kaneka Sun Spice Corporation
- Kaneka Foods Manufacturing Corporation
- Tokyo Kaneka Foods Manufacturing Corporation
- Taiyo Yushi Corporation
- Nagashima Shokuhin Co., Ltd.
- Tamai Kasei Co., Ltd.
- Shinka Shokuhin Co., Ltd.
- Tatsuta Chemical Co., Ltd.
- Showa Kaseikogyo Co., Ltd.
- Tochigi Kaneka Corporation
- Vienex Corporation
- Osaka Synthetic Chemical Laboratories, Inc.
- Kaneka Solartech Corporation
- Sanvic Inc.
- Kaneka Medix Corporation
- OLED Aomori Co., Ltd.
- Kaneka Medical Tech Corporation
- Dia Chemical Co., Ltd.
- Cemedine Co., Ltd.
- Tobu Chemical Co., Ltd.

<Non-manufacturing Companies (17)>

- Kaneka Foods Corporation
- Hane Co., Ltd.
- Kaneka Kentech Co., Ltd.
- Kaneka Solar Marketing Co., Ltd.
- Kaneka Takasago Service Center Co., Ltd.
- Kaneka Osaka Service Center Co., Ltd.
- Shiga Denshi Co., Ltd.

- NJF Co., Ltd.
- Gene Frontier Corporation
- Kaneka Your Health Care Co., Ltd.
- SC Housing System Corporation
- Kaneka Hoken Center Co., Ltd.
- Kaneka Techno Research Corporation
- Kaneka Creative Consulting Corporation
- KM Transderm Ltd.
- Biomaster, Inc.
- Kaneka Hokkaido Co., Ltd.

Group Companies outside Japan

<Manufacturing Companies (16)>

- Kaneka Belgium N.V.
- Kaneka Eurogentec S.A.
- Kaneka North America LLC
- Kaneka Singapore Co. (Pte) Ltd.
- Kaneka (Malaysia) Sdn. Bhd.
- Kaneka Eperan Sdn. Bhd.
- Kaneka Paste Polymers Sdn. Bhd.
- Kaneka Innovative Fibers Sdn. Bhd.
- Kaneka Apical Malaysia Sdn. Bhd.
- Kaneka MS Malaysia Sdn. Bhd.
- Kaneka Medical Vietnam Co., Ltd.
- Kaneka Eperan (Suzhou) Co., Ltd.
- HiHua Fiber Co., Ltd.
- Kaneka (Foshan) High Performance Materials Co., Ltd.
- PT. Kaneka Foods Indonesia
- Kaneka (Thailand) Co., Ltd.