



Data Sheet 2021

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【Third-Party Assurance】

For data of indicators related to climate change and environment protection from April 1, 2020 to March 31, 2021, we have received the third-party assurance by KPMG AZSA Sustainability Co., Ltd. to ensure the reliability and transparency of Data Sheet 2021. The indicators subject to assurance are marked with the “★” symbols.

【Data of Indicators Related to Environment】

For details, please refer to “Calculation Methods for Data of Indicators related to Environment” starting on P38.

Environment

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.

Important matters pertaining to the protection of the global environment are decided by the Earth Environment Subcommittee and decided by the ESG Committee. Meanwhile, issues on global environment protection are shared and further discussed at the management meeting, the Plant Management Committee, and other meetings. The mid-term management plan also focuses on strengthening initiatives on important matters to further improve our ESG management.

Environmental Management

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.

To realize a sustainable society, Kaneka Group continues working to reduce environmental impacts and risks, by complying with environmental regulations and legislation, such as the Air Pollution Control Act and the Water Pollution Control Act, and with criteria in agreements with local governments and by checking compliance with them through various means, including internal audits and ESG safety and quality inspections.

Environmental Management Systems

■ ISO 14001 Certification

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

■ 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 |

Material Balance in Production Activities

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 2020, the main raw material, energy consumption and water inputs decreased by 52 thousand tons (3.0%), 12 thousand kiloliters (1.7%) and 1.5 million m³ (4.0%), respectively from the previous year. The GHG, SO_x, COD and SS outputs decreased by 21.9 thousand tons-CO₂e (1.5%), 24.9 tons (28.4%), 81.6 tons (20.7%) and 37.3 tons (15.0%), respectively. Meanwhile, the product increased by 2.6 thousand tons (3.3%), the amount of externally recycled waste increased by 9,034 tons (17.3%) due to the increase in the amount of waste generated by Kaneka, and the final landfill waste output increased by 725.4 tons (12.0%) due to the differences in the product mix for some Group companies outside Japan.

INPUTS Energy and Resources

Legend (from top)
 Kaneka
 Group companies in Japan
 Group companies outside Japan

| Main raw materials |
|--------------------|
| 1,131 |
| 273 thousand tons |
| 277 |

| Energy (Crude oil equivalents) |
|-----------------------------------|
| 446 ★ |
| 74 thousand kiloliters |
| 146 |

| Water |
|----------------------------|
| 21.5 ★ |
| 3.3 million m ³ |
| 10.7 |

Kaneka
 Group companies in Japan
 46
 Group companies outside Japan
 15

OUTPUTS Discharges, Recycling, and Products

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

| <table border="1"> <thead> <tr> <th>Products</th> </tr> </thead> <tbody> <tr> <td>1,505</td> </tr> <tr> <td>227 thousand tons</td> </tr> <tr> <td>305</td> </tr> </tbody> </table> | Products | 1,505 | 227 thousand tons | 305 | <table border="1"> <thead> <tr> <th>GHG</th> </tr> </thead> <tbody> <tr> <td>1,022 ★</td> </tr> <tr> <td>155 thousand tons-CO₂e</td> </tr> <tr> <td>284</td> </tr> </tbody> </table> | GHG | 1,022 ★ | 155 thousand tons-CO ₂ e | 284 | <table border="1"> <thead> <tr> <th>SO_x</th> </tr> </thead> <tbody> <tr> <td>48.9 ★</td> </tr> <tr> <td>12.8 tons</td> </tr> <tr> <td>1.0</td> </tr> </tbody> </table> | SO _x | 48.9 ★ | 12.8 tons | 1.0 |
|--|------------------------|---------|-------------------|--------|--|--------------------|------------|-------------------------------------|---------|--|--------------------------------|---------|--------------|---------|
| Products | | | | | | | | | | | | | | |
| 1,505 | | | | | | | | | | | | | | |
| 227 thousand tons | | | | | | | | | | | | | | |
| 305 | | | | | | | | | | | | | | |
| GHG | | | | | | | | | | | | | | |
| 1,022 ★ | | | | | | | | | | | | | | |
| 155 thousand tons-CO ₂ e | | | | | | | | | | | | | | |
| 284 | | | | | | | | | | | | | | |
| SO _x | | | | | | | | | | | | | | |
| 48.9 ★ | | | | | | | | | | | | | | |
| 12.8 tons | | | | | | | | | | | | | | |
| 1.0 | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>NO_x</th> </tr> </thead> <tbody> <tr> <td>828.1 ★</td> </tr> <tr> <td>49.0 tons</td> </tr> <tr> <td>63.9</td> </tr> </tbody> </table> | NO _x | 828.1 ★ | 49.0 tons | 63.9 | <table border="1"> <thead> <tr> <th>Soot and dust</th> </tr> </thead> <tbody> <tr> <td>22.3 ★</td> </tr> <tr> <td>1.1 tons</td> </tr> <tr> <td>2.6</td> </tr> </tbody> </table> | Soot and dust | 22.3 ★ | 1.1 tons | 2.6 | <table border="1"> <thead> <tr> <th>PRTR Law designated substances</th> </tr> </thead> <tbody> <tr> <td>67.3 ★</td> </tr> <tr> <td>103.5 tons</td> </tr> <tr> <td>—</td> </tr> </tbody> </table> | PRTR Law designated substances | 67.3 ★ | 103.5 tons | — |
| NO _x | | | | | | | | | | | | | | |
| 828.1 ★ | | | | | | | | | | | | | | |
| 49.0 tons | | | | | | | | | | | | | | |
| 63.9 | | | | | | | | | | | | | | |
| Soot and dust | | | | | | | | | | | | | | |
| 22.3 ★ | | | | | | | | | | | | | | |
| 1.1 tons | | | | | | | | | | | | | | |
| 2.6 | | | | | | | | | | | | | | |
| PRTR Law designated substances | | | | | | | | | | | | | | |
| 67.3 ★ | | | | | | | | | | | | | | |
| 103.5 tons | | | | | | | | | | | | | | |
| — | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Chemical oxygen demand</th> </tr> </thead> <tbody> <tr> <td>215.7 ★</td> </tr> <tr> <td>5.3 tons</td> </tr> <tr> <td>90.7</td> </tr> </tbody> </table> | Chemical oxygen demand | 215.7 ★ | 5.3 tons | 90.7 | <table border="1"> <thead> <tr> <th>Suspended solids</th> </tr> </thead> <tbody> <tr> <td>183.4 ★</td> </tr> <tr> <td>6.1 tons</td> </tr> <tr> <td>21.2</td> </tr> </tbody> </table> | Suspended solids | 183.4 ★ | 6.1 tons | 21.2 | <table border="1"> <thead> <tr> <th>PRTR Law designated substances</th> </tr> </thead> <tbody> <tr> <td>17.4 ★</td> </tr> <tr> <td>0.04 tons</td> </tr> <tr> <td>—</td> </tr> </tbody> </table> | PRTR Law designated substances | 17.4 ★ | 0.04 tons | — |
| Chemical oxygen demand | | | | | | | | | | | | | | |
| 215.7 ★ | | | | | | | | | | | | | | |
| 5.3 tons | | | | | | | | | | | | | | |
| 90.7 | | | | | | | | | | | | | | |
| Suspended solids | | | | | | | | | | | | | | |
| 183.4 ★ | | | | | | | | | | | | | | |
| 6.1 tons | | | | | | | | | | | | | | |
| 21.2 | | | | | | | | | | | | | | |
| PRTR Law designated substances | | | | | | | | | | | | | | |
| 17.4 ★ | | | | | | | | | | | | | | |
| 0.04 tons | | | | | | | | | | | | | | |
| — | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Nitrogen</th> </tr> </thead> <tbody> <tr> <td>141.9 ★</td> </tr> <tr> <td>1.2 tons</td> </tr> <tr> <td>2.4</td> </tr> </tbody> </table> | Nitrogen | 141.9 ★ | 1.2 tons | 2.4 | <table border="1"> <thead> <tr> <th>Phosphorous</th> </tr> </thead> <tbody> <tr> <td>4.9 ★</td> </tr> <tr> <td>0.1 tons</td> </tr> <tr> <td>1.1</td> </tr> </tbody> </table> | Phosphorous | 4.9 ★ | 0.1 tons | 1.1 | | | | | |
| Nitrogen | | | | | | | | | | | | | | |
| 141.9 ★ | | | | | | | | | | | | | | |
| 1.2 tons | | | | | | | | | | | | | | |
| 2.4 | | | | | | | | | | | | | | |
| Phosphorous | | | | | | | | | | | | | | |
| 4.9 ★ | | | | | | | | | | | | | | |
| 0.1 tons | | | | | | | | | | | | | | |
| 1.1 | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Final landfill</th> </tr> </thead> <tbody> <tr> <td>29.4 ★</td> </tr> <tr> <td>450.1 tons</td> </tr> <tr> <td>6301.1</td> </tr> </tbody> </table> | Final landfill | 29.4 ★ | 450.1 tons | 6301.1 | <table border="1"> <thead> <tr> <th>External recycling</th> </tr> </thead> <tbody> <tr> <td>47,420.7 ★</td> </tr> <tr> <td>8,330.1 tons</td> </tr> <tr> <td>5,386.9</td> </tr> </tbody> </table> | External recycling | 47,420.7 ★ | 8,330.1 tons | 5,386.9 | <table border="1"> <thead> <tr> <th>External reduction</th> </tr> </thead> <tbody> <tr> <td>508.6 ★</td> </tr> <tr> <td>8,031.7 tons</td> </tr> <tr> <td>2,330.6</td> </tr> </tbody> </table> | External reduction | 508.6 ★ | 8,031.7 tons | 2,330.6 |
| Final landfill | | | | | | | | | | | | | | |
| 29.4 ★ | | | | | | | | | | | | | | |
| 450.1 tons | | | | | | | | | | | | | | |
| 6301.1 | | | | | | | | | | | | | | |
| External recycling | | | | | | | | | | | | | | |
| 47,420.7 ★ | | | | | | | | | | | | | | |
| 8,330.1 tons | | | | | | | | | | | | | | |
| 5,386.9 | | | | | | | | | | | | | | |
| External reduction | | | | | | | | | | | | | | |
| 508.6 ★ | | | | | | | | | | | | | | |
| 8,031.7 tons | | | | | | | | | | | | | | |
| 2,330.6 | | | | | | | | | | | | | | |

Note: For indicator data, some calculation methods have been changed. For details, please refer to "Calculation Methods for Data of Indicators related to Environment" starting on P38.

Environmental Accounting

We calculate the environmental costs (investments and expenditures) and benefits (material quantities), as well as economic impacts (in monetary units) of environmental measures, targeting all parent manufacturing sites and 30 Group companies in Japan (manufacturing companies).

■ Environmental Costs (Investments, Expenditures)

(Millions of yen)

| Cost Classifications | Main Efforts | Fiscal 2018 | | Fiscal 2019 | | Fiscal 2020 | |
|-------------------------------|---|-------------|--------------|-------------|--------------|-------------|--------------|
| | | Investments | Expenditures | Investments | Expenditures | Investments | Expenditures |
| Business Area | | 901 | 5,460 | 1,314 | 5,647 | 1,049 | 5,637 |
| 1. Pollution Prevention | Air and water pollution prevention | 899 | 3,476 | 1,293 | 3,550 | 947 | 3,338 |
| 2. Environmental Conservation | Addressing climate change and energy saving | - | - | - | - | - | - |
| 3. Resource Recycling | Waste processing, recycling, and reduction | 2 | 1,984 | 20 | 2,096 | 102 | 2,299 |
| Upstream and Downstream | Product recycling, collection, and processing | 0 | 6 | 0 | 8 | 0 | 25 |
| Management Activities | Environmental education for employees and environmental impact monitoring and measurement | 1 | 444 | 7 | 463 | 0 | 397 |
| Research and Development | Research and development of products contributing to environmental conservation | - | 7,477 | - | 9,364 | - | 9,169 |
| Social Activities | Greening, beautification, and disclosure of environmental information | 0 | 78 | 0 | 113 | 1 | 114 |
| Environmental Damage | Payment of sulfur oxide emission charges | 0 | 10 | 0 | 9 | 0 | 8 |
| Total | | 902 | 13,475 | 1,321 | 15,604 | 1,050 | 15,350 |

These calculations are based on the 2005 edition of the Environmental Accounting Guidelines by Japan's Ministry of the Environment and other reference materials, with Kaneka's own unique way of thinking.

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 2018 | Fiscal 2019 | Fiscal 2020 |
|---------------------------|--|--|---------------------------------|-------------|-------------|-------------|
| Pollution Prevention (*1) | Atmospheric and water discharges of hazardous substances | SOx emissions | Tons | 109.5 | 86.7 | 61.7 |
| | | NOx emissions | Tons | 867.6 | 871.7 | 877.1 |
| | | Chemical oxygen demand | Tons | 248.7 | 234.7 | 220.9 |
| | | PRTR Law–designated chemical emissions | Tons | 183.6 | 186.3 | 188.3 |
| Environment (*2) | Greenhouse gas emissions | GHG emissions | Thousand tons-CO ₂ e | 1,272.3 | 1,189.6 | 1,177.7 |
| | Energy consumption | Crude oil equivalents | Thousand kiloliters | 526.5 | 508.0 | 520.4 |
| Resource Recycling (*1) | Final landfill | Landfill | Tons | 877.2 | 760.8 | 479.5 |
| | External recycling | Amounts recycled | Tons | 51,000.7 | 47,263.3 | 55,750.8 |

*1 Data for prior fiscal years has been adjusted due to refinements.

*2 Due to a change in the calculation method of GHG emissions, electricity or steam sold by Kaneka to outside parties that was previously deducted from Kaneka's energy consumption under the Energy Saving Law (Act on the Rationalization etc. of Energy Use of Japan) is no longer deducted. Data for prior fiscal years has been recalculated accordingly.

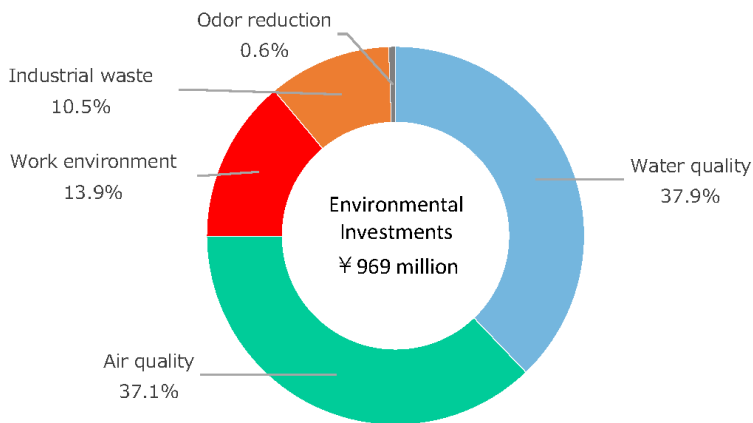
■ Economic Impacts of Environmental Measures

(Millions of yen)

| Measures | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 |
|--|-------------|-------------|-------------|
| Revenue from recycling | 213 | 131 | 189 |
| Cost reductions by better resource efficiency (output per unit of input) | -34 | 8 | 1,335 |
| Waste disposal cost reductions by recycling | 450 | 253 | 481 |
| Cost reductions by energy conservation | 247 | 227 | 24 |
| Total | 876 | 619 | 2,028 |

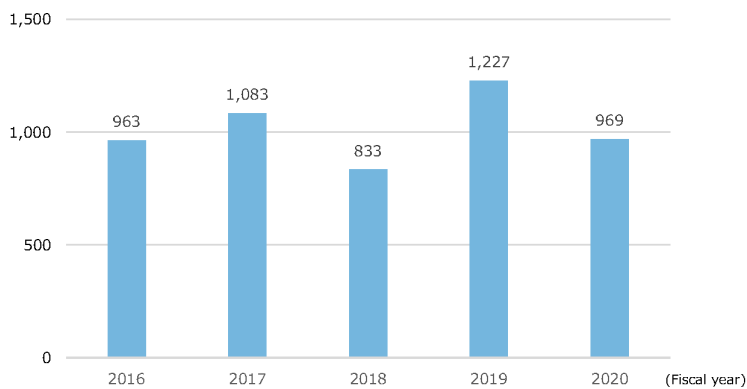
Environmental Investments (Kaneka)

Environmental Investments in Fiscal 2020



Cumulative Environmental Investments

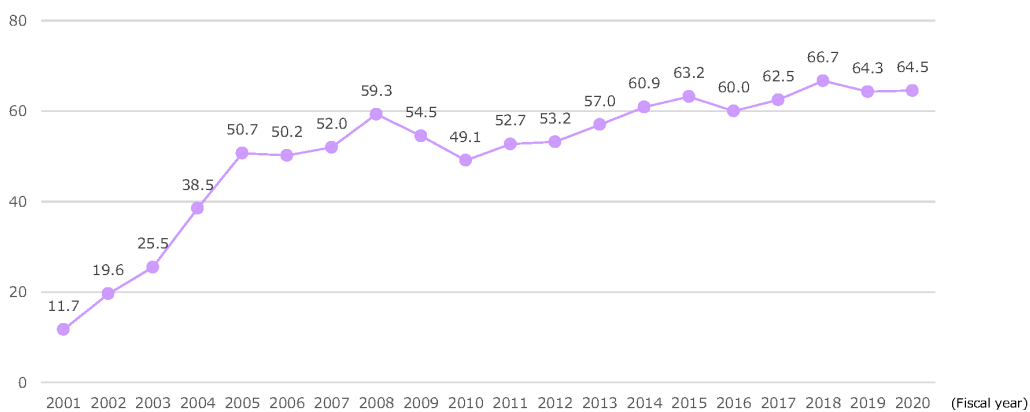
(Millions of yen)



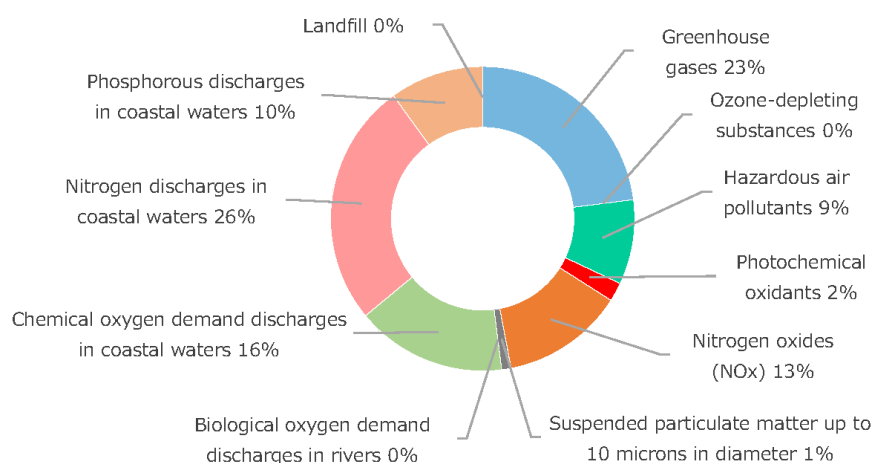
Environmental Efficiency (Kaneka)

Environmental Efficiency

(yen/EIP)



■ Details of Total Environmental Impact



| Fiscal Year | Net Sales (million yen) | Environmental Impact (100 million EIPs) | Environmental Efficiency (yen/EIP) |
|-------------|-------------------------|---|------------------------------------|
| 2018 | 304,951 | 45.7 | 66.7 |
| 2019 | 292,084 | 45.4 | 64.3 |
| 2020 | 279,774 | 43.3 | 64.5 |

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.

Initiatives for Climate Change

To address prevention global warming, we at the Kaneka Group are working to promote energy conservation and reduce CO₂ emission intensity through various measures, for example by utilizing our own environmental capital investment program.

We also use carbon-Life Cycle Analysis (cLCA) to calculate CO₂ emission reduction benefits by quantitatively assessing CO₂ emissions throughout product lifecycle, making comparisons with similar products. We also calculate indirect greenhouse gas (GHG) emissions (Scope 3) associated with our business activities through supply chains.

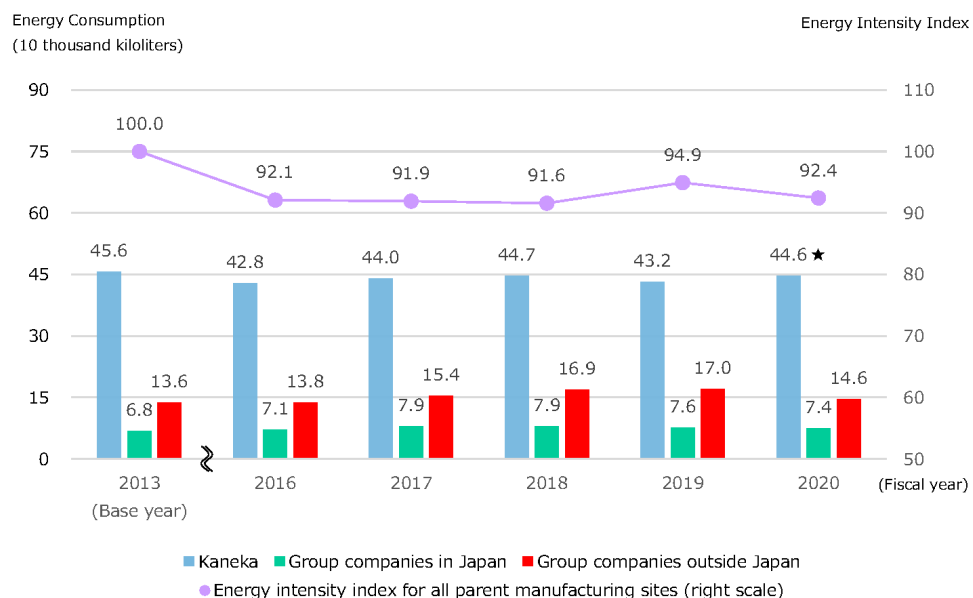
Energy Conservation Efforts

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 2020 was 92.4, a decrease of 2.6% from the previous fiscal year, and reached our goal of an annual average decrease of 1%. The average rate of change over the five-year period was an increase of 0.1%, which did not reach our goal (an annual average decrease of 1%). This was due mainly to differences in the purchased fuel mix and other materials in fiscal 2016, the first year of the five-year period, as well as differences in the product mix, including a decrease in production volume.

Kaneka's energy consumption was 446 thousand kiloliters, an increase of 3.3% from the previous fiscal year, mainly due to an increase in production volume.

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



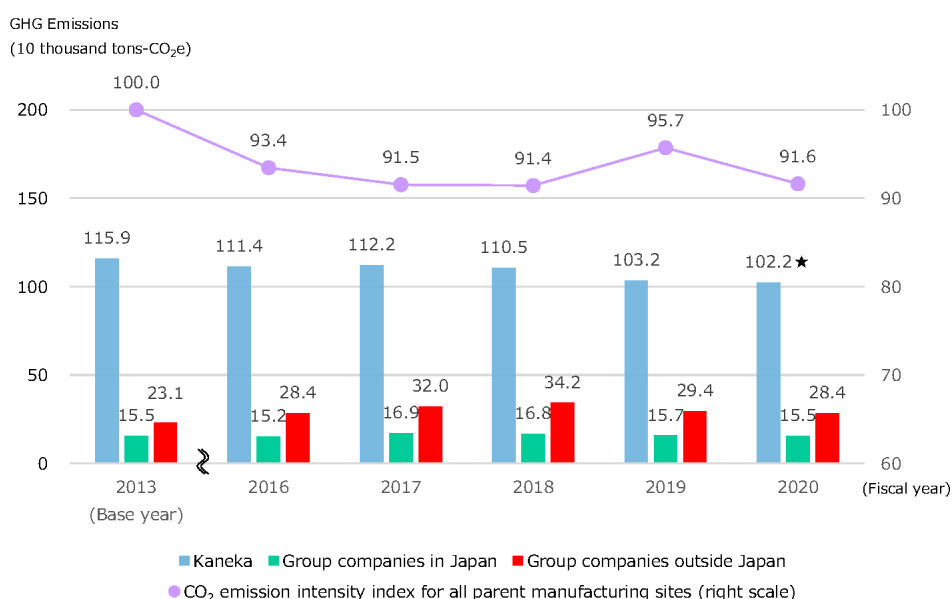
Note: Due to a change in the calculation method of GHG emissions, electricity or steam sold by Kaneka to outside parties that was previously deducted from Kaneka's energy consumption under the Energy Saving Law (Act on the Rationalization etc. of Energy Use of Japan) is no longer deducted. Data for prior fiscal years has been recalculated accordingly.

Initiatives to Cut 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 2020, the index for all parent manufacturing sites was 91.6, achieved our fiscal 2020 target of 93.2. Kaneka's GHG emissions decreased by 0.9% from the previous year to 1,022 thousand tons-CO₂e, due to a reduction in the CO₂ emission factor for electricity. We will continue to set medium to long term targets based on the carbon-neutral strategy now under discussion and streamline production processes through innovation to reduce GHG emissions.

■ GHG Emissions and Energy Origin CO₂ Emission Intensity Index



Note: The method for calculating GHG emissions has been changed to comply with the Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard REVISED EDITION". Data for prior fiscal years has been recalculated accordingly. GHG emissions originated from electricity and steam sold by Kaneka to outside parties that was previously deducted from Kaneka's GHG emissions under the Act on Promotion of Global Warming Countermeasures is no longer deducted. In addition, emission factors for the purchased electricity of Kaneka and Group companies in Japan have been changed from the basic emission factors based on the Act on Promotion of Global Warming Countermeasures to adjusted emission factors.

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 GHG emissions by scope and Scope 3 emissions calculated by category.

■ Scope 1 and 2 Emissions (Kaneka)

| Category | | Fiscal 2020 results (Thousand tons-CO ₂ e) |
|----------------------------------|---|--|
| Scope 1 | Direct emissions (*1) | 759.9★ |
| Scope 2 | Indirect emissions from energy consumption (*2) | 262.5★ |
| Total of Scope 1 and 2 emissions | | 1,022.4 |

■ Scope 3 Emissions (Kaneka)

| Category | | Fiscal 2020 results (Thousand tons-CO ₂ e) |
|----------|---|--|
| Scope 3 | Other indirect emissions (upstream/downstream) (*1) | 2,905.0 |

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

*2 As emission factors for electricity, the adjusted emission factor for each power company was used for calculation. GHG emissions calculated using the location-based method were 352.0 (+9.4%).

■ Scope 3 Emissions Calculated by Category (Kaneka)

| Category | | GHG emissions Fiscal 2020 results (Thousand tons-CO ₂ e) |
|----------|---|---|
| 1 | Purchased goods/services | 1,742.6★ |
| 2 | Capital goods | 46.2 |
| 3 | Fuel-and energy-related activities not included in Scope 1 or Scope 2 | 148.8★ |
| 4 | Upstream transportation and distribution | 20.9★ |
| 5 | Waste generated in operations | 5.4★ |
| 6 | Business travel | 2.3 |
| 7 | Employee commuting | 0.9 |
| 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 | 528.7 |

| | | |
|----------------------------|--------------------------|---------|
| 13 | Downstream leased assets | 0.0 |
| 14 | Franchises | –(*5) |
| 15 | Investments | 409.2 |
| Total of Scope 3 emissions | | 2,905.0 |

*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.

Investments in Energy-Efficient Facilities

■ Results of Our Own Environmental Capital Investment Program

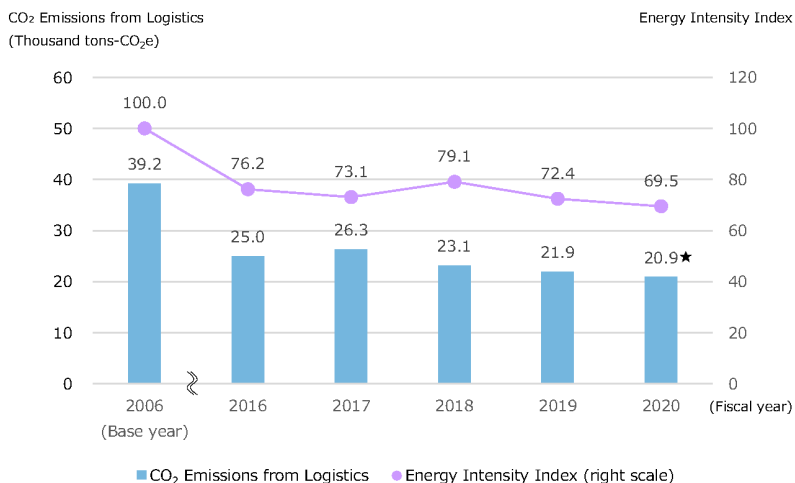
| Fiscal Year | Investments | Number | Reduced CO ₂ Emission of the Year |
|-------------|--------------|--------|--|
| 2016 | ¥200 million | 23 | 1,688 tons-CO ₂ |
| 2017 | ¥200 million | 15 | 1,654 tons-CO ₂ |
| 2018 | ¥200 million | 24 | 1,748 tons-CO ₂ |
| 2019 | ¥200 million | 29 | 1,227 tons-CO ₂ |
| 2020 | ¥200 million | 27 | 1,010 tons-CO ₂ |

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 2020, the transportation volume (ton-kilometer) decreased year-on-year. Meanwhile, our CO₂ emissions decreased by 1.0 thousand tons-CO₂ year-on-year due to the promotion of shipping transportation, resulting in an improvement of 2.9 points in the energy intensity index.

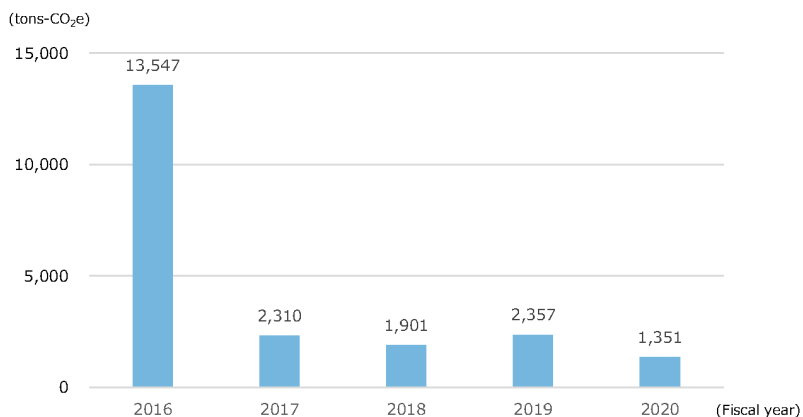
■ CO₂ Emissions and Energy Intensity Index from Logistics (Kaneka)



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.

■ Estimated Leakage of Fluorocarbons at Kaneka



Preventing Pollution and Managing Chemical Substances

Kaneka Group works to prevent air and water pollution and to ensure appropriate management of chemical substances toxic to humans and the environment and reduce their emissions.

Preventing Air and Water Pollution

We are engaged in production activities in compliance with the standards specified in the Air Pollution Control Act and the Water Pollution Control Act as well as the criteria in agreements with local governments.

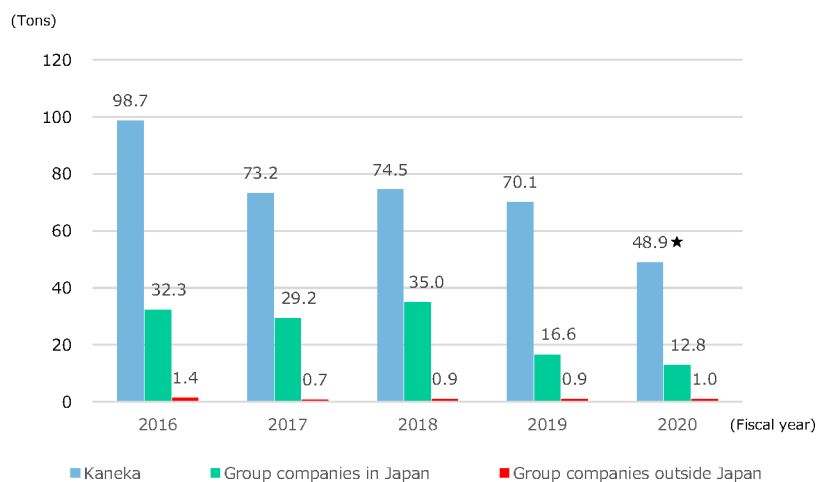
Regarding the atmosphere, SO_x and NO_x emissions from all parent manufacturing sites decreased, but soot and dust emissions increased in fiscal 2020 from the previous fiscal year. From Group companies in Japan, SO_x emissions also decreased, but NO_x emissions increased year-on-year.

In terms of water, there was a decrease in chemical oxygen demand, nitrogen, and phosphorous emissions and an increase in suspended solid emissions at all parent manufacturing sites and non-manufacturing facilities.

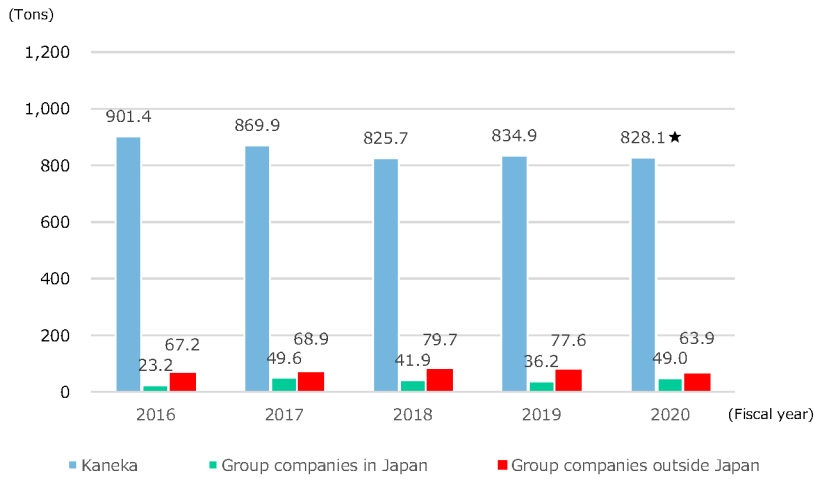
At Group companies outside Japan, chemical oxygen demand and suspended solid emissions decreased due to improved monitoring of wastewater processes and changes in processing conditions, influenced by the product types.

Note: In the past, an estimated value was used for facility operation hours in calculating soot and dust emissions of some manufacturing sites. To improve accuracy, we have adopted actual facility operation hours since fiscal 2020. Emissions calculated by the former method were 23.4 tons. In addition, to reflect the improved accuracy, values for water consumption, wastewater discharges, chemical oxygen demand in wastewater, nitrogen in wastewater, phosphorus in wastewater, and suspended solids in wastewater at Kaneka were revised in fiscal 2019.

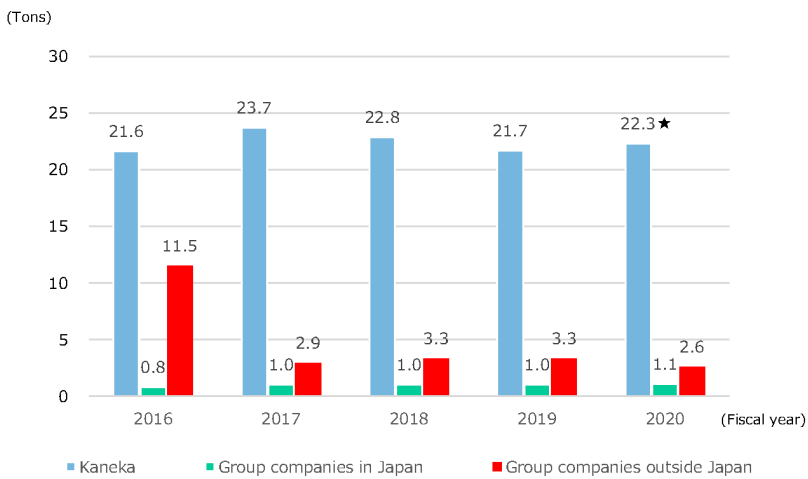
■ SO_x Emissions



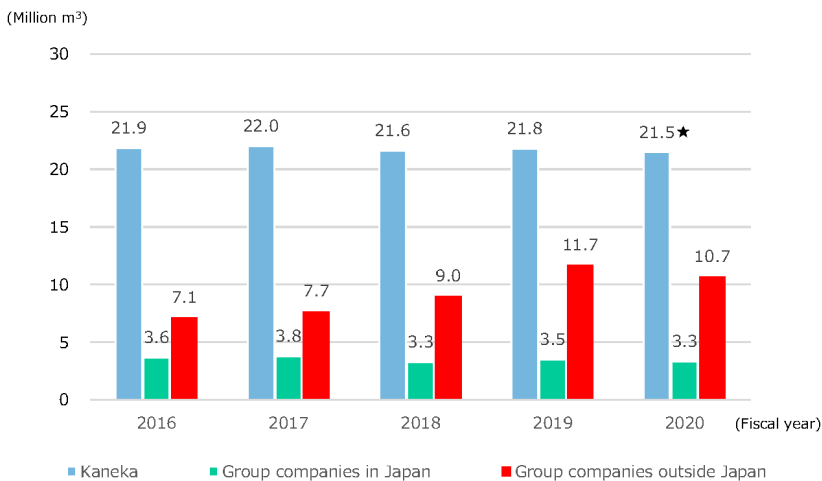
■ NOx Emissions



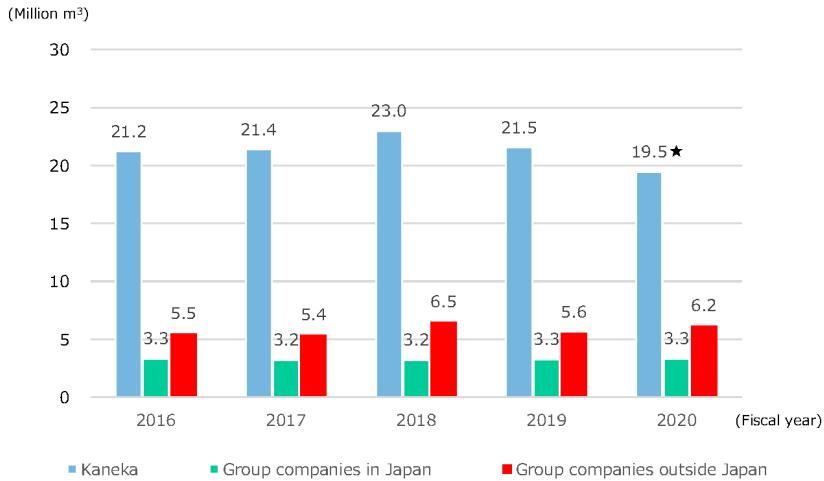
■ Soot and Dust Emissions



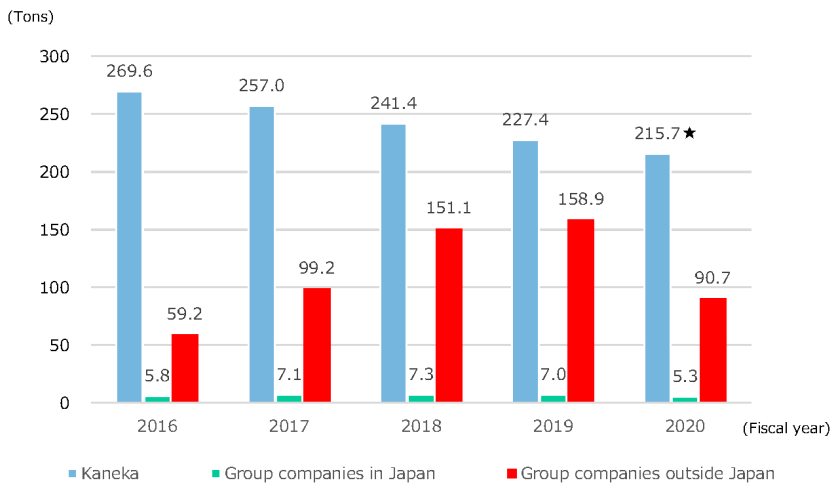
■ Water Consumption (*1)



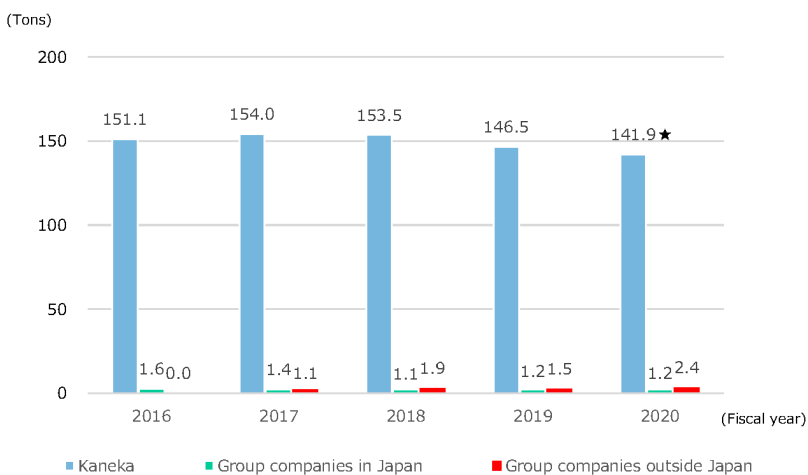
■ Wastewater Discharges (*1)



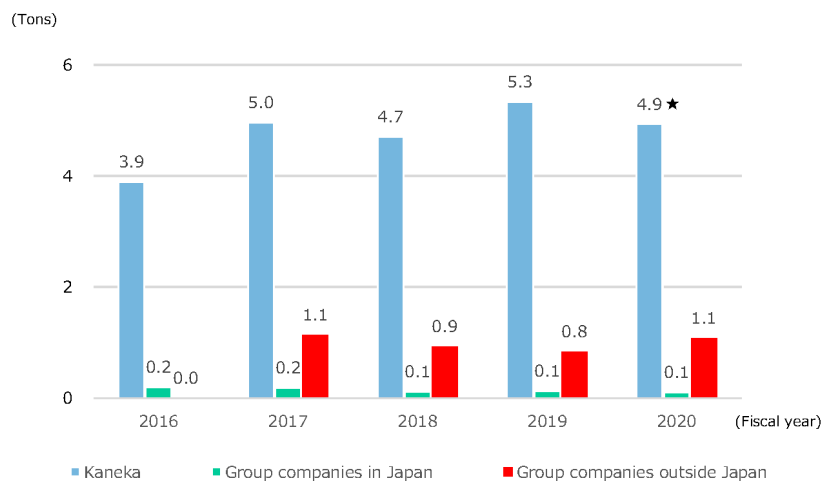
■ Chemical Oxygen Demand in Wastewater (*1)



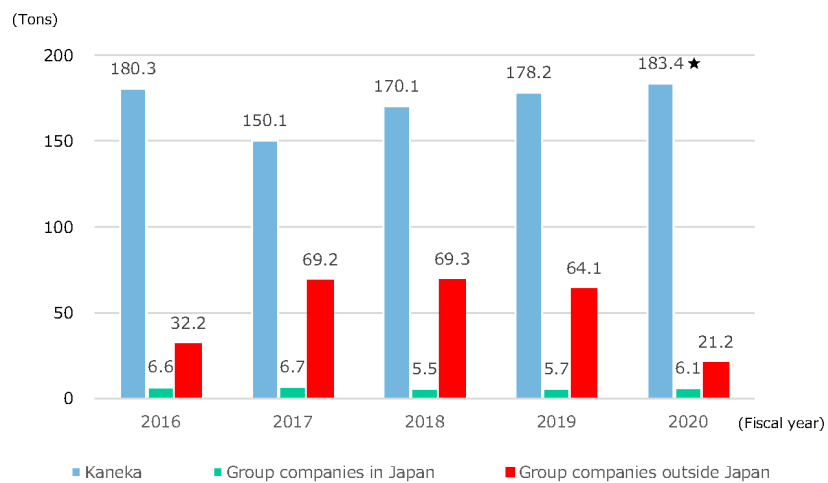
■ Nitrogen in Wastewater (*1)



■ Phosphorous in Wastewater (*1)



■ Suspended Solids in Wastewater (*1)



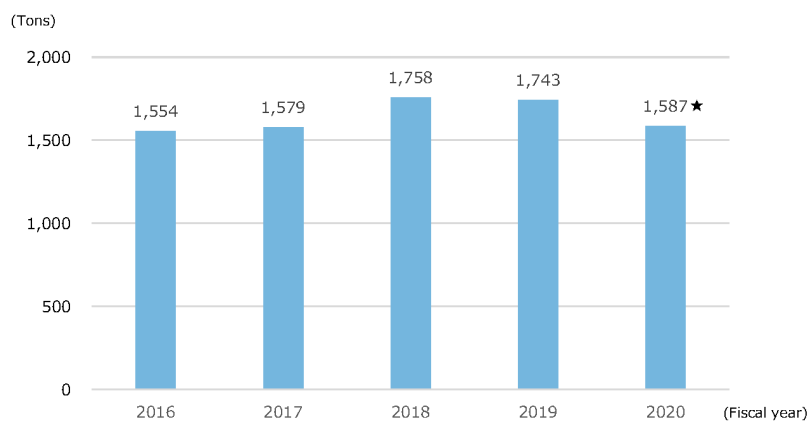
*1 Our water consumption and wastewater volume include those generated from non-manufacturing facilities other than the plant department.

Volatile Organic Compounds Emission Reductions

We are committed to reducing the emission of VOCs (*2), 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 2020, total emissions were 1,587 tons, a decrease of 9.0% from the previous fiscal year. We will continue our efforts to manage VOC emissions.

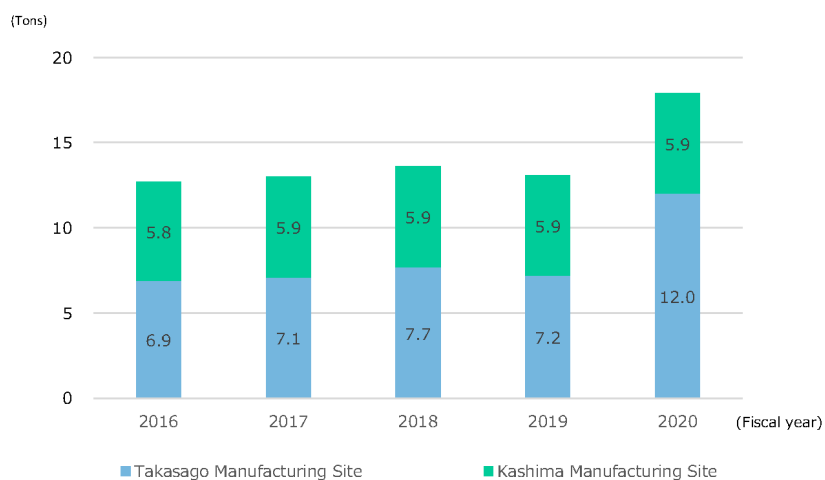
*2 Volatile Organic Compounds (VOCs) are organic chemical substances that cause suspended particulate matter and photochemical oxidants.

■ VOC emissions (Kaneka)

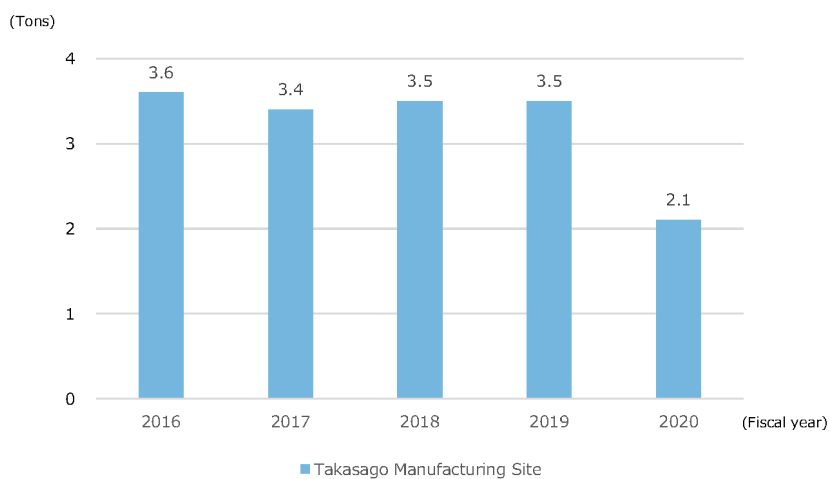


Hazardous Atmospheric Pollutants (Data of six substances for each manufacturing site of Kaneka)

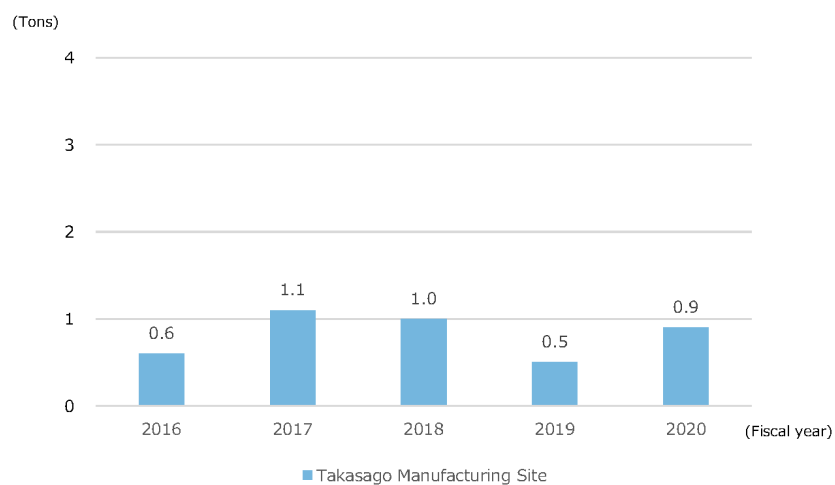
■ Chloroethylene Emissions



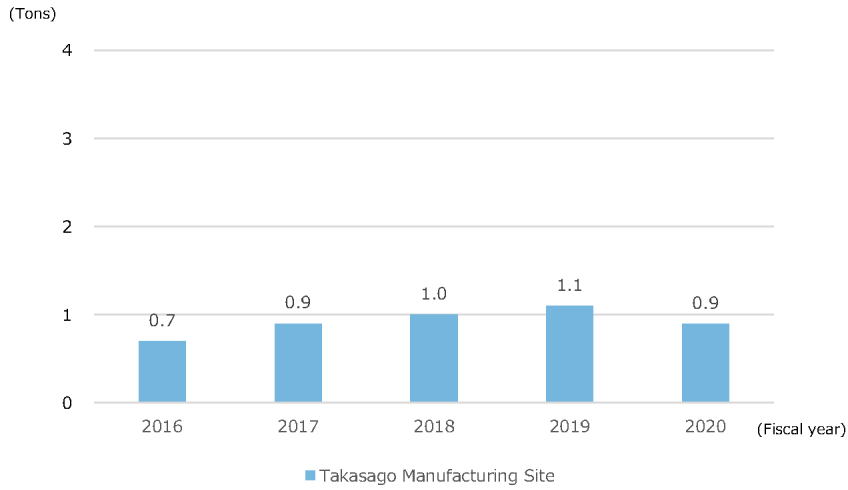
■ 1,2-Dichloroethane Emissions



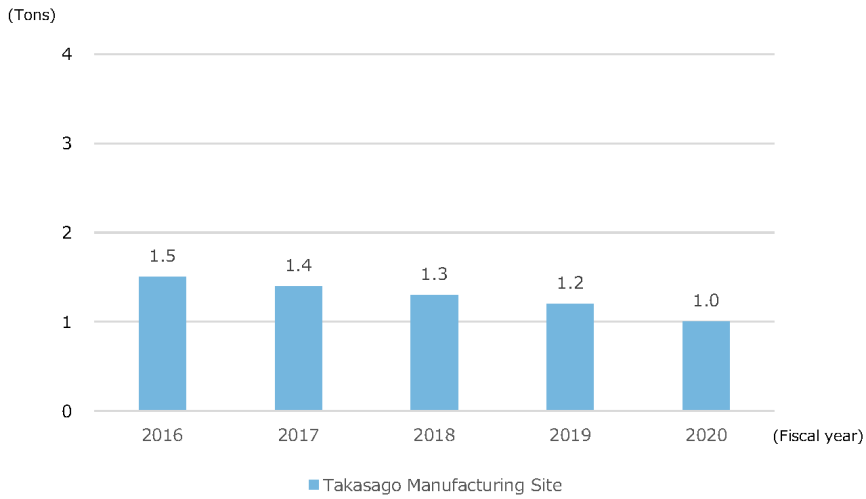
■ Chloroform Emissions



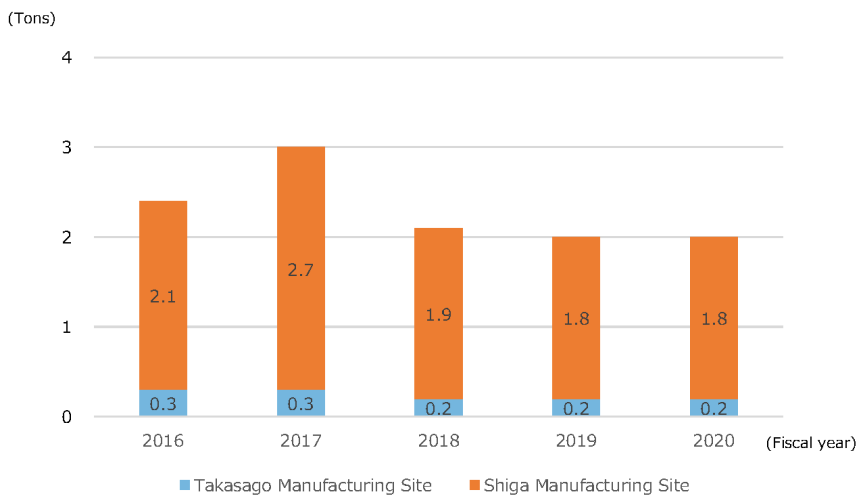
■ Acrylonitrile Emissions



■ 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 2020, Kaneka's total discharge of the relevant substances was 84.7 tons, an increase of 5.5 tons from the previous fiscal year. The total discharge by Group companies in Japan was 103.5 tons, an decrease of 3.6 tons compared to the previous fiscal year.

■ Kaneka Emissions Subject to the PRTR Law

(Kilograms)

| | Designated Number under Ordinance | Chemical Substances | Fiscal 2020 | | | | | Fiscal 2019 | |
|--|-----------------------------------|---------------------------------|-----------------------|----------------------------------|----------------------|-------------------|-------------|-------------|--------|
| | | | Emissions | | | | Transferred | Emissions | |
| | | | Atmospheric Emissions | Discharges into Public Waterways | Discharges into Soil | Internal Landfill | Total | Total | Total |
| Large Discharges of 10 Substances | 94 | Chloroethylene (vinyl chloride) | 17,900 | 200 | 0 | 0 | 18,100 | 980 | 13,300 |
| | 392 | N-hexane | 15,400 | 0 | 0 | 0 | 15,400 | 71,752 | 13,600 |
| | 275 | Sodium dodecyl sulfate | 0 | 8,400 | 0 | 0 | 8,400 | 0 | 8,200 |
| | 240 | Styrene | 5,230 | 38 | 0 | 0 | 5,268 | 13,770 | 5,449 |
| | 420 | Methyl methacrylate | 5,200 | 2 | 0 | 0 | 5,202 | 10 | 5,205 |
| | 134 | Vinyl acetate | 4,000 | 260 | 0 | 0 | 4,260 | 0 | 4,440 |
| | 7 | N-butyl acrylate | 3,910 | 0 | 0 | 0 | 3,910 | 2,630 | 4,150 |
| | 232 | N,N-dimethylformamide | 2,500 | 1,000 | 0 | 0 | 3,500 | 360,000 | 3,430 |
| | 336 | Hydroquinone | 0 | 2,200 | 0 | 0 | 2,200 | 0 | 2,400 |
| 157 | 1,2-dichloroethane | 2,100 | 10 | 0 | 0 | 2,110 | 0 | 3,480 | |
| Total Other than the 10 Substances Above | | | 11,056 | 5,306 | 0 | 0 | 16,361 | 328,040 | 15,521 |
| Grand Total for All Substances | | | 67,296 | 17,416 | 0 | 0 | 84,711 | 777,182 | 79,175 |

Note: Of the 462 substances subject to the PRTR Law, Kaneka reports about 65 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 2020 | | | | | Fiscal 2019 | |
|--|-----------------------------------|--|-----------------------|----------------------------------|----------------------|-------------------|-------------|-------------|---------|
| | | | 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 | 45,045 | 0 | 0 | 0 | 45,045 | 13,739 | 62,000 |
| | 300 | Toluene | 29,226 | 0 | 0 | 0 | 29,226 | 703,473 | 28,320 |
| | 186 | Dichloromethane (methylene dichloride) | 22,722 | 0 | 0 | 0 | 22,722 | 382,378 | 9,780 |
| | 296 | 1,2,4-trimethylbenzene | 2,268 | 0 | 0 | 0 | 2,268 | 0 | 2,309 |
| | 80 | Xylene | 2,116 | 0 | 0 | 0 | 2,116 | 0 | 2,152 |
| | 392 | N-hexane | 1,200 | 0 | 0 | 0 | 1,200 | 23,100 | 1,050 |
| | 355 | Bis (2-ethylhexyl) phthalate (DEHP) | 536 | 42 | 0 | 0 | 578 | 411 | 632 |
| | 56 | Ethylene oxide | 329 | 0 | 0 | 0 | 329 | 0 | 0 |
| | 127 | Chloroform | 50 | 0 | 0 | 0 | 50 | 450 | 255 |
| | 438 | Methylnaphthalene | 36 | 0 | 0 | 0 | 36 | 0 | 0 |
| Total Other than the 10 Substances Above | | | 0 | 1 | 0 | 0 | 2 | 35,372 | 601 |
| Grand Total for All Substances | | | 103,529 | 43 | 0 | 0 | 103,572 | 1,158,923 | 107,099 |

Note: Of the 462 substances subject to the PRTR Law, Group companies in Japan reports about 31 items.

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

CHECK&ACT

We are working to reduce environmental impacts on air and water quality and ensure rapid response to any abnormality. The increase in emission by Group companies in Japan is mainly due to an increase in handling volume of dichloromethane. We will continue our efforts to reduce the discharge of chemical substances.

Reducing Waste and Recycling Resources

Through pursuing the 3Rs (*1) aimed at the reduction and recycling of industrial waste from our operations, Kaneka has 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.

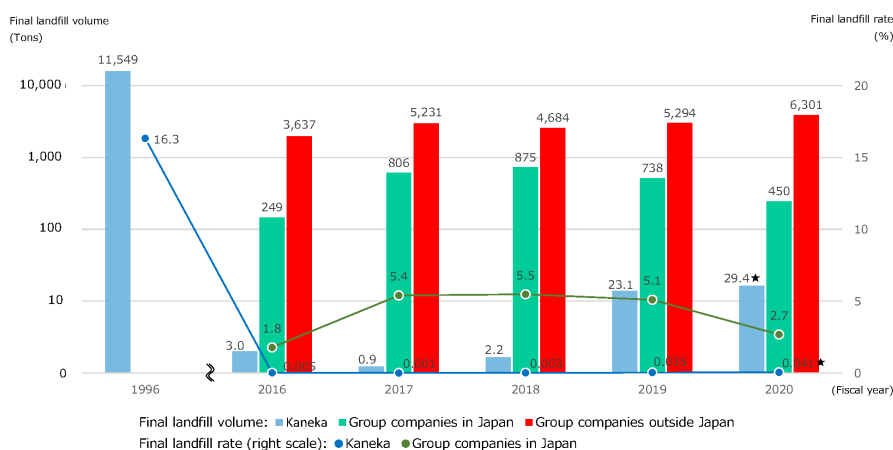
*1 3Rs refers to reduce, reuse and recycle.

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

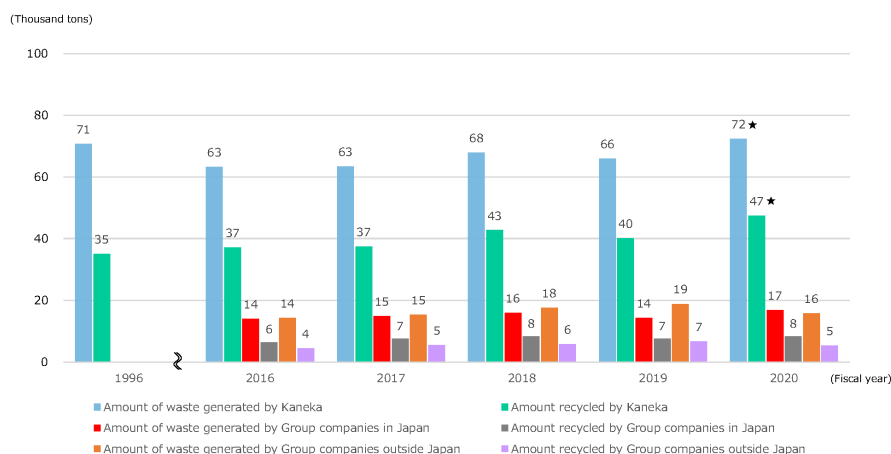
Cutting Industrial Waste Sent to Final Landfill

In fiscal 2020, we effectively achieved zero emissions, with a final landfill volume for all parent manufacturing sites of 29.4 tons, equivalent to a final landfill rate of 0.041%. The final landfill rate of 46 Group companies in Japan was 2.7%, showing an improvement of 2.4% from the previous year, but failed to achieve zero emissions.

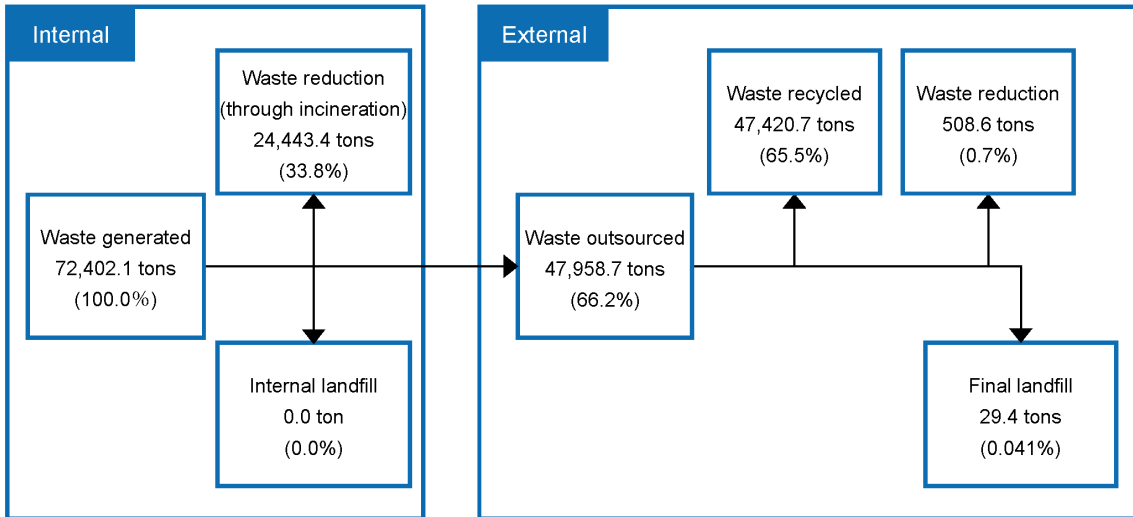
Volume and Rate of Waste Sent to Final Landfill



Waste Generated and Recycled



■ Waste Flow: From Generation to Landfill (Fiscal 2020 results at Kaneka)



CHECK&ACT

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

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, we have set Quality Management Regulations to ensure product safety at all stages, from product design and development to delivery to customers.

Process Safety and Disaster Prevention

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.

■ Comprehensive Disaster Drills

| Manufacturing Site | Date | Participants | Details |
|-----------------------------|-------------------|--------------|--|
| Takasago Manufacturing Site | December 17, 2020 | 2,075 | An earthquake resulting in a hazardous material leakage |
| Osaka Manufacturing Site | November 11, 2020 | 1,140 | An earthquake resulting in a fire caused by hazardous material leakage |
| Shiga Manufacturing Site | November 11, 2020 | 395 | An earthquake resulting in a fire |
| Kashima Manufacturing Site | March 18, 2021 | 70 | A hazardous material leakage |

Zero Accident Principles

◆ All people, you and me, are indispensable

We ensure everyone is working safely.

Pledge of safety

◆ 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

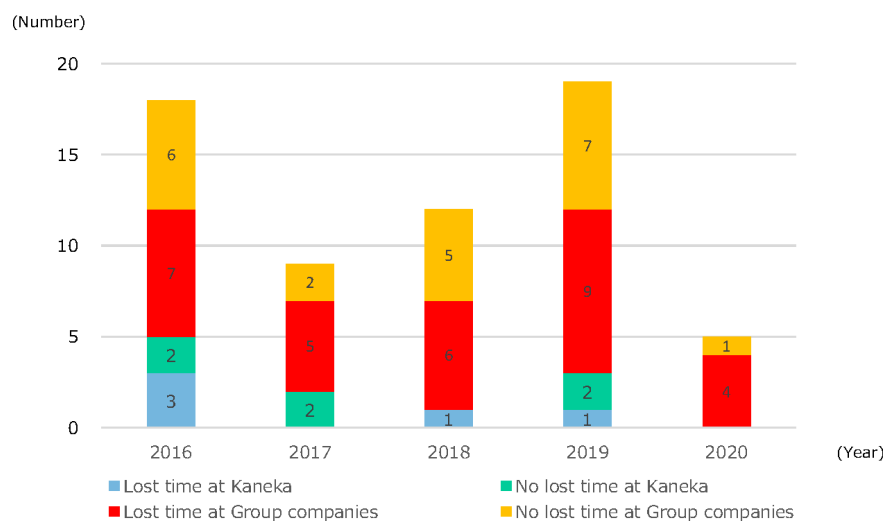
We do not allow even a small chance of negligence.

99%, yet 0%

■ 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 |

■ 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.

■ Accident Frequency Rate and Accident Severity Rate

| Area | All Kaneka Group | | Kaneka | | Group Companies in Japan and Overseas | |
|-------------------------|------------------|------|--------|------|---------------------------------------|------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Accident Frequency Rate | 0.52 | 0.18 | 0.00 | 0.00 | 0.78 | 0.26 |
| Accident Severity Rate | 0.01 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 |

Note: 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 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.

Both rates are calculated targeting employees at Kaneka and Group companies.

■ President's Safety Award for No Accidents and No Disasters based on the Internal Standards (Fiscal 2020)

| Group Company | Award for Zero Accident and Disaster Period |
|---------------------------------|---|
| Kaneka Shiga Manufacturing Site | December 14, 2015 – |
| Vienex Corporation | June 8, 2013 – |
| Kaneka Medical Tech Corporation | September 7, 2013 – |
| PT. Kaneka Foods Indonesia | January 17, 2014 – |

■ 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) |

Certification Acquisition Status

■ ISO9001 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 chloride, polyvinyl chloride paste, heat-resistant polyvinyl chloride, and OXY chlorination catalyst | JCQA / JCQA-1263 |
| 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™) | LRQA / ISO9001-0066620 |
| 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™) | |
| Green Planet Project | Biodegradable polymer (KANEKA Biodegradable Polymer Green Planet™) | |
| Foam & Residential Techs SV | Bead technique-based polyolefin resins and molded products (Eperan™, Eperan PP™), bead technique-based expandable polystyrene (Kaneparl™), and extruded polystyrene foam board (Kanelite™) | JCQA / JCQA-0673 |
| Hokkaido Kanelite Co., Ltd. | | |
| Kyushu Kanelite Co., Ltd. | | |
| E & I Technology SV | Ultra-heat-resistant polyimide films (Apical™, Pixeo™), optical film (Elmech™), 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 / ISO9001-0077397 |
| | Highly heat-resistant and light-resistant resins 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 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, antifreeze protein, antifreeze polysaccharide, 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 |
| Kaneka Foam Plastics Co., Ltd. Moka Plant | Bead technique-based polyolefin molded products | ASR / Q1919 |
| Kaneka Foam Plastics Co., Ltd. Kyusyu Plant | Bead technique-based polyolefin molded products | ASR / Q4509 |
| Tamai Kasei Co., Ltd. | A series of operations related to order receipt, manufacturing, inspection, and shipping of Phase Change Material (PCM) (Pattherm™) | 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 / YKA0958035 |
| 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 028i |
| 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 |
| 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 | SIRIM QAS / QMS 00900 |
| Kaneka Eperan Sdn. Bhd. | Bead technique-based polyolefins (Eperan™, Eperan PP™) | 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. | Bead technique-based polyolefin resins and molded products (Eperan™, Eperan PP™) | BSI / FM714676 |
| KSS Vietnam Co., Ltd. | Processed spices, herbs, dried vegetables, and mixed spices | Intertek Certification Limited / CPRJ-2015-040996 |
| Kaneka Eurogentec S.A. | Products and services for research and development in life science | BSI / FS 638601 |
| Anaspec Inc. | Peptides, antibodies, synthetic resins, amino acids, and reagents for research | SQA/09.357.1 |

■ ISO13485 Certification (*1)

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

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

■ ISO22000 Certification (*2)

| 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 |

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

■ Food Safety System Certification 22000 (FSSC 22000) (*3)

| Division or Group Company (SV: Solutions Vehicle) | Main Products | Registry Organization and Number |
|--|--|----------------------------------|
| Foods & Agris SV | Margarine, shortening, flour paste, butter cream, edible oils and fats, edible refined oils and fats, concentrated milk products, modified milk, cheese, whipped cream, yeast, fermented milk products, antifreeze protein, antifreeze polysaccharide, and seasoning materials | JQA / JQA-FC0047 |
| 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 |

*3 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 (*4)

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

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

■ ISO17025 Certification (*5)

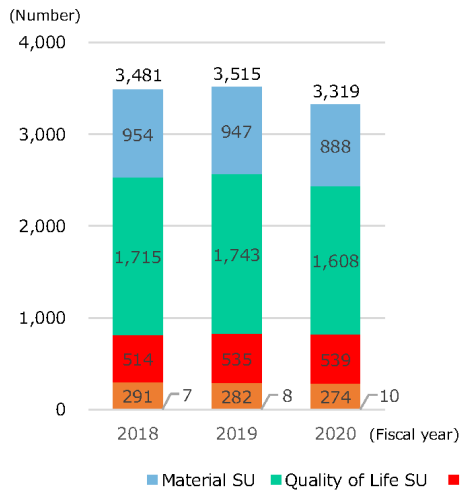
| Group Company | Main Products | Registry Organization and Number |
|--|---|----------------------------------|
| Tokyo Kaneka Foods Manufacturing Corporation | Microbial testing (viable bacteria count, coliform count) | JAB / RTL04360 |

*5 ISO17025: 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.

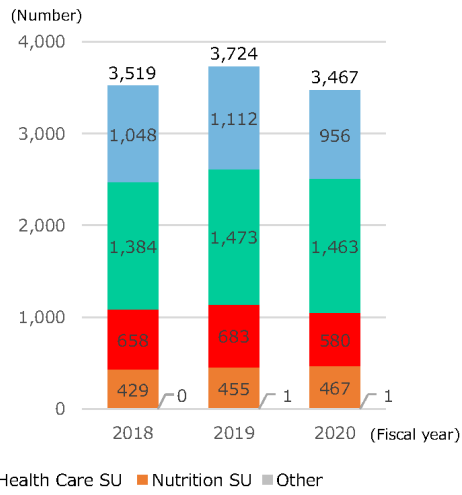
Intellectual Property

Number of Patents Held

Number of Patents Held in Japan



Number of Patents Held outside Japan



Human Resources

Note: The data is for Kaneka alone. If other data is included, an annotation has been added.

Kaneka 1-on-1

■ Programs for Improving Quality of Communication

| Program Name | Content | ~Fiscal 2019 No. of participants | Fiscal 2020 No. of participants | Total from the start of the program No. of participants |
|---------------------------|--|-------------------------------------|------------------------------------|---|
| Kaneka 1-on-1 Workshop | Lectures and exercises for improving the coaching ability (listening, recognizing and questioning) of bosses conducted by a lecturer specialized in communication for executives | 205 | 155 | 360 |

■ Development of Leaders

| Program Name | Content | Fiscal 2018 No. of participants | Fiscal 2019 No. of participants | Fiscal 2020 No. of participants | Total from the start of the program No. of participants |
|---|--|---------------------------------------|---------------------------------------|---------------------------------------|--|
| Hitotsubu-no Tane Momi Juku | Lectures and exercises by the top management and first-class instructing staff targeted at future leaders and management personnel | 12 | 12 | 12 | 73 |
| Kaneka Creative Corner | Lectures and exercises by the top management and first-class instructing staff targeted at future leaders of national staff | 12 | —(*1) | —(*1) | 34名 |
| The Leadership Challenge Workshop | Acquiring and practicing leadership skills and follow-up | (outside Japan) 21 | (outside Japan) 36 | (outside Japan) —(*1) | (outside Japan) 464 |
| | | (in Japan)288 | (in Japan)187 | (in Japan)157 | (in Japan)1,295 |

Note: Aggregated data for Kaneka and Group companies in and outside Japan.

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

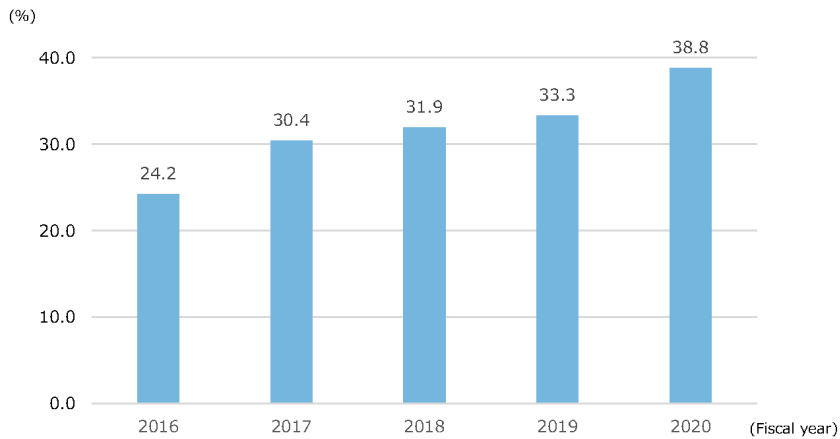
Welcoming Workplace

Human Rights Education

| Program Name | Content | Fiscal 2018 No. of participants | Fiscal 2019 No. of participants | Fiscal 2020 No. of participants |
|---|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Introductory Training for New Employees | Providing explanation about issues such as sexual harassment, power harassment and national origin discrimination | 131 | 121 | 129 |
| Training for Newly Appointed Executives | Human rights education provided by external specialist | 48 | 59 | 59 |

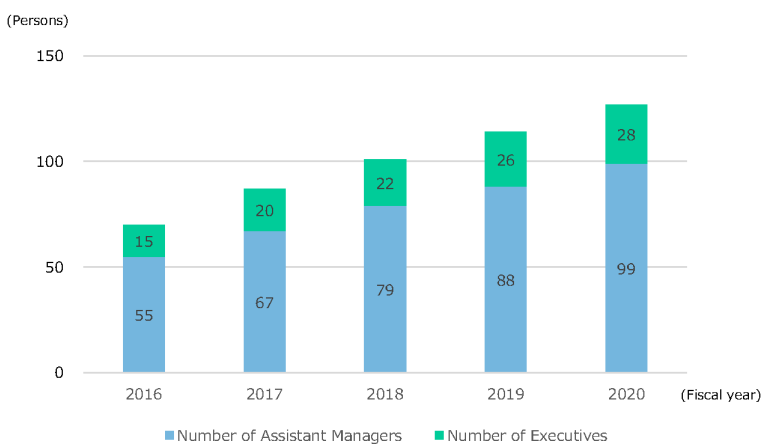
Active Participation of Diverse Workforce

Percentage of Female Among New Recruits (from Universities and Technical Colleges)

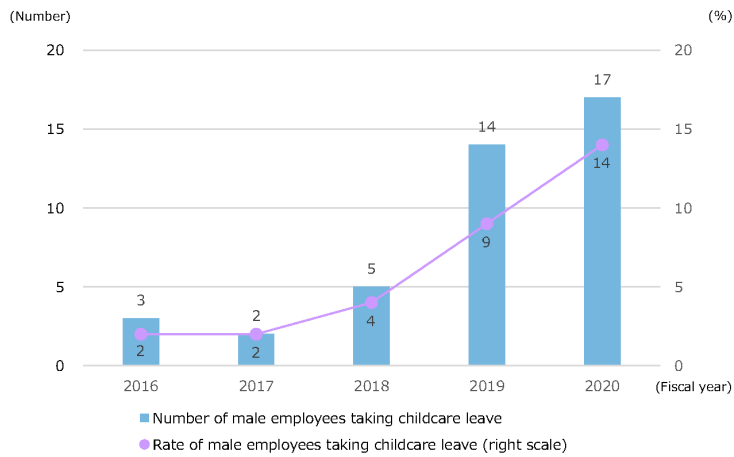


Note: The figures for fiscal 2019 includes those hired in spring and autumn.

Number of Female Executives and Assistant Managers



■ Number of Male Employees Taking Childcare Leave



■ Implementation of Career Development and Life Design Support Activities

| Program Name | Fiscal 2018 No. of participants | Fiscal 2019 No. of participants | Fiscal 2020 No. of participants |
|------------------------|------------------------------------|------------------------------------|------------------------------------|
| Career-design Training | 272 | 139 | 115 |
| Life-design Training | 75 | — (*1) | 157 |

*1 A life planning booklet was distributed to employees.

■ Changes in New Hires Who Come from Countries Other than Japan (New Graduates)

| Year Hired | Technical Staff | Clerical Staff | Total |
|------------|-----------------|----------------|--------|
| 2016 | 5 | 2 | 7 |
| 2017 | 3 | 1 | 4 |
| 2018 | 0 | 1 | 1 |
| 2019 | 2 | 3 | 5 (*2) |
| 2020 | 2 | 4 | 6 (*2) |

*2 The figures for fiscal 2019 includes those hired in spring and autumn.

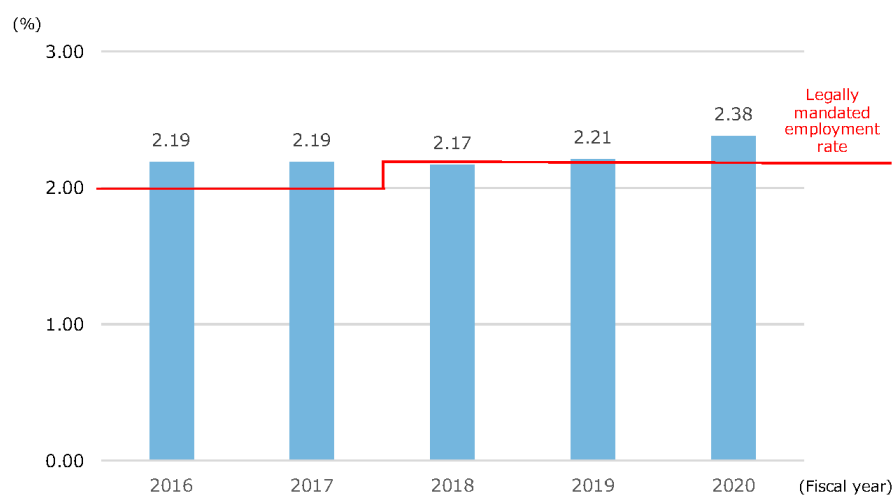
■ Global Human Resource Development

| Program Name | Content | Fiscal 2018 No. of participants | Fiscal 2019 No. of participants | Fiscal 2020 No. of participants |
|--|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Global Employee Development Program | Practical acquisition of foreign language for communication | (Registrants) 2,394 | – (*3) | – (*3) |
| English and Chinese Language Trainings | Acquisition of languages required for overseas business | 46 | 76 | 70 |
| Overseas Trainee Dispatch Program | One-year work experience at a group company outside Japan | 7 | 10 | 3 |

In addition to the above, we provide various other programs/systems, including the overseas language study program and the language training before overseas transfer.

*3 The Global Employee Development Program was not implemented because a full review was conducted for the program.

■ Employment Rate of Persons with Disabilities



■ Number of Users

| Name of program | Term and period | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 |
|--|---|-------------|-------------|-------------|
| Childcare Leave (on an Acquisition Basis) | By the day before the child becomes 2 years and 6 months old | (male)5 | (male)14 | (male)19 |
| | | (female)44 | (female)42 | (female)43 |
| Child Nursing Care Leave | By the beginning of a semester for a child in the 4th grade (5 days per year per person, maximum of 10 days per year for an employee with two or more children) | (male)72 | (male)81 | (male)80 |
| | | (female)59 | (female)64 | (female)47 |
| Shorter Work-Hours Program | By the beginning of a semester for child in 7th grade (maximum of 2 hours per day per person) | (male)1 | (male)2 | (male)1 |
| | | (female)63 | (female)66 | (female)60 |
| Babysitting Expenses Aid System | Company covers part of babysitting expenses for a child ages 0 to 2 | 23 | 27 | 29 |

| | | | | |
|--|---|----|-------|-------|
| Nursing Care Leave | 1 year or less for one eligible family member | 0 | 1 | 0 |
| Telecommuting | Employees in pregnancy, child-rearing (by the beginning of a semester for child in 7th grade) or nursing care can work at home (4 days per month) | 34 | –(*4) | –(*4) |
| Leave of Absence for Spouse's Overseas Transfer System | A maximum of 3 years from the day when the employee's spouse is transferred abroad | 2 | 2 | 1 |

*4 From fiscal 2019: Eligibility expanded to all employees

Calculation Methods for Data of Indicators related to Environment

Calculation methods for data of indicators related to environment are as follows.

【Main Raw Materials, Energy, Products】

| | |
|--|---|
| Main Raw Materials | Raw materials calculated in or converted to tons |
| Energy Consumption (Crude Oil Equivalents) | Energy consumption is calculated based on the Energy Saving Law (Act on the Rationalization etc. of Energy Use of Japan). However, the amount of electricity or steam sold by Kaneka to outside parties is not deducted from Kaneka's energy consumption. The boundaries are consistent with the Energy Saving Law and the Act on Promotion of Global Warming Countermeasures and include all manufacturing sites and other facilities. |
| Energy Intensity Index | Energy intensity is a numerical value calculated by dividing the energy used in manufacturing by the volume of activity (production volume at all parent manufacturing sites). The energy intensity index is calculated by indexing the energy intensity, with fiscal 2013 used as the base year of 100. |
| Products | Products calculated in or converted to tons |

【Greenhouse Gas (GHG)】

| | |
|---------------|---|
| GHG Emissions | GHG emissions are calculated referring the Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard REVISED EDITION". Figures represent the total amount of energy origin CO ₂ emissions, non-energy origin CO ₂ emissions, and the CO ₂ equivalent of methane and N ₂ O emissions. CO ₂ emission factors for steam, units of heat for each fuel, and CO ₂ emission factors for each fuel both in Japan and outside Japan use values specified by the Act on Promotion of Global Warming Countermeasures. Outside Japan, however, if a value is specified in the country concerned, that value is used. As CO ₂ emission factors for electricity, the adjusted value for each power company was used for calculations in Japan and the value for each power company and IEA country emission factors were used for calculations outside Japan. IEA country emission factors are calculated using data from two years prior to the year calculated (e.g. 2018 emission factors are used for calculations of fiscal 2020 GHG emissions). The boundaries are the same as those for energy consumption. *Prior calculations were based on the Act on Promotion of Global Warming Countermeasures. For the Data Sheet 2021, however, a method was adopted under which electricity or steam sold by Kaneka to outside parties that was previously deducted from Kaneka's energy consumption is not deducted. Data for prior fiscal years has been recalculated accordingly. In addition, emission factors for the purchased electricity of Kaneka and Group companies in Japan have been changed from the basic emission factors based on the Act on Promotion of Global Warming Countermeasures to adjusted emission factors. |
| Energy Origin | CO ₂ emission intensity is a numerical value calculated by dividing energy origin CO ₂ |

| | |
|--|---|
| CO ₂ Emission Intensity Index | emissions associated with production activities, which are calculated using a fixed emission factor unique to Kaneka, by the volume of activity, with fiscal 2013 indexed to 100. Using a fixed emission factor makes it easier to see the impact of our activities. Using this index, we set 93.2 as our target for fiscal 2020. |
|--|---|

【Water】

| | |
|-----------------------|--|
| Water Consumption | Total industrial water, water supply, seawater, river water, groundwater, and other water consumed at each site. |
| Wastewater Discharges | Total wastewater discharged to public waterways (sea, lakes, rivers, etc.) and wastewater discharged to sewers. For calculation, if water supply is used at an office or other manufacturing site and there is no data on wastewater discharged to sewers, wastewater discharged to sewers is taken to be equivalent to water supply. |

【Water Quality in Water Areas】

| | |
|------------------------|--|
| Chemical Oxygen Demand | Total chemical oxygen demand emissions into public waterways (sea, lakes, rivers, etc.). Calculated as chemical oxygen demand concentration at the discharge outlet multiplied by amount of drainage from each drain to public waterways. |
| Suspended Solids | Total suspended solid emissions to public waterways (sea, lakes, rivers, etc.). Calculated as suspended solid concentration at the discharge outlet multiplied by amount of drainage from each drain to public waterways. |
| Nitrogen | Total nitrogen emissions to public waterways (sea, lakes, rivers, etc.). Calculated as nitrogen concentration at the discharge outlet multiplied by amount of drainage from each drain to public waterways. |
| Phosphorous | Total phosphorous emissions to public waterways (sea, lakes, rivers, etc.). Calculated as phosphorous concentration at the discharge outlet multiplied by amount of drainage from each drain to public waterways. |

【Atmospheric Emissions】

| | |
|-----------------|--|
| SO _x | Total sulfur oxides emitted from facilities as defined by the Air Pollution Control Act. Calculated as annual amount of dry exhaust gas at each facility multiplied by SO _x (SO ₂) concentration. Sulfur oxide (SO _x) emissions (tons) = SO _x concentration (ppm) × 10 ⁻⁶ × dry exhaust gas (Nm ³ /h) × annual facility operation hours (h) × 64/22.4 × 10 ⁻³ |
| NO _x | Total nitrogen oxides emitted from facilities as defined by the Air Pollution Control Act. Calculated as annual amount of dry exhaust gas at each facility multiplied by NO _x concentration. Nitrogen oxides (NO _x) emissions (tons) = NO _x concentration (ppm) × 10 ⁻⁶ × dry exhaust gas (Nm ³ /h) × annual facility operation hours (h) × 46/22.4 × 10 ⁻³ |
| Soot and Dust | Total soot and dust emitted from facilities as defined by the Air Pollution Control Act. Calculated as annual amount of dry exhaust gas at each facility multiplied by soot and dust concentration. Soot and dust emissions (tons) = soot and dust concentration (g/Nm ³) × dry exhaust gas (Nm ³ /h) × annual facility operation hours (h) × 10 ⁻⁶ |

【Environmental Accounting (Investments, Expenditures)】

| | |
|----------------------------|--|
| Pollution Prevention | Pollution prevention costs in order to control environmental impacts that occur in our business areas (air and water pollution prevention) |
| Environmental Conservation | Figures do not include investment and expense amounts related to environmental conservation. |
| Resource Recycling | Costs of processing industrial and general waste |
| Upstream and Downstream | Costs of recycling, collection, and appropriate processing of products, and costs of recycling, collection, and appropriate processing of containers and packaging. Includes supply chain management costs (green purchasing, guidance for vendors on reducing environmental impacts and building environmental management systems, etc.). |
| Management Activities | Costs required for environmental conservation activities at each manufacturing site (environmental education for employees and environmental impact monitoring and measurement). |
| Research and Development | Costs for research and development of products contributing to environmental conservation and of ways of reducing environmental impacts at the product manufacturing stage (figures do not include research and development investment amounts) |
| Social Activities | Costs of greening, beautification, landscape preservation, and disclosure of environmental information |
| Environmental Damage | Costs for addressing environmental damage (payment of sulfur oxide emission charges, etc.) |

【Environmental Accounting (Economic Impacts)】

| | |
|--|--|
| Revenue from Recycling | Total sales amount of off-grade materials and collected items obtained by recycling that resulted in paid transactions (valuable resources). |
| Cost Reductions by Better Resource Efficiency (Output per Unit of Input) | Total amount of reduction in purchase costs of raw materials, etc. through resource conservation activities and unit cost improvements. |
| Waste Disposal Cost Reductions by Recycling | Total amount of reduction in processing costs due to reduction of waste through recycling activities. |
| Cost Reductions by Energy Conservation | Total amount of reduction in energy costs through energy conservation activities. |

【Environment Efficiency】

| | |
|----------------------------|--|
| Total Environmental Impact | <p>Kaneka assesses the environmental impacts of our production activities using Environmental Impact Points (EIP), which are compiled using the JEPIX methodology (*1).</p> <p>*1 The Japan Environmental Policy Priorities Index (JEPIX) methodology involves the calculation of an "eco-factor" coefficient for each emitted substance that has an environmental impact, using a ratio of the annual target for emissions under national</p> |
|----------------------------|--|

| | |
|--------------------------|---|
| | environmental policies versus actual annual emissions ("Distance to Target"). The eco-factors are then multiplied by a quantity for each environmental impact to produce a single integrated indicator known as Environmental Impact Points (EIP). Calculations of eco-factors are done by the JEPiX Project (www.jepix.org , in Japanese). |
| Environmental Efficiency | Environmental efficiency is a yardstick to measure efforts to maximize value while minimizing environmental impacts, with the aim of achieving sustainable growth. Kaneka calculates this by dividing net sales (yen) by the EIP. |

【Scope3 GHG Emissions】

| | |
|--|--|
| Category 1 Purchased Goods/Services | The calculation was made using emission factors listed in the LCI database "IDEA ver. 2.3" (National Institute of Advanced Industrial Science and Technology / Sustainable Management Promotion Organization) with the purchase results in this fiscal year considered as the volume of activity. The coverage rate was 100% on a main raw material weight basis. |
| Category 2 Capital Goods | The calculation was made by multiplying investments in each capital formation area by emission factors listed in the Emissions Unit Database for Calculation of Greenhouse Gas Emissions, etc. by Organizations throughout the Supply Chain, (ver. 3.1) published by the Ministry of the Environment of Japan. The coverage rate was 100% on an investment amount basis. |
| Category 3 Fuel-and Energy-related Activities | The calculation was made by multiplying electric power, steam, and fuel consumption by emission factors listed in the Emissions Unit Database for Calculation of Greenhouse Gas Emissions, etc. by Organizations throughout the Supply Chain (ver. 3.1) published by the Ministry of the Environment of Japan and in the IDEA database ver. 2.3 (for the calculation of supply chain GHG emissions) published by the National Institute of Advanced Industrial Science and Technology and the Sustainable Management Promotion Organization. The coverage rate for organizations subject to the calculation was 100% on an energy consumption basis. |
| Category 4 Upstream Transportation and Distribution | The calculation was made using a calculation method stipulated in the Measures Pertaining to Consigners of the Energy Saving Law. Emission results have been calculated every year since fiscal 2006 according to the Energy Saving Law. The coverage rate was 100% on a transportation volume (ton-kilometer) basis. |
| Category 5 Waste Generated in Operations | The calculation was made by multiplying the volume of industrial waste by type from manufacturing sites by emission factors listed in the Emissions Unit Database for Calculation of Greenhouse Gas Emissions, etc. by Organizations throughout the Supply Chain (ver. 3.1) published by the Ministry of the Environment of Japan. The coverage rate was 100% on an amount of industrial waste generated basis. |
| Category 6 Business Travel | The calculation was made by multiplying travel costs by transportation mode and the number of stays by emission factors listed in the Emissions Unit Database for Calculation of Greenhouse Gas Emissions, etc. by Organizations throughout the Supply Chain (ver. 3.1) published by the Ministry of the Environment of Japan. The coverage rate was 100% on a basis of applied business travel expenses. |
| Category 7 Employee Commuting | The calculation was made by multiplying travel costs by transportation mode by emission factors listed in the Emissions Unit Database for Calculation of Greenhouse Gas Emissions, etc. by Organizations throughout the Supply Chain (ver. 3.1) published by the Ministry of the Environment of Japan. The coverage rate was 100% on a basis |

| | |
|--|--|
| | of applied commuting method. |
| Category 8 Upstream Leased Assets | According to company policy, we do not use leased assets for upstream operations, in principle. However, if some assets are leased, out of necessity, the emissions from them are included in Scope 1 or 2. |
| Category 9 Downstream Transportation and Distribution | This category was excluded from the scope of calculation because it is difficult to accurately grasp a wide range of downstream logistics operations due to the high percentage of intermediate products and to calculate the emissions using a rational calculation method. |
| Category 10 Processing of Sold Products | This category was excluded from the scope of calculation because it is difficult to accurately grasp a wide range of downstream product processing operations due to the high percentage of intermediate products and to calculate the emissions using a rational calculation method. |
| Category 11 Use of Sold Products | Most products sold by Kaneka are plastics, chemicals, foods, and pharmaceuticals which do not generate emissions when used. Although some medical devices and organic LED lightings generate emissions upon used, it is difficult to accurately grasp the gauging usage, we used assumptions to estimate emission volumes. Our results confirmed that such emissions represented less than 0.1% of Kaneka's total Scope 3 emissions, the category was thus excluded from the calculation range. |
| Category 12 End-of-Life Treatment of Sold Products | Assuming that all products manufactured by Kaneka are discarded within the reporting year, production quantities are classified according to type of waste outlined in the Emissions Unit Database for Calculation of Greenhouse Gas Emissions, etc. by Organizations throughout the Supply Chain (ver. 3.1) published by the Ministry of the Environment of Japan. Figures are calculated by multiplying by the emission factors listed in the database. |
| Category 13 Downstream Leased Assets | The calculation was made by multiplying the activity volume of leased assets by emission factors stipulated in the Act on Promotion of Global Warming Countermeasures according to the Basic Guidelines on the Calculation of Greenhouse Gas Emissions throughout the Supply Chain (ver. 2.3) published by the Ministry of the Environment of Japan. Since the emissions associated with assets leased to Group companies are included in the Scope 1 or 2 emissions of each company, they are included in Category 15. |
| Category 14 Franchises | This category was considered as an exception for calculation because Kaneka Corporation has no franchise stores. |
| Category 15 Investments | The emissions of Group companies were calculated using a calculation method stipulated in the Act on Promotion of Global Warming Countermeasures according to the Basic Guidelines on the Calculation of Greenhouse Gas Emissions throughout the Supply Chain (ver. 2.3) published by the Ministry of the Environment of Japan and then being multiplied by the relevant equity ratio. Investment in companies other than Group companies was excluded from the scope of calculation because it has not been made to obtain profits. |

【Energy Consumptions in Logistics, CO₂ Emissions】

| | |
|--|--|
| Energy Consumption (Crude Oil Equivalents) | Calculated based on the Energy Conservation Law Guidebook for Consigners issued by the Agency for Natural Resources and Energy of Japan. |
| Energy Intensity Index | Energy intensity is calculated by using a calculation method stipulated in the Measures Pertaining to Consigners of the Energy Saving Law. The energy intensity index is calculated by indexing the energy intensity, with fiscal 2006 used as the base year of 100. |
| CO ₂ Emissions | Calculated based on the Greenhouse Gas Emissions Calculation and Reporting Manual (ver. 4.7) published by the Ministry of the Environment of Japan. |

【Chemical Substances】

| | |
|---|---|
| Emissions of Substances Subject to the PRTR Law | Emissions to the atmosphere, water areas, soil at each site and landfills at each site, the amount transferred into sewers and into waste are calculated based on the revised Enforcement Order of the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (the revised Enforcement Order of PRTR Law) (Enforced on April 1, 2010). |
| Volatile Organic Compounds | Total emissions of VOCs into the atmosphere among substances subject to the PRTR Law and the substances that Japan Chemical Industry Association selected from the PRTR Law substances. |
| Hazardous Atmospheric Pollutants | Of the 23 revised “substances requiring priority action” in the report of the Central Environment Council (9th report) in October 2010, emissions to the atmosphere of acrylonitrile, vinyl chloride monomers, chloroform, 1,2-dichloroethane, dichloromethane, and 1,3-butadiene are calculated based on the atmospheric emissions of substances subject to the PRTR Law. |

【Industrial Waste】

| | |
|--|--|
| Industrial Waste Generated | Total amount of the amount of reduction by incineration at each site (difference between incinerated amount and the residue), the amount of landfill at each site and the amount of waste outsourced for external treatment. |
| Internal Reductions | Amount of reduction by incineration at the manufacturing site (difference between incinerated amount and the residue). |
| Internal Landfill | Amount of landfill at the manufacturing site as the final landfill site. |
| Waste Outsourced | Amount of waste outsourced to entities outside the manufacturing site. |
| External Recycling | Of waste outsourced to entities outside the manufacturing site, the total amount of industrial waste recycled through reuse, recycling, and heat recovery. |
| External Reductions | Of waste outsourced to entities outside the manufacturing site, the amount obtained by subtracting total incineration residue from the total amount of industrial waste incinerated without heat recovery and reduced in weight. |
| Volume of Waste Sent to Final Landfill | The total amount of waste sent directly to landfill and sent to final landfill after outsourced incineration. |
| Rate of Waste Sent to Final Landfill | Percentage of the total amount of waste sent directly to landfill and sent to final landfill after outsourced incineration divided by the total amount of industrial waste generated (%). |



Independent Assurance Report

To the President of KANEKA CORPORATION

We were engaged by KANEKA CORPORATION (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with ★ (the “Indicators”) for the period from April 1, 2020 to March 31, 2021 included in its Data Sheet 2021 (the “Date Sheet”) for the fiscal year ended March 31, 2021.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Data Sheet.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Data Sheet, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Data Sheet and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of one of the Company’s factories selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Data Sheet are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Data Sheet.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Yukinobu Matsuo, Partner, Board Director
KPMG AZSA Sustainability Co., Ltd.

Osaka, Japan
May 25, 2022