

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

## 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

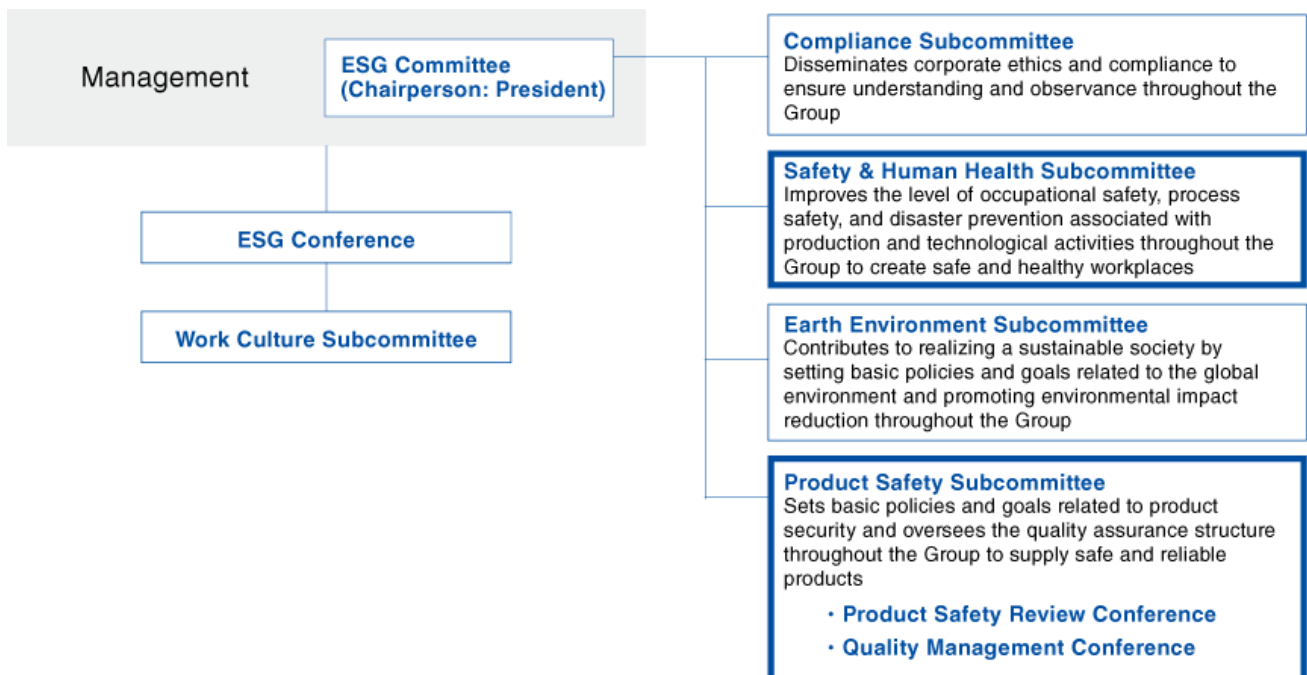
From the management to every employee, all our members shall act in compliance with laws, regulations, standards, etc. relating to environment and safety both at home and abroad. Our approach to Responsible Care as such shall be publicized accurately to the public, in hope of rightfully gaining public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

## Promotion System

As for safety, the Safety & Human Health Subcommittee, with the director in charge of process safety as the chair, sets policies and goals related to occupational safety, process safety, and disaster prevention and checks the progress of goals. To share the importance of safety first between management and on-site staff, members of top management inspect plants to check the on-site situation and create an opportunity to talk with employees.

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. Established as its implementation bodies, the Product Safety Review Conference and Quality Management Conference oversee the quality assurance structure throughout the Kaneka Group.

### ■ Diagram of Promotion System



## Safety / Quality

### Process Safety and Disaster Prevention

#### Targeting Zero Process Accidents

Placing the top priority for management on safety, the Kaneka Group share the importance of safety first between management and on-site staff and work to ensure zero process accidents. In fiscal 2019, we worked on two key challenges: ensuring the intrinsic safety of equipment and fostering a safe culture.

- **Ensuring the Intrinsic Safety of Equipment**  
We are promoting our efforts from the perspective of multiple protection based on risk assessment (safety assessment) of plants. We are also working to establish a smart plant by actively adopting DX (digital transformation) with a view to realizing an unmanned plant.
- **Fostering a Safe Culture**  
To have employees recognize the importance of observance of rules, we develop basic safety actions (greetings, 3Ss, handrail holding) and encourage these actions through posters and questionnaires. Based on the questionnaire results, we provide feedback to organization administrators and promote discussion at the workplace to help employees recognize the importance of basic actions and raise their safety awareness. We also take measures to recognize the importance of preventing human errors.

Although five process accidents, including minor accidents, occurred in fiscal 2019, 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. When occupational and process accidents occur, we share information on them throughout the Group, determine their causes, and share prevention measures against them across the Group. We have also created the Best Practices Guide, a collection of reference cases for safety educations. Using the guide for safety education at Group companies, we will continue our efforts to enhance safety awareness and techniques.

## 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.

## Implementation of Disaster Drills

We annually conduct comprehensive disaster drills, based on a scenario of a large-scale earthquake and a fire caused by hazardous material leakage, at all parent Manufacturing Sites jointly with local governments and an industrial complex so that we can promptly and effectively respond to emergency situations.

We advance countermeasures against natural disasters in order to priority, including promoting the earthquake-proofing of equipment in preparation for large-scale earthquakes, and implementing risk assessment for typhoons and heavy rain, 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. To improve disaster coping skills, we join a hydrant operation competition held locally, ranking higher every year.

■ Comprehensive Disaster Drills

Manufacturing Site	Date	Participants	Details
Takasago Manufacturing Site	December 16, 2019	2,158	An earthquake resulting in a fire caused by hazardous material leakage
Osaka Manufacturing Site	November 6, 2019	1,087	An earthquake resulting in a fire caused by harmful material leakage
Shiga Manufacturing Site	November 27, 2019	464	An earthquake resulting in a fire
Kashima Manufacturing Site	March 4, 2020	90	An earthquake resulting in a fire caused by hazardous material leakage



Cooperation with the local government



Participated in a hydrant operation competition held locally

## Plant Safety Initiatives

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. In fiscal 2019, 68 employees attended the workshop. Currently, 43 employees are registered as safety evaluators. 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

The number of process accidents decreased. However, toward further reduction of accidents, we will ensure risk assessment and intrinsic safety by setting risk assessment standards and fostering safety evaluators. We will make company-wide efforts to prevent similar accidents.

## Safety / Quality

### Occupational Safety and Health

#### Occupational Safety and Health Initiatives

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.

In 2019, 19 occupational accidents occurred in the Kaneka Group, of which 10 resulted in lost work time, and nine did not. In particular, the number of machine accidents, such as being caught in machinery, was large. The main causes were the shortage of safety inspections by supervisors, the unconscious and careless behavior of workers, and the leakage of risk identification.

We will boost personal safety awareness by promoting safety activities in compliance with the Zero Accident Principles, including identifying potential danger, ensuring the intrinsic safety of equipment, and taking safeguarding measures.

#### 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%}



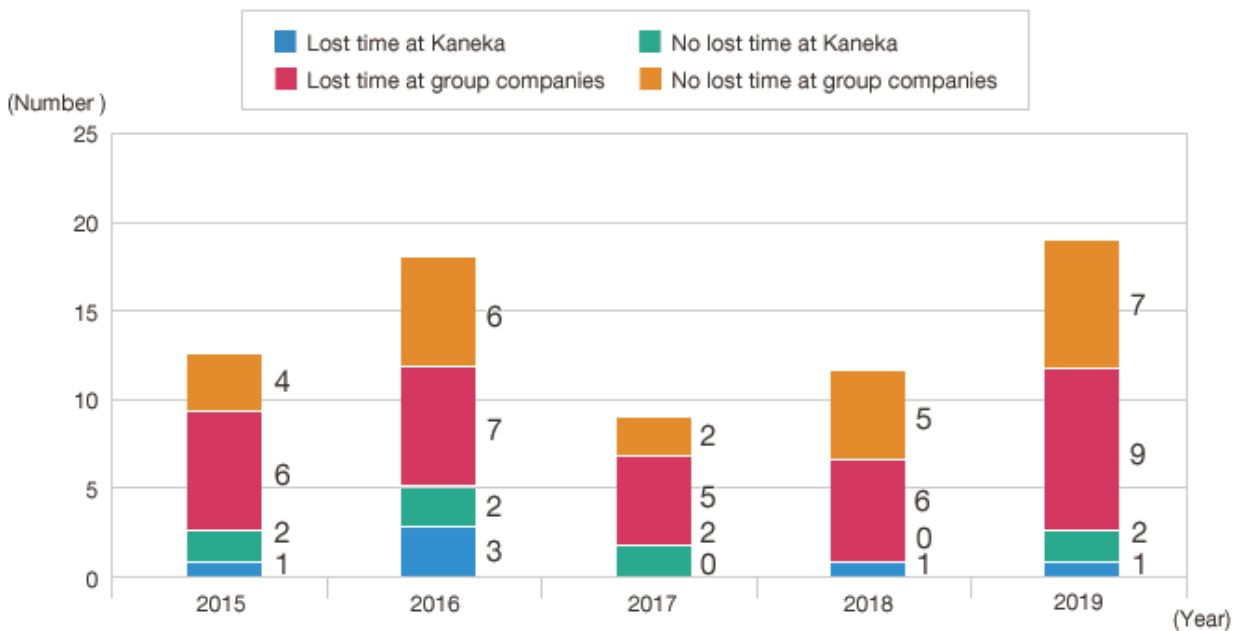
## Enhancing Our Occupational Safety and Health Management System

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

### 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	
	2018	2019	2018	2019	2018	2019
Accident Frequency Rate	0.23	0.52	0.00	0.00	0.36	0.78
Accident Severity Rate	0.02	0.01	0.00	0.00	0.03	0.02

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.

## Prevention of Machine Accidents

To prevent machine accidents, such as being caught in machinery, we foster experts in machine safety. In fiscal 2019, we registered 32 employees who acquired safety sub-assessor (SSA) (\*) qualification as safety experts.

\* Safety sub-assessor (SSA) qualification is provided to machine designers who have the basic knowledge and skills required to check the validity of machine safety.

## Hands-on Safety Experience Programs

We have established hands-on safety experience facilities to have employees experience the fear of occupational accidents.

For Group companies in Japan, we provide employees with the opportunity to gain simulated experience, using in-vehicle hands-on safety experience equipment, to raise their safety awareness. We also promote the introduction of a system that enables virtual reality experience.



## Safety Commendation

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.

In fiscal 2019, the award was granted to four Group companies within and outside Japan. Taiyo Yushi Corporation was certified as a Safety-conscious Company by the Japan Chemical Industry Association. We will continue to actively commend efforts to improve safety in order to raise safety awareness toward achieving zero accidents.

### ■ In-house Safety Commendation

Group Company	Award for Zero Accident and Disaster Period
Kaneka Medical Vietnam Co., Ltd.	July 2007 - (12 years)
Kaneka Sun Spice Corporation	July 2014 - (5 years)
Showa Kaseikogyo Co., Ltd.	January 2015 - (5 years)
Taiyo Yushi Corporation	January 2016 - (4 years)

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

Group Company	Certification for Zero Accident and Disaster Period
Taiyo Yushi Corporation	January 2016 - (3 years)



Kaneka Medical Vietnam Co., Ltd.



Taiyo Yushi Corporation

## CHECK & ACT

In 2019, 19 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

#### Quality Management

Kaneka Group strive to benefit society and satisfy our customers through providing a stable supply of safe and reliable products. To that end, we undertake quality management activities to ensure product safety at all stages of product design and development, raw material procurement, manufacturing, and sales.

In fiscal 2019, related activities included the followings:

- Self-inspection was conducted to check management review implementation in each division for more improvement.
- We checked product inspection implementation at the plants of Group companies and found no serious compliance violations.
- We held four Quality Management conferences, inviting persons in charge of quality management in each business division, to instill the policy and instructions of the ESG Committee and the Product Safety Subcommittee, exchange views, and share information on product quality.
- We undertook a range of activities to improve the capacity of our employees, including through outside seminars and in-house lectures by external experts.

#### Product Safety Review Conference

Due to expanded business operations and diversified activities of the Group, we need to conduct an increasing number of reviews of our new services and products targeted at general consumers. To respond to emerging opportunities in a timely and speedy manner, in fiscal 2019 the Product Safety Review Conference and its administration office carried out related pre-consultations (hearings). In new food fields, in particular, we asked external experts to check risks to ensure product safety.

## Chemical Substance Management

We appropriately manage chemical substances at all stages of product development, manufacturing, transportation, sales, and disposal, following Japanese and international laws and regulations. For raw material procurement, we have established the Green Procurement Standards to prevent mixing of chemicals prohibited under the Chemical Substances Control Act (\*1). We also actively offer information for the proper handling of our products through displaying Globally Harmonized System of Classification and Labelling of Chemicals (GHS) (\*2) labels and providing a safety data sheet for products.

\*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.

## Audits and Inspections

We regularly undergo reviews and audits by external organizations based on established standards and criteria, such as the ISO 9001 standards.

In addition, we are working to improve our performance through ESG safety and quality inspections and internal auditing.

In fiscal 2019, related activities included the followings:

- We conducted an inspection and checked business operations with external experts, targeting expandable plastics, food, high-performance resin, and regenerative medicine and cell therapy.
- We continued to clarify the strengths and weaknesses of our product quality through quantitative evaluation and conducted an audit at all Group companies in Japan, including the production, sales, and administration divisions, through self-inspection using an audit checklist.
- We continued to develop and train internal auditors to further improve internal audit capabilities.

## CHECK & ACT

The expansion of the scope of internal audits led to enhancing our ability to inspect and improve product manufacturing as well as services for customers.

We will optimize the quality management system with the Product Safety Subcommittee serving as a center and through the improvement of frontline execution.

## 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 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 / 10189365
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)	
Foam & Residential Techs SV	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
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 / YKA0935762
	Highly heat-resistant and light-resistant resins and molded products	DNV / 01635- 2006-AQ-KOB- RvA/JAB

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
PV & Energy management SV	Photovoltaic modules	JQA / JQA- QMA13200
Kaneka Solartech Corporation		
Kaneka Solar Marketing Corporation		
Foods & Agris SV	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
Takasago Manufacturing Site Foods Manufacturing Department		
Kaneka Foods Manufacturing Corporation		
Tokyo Kaneka Foods Manufacturing Corporation		
Kaneka Foods Corporation		
NJF Co., Ltd.		
OLED Business Development Project	Organic electroluminescent lighting	JMAQA / JMAQA- 2532
OLED Aomori Co., Ltd.		
Showa Kaseikogyo Co., Ltd.	Plastic compounds	ASR / Q0556



Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
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.	Polystyrene foam molded products	JACO / QC03J0233
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	JACO / QC17J0033
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

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Kaneka Sun Spice Corporation	(1) 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 and 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 / AR2598
Kaneka Eperan (Suzhou) Co., Ltd.	Bead technique-based polyolefins (Eperan, Eperan PP)	SGS / CN18/20031

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
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

■ ISO 13485 Certification (\*3)

Division or Group Company (SV : Solutions Vehicle)	Main Products	Registry Organization and Number
Medical SV	Lixelle, liposorber, catheters, silascon, and ED coil	TÜV SÜD / Q5 024736 0069
Kaneka Medix Corporation		
Kaneka Medical Vietnam Co., Ltd.		
Kaneka Medix Tech Corporation		
Kaneka Eurogentec S.A.	<i>In vitro</i> 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

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

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

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

Division or Group Company (SV : Solutions Vehicle)	Main Products	Registry Organization and Number
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

\*5 FSSC22000 is a sector for food safety management system, which based on ISO 22000 with the addition of ISO/TS 22002-1 requirements.

■ ISO 22716 Certification (\*6)

Group Company	Main Products	Registry Organization and Number
Taiyo Yushi Corporation	Shampoos, conditioners, body soaps, and hand creams	BVJ / 3889080

\*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

\*7 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.

# CSR Procurement Management Approach

## Basic Policy

We draw on our Basic Procurement Policy to engage in rational procurement that is fair, equitable, and environmentally friendly to mutually improve corporate value with our business partners.

## 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

#### Green Procurement Based on Basic Procurement Policy

To reduce burdens on global environment, we adopted our Basic Procurement Policy, which declared our goal to pursue green procurement; this served as the foundation of our Green Procurement Standards established.

#### 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.

In accordance with our Green Procurement Standards, we strive to keep up-to-date concerning the environmental activities undertaken by our business partners, and are exploring ways to make effective use of our website to share information about Kaneka's initiatives and perspectives to further promote green procurement efforts.

For CSR procurement, we asked our business partners to respond to our questionnaire survey in fiscal 2019. We will gradually provide feedback to them based on the survey results to further develop a relationship of trust with them through dialogue.

## Initiatives for Logistics Safety

In fiscal 2019, jointly with our transportation contractors, we carried out a year-long awareness-raising initiative on the premises to promote safety in logistics operations. It included the implementation of a risk prediction training program and checking safety behavior during loading. We also held transport accident emergency reporting drills based on specific scenarios. Simulated training on emergency handling of poisonous materials was held at the Takasago Manufacturing Site. Through continuous implementation of these activities, all staff members reaffirm how to take action in the event of accidents and the importance of prompt reporting to relevant departments to control emergency situations.



## CHECK & ACT

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



## Human Resource Strategies

### Wellness and Growth of Individual Employees as a Source of Innovation and Value Creation

Being a “Human Driven Company” is the DNA of Kaneka. In the VUCA world, individual employees in good physical and mental health generate the results and value of work and realize innovation. Considering that only such employees can help organizations maintain and improve health and achieve high productivity, we are involved in various activities while cultivating our capacity for innovation and creativity.



#### Work Culture Innovation

##### Changing “Pain” to “Gain”

To make effective use of time, information, and human resources and maximize the productivity of organizations and employees from the perspectives of “Life in Work” and “Work in Life,” we have formed the Work Culture Committee under the ESG Conference to streamline business processes and change office environments. We also work to enhance value communication and create a robust organization where members are united toward the same purpose.

We have promoted the reform of working practices by introducing various systems that allow employees to choose a flexible working style, including the adoption of remote working. We have also introduced shorter and staggered work hours programs, a child and nursing care leave system, and a babysitting expense aid system to help employees achieve a better work-life balance.

The COVID-19 pandemic has drastically changed the conventional working environment. We are accelerating innovation to create a new way of working adaptable to this drastic paradigm shift. While continuously engaging in remote working, making full use of online technologies, individual employees need to cultivate their imagination, creativity, and intuition to acquire more effective and productive job performance skills and achieve discontinuous innovation and growth.

With the slogan “Change pain to gain!” we will further deepen our efforts and continue to innovate toward smart work that leads to better working conditions and higher productivity.

## New Style Work Culture

### (1) Improvement of telecommuting system

Our conventional telecommuting system has been improved to respond to the COVID-19 pandemic. We have improved our IT infrastructure and have established a telecommuting aid system to make the system more available, thereby ensuring the health and safety of employees. We have also increased the value of telecommuting by raising its efficiency using online platforms. Some employees work at remote offices converted from company housing. The use of flexible and staggered work hours programs enables employees to avoid commuter rush hours.

### (2) Changes in meetings

We have abolished large meetings and regular meetings. Instead, we often hold small meetings to share and discuss information in a timely manner. With a limitation of up to 10 members and 50 minutes per meeting, we hold both in-person and online meetings. By innovating the way to prepare for, operate, and facilitate a meeting, we promote speedy decision-making and implementation.

### (3) Revision of the working environment

To ensure a safe working environment, we conduct body temperature checks, provide partitions and antiseptic solution, and secure social distancing through a non-territorial office system. In association with changes in meetings, we have increased spaces for small meetings and have promoted standing meetings by removing some chairs from meeting rooms. We are seeking to create a working environment adapted to a new way of working.

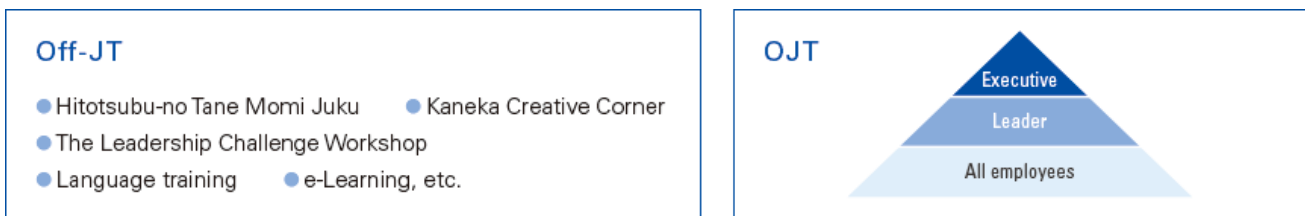


“Kaneka 1-on-1” lighting a fire in people’s hearts



The growth of people and the results of work are like the two sides of a coin. We aim to realize human resource development and goal achievement through Kaneka 1-on-1. To create a more united organization as One Team, we have expanded the system to involve all employees. In Kaneka 1-on-1 involving all employees, we promote frequent 1-on-1 communication with one’s boss and regular meetings on a smallest unit (team) basis to enhance collaboration and information sharing and resolve issues together, aiming to increase organizational power. Through communication and team meetings, we deepen mutual trust and encourage autonomous and voluntary behavior to reinforce human resource development and organizational power. Moreover, to enhance the coaching ability of bosses, we hold skill-up workshops for them, measure their effects through surveys and hearings, and provide feedback to improve value communication.

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



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

■ Development of Leaders

Program Name	Content	Fiscal 2017 No. of participants	Fiscal 2018 No. of participants	Fiscal 2019 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	61
Kaneka Creative Corner	Lectures and exercises by the top management and first-class instructing staff targeted at future leaders of national staff	12	12	Not implemented	34
The Leadership Challenge Workshop	Acquiring and practicing leadership skills and follow-up	(outside Japan) 24	(outside Japan) 21	(outside Japan) 36	(outside Japan) 464
		(in Japan) 236	(in Japan) 288	(in Japan) 187	(in Japan) 1,138



## Toward the Active Participation of Diverse Workforce

We are trying to resolve various social issues as a Trial & Error experiment driven company. Considering that new ideas are generated from conflicts between and respect for different values, we promote active participation of diverse personnel with high motivation and leadership skills in the workplace, regardless of age, gender, or nationality.

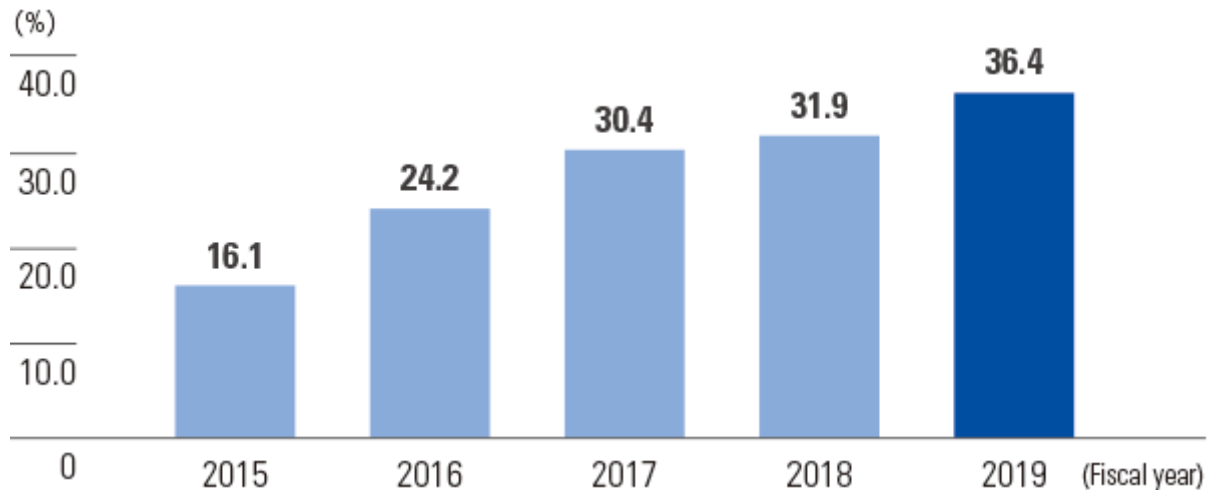
### Active Promotion of Female Employees

Women's power is essential to business growth. We have hired more women in all fields, including food, health, and SNS-based marketing. More female employees play a central role in a newly established sales promotion section for Kaneka Ubiquinol and other sections.

The percentage of women among new recruits (from universities and technical colleges) is increasing yearly. We promote the active appointment of female managers to nurture future leaders in business and management.

We will more actively promote female recruitment and manager appointment based on action plans to provide useful solutions for society, making use of diverse values in business.

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



### Use of Senior Employees

Amid a decrease in the working population, we need to retain highly motivated and skilled personnel, in anticipation of the advent of the 100-year lifespan. To ensure that senior employees after retirement age can work with motivation regardless of age, we have shifted to a job-specified re-employment system. In the new system, senior employees design a second career based on their experience and skills through in-house job matching. To support them, we are creating a career design training program for employees in their 50s.

We will create a system that helps senior employees use their experience and expertise to form a new career and increase their willingness to work.

## ■ Implementation of Career Development and Life Design Support Activities

Program Name	Fiscal 2017 No. of participants (No. of training sessions)	Fiscal 2018 No. of participants (No. of training sessions)	Fiscal 2019 No. of participants (No. of training sessions)
Career-design training	382	272	139
Life-design training	63 (7)	75 (6)	—(*1)

\*1 A life planning booklet was distributed to employees.

## Hiring and Support of Employees with Various Nationalities

Of about 11,000 employees in the Kaneka Group, about 3,000 employees of foreign nationality are engaged in operations worldwide in line with our global business expansion.

We have introduced a hiring system that recruits new graduates in spring and October to hire more employees of foreign nationality. To smoothly accept them, we provide a Japanese learning program, promote OJT jointly conducted by the Human Resources Department and the relevant division, and conduct regular interviews to boost their retention.

We also focus on developing future global leaders by having them gain experience in countries other than their home country through the Study Abroad Program and the Overseas Trainee Dispatch Program.

## Employment of Persons with Disabilities

The employment rate of persons with disabilities at Kaneka in fiscal 2019 was 2.21%. We are providing them with more work opportunities, including pickup and delivery work, greening and cleaning of plants, computerization of documents, and in-house creation of business cards.

We will create a welcoming workplace, expand occupational fields, and support employment efforts by group companies to increase their employment rate throughout the Kaneka Group.

## Efforts for Wellness

### Basic Policy

We define ESG management as “Wellness First” health management. To make the world more wellness-first, we aim to ensure that individual employees in the Kaneka Group lead vibrant and colorful lives and work with enthusiasm through efforts to build their physical and mental health.

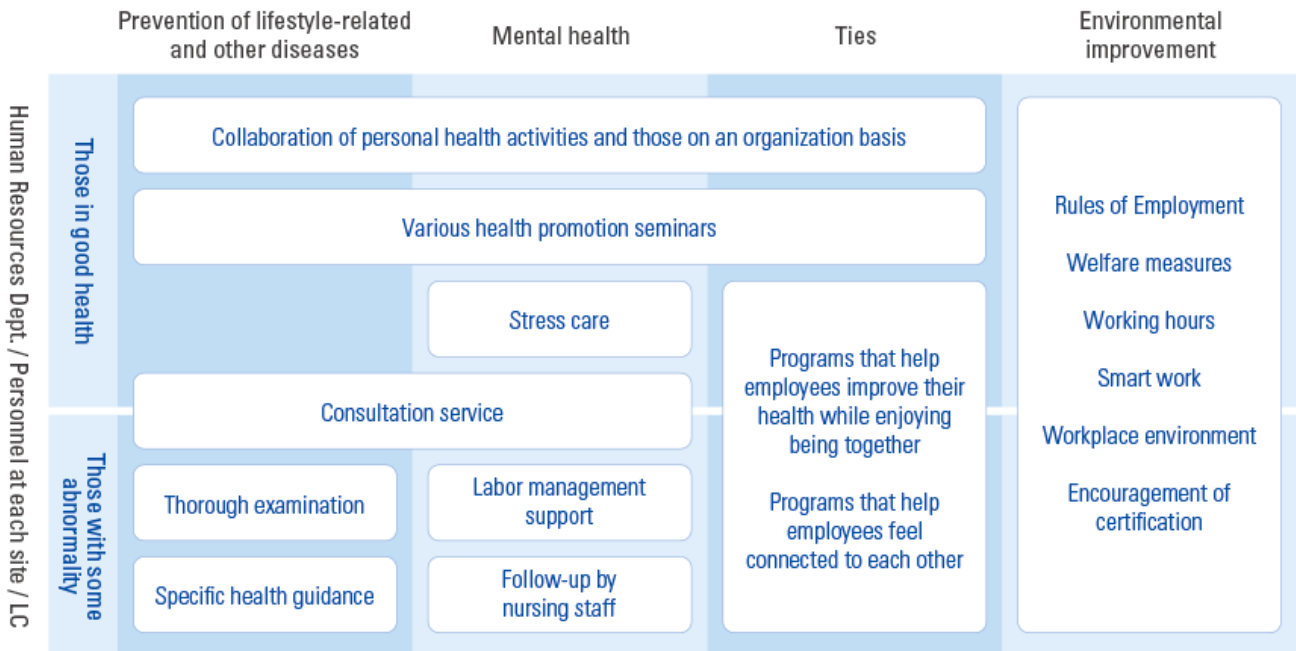
In a virus era, it is important that all employees work together to create a healthy and vigorous workplace where they can play a positive role and to build an ever-evolving work culture. We believe this leads to the implementation of our mission “Kaneka thinks ‘Wellness First’”.

## Framework for Health Promotion

We will promote the health of employees and their family members and build a healthy organization and workplace from three perspectives: (1) prevention of lifestyle-related and other diseases, (2) mental health, and (3) ties. We will also implement various programs that they can enjoy together, feeling connected to each other.

Listening to employees' views, we will offer health promotion programs through cooperation between the company, the health insurance society, and the labor union and through value communication.

### ■ Framework for Health Promotion



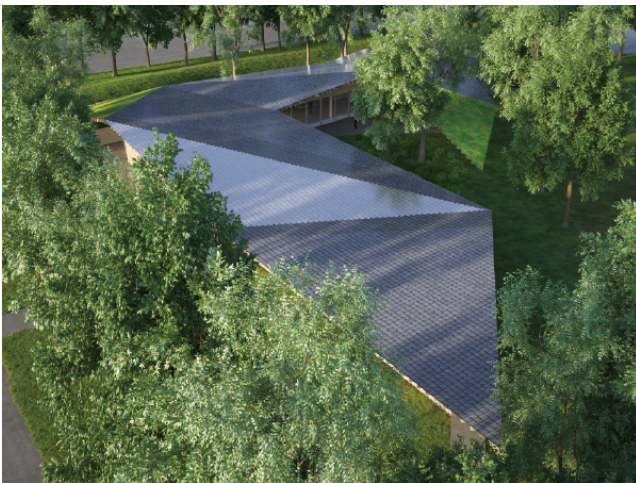
## Mother Center for Wellness “KANEKA Wellness Center” to Be Newly Established

In November 2020, we decided to establish the KANEKA Wellness Center [Design supervision: Mr. Kengo Kuma(\*2)] at the Takasago Manufacturing Site as a place to accelerate health promotion (construction completion scheduled for 2022).

At the Center, classroom lectures on healthy diet, sleep, and exercise and hands-on seminars, including physical training and yoga, will be offered. Through these programs, we will help employees develop a considerate attitude and deepen ties with their families and colleagues, their body and mind, and our health food products. We thereby aim to decrease those with some abnormality by half and reduce to zero those with mental problems.

We plan to provide health promotion programs and devices developed at the Center to other business sites to help Kaneka Group employees and their family members maintain their physical and mental health. We will also offer health information and events for local residents through the Center to deepen ties and communication with them and help them improve their health.

\*2 An architect and designer active around the world who is associated with designing the New National Stadium, the main stadium for the 2020 Tokyo Olympic and Paralympic Games.



Conceptual drawing of the KANEKA Wellness Center (exterior from the sky and interior) : Courtesy of © Kengo Kuma and Associates

## Mental Health Care

Mental health care activity is necessary to maintain employees' mental health. We provide interview opportunities with experts at the Health Consultation Room, a telephone consultation service in cooperation with the health insurance society, and health care to those with high stress levels who were identified through stress checks launched in 2016. We also are continuing efforts to improve the workplace environment by identifying issues at each workplace through stress check group analysis. We are seeking to ensure that individual employees can work in good mental health with colleagues.

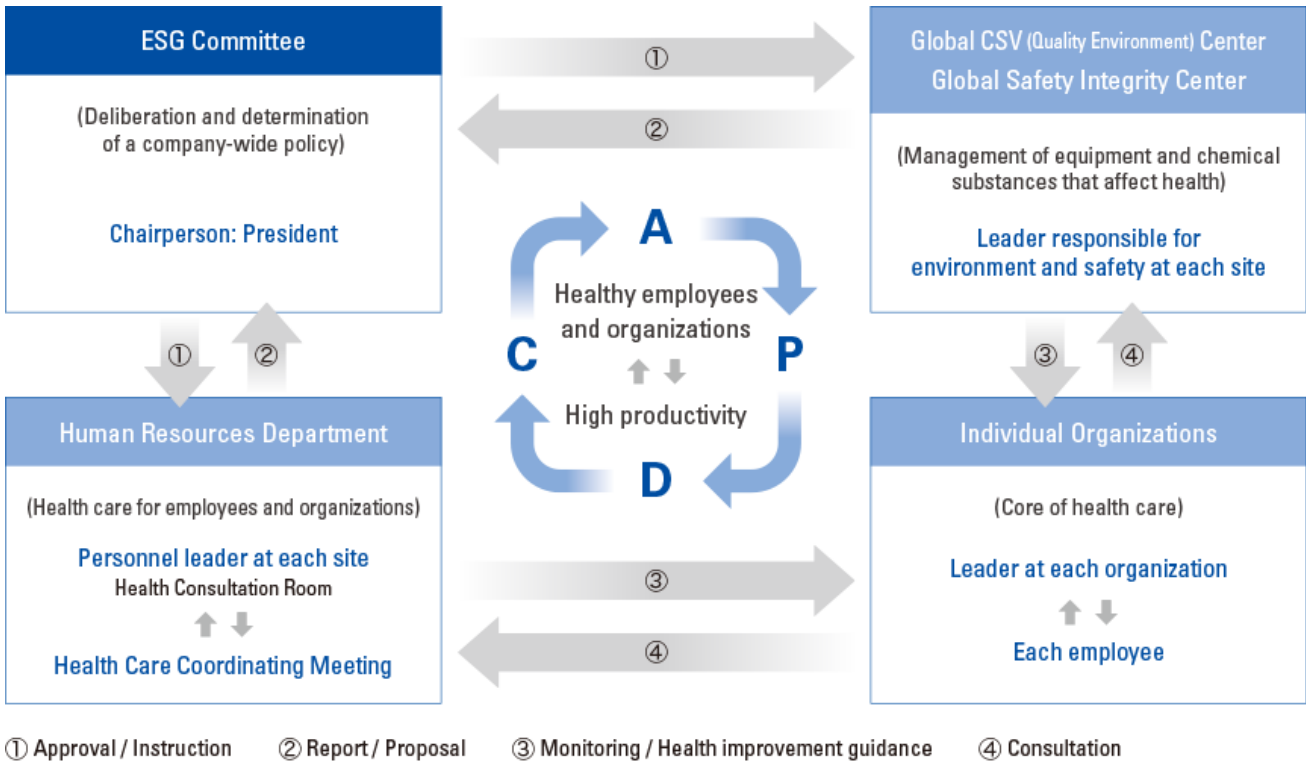
- Improving the group analysis method at each workplace (adding new stress check items, such as work engagement and unity at the workplace, to conventional items)
- Enhancing the consulting system for loan employees in and outside Japan
- Improving education and training programs and online contents for providing information



## System toward Health Maintenance and Promotion

The ESG Committee determines measures to resolve health issues, and each employee and organization, the safety division, the Health Consultation Room (industrial physicians and nursing staff), the health insurance society, the labor union, the personnel at each site, the general affairs division, and the human resources division work together to implement the CAPD cycle while maintaining value communication.

### ■ System toward Health Maintenance and Promotion



## Enjoying Exercise and Deepening Ties through “Run & Walk”

We consider it important that all employees in the Kaneka Group and their family members lead colorful lives in good health, mentally and physically.

To this end, 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. Many employees actively participate in these activities.

- The long-distance relay race “Run, Run, Run. kaneka 2019” (launched in 2015) was held, gathering employees and their families from Kaneka group companies in and outside Japan and partner companies, with 2,699 people entering the race.



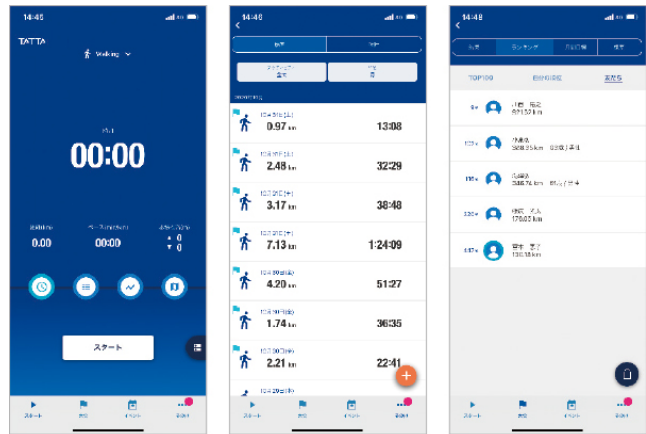
Long-distance relay race “Run, Run, Run. kaneka 2019”



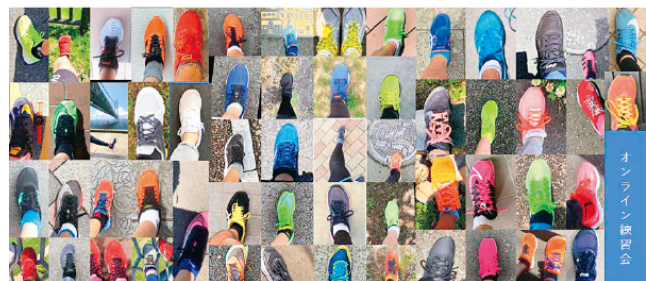
At the closing ceremony of the long-distance relay race “Run, Run, Run. kaneka 2019”

- While various activities were restricted due to the COVID-19 pandemic, we held “Run & Walk 2020 in kaneka,” a race between five-member teams that could be entered online. A total of 1,576 employees (89 teams in the running section; 230 teams in the walking section) ran and walked at nearby places for a month while remotely communicating with each other.
- We sponsored the Hokkaido Marathon (fiscal 2019).
- We won the Runners Award hosted by the Runners’ Foundation for the first time as a company for a Group-wide long-distance relay race, sponsorship of the Hokkaido Marathon, support for participants, and a marathon training program targeting even beginners.
- The Kashima Manufacturing Site was certified as a Sports Yell Company by the Japan Sports Agency for its health promotion activities in fiscal 2019 (for two consecutive years from fiscal 2018).
- The Takasago and Shiga Manufacturing Sites offered smart meals, certified as healthy diets, at their canteens.
- We supported various health initiatives for those who wish to start some form of exercise and try to run a marathon to enhance health awareness, maintain and improve fitness, and increase physical strength.

- Implementation of an online marathon training session and seminar.
- Provision of hands-on programs, such as a health seminar by a RIZAP trainer, an office yoga program, and a seminar on sleep.
- Abolition of office smoking areas and prohibition of smoking during working hours to eliminate passive smoking.



Running distance measured using the smartphone application “TATTA,” which enables to check team members’ distance, and encourage each other



Online running training session that connects each runner online



Office yoga program is useful to increase work efficiency, improve health, and relieve stress

## 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. Hoping to maintain and improve employees' health, Kaneka thinks "Wellness First." Under this management philosophy, we set up 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.

This Foundation consists of reserves contributed by the company at the time of founding and on a regular basis and reserves contributed periodically and voluntarily by directors and employees who agree with the purpose of the Foundation. An annual report is delivered to these directors and employees each year, and the provision of donations is reported on our Intranet.

#### Support Concerning Damages from Typhoon Nos. 15/19 in 2019

When typhoon Nos. 15 and 19 hit Japan in September and October 2019, respectively, we donated 10 million yen to the Japan Platform through the KANEKA UNITED Kizuna Foundation to aid disaster victims and reconstruction.

We also donated part of the proceeds from a summer festival held at the Takasago Manufacturing Site through the Japan Red Cross Society.

We hope that disaster-stricken areas will achieve rehabilitation and reconstruction in the quickest possible time.

## Support for Tohoku and Kumamoto

We organized the product fair “Waku-Waku Market,” targeting employees at the Osaka Manufacturing Site, in April and December 2019 to support disaster-stricken areas in the Tohoku region. On market days, employees from our group company Kaneka Osaka Service Center Co., Ltd. worked with market staff to sell products, including sake, side dishes to go with rice, and sweets, from the Tohoku region. The fair provided access for employees to purchase products only available in Tohoku and led to assistance from the Kansai region to disaster-stricken areas. We will continue these support activities.

We also donated part of the proceeds from a summer festival held at the Takasago Manufacturing Site as a reconstruction support fund for Kumamoto Earthquake-stricken areas through the Kobe Shimbun Welfare Foundation.



“Waku-Waku Market,” a product fair to support disaster-stricken areas in the Tohoku region

## 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.

The classes were offered in July 2019 at Torikai Nishi Elementary School, near the Osaka Manufacturing Site, to 88 students; in October at Takasago Elementary School, near the Takasago Manufacturing Site, to 58 students; and in December at Shimosakamoto Elementary School, near the Shiga Manufacturing Site, to 159 students.

Newly hired employees at these Manufacturing Sites and retired employees of the company joined the classes as lecturers to assist students and show them the enjoyment and sense of achievement that can come from creating something. After assembling the kits, students were very excited to see the trial runs in gymnasiums. These classes provided a good opportunity for newly hired employees to realize the difficulty of providing guidance and reaffirm the basics of manufacturing. We will continue to offer these classes.



Takasago Manufacturing Site



Osaka Manufacturing Site



Shiga Manufacturing Site

## Effort of the Kaneka Group

### 〈All parent manufacturing sites, Group companies in Japan and overseas〉

Regularly accepted internship, on-the-job training, career experience, and workplace visit offers from local students. Also participated in Hyogo Prefecture's work experience programs for junior high school students and conducted plant and facility visits for neighborhood schools, local community associations, and other groups.



Experiencing a manufacturing process in the work experience program (Kaneka Foods Manufacturing Corporation)



Plant visit by local university students (Kaneka (Malaysia) Sdn. Bhd.)



Acceptance of plant visit by local elementary school students (Kaneka Nishinippon Styrol Co., Ltd.)

### 〈All parent manufacturing sites, Group companies in Japan and overseas〉

Conducted outreach lectures and lab classes for students and teachers above elementary school level.



Offered the environmental class "Toyooka Environment Innovation" to local elementary school students (Kaneka Solartech Corporation)



Delivered a lecture on fostering youth development to local elementary school teachers (Tokyo Kaneka Foods Manufacturing Corporation)



Offered a soap class at the "EcoPro 2019" exhibition (Taiyo Yushi Corporation)

### 〈Takasago Manufacturing Site〉

- Planted seedlings in May (240 participants) and did potato-digging in November (362 participants) in the field located at the Takasago Manufacturing Site with local kindergarten, elementary, and special needs school students.
- Invited elementary school students in Takasago City to offer a child summer holiday class, where they visited a plant and produced erasers and bread.



Potato-digging



Experience producing an eraser

### 〈Osaka Manufacturing Site〉

- Offered a hands-on safety experience program and a safety lecture to about 160 technical college students to help them obtain knowledge on danger and safety in the handling of equipment.
- Offered internships and plant visits to high school and technical college students. Also dispatched employees to the high school and technical college from which they graduated to offer a lecture to students to raise their working awareness and improve their expertise.



Safety lecture offered to technical college students



Acceptance of plant visit



### 〈Shiga Manufacturing Site〉

- Offered the “Welcome Seniors” program to local sixth graders, where employees (in a research position or a management-track position) from the Shiga Manufacturing Site introduced specific jobs at Kaneka and had them think about working.
- Accepted plant visits by first-grade high school students from a Super Science High-school (SSH) (\*1) and the Super Global High-school (SGH) (\*2) in Shimane Prefecture to explain about products manufactured at the Shiga Manufacturing Site and about Kaneka.

\*1 Super Science High-school (SSH): a high school designated by the Ministry of Education, Culture, Sports, Science and Technology to provide advanced education focused on scientific technology, science, and mathematics.

\*2 Super Global High-school (SGH): a high school designated by the Ministry of Education, Culture, Sports, Science and Technology to foster global leaders who have interest in social issues, a good education, communication skills, and an international grounding in resolving issues and can play active roles internationally in the future.



“Welcome Seniors”



Acceptance of SSH and SGH students

### 〈Kashima Manufacturing Site〉

Conducted an outreach science lecture under the theme of polystyrene foam, which is manufactured at the Kashima Manufacturing Site, for 132 local fifth graders to show the enjoyment of science and teach the shock absorbing and heat insulating properties of polystyrene foam and how it is used in daily life.



Outreach lecture

### 〈Kaneka Americas Holding, Inc.〉

Continued to provide an annual four-year scholarship of \$1,000 to local high school students through the Kaneka Foundation for 25 years from 1994.

### 〈Kaneka Sun Spice Corporation〉

Participated in the “Gathering with Graduates to Develop Career Views and Work Views,” held as part of high school education, as graduates.

### 〈Kaneka Solartech Corporation〉

Participated in the “Ottorossa! Manufacturing VI” program, hosted by the Toyooka Industries Association, to offer the Interesting Course, where elementary school students learned about global warming and created electricity themselves to compete with solar panels.

### 〈Kaneka Medical Tech Corporation〉

Delivered a lecture on the medical device industry in Japan and the design/development of our products and medical devices and offered a demonstration to about 20 first graders at a local SSH. Also accepted their plant visit.

### 〈Kaneka Medix Corporation〉

Donated bell marks to a local elementary school.



A box set to collect bell marks

## 〈Cemedine Co., Ltd.〉

- Sponsored the All Japan Technical College Robot Contest (Technical College Robocon), aimed at supporting young engineers with a passion for manufacturing, and the Elementary School Student Robocon, which was launched in 2019. Also sponsored the Youngsters' Science Festival in Koga.
- Participated in the Bell Mark activities, aimed at enabling every child to receive equal education in a quality environment.
- Presented adhesive products for wood to all new first graders in Koga City, Kameyama City, and Hekinan City, where its plants are located.
- Supported the activities of the Japan Wrestling Federation, involved in spreading and developing wrestling and fostering wrestlers.



Presented woodworking adhesive products

## 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

〈All parent manufacturing sites, Group companies in Japan and overseas〉

Held summer festivals and other events for neighborhood residents, employees, and employees of partner companies.



Kaneka Summer Festival 2019  
(Takasago Manufacturing Site)



Kaneka Summer Festival 2019 (Osaka  
Manufacturing Site)



Participated in a local summer festival  
(Tokyo Kaneka Foods Manufacturing  
Corporation)

〈All parent manufacturing sites, Group companies in Japan and overseas〉

Provided donations and support through advertisements for various local events, such as a grand festival and a firework display. Also opened a stall store to offer products, foods, and beverages at such events.



Sponsored a lantern festival  
(Nagashima Shokuhin Co., Ltd.)



Offered freshly made rice cakes and  
pork miso soup (Kaneka Foods  
Manufacturing Corporation)

〈All parent manufacturing sites, Group companies in Japan and overseas〉

Participated in and sponsored various sports events hosted by neighborhood companies, industrial park associations, and other organizations, including marathon relay races, marathon, jogging, walking, soccer, softball, volleyball, bowling, and long rope jumping.



Participated in the Takasago Hamakaze Marathon Relay Race as executive committee members and runners (Takasago Manufacturing Site)



Paid sponsorship fees for paper fans to support the volleyball tournament of the Ibaraki National Sports Festival (Kaneka Sun Spice Corporation)



Participated in a charity walking event and donated the proceeds to the American Heart Association (Kaneka Americas Holding, Inc.)

〈All parent manufacturing sites, Kaneka Medix Corporation, Tokyo Kaneka Foods Manufacturing Corporation, Tochigi Kaneka Corporation, Kaneka (Malaysia) Sdn. Bhd., Kaneka Solartech Corporation〉

Carried out a comprehensive disaster drill with a local fire department. Also actively participated in a New Year firefighters parade, a hydrant operation competition, a firefighting drill, traffic safety/safety promotion activities, and so on.



Took supreme command and received training on how to fight a fire caused by hazardous material leakage at a firefighting drill hosted by the Settsu City Fire Prevention and Safety Association (Osaka Manufacturing Site)



Implemented a firefighting and disaster drill at the business site (Kaneka Solartech Corporation)



Won third prize at the In-House Firefighting Team Competition held by Iruma Tobu Rescue, Saitama Prefecture (Tokyo Kaneka Foods Manufacturing Corporation)



Won the championship at several events of an emergency response competition hosted by the Pahang Fire and Rescue Department, Malaysia (Kaneka (Malaysia) Sdn. Bhd.)

〈All parent manufacturing sites, Kaneka Sun Spice Corporation, Kaneka Medix Corporation, Kyushu Kanelite Co., Ltd., Tokyo Kaneka Foods Manufacturing Corporation〉

Accepted plant and facility visits by neighborhood community associations, social workers, and workplace associations and participated in regional exchange activities.



Plant visit by local social workers (Osaka Manufacturing Site)



Supported the editing of a local PR magazine (Kaneka Medix Corporation)

〈Osaka Manufacturing Site〉

Provided a presentation on natural disaster prevention and preparedness activities at the Disaster Prevention Summit held by Settsu City to consider how to build a disaster-resilient city.

〈Kaneka Americas Holding, Inc.〉

Participated in community meetings held monthly with local residents in the Bay Area to discuss directly the chemical industry and the problem awareness of the local community.

Implemented a Leadership Challenge Workshop for the leaders of local NPOs in cooperation with the local Chamber of Commerce and Industry.

Employees provided support and guidance to NPOs in the state and local communities and assumed an organizational role on their board of directors.

〈Kaneka Africa Liaison Office〉

Regularly implemented an educational program for local hairdressers to explain how to operate a beauty salon and identify and enjoy high-quality hair products, making reference to our product “Kanealon.”



### 〈Kaneka Singapore Co. (Pte) Ltd.〉

Continued to visit an elderly facility and carry out volunteer exchange activities such as communication, games and donations.



### 〈Taiyo Yushi Corporation〉

- Received a letter of appreciation from the Governor of Kanagawa Prefecture by donating hand soap to the Yokohama City Fire Bureau, which is engaged in the transportation of patients with COVID-19.
- Received a letter of appreciation from the Mayor of the City of Yokohama by donating soap and related products to the Children and Families Division of the Children and Youth Bureau, City of Yokohama.
- Participated in an event for the promotion of the SDGs hosted by the City of Yokohama and other bodies.



Participated in an event for the promotion of the SDGs

## Environmental Initiatives

### 〈All parent manufacturing sites, Group companies in Japan and overseas〉

Each plant, individually and in collaboration with local governments, cleaned up main roads around business sites and company dorms, industrial complexes, grass- and reed-mowing areas, rivers, seas, and cleared away snow.



Cleaning up of neighborhood roads  
(Kaneka Sun Spice Corporation)



Cleaning up of neighborhood roads  
(Kaneka Tohoku Styrol Co., Ltd.)



Cleaning up of neighborhood roads  
(Taiyo Yushi Corporation)



Cleaning up of neighborhood roads  
(Tamai Kasei Co., Ltd.)

### 〈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 assumed the office of director of the Japan Sustainable Palm Oil Network (JaSPON), founded to accelerate the procurement and consumption of sustainable palm oil in the Japanese market.



### 〈Osaka Manufacturing Site〉

Participated in the “Citizen Environmental Festival 2019 – Global warming countermeasures from the two perspectives of migration and adaptation Part II” hosted by Settsu City. Won a special award at the Green Curtain Contest, one of the events at the festival.



Participated in the Citizen Environmental Festival



Won a special award at the Green Curtain Contest

### 〈Kashima Manufacturing Site〉

Accepted a visit to the megasolar facility in the west area of the Kashima Manufacturing Site.



### 〈Kaneka Americas Holding, Inc.〉

- Provided longtime support to the Armand Bayou Nature Center, a nearby large nature reserve.
- Supported the Galveston Bay Foundation working to preserve the Galveston Bay and marine creatures around the river mouth in the bay.

### 〈Kaneka Sun Spice Corporation〉

Supported projects aimed at protecting the environment and fishing grounds in the neighborhood.

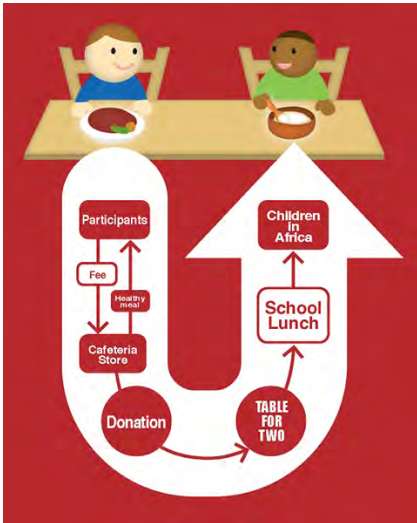
### 〈Taiyo Yushi Corporation〉

Offered a soap class to encourage thinking about global environment issues, such as biodiversity loss and global warming, from a piece of soap.

## International Contributions

### 〈Tokyo Head Office, Takasago Manufacturing Site, Osaka Manufacturing Site, Shiga Manufacturing Site〉

Continuously participated in the social contribution activities of Table for Two (TFT) by donating 20 yen for every TFT lunch bought at company cafeterias to school lunch for children in developing countries. In fiscal 2019, made a donation of 249,420 yen equivalent to 12,471 school meals.



System of TFT



TFT menu (Shiga Manufacturing Site)

### 〈Kaneka, Kaneka Sun Spice Corporation〉

As a corporate partner, Kaneka has supported the school meal program of the United Nations World Food Programme (WFP) since 2013. In Africa, the largest market for our synthetic fiber product, Kanekalon, we made donations to support the WFP's activities. They include the provision of school meals, aimed at increasing enrollment rates, and the distribution of food for home use in areas where the female enrollment rate is low. We also supported as a sponsor the 2019 WFP Essay Contest, a charity event hosted by the UN WFP. Kaneka and Kaneka Sun Spice sponsored another charity event, "WFP Walk the World 2019 in Osaka."

We will continue to provide support so that many children can attend school, thanks to the provision of school meals, and be hopeful about their future.



Sponsored WFP Walk the World 2019 in Osaka

## 〈Kaneka Medix Corporation〉

Agreed with the activities of the Japan Committee, Vaccines for the World's Children and implemented a plastic bottle cap collection campaign.

## Awards

### 〈Kaneka〉

- Won the 3rd Japan Bioindustry Award from the Japan Bioindustry Association for its “Biodegradable plastic with marine degradability: research on microbial production system and development of large-scale production,” which was worked on in cooperation with Yoshiharu Doi, Professor Emeritus at the Tokyo Institute of Technology.
- Won the 51st JCIA Technology Award's “Grand Prize” from the Japan Chemical Industry Association for the “R&D and Industrialization of KANE ACE MX.”
- Won the Runners Award hosted by the Runners’ Foundation for the first time as a company for a Group-wide long-distance relay race, sponsorship of the Hokkaido Marathon, support for participants, and a marathon training program targeting even beginners.

### 〈Takasago Manufacturing Site〉

- Won the Governor’s Award for Distinguished Service for Environmental Protection from the Governor of Hyogo Prefecture for its long-term contribution to environmental protection and management. Highly appreciated for its consecutive service in a director’s position in the Hyogo Prefecture Association for Corporate Environmental Conservation and its promotion of environmental management and protection at its company and business sites.
- Won the Takasago City Commendation Award (Group Division) for its donations to the city.

### 〈Osaka Manufacturing Site〉

Certified by the Osaka High-Pressure Gas Safety Association as a distinguished professional and a gas safety contributor.

### 〈Kaneka Sun Spice Corporation〉

Received a certificate of commendation from the Governor of Shiga Prefecture as a 2019 Excellent Food Hygiene Facility for its exemplary and outstanding commitment to food hygiene.



### 〈Kaneka Medix Corporation〉

Certificate of commendation awarded from the Odawara Industrial Trade Union Federation to a supervisor who recognized the importance of industrial safety and worked to prevent workplace accidents.

### 〈HiHua Fiber Co., Ltd.〉

Labor Leadership Award granted by the Qingdao Federation of Trade Unions to the Quality Management Division. Also recognized for its implementation of safety production, inspection, and education and won the title of Qingdao Safety Production Standardization Enterprise.



Labor Leadership Award granted to the Quality Management Division



Won the title of Qingdao Safety Production Standardization Enterprise

### 〈Tokyo Kaneka Foods Manufacturing Corporation〉

Recognized to have recorded no occupational accidents with more than four days of absence for 3.4 million hours (about nine years) from February 16, 2011 to October 15, 2019, and received a record certificate of accident-free operation from the Tokorozawa Labor Standards Association.

### 〈Tochigi Kaneka Corporation〉

- Won the Excellent Workplace Award from the Moka Labor Standards Association for its efforts to improve safety and health management.
- Won the Excellent Workplace Award from the Moka District Council of the Tochigi Prefecture Safety Driving Administrator Council for its active promotion of traffic safety measures and its contribution to accident prevention.



Improvement of safety and health management



Promotion of traffic safety measures and accident prevention

## Other Initiatives

### 〈Kaneka〉

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.



Outreach concert at a special needs school

### 〈All parent manufacturing sites, Kaneka Sun Spice Corporation, Kaneka Tohoku Styrol Co., Ltd., Kaneka Hoken Center Co., Ltd., Shiga Denshi Co., Ltd.〉

Donated to the Japanese Red Cross Society, the Central Community Chest of Japan, regional social welfare councils, and other organizations.

### 〈Kashima Manufacturing Site〉

Certified as a Sports Yell Company for its active efforts toward the implementation of sports programs to improve employee wellness.



### 〈Cemedine Co., Ltd. , HiHua Fiber Co., Ltd.〉

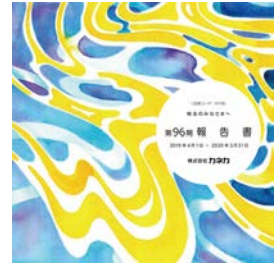
Blood donations were given by many employees.

# Stakeholder Communication

## 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.