

Product

Corporate Statements

The Kuraray Group
Code of Conduct

TOP STATEMENT

Sustainability Long-term
Vision and Sustainability
Medium-term Plan

Materiality of Kuraray
Group

Planet

Product

PSA (Portfolio Sustainability
Assessment) System

Supply Chain
Management

Quality Management

Product Safety and
Chemical
Management

Logistics Safety

Sustainability
Medium-term Plan
for Product

People

Governance

GRI Standards
Content Index

Kuraray Report
(integrated report) /
Sustainability website

Initiatives, etc.

Product priority measures in the Mid-Term Sustainability Plan

	Benchmarks	2024	2026
Product	Revenue Ratio of Natural Environment / Living Environment Contributing Products	2020:46%※	55%
	(Of which, Revenue Ratio of Natural Environment Contributing Products)	(16%)	(23%)
	(Of which, Revenue Ratio of Living Environment Contributing Products)	(30%)※	(32%)

※An incorrect statement was made. It has been corrected.

Targets for 2022

	2022	2024
Product	Coverage of PSA※ in total sales	60%
		80%

※PSA (Portfolio Sustainability Assessment) is a highly objective and transparent system for evaluating the contribution of products and technologies to the natural or living environment. This system is used to set Natural Environment /Living Environment Contributing Products. For more information on the PSA system, see the following web page (Portfolio Sustainability Assessment (PSA) System).

PSA (Portfolio Sustainability Assessment)
System

Supply Chain Management

Quality Management

Product Safety and Chemical Management

Logistics Safety

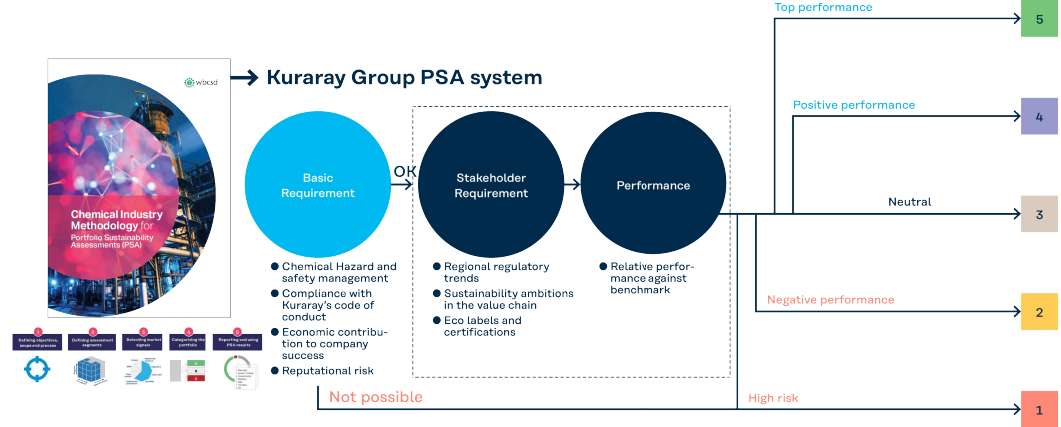
Sustainability Medium-term Plan for Product

Portfolio Sustainability Assessment (PSA) System

“The Chemical Industry Methodology for Portfolio Sustainability Assessments (PSA)” which were Released in 2018 by the World Business Council for Sustainability Development (WBCSD), is a guideline offering chemical companies a consistent methodology for assessing sustainability of their product portfolios. The Kuraray Group PSA system was constructed in accordance with these guidelines. By utilizing this PSA system, we are able to assess our portfolio with a high degree of objectivity and transparency. The Kuraray Group will continue using the PSA system to assess our products and technologies to improve our sensitivity to changes in the environment and society. Through our PSA screening efforts, we will actively seize on opportunities and respond appropriately to risks as we seek to realize a more sustainable portfolio.

PSA Process

The Kuraray Group PSA system is as follows.



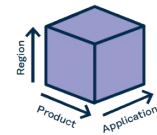
Chemical Industry Methodology for Portfolio Sustainability Assessment
 URL: <https://www.wbcd.org/Programs/Circular-Economy/Resources/Chemical-Industry-Methodology-for-Portfolio-Sustainability-Assessments>

1 Scope of assessment



All businesses of the Kuraray Group are subject to assessment. We will gradually expand the scope of assessment, aiming to cover 80% of overall revenue of Kuraray products. We will also consider to use our PSA system at the stage-gate phase of product development.

2 Definition of PARCs



Product-Application-Region Combinations (PARCs) indicate the unit used in PSA system.

3 Assessment categories



Total nine categories are assessed in the following three areas.

Basic Matters

(Basic Requirements):

Chemical Hazard and safety management; Compliance with Kuraray's Code of Conduct; Economic Contribution to company success; Reputational risks

Social and Regulatory Trends

(Stakeholder Requirements):

Regional regulatory trends; Sustainability ambitions in the value chain; Certification systems in the areas of sustainability and the environment (eco Label and certifications, etc).

Comparison with Benchmark Products

(Performance):

Selecting key categories for each PARC at every stage of the product life cycle (from manufacturing to disposal) from the perspective of sustainability; comparing the performance with benchmarks for each category

4 Scoring



Determining a score from 1 to 5

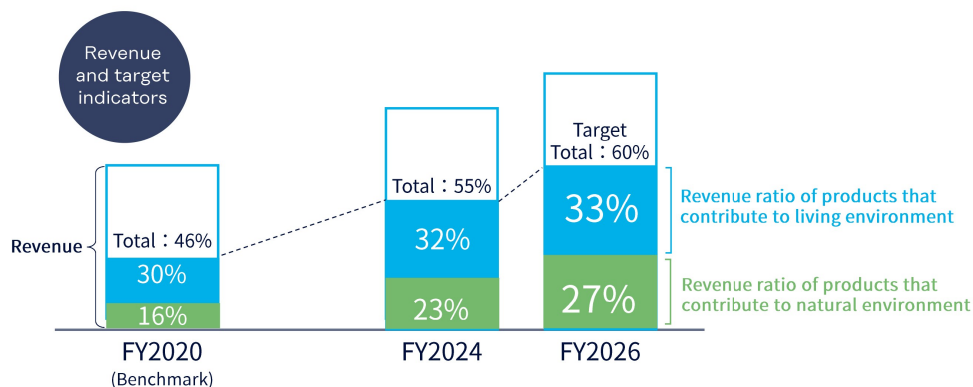


5 Use of results

Designate products with a score of 4 and 5 as products that contribute to Natural and Living Environment, and set targets for improvement.

Targets

In the Sustainability Medium-Term Plan, the Kuraray Group set a target of raising the sales proportion of products that improve the environment and enhance quality of life to 55% in fiscal 2024 and 60% in fiscal 2026.



About Us

Corporate Overview
 Message from the President
 Corporate Statements
 Executives
 Organization Chart
 History
 Awards and Accolades
 Main Group Locations
 Corporate Profile Video
 covid19

Product Information

Search by Business
 Search by Product Name
 Search by Key Word

R&D

Basic Policy
 Technologies and Products
 Organization
 Progress
 Highlights

Sustainability

Corporate Statements
 Kuraray Group Code of Conduct
 Kuraray Group Human Rights Policy
 TOP STATEMENT
 Sustainability Long-term Vision and Sustainability Medium-term Plan
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 Planet
 Product
 People
 Governance
 GRI Standards Content Index
 Kuraray Report (integrated report) / Sustainability website
 Initiatives, etc.

Investor Relations

Management Policies
 IR News
 Learn about Kuraray
 Results and Financial Information
 IR Library
 Stock Data
 IR Calendar
 FAQ