

Sustainability Long-term Vision and Sustainability Medium-term Plan

Corporate Statements	Sustainability Long-term Vision	Sustainability Promotion Structure
The Kuraray Group Code of Conduct	Sustainability Medium-term Plan 3P Model	Setting New Targets for GHG Emission Reduction and Priority Measures New
Kuraray Group Human Rights Policy	Sustainability Medium-term Plan for Planet	Sustainability Medium-term Plan for Product
TOP STATEMENT	Sustainability Medium-term Plan for People	
Sustainability Long-term Vision and Sustainability Medium-term Plan		
Sustainability Long-term Vision		
Sustainability Promotion Structure	<ul style="list-style-type: none"> Setting New Targets for GHG Emission Reduction Priority Measures and Progress 	
Sustainability Mddium-term Plan 3P Model		
Setting New Targets for GHG Emission Reductioin and Priority Measures		
Sustainability Medium-term Plan for Planet		
Sustainability Medium-term Plan for Product		
Sustainability Medium-term Plan for People		
Materiality of Kuraray Group		
Planet		
Product		
People		
Governance		
GRI Standards Content Index		
Kuraray Report (integrated report) / Sustainability website		
Initiatives, etc.		

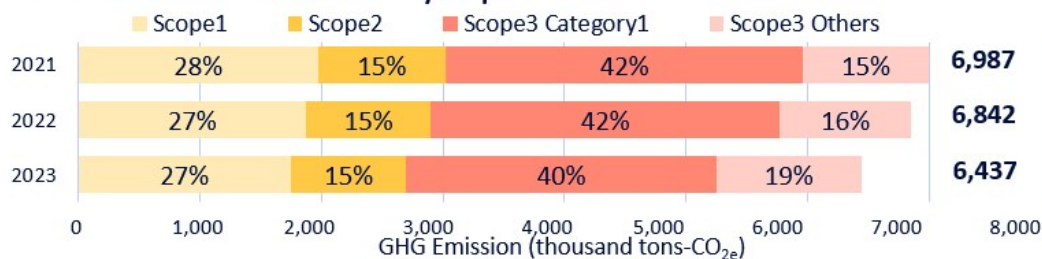
▽Setting New Targets for GHG Emission Reduction

▽Emissions by Scope and Category

Setting New Targets for GHG Emission Reduction

The Kuraray Group recognizes climate change countermeasures as one of the priority measures and aims to achieve carbon net zero by 2050. The total GHG emissions of the Kuraray Group, including its supply chain, amounted to 6,437 thousand tons CO₂e in 2023.

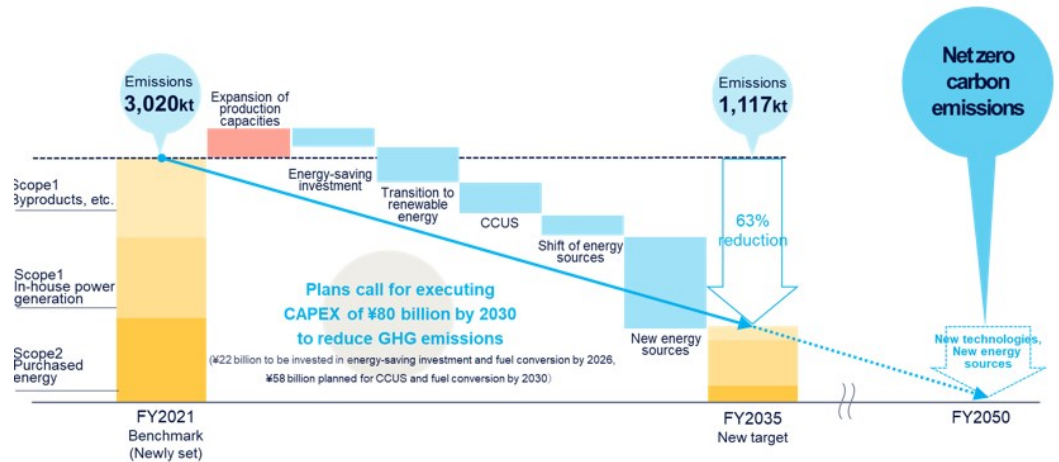
GHG Emission & Emission ratios by Scope



Regarding the reduction target for Scope 1 and 2 emissions, there are projects to develop clean energy sources such as green hydrogen and green ammonia near Kuraray Group's overseas production sites. Considering the possibility that clean energy supply capacity will be in place around 2035, we have set a new target for Scope 1 and 2 emission reductions for the target year of 2035. Additionally, in terms of reducing GHG emissions, it is becoming increasingly important to work towards decarbonization across the entire supply chain related to our business activities. Therefore, the Kuraray Group has also set a target for Scope 3 emissions.

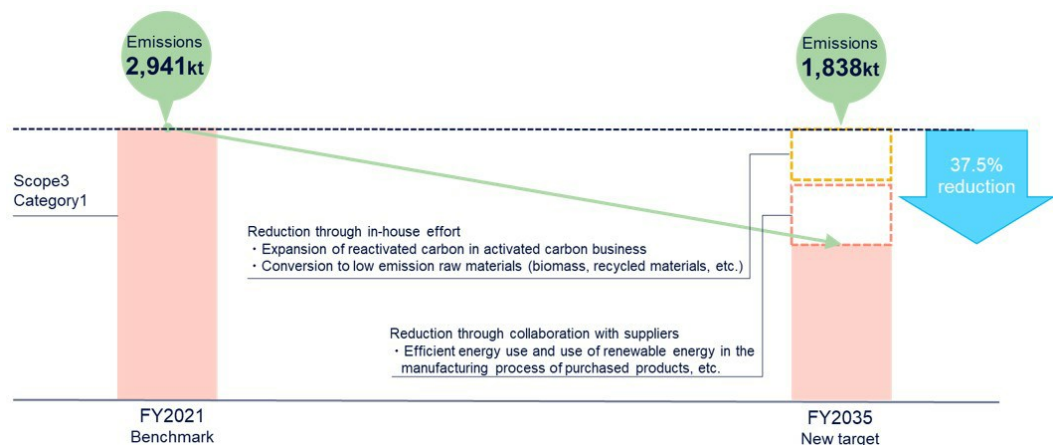
GHG Emission Reduction (Scope 1 and 2)

The Kuraray Group has set a new roadmap and target to reduce Scope 1 and 2 emissions by 63% by 2035 compared to 2021 levels. We are steadily implementing reduction measures that can be carried out internally, and we are also working with our utility suppliers to explore the transition of the fuels we use to clean new energy sources. Our aim is to achieve this new target.



GHG Emission Reduction from the Supply Chain (Scope 3)

In 2024, we calculated the Scope 3 emissions for the entire Kuraray Group (details are shown in the table below). Through the calculation, we identified that the primary source of emissions is from "Purchased Goods and Services" (Scope 3 Category 1). Consequently, we have set a target to reduce Category 1 emissions by 37.5% by 2035 compared to 2021 levels. To achieve this goal, we are working on transitioning to raw materials with lower GHG emissions, such as biomass and recycled materials, and expanding the use of carbon reactivated in our activated carbon business. Additionally, we aim to achieve our reduction target through dialogue and collaboration with our suppliers.



Furthermore, the Kuraray Group aims to obtain SBT certification for the newly set GHG emission reduction targets for Scope 1 and 2 and for Scope 3.

※SBT (Science Based Targets): Voluntary targets set by business corporations with regards to GHG emission reductions in a manner consistent with the levels required by the Paris Agreement. The SBT certification ensures that the company's targets are scientifically based and aligned with the goals of the Paris Agreement.

GHG Emissions by Scope and Category

(Unit: thousand tons-CO₂e)

Scope	Category	2021	2022	2023
Scope1	Direct emissions	1,973	1,877	1,748
Scope2	Indirect emissions derived from energy	1,047	1,020	952
Total Scope1+Scope2		3,020	2,896	2,700
Scope3	1.Purchased goods and services	2,941	2,872	2,544
	2.Capital goods	133	157	344
	3.Fuel and energy related activities excluding Scope1 and 2	546	549	534
	4.Transportation and distribution (upstream)	264	284	250
	5.Waste generated in operations	78	78	58
	6.Business travel	1	2	2
	7.Employee commuting	4	4	5
	8.Leased assets (upstream)	Emissions from offices, electrical appliances, and company cars are included in Scope 1 and 2.		
	9.Transportation and distribution (downstream)	Kuraray Group's products are mainly sold as intermediate materials for various applications, making it difficult to track and account for emissions from transportation, processing, and end-of-life treatment of sold products. Therefore, it is not feasible to reasonably calculate emissions for these categories, and they are excluded from the calculation.		
	10.Processing of sold products			
	11.Use of sold products			
	12.End-of-life treatment of sold products			
	13.Leased assets (downstream)	Not applicable because of no leased assets to other company.		
	14.Franchises	Not applicable as the company does not operate franchise system.		
	15.Investments	Other company's stock was not held for investment purpose as reported in the Securities Report.		
	Total Scope3	3,967	3,946	3,737
Total Scope1+Scope2+Scope3		6,987	6,842	6,437

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