


Sustainability Medium-term Plan for People

Corporate Statements	Sustainability Long-term Vision	Sustainability Promotion Structure Updated
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 Updated	Sustainability Medium-term Plan for Product
TOP STATEMENT	Sustainability Medium-term Plan for People Updated	
Sustainability Long-term Vision and Sustainability Medium-term Plan	<ul style="list-style-type: none"> Occupational Safety, Process Safety HR Strategy Diversity and Inclusion Talent Development Social Contribution Activities Past Activities 	
Sustainability Long-term Vision	<h2>HR Strategy</h2> <p>The Kuraray Group consists of employees from various nationalities and backgrounds, and the active participation of all diverse members is essential for the long-term and sustainable enhancement of corporate value. Therefore, our HR strategy is based on "Our Mission" and "Our Values," which have been the basic spirit since our founding, and aims to enable diverse talents, who are the source of value creation, to play an active role with company-wide connections. We enhance our attractive culture ("1. Culture"), acquire people who are attracted to that culture and connect to it ("2. Acquire Talents and Placement") and motivate and develop those talents ("3. Talent Development").</p> <p><The HR Strategy Story></p> 	
Sustainability Promotion Structure		
Sustainability Medium-term Plan 3P Model		
Setting New Targets for GHG Emission Reduction 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.		

In "3 Talent Development," in order to realize our mission and values, we will enhance corporate value and achieve continuous growth as the Kuraray group through individual career support, development of executive candidates, and the development of skills and expertise at workplaces.

In order to reflect the changing business environment and business needs in our HR strategy, HR team will strengthen collaboration with management and the business. Apart from the Board of Directors Meeting and the Executive Committee Meeting, the "HR Committee Meeting," consisting of members of the Executive Committee and the HR Department, is held 12 times a year (in 2024) to discuss the key HR issues such as Talent Development, Placement and HR policies. In addition, "Opinion Exchange Meetings" with division general managers and "Talent Conferences" for succession planning for key positions are held globally every year.

Major Actions Related to “1. Culture.”

The Kuraray group promotes “Health Management,” to create workplace environment where people can work in good health and safety and establish employment regulations and HR systems which fit for the times. In addition, we implement the following initiatives to promote an attractive workplace and Kuraray's unique culture.

(a) Commitment to Human Rights

The Kuraray Group Human Rights Policy was established in 2024 as a basis for us to respect the human rights of all stakeholders with dignity and respect in our global business activities.

Reflected in the Kuraray Group Code of Conduct, the Kuraray Group has a responsibility to respect the human rights of all people involved in its business activities and respect the dignity and value of each individual. The Kuraray Group Human Rights Policy was established based on the internationally recognized human rights standards, including the Universal Declaration of Human Rights and the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, with the aim of reflecting respect for human rights in the actions of all Kuraray Group employees by stating it in more concrete terms. We believe that respect for human rights is a core element of corporate responsibility, and we will earnestly implement initiatives to respect human rights.

(b) The Kuraray Group Global HR Policy

Based on the Kuraray Group Global HR Policy, the Kuraray Group is making efforts to develop its organizational system regarding the promotion of diversity, talent development, and fair and equitable evaluation so that each employee can grow personally through work, as well as fostering a healthy corporate culture and creating new employment opportunities.

(c) Engagement Survey

The Kuraray Group has unified the surveys previously conducted by each affiliate company individually and has been conducting the global engagement survey, "Our Voice" once a year since 2022. We view engagement as "a relationship between employees and the company in which the direction of the company resonates with them and they want to contribute to each other." We monitor the status of employees' understanding and application of the company values, trust in their superiors and executives, and job satisfaction. The results are shared with all employees, including executives and division managers, and are used to improve departmental management and better communication in order to increase engagement and revitalize the organization.

(d) Foster awareness of Diversity and Inclusion

We provide a vision of the desired organization and implement related measures according to "Kuraray Group Diversity and Inclusion Guiding Principles," with the aim of fostering a work environment that encourages mutual growth among diverse members and promoting leadership that draws out the potential of individuals. In order to monitor the progress of diversity in each workplace, we use the diversity of core human resources in Japan as an indicator (Indicator: Ensuring diversity in core human resources).

To reflect the idea of diversity and inclusion in our organizational management, Inclusive Leadership Training was conducted for all executive members and divisional general managers, including members from overseas in 2024. In the training, participants formulate and implement their own plans for behavioral change.

In 2025, we will broaden the scope of the training to include senior managers globally, with the aim of providing them with the awareness and methods necessary to lead their organizations. In addition, we will deliver a video which consists of interviews with diverse employees and a message from the president to all Kuraray group employees to deepen their understanding of diversity and inclusion.

(e) Promoting diversity and flexible work styles in the workplace

We believe collaboration among diverse talents leads to the creation of new ideas and innovations. In Japan, we promote a workplace environment where female employees can play an important role. As a foundation for this, we use the percentage of female in new graduates as an indicator to measure the progress of diversity of the workplace environment (indicator: Ratio of female among new graduates).

We have been promoting flexible working styles by creating HR systems that allows all employees to adjust their working times within a certain timeframe, to do remote work system, and to review the company policy for the subsidiary business. We believe that flexible working styles which enables employees to take leave when it's necessary, including for reasons such as family circumstances or self-development, develop happiness and loyalty to the company. Furthermore, we expect organizational management to be steady when we realize the workplace environment supporting such working styles. In order to promote this workplace environment, we have set indicators related to male employees taking childcare leave (Indicators: Male employees taking childcare leave).

KPI, Target, and Result for Creating a Workplace Where Diverse Talents Can play Active Roles		
KPI	Target	Result in 2024
Ensure diversity of core talent ^{*1}	25%(FY2030)	18%
Ratio of female among new graduates		
a) Career-track	More than 35% every year (by FY2026)	22%
b) Office Clerk	More than 10% every year (by FY2026)	13%
Male employees taking childcare leave		
a) Acquisition rate	100%(FY2026)	94%
b) Percentage of taking 14 days leave or more ^{*2}	90%(FY2026)	63%

^{*1}. We define "core talent = managers." The inclusion of managers will reflect the progress of inclusion of non-Japanese managers by adding to our original employees (excluding those at production sites) those who are originally from overseas affiliates and work at our Japanese bases. As an element of diversity, we consider "women, foreign nationals, and mid-career hires" as one category, and set a target for the percentage of the total number of employees in these categories in management positions.

^{*2}. The percentage of male employees who took childcare leave for a total of 14 or more days during the fiscal year.

Major Actions Related to “2. Acquire Talents and Placement.”

The talent acquisition is becoming increasingly important, and we are taking steps to strengthen our recruiting system, compensation, and welfare system. In addition, we are implementing the following medium- and long-term initiatives to promote connections between entities within the group.

(a) Flexible expatriation system (Promotion of global mobility)

Under the existing expatriation system, the opportunities were limited to non-Japanese employees due to cost issues and their own family situations. To be more flexible and to increase diversity within the group, "STEP (Short-Term Expat Policy)" for six months to less than one year has been started. We will accelerate global exchange of talents not only from Japan to overseas, but also from overseas to Japan and among overseas countries.

(b) Global Succession Development Planning

To fully utilize our talents globally while supporting the business needs, a globally integrated talent infrastructure is needed. We are developing a common global structure and talent database so that the succession planning, which was previously done separately by each affiliate company, to be done on a global basis.

In 2024, we have started the Global Succession Development Planning for senior manager

posts in each business and introduced a system to confirm the readiness of successors and discuss talent development plans at Talent conference. In the future, we will make use of this system to strategically recruit and assign talents across the organization.

Major Actions Related to “3. Talent Development”

We promote talent development by combining training programs and on-the-job-training to strengthen employee's capability at workplaces. In Japan, we provide career training program to employees to think about their own careers self-independently. Our strategy of global talent development program is introduced as the following.

(a) Global Talent Development Program

The Kuraray Group has been implementing the Global Talent Development Program since 2007 with the aim of developing talents who can play active roles worldwide, and approximately 1,200 of employees have participated until 2024. The Global Team Training (GTT), which aims to develop global leadership among section managers, has been held 22 times with approximately 430 participants to date, and the network among alumni has greatly contributed to promoting communication across borders within the Kuraray Group. We have set the participation rate of senior managers who have participated in the global talent development program as an indicator of development status of leaders who can work with members having different languages and cultures.

KPI, Target, and Result for Kuraray Group's Global Talent Development Program		
KPI	Target	Result in 2024
Ratio of senior managers class taking global leadership training	60%(FY2030)	45%

*1. Includes employees of overseas.

*2. The number of senior manager level positions is counted as 300 globally.

(b) Executive candidate Development

"Kuraray Leadership Program" is designed to systematically develop the executive candidates and create its talent pool, thereby contributing to medium- to long-term business operations. Participants are selected from senior managers and section managers with considering the diversity (job, family, nationality, gender, etc.). In this program, senior managers participate in the two-year program and section managers participate in the three-year program.

Every year, executive members, including the president, review the development plan and status of each participant, and provide programs such as "Tough assignments to new business fields," "Dialogue sessions with internal and external executives," and "External Executive management programs" for the purpose of gaining management perspective and expanding business horizons. The number of participants in this program is used as the preparation ratio for candidates of general managers.

KPI, Target, and Result for Kuraray Group's Kuraray Group's Executive candidate Development		
KPI	Target	Result in 2024
Ratio of candidates prepared for general managers equivalent positions	200%(FY2030)	130%

*1. Includes employees of overseas.

*2. The number of prospective graduates of the Kuraray Leadership Program for the number of General managers equivalent positions.

(c) DX Talent Development Program

The Kuraray Group has been conducting DX Talent Development Program as a global measure since 2023, as we believe it is vital to cultivate a culture and environment in which all employees are constantly adapting to the digital evolution. We have established three classes based on digital literacy—Gold, Silver, and Bronze—and developed a training curriculum corresponding to each class. Our educational framework mandates that all employees acquire at least Bronze class certification. We also train and deploy at least one person in each department to lead digital transformation and spread technological knowledge throughout the department, and eventually to all parts of the Company.

KPI, Target, and Result for DX Talent Development Program in Japan		
KPI	Target	Result in 2024
Number of participants per class (Achievement rate against the target)		
Gold class	180(FY2026)	82(46%)
Silver class	1,200(FY2026)	471(39%)
Bronze class	5,700(FY2026)	5,938(104%)

*1. Includes employees of group companies in Japan

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Corporate Overview	Search by Business	Basic Policy	Corporate Statements	Management Policies
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Corporate Statements	Search by Key Word	Organization	Kuraray Group Human Rights Policy	Learn about Kuraray
Executives		Progress	TOP STATEMENT	Results and Financial Information
Organization Chart		Highlights	Sustainability Long-term Vision and Sustainability Medium-term Plan	IR Library
History			Materiality of Kuraray Group	Stock Data
Awards and Accolades			Planet	IR Calendar
Main Group Locations			Product	FAQ
Corporate Profile Video			People	
covid19			Governance	
			GRI Standards Content Index	
			Kuraray Report (integrated report) / Sustainability website	
			Initiatives, etc.	