

Product

Corporate Statements

The Kuraray Group
Code of Conduct

Kuraray Group Human
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TOP STATEMENT

Sustainability Long-term
Vision and Sustainability
Medium-term Plan

Materiality of Kuraray
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Planet

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PSA (Portfolio Sustainability Assessment) System

Supply Chain
Management

Quality Management

Product Safety and
Chemical
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Logistics Safety

Sustainability
Medium-term Plan
for Product

People

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Kuraray Report
(integrated report) /
Sustainability website

Initiatives, etc.

"PASSION 2026" Priority Issue Targets and Fiscal 2023 Results

	Benchmarks	Target	FY2023	FY2024	FY2026
			Results	Targets	Medium-Term Plan
Product					
Sales ratio of products that contribute to the natural and living environments	46%	—	56%	57%	60%
Products that contribute to the natural environment ratio	16%	—	24%	25%	27%
Products that contribute to the living environment ratio	30%	—	32%	32%	33%
Ratio of PSA-screened products to total sales	—	70%	80%	80%	—

PSA (Portfolio Sustainability Assessment) System

Supply Chain Management

Quality Management

Product Safety and Chemical Management

Logistics Safety

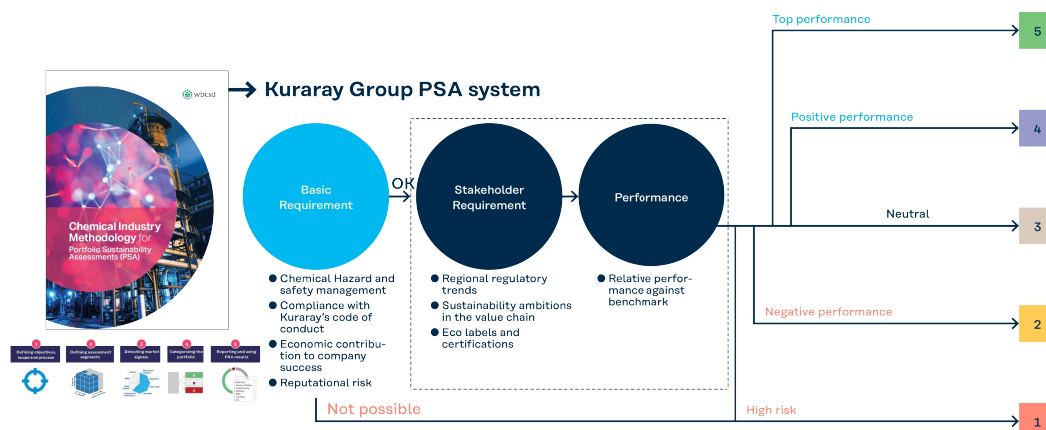
Sustainability Medium-term Plan for Product

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.

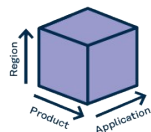


1 Scope of assessment



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):

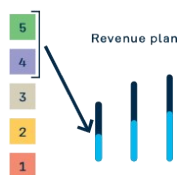
Selecting key categories for each PARC at every stage of the product life cycle (from manufacturing to disposal) from the perspective of sustainability; comparing the performance with benchmarks for each category

4 Scoring



Determining a score from 1 to 5

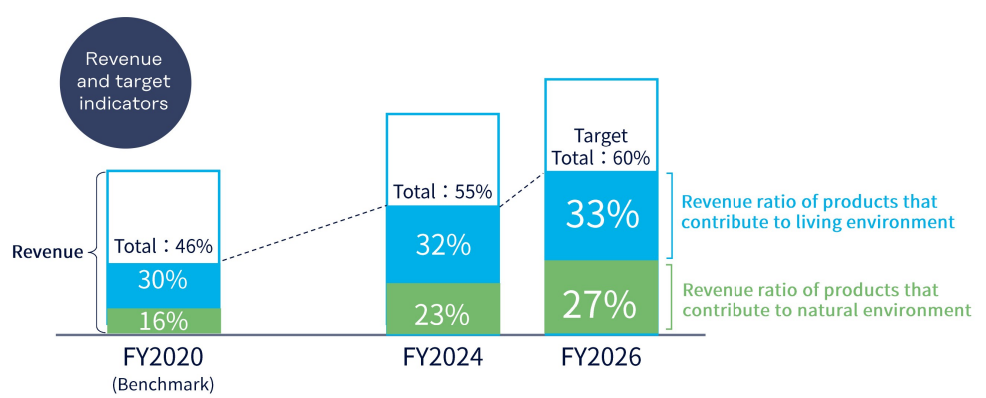
5 Use of results



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.



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Sustainability

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