

# Product

Corporate Statements

The Kuraray Group  
Code of Conduct

Kuraray Group Human  
Rights Policy

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

"PASSION 2026" Priority Issue Targets and Fiscal 2023 Results

	Benchmarks	FY2023		FY2024	FY2026
		Target	Results	Targets	Medium-Term Plan
<b>Product</b> 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

## Quality Management

### Kuraray's Approach to Quality

The Kuraray Group's approach to quality is rooted in the realization of the Kuraray Group's Mission: "For people and the planet—to achieve what no one else can." Our products and services can only be valuable when the values are recognized and accepted by customers. In other words, we have made it clear that Kuraray's concept of quality is "customer satisfaction." In order to provide products and services that achieve customer satisfaction and contribute to society, we believe that it essential not only to pursue the performance and quality of our products and services but also to consider multiple aspects, including safety, environmental impact, and sustainability.

For this reason, it is necessary to conduct comprehensive quality management in both manufacturing, such as production and development, and in sales, distribution, storage, value chains and so on, and we are promoting initiatives with the participation of all employees.



## Quality Management

The Kuraray Group clearly states that the officer in charge of the Corporate Sustainability Division supervises quality assurance for the Group in its internal rules for quality assurance and product safety.

While respective business divisions, which know their products well, take responsibility for quality assurance and product safety, the Corporate Sustainability Division as a corporate function systematizes quality management at respective business divisions with a view to ensuring continuous improvement. It is also in charge of conducting quality audits for respective business divisions from an objective viewpoint to confirm the reasonableness of quality assurance operations.

Respective business divisions and the Corporate Sustainability Division have regular meetings regarding quality to share information and work together to ensure and improve quality.

The Kuraray Group sets out that “we will constantly develop and provide safe, high-quality products and services” in our Corporate Statements, and have formulated the Kuraray Group Global Quality Policy to make our corporate stance toward quality clearer.

### Kuraray Group Global Quality Policy

**“We contribute to the society by supplying safe, reliable and high-quality products and services.”**

We vow to provide safe high-quality products and services with a sense of responsibility and pride, and contribute to improved natural environments and living environments with a view to realizing a sustainable society.

To that end, each one of us will engage in improvement activities continuously to pursue the creation of value to enhance customer satisfactions with better understandings of demands of laws and regulations, society as well as needs of customers.

We also set “annual action plans” regarding points that should be focused on to improve awareness toward quality in the employees of the Kuraray Group and provide products that offer greater satisfaction to customers.

We ensure correct operations to support implementation of the Kuraray Group Global Quality Policy. We have established the Kuraray Group Product Safety Regulations, which clarify requirements for product liability, chemical substance management, and quality management, as

## Quality Assurance Activity

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Quality assurance activities of the Kuraray Group include 1) systematized activities with ISO as a basis, 2) those carried out by respective business divisions and departments on their own (flexibly), and 3) those carried out jointly by the Corporate Sustainability Division and respective business divisions.

With regards to ISO 9001, which serves as a foundational structure for our Quality Management System (QMS), certifications are primarily obtained by each production site, which develops a framework for quality assurance based on ISO9001 and carries out quality management and quality assurance activities on a daily basis.

We have also obtained certifications for ISO13485 (QMS standard for medical devices), IATF16949 (QMS standard for the automobile industry), and others, depending on our businesses.

With respect to IATF 16949, the Advanced Interlayer Solutions Division was certified a long time ago and the EVAL Division has worked on being certified globally. EVAL Europe N.V. obtained certification in 2018 (transition from ISO/TS16949 obtained in 2003), while the EVAL Business Unit of Kuraray America, Inc. and the EVAL Division in Japan (Okayama Plant) completed the certification process in 2019, and we are continuing our quality improvement activities.

Quality improvement activities carried out by each business division or department include *soushin katsudo* (innovation activities) conducted by each division at each production base. Good practices for quality improvement activities are shared through in-house reporting meetings, quality conferences, and quality reporting meetings at internal companies and divisions.

In addition to these activities undertaken by each business division or each department, we have initiatives in place that aim to upgrade quality management for the entire Group with the collaboration of the Corporate Sustainability Division and respective business divisions. Since 2020, we have been considering the introduction of our Quality Management System (to reliably store and trace quality data, visualize quality information, and to enable, direct storage from analytical equipment and linkage with a backbone system) to standardize the quality management workflow and prevent human errors such as typographical errors. We started operation at some of our business divisions in 2023 and plan to expand operation at some of our global business units in 2024. In the future, we will continue to promote the introduction of our Quality Management System globally.

In 2023, we are also revising internal regulations on quality assurance and verifying the methods of managing certified products that were found to have problems at other companies. We aim to improve internal quality awareness, including not only those in charge of quality assurance and quality control, but also those in charge of production, sales, and development.

We believe that it will become increasingly important to ensure the quality assurance spanning the entire value chain, from the purchase of raw materials to the manufacture of products and their consumption in the future. Aiming to further enhance the reliability of our product and service quality for customers through the participation of all employees involved in business activities, we will continue to provide products and services through these activities in 2024 that achieve greater customer satisfaction.

## Quality Assurance Education

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In fiscal 2016, the Kuraray Group compiled the Group's views on quality and issued the Kuraray Group Quality Handbook for employees. This Quality Handbook prescribes the following five basic

key items commonly applied to all members working for the Kuraray Group:

1	That everyone participates in striving for quality (participation by everyone)
2	That everyone bases their conduct on facts (fact-based management)
3	That employee conduct conforms to the “5G principle” of <i>genba</i> (actual place), <i>genbutsu</i> (actual products), <i>genjitsu</i> (actual facts), <i>genri</i> (theory), and <i>gensoku</i> (fundamental).
4	That employees satisfy the requirements for a given process before going on to the next process (building quality into processes)
5	That employees constantly strive to improve quality (continuous improvements)

Together with the distribution of this quality handbook, employees receive basic education on the quality handbook in an e-learning format. Through this type of basic education, we are committed to anchor awareness in employees that each of them plays an important role in customer satisfaction. We will continue to have everyone in the Kuraray Group work on daily operations to realize “customer satisfaction” rooted in those five important items.

At the same time, as a more practical type of education, we are focusing on in-house seminars aimed at raising the level of managers in charge and staff in quality assurance. In 2023, from the perspective of how to approach quality improvement activities, we held in-house seminars in which an outside presenter spoke about the theme of “Study of Failure for Preventive Action” and “Aiming for 'People and Organization' that Embrace the Challenge of Ongoing Change.” In addition to those in charge of quality assurance and quality control as well as production, sales, and development departments also attended these seminars. We will continue our activities to improve the quality awareness of all Kuraray Group members.

## Actions to Be Taken in Case of Quality Complaints and Product Accidents

Within the Kuraray Group, information on quality complaints received from customers is managed by its divisions, so responses to customers can be made promptly and action taken swiftly to prevent recurrence of the same flaws. However, Group-wide response schemes for material complaints and claims are prescribed by the Rules-on Product Liability (PL)-related Accident Response and Quality Complaint Report.

On the occurrence of a material product accident, the Corporate Sustainability Division will submit a situation report to the management and an administrative agency set forth by law, while establishing the Corporate Emergency Headquarters to take prompt and appropriate action from the customer’s point of view. Moreover, a mechanism to take corrective actions to clarify the cause and prevent recurrence has been established not only for a material product accident which requires an emergency arrangement but also general accidents.

In 2022, we revised the “Kuraray Group PL-related incident response and quality complaint reporting rules” by reviewing the criteria for judging PL-related accidents and reporting claims in order to respond more appropriately to quality complaints and product accidents.

In 2023, no product recalls or accidents that cause severe damage to health or damage to property such as fire were reported within the Kuraray Group.

### Quality management system certifications (as of the end of December 2023)

(1) ISO9001

Kuraray Niigata Plant	EVAL Europe NV
Kuraray Kashima Plant	Kuraray Europe GmbH
Kuraray Okayama Plant	Kuraray Europe GmbH AIS Division (Troisdorf)
Kuraray Kurashiki Plant, Membrane and Module Production Technology Development Department	Kuraray America, Inc. EVAL BU
Kuraray Kurashiki Plant, Poval Film Production and Technology Development Department	Kuraray America, Inc. Elastomers BU
Kuraray Kurashiki Plant, Functional Products Development Department	Kuraray America, Inc. (La Porte)
Kuraray Tamashima Co., Ltd. (Ester Plant)	Kuraray America, Inc. PVOH BU
Kuraray Saijo Plant	Kuraray America, Inc. AIS Division (Washington Works and Tech. Service Dev. Lab)
Kuraray Tsurumi Plant	Kuraray America, Inc. Vectran Division
Kuraray Plastic Co., Ltd. (Ibuki Plant)	Kuraray Korea Ltd.
Kuraray Fastening Co., Ltd. (Maruoka Plant)	Kuraray Europe Moravia s.r.o.
Kuraray Engineering Co., Ltd.	Kuraray Asia Pacific Pte.Ltd.
Kuraray Trading Co., Ltd. (Okayama Plant)	MonoSol, LLC
Kuraray Techno Co., Ltd. (Building Management Service Division)	MonoSol AF, Limited
	Plantic Technologies Limited
	Calgon Carbon Corporation
	Calgon Carbon Suzhou
	Chemviron S.A. Feluy
	Chemviron Carbon Ltd Tipton
	Chemviron Carbon Limited Ashton -in-Makerfield
	Chemviron Italia SRL
	Chemviron France SAS
	Chemviron Carbon Ltd. Chemviron Carbon Cloth Division
	Kuraray GC Advanced Materials Co., Ltd.
	Kuraray Advanced Chemicals (Thailand) Co., Ltd.
* This includes the following group companies which reside within business sites and plants: Kuraray Saijo Co., Ltd., Kuraray Kuraflex Co., Ltd. (Okayama Plant), Kuraray Okayama Spinning Co., Ltd., Kuraray Techno Co., Ltd.	

## (2) ISO13485

Kuraray Noritake Dental Inc.  
Kuraray Functional Materials Company, Medical Division, Biomaterial Department  
Kuraray America, Inc. Vectran Division  
Chemviron Carbon Ltd. Chemviron Carbon Cloth Division

## (3) IATF16949

EVAL Europe NV  
Kuraray America, Inc. EVAL BU  
Okayama Plant, EVAL Division  
Kuraray Europe GmbH AIS Division (Troisdorf)  
Kuraray Korea Ltd.  
Kuraray Europe Moravia s.r.o.

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			Kuraray Report (integrated report) / Sustainability website	
			Initiatives, etc.	