

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

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PSA (Portfolio Sustainability Assessment) System

Supply Chain Management

Quality Management

Product Safety and Chemical Management

Logistics Safety

Sustainability Medium-term Plan for Product

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Kuraray Report (integrated report) / Sustainability website

Initiatives, etc.

Product

"PASSION 2026" Priority Issue Targets and Fiscal 2024 Results

Product	Benchmarks	FY2024		FY2025	FY2026	After FY2027
		Targets	Results	Targets	Medium-Term Plan	Medium- to long-term plan
 Sales ratio of products that contribute to the natural and living environments (Of which, Revenue ratio of natural environment contributing products)	2020 46%	57%	58%	61%	60%	—
	(16%)	(25%)	(26%)	(28%)	(27%)	—
	(30%)	(32%)	(32%)	(33%)	(33%)	—
Ratio of PSA-screened products to total sales	—	80%	81%	83%	—	—

PSA (Portfolio Sustainability Assessment) System



Supply Chain Management



Quality Management



Product Safety and Chemical Management



Logistics Safety



Sustainability Medium-term Plan for Product



Supply Chain Management

Sustainable Procurement Policy

The Kuraray Group has established the principles to be followed in our interactions with diverse societies as "Our Commitment" and the guidelines for concretely putting these items into practice in our corporate activities as the "Code of Conduct," and we are committed to fulfilling our responsibilities as a good corporate citizen.

As part of these efforts, the Kuraray Group formulated its "CSR Procurement Policy" in 2005 based on the "10 principles of the United Nations Global Compact", an international universal set of principles that are key to corporate, human, and global sustainability.

In 2025, in order to further promote sustainable procurement, including respect for human rights, environmental conservation, emphasis on compliance, and promotion of diversity throughout the entire supply chain, the "CSR Procurement Policy" has been revised as the "Sustainable Procurement Policy" and positioned as our global procurement policy at the same time.

In order to fulfill our responsibility to the entire supply chain from a global perspective, collaboration with our suppliers is critical. We will make it the basis of our purchasing transactions to promote sustainable procurement throughout the entire supply chain by encouraging not only us but also our business partners to make such efforts.

> [Kuraray is a signatory of the United Nations Global Compact.](#)

Sustainable Procurement Policy

1. Corporate government

We will stay cognizant of Corporate Social Responsibility, and seek to achieve harmony among people, society, and the global environment to build and maintain better relationships through our businesses. We will adhere to laws and regulations as well as other rules at all times and in all situations, and will always carry out corporate activities in a fair and honest manner.

1. Build a Sustainability promotion system
2. Build a business continuity plan (BCP) system Efforts to secure a stable supply
3. Build a whistleblower system
4. Dissemination of information and accountability to stakeholders
5. Thorough compliance

2. Respect for human rights

We will champion the human rights of all people who are involved in our business activities and respect the dignity and value of each one of them.

1. Respect for human rights and personality and prohibition of discrimination Human rights due diligence initiatives
2. Avoidance of complicity in human rights violations
3. Prohibition of forced labor and child labor
4. Freedom of association
5. Diversity initiatives

3. Safe, easy-to-work environment

We will adhere to laws and regulations relating to occupational health and safety, and strive to maintain and enhance a work environment that is safe and easy to work in for all people who are involved in our business activities. In addition, we will value the diversity of employees and treat them fairly without discriminating based on sex, nationality, ethnicity or others.

1. Appropriate management of occupation safety and health
2. Employee health management
3. Appropriate wage payment
4. Appropriate management of working hours
5. Providing equal opportunities for employment, evaluation, placement, etc.
6. Prevention of harassment

4. Promotion of environmental preservation

We will strive for reduced environmental burdens and risks, as well as environmental preservation, including preservation of ecosystems, through business activities that are in harmony with the environment. We will contribute to the sustainable development of society and fulfill our responsibilities to the next generation.

1. Compliance with environmental laws and regulations. Environmental conservation efforts (SO14001, etc.)
2. Proper management of chemical substances
3. Reduction of environmental load
4. Effective use of resources (energy, water, raw materials, etc.)
5. Proper management and reduction of waste
6. Biodiversity initiatives

5. Fair business practices

We will carry out corporate activities in a fair and honest manner, not be involved in any form of misconduct, including bribery, and conduct free, fair, and transparent business dealings through sound competition in the market.

1. Compliance with antitrust law/competition law, compliance with subcontract law (prohibition of abuse of a superior position)
2. Prevention of unfair competition
3. Prevention of bribery
4. No relationship with anti-social group
5. Protection of intellectual property, prevention of unauthorized use of intellectual property by third parties
6. Prohibition against insider trading
7. Prohibition on conflicts of interest
8. Appropriate import/export management

6. Safety and quality of products and services

We will strive to contribute to society by supplying safe, reliable, and high-quality products and services.

1. Safety and quality initiatives (ISO9001, etc.)
2. Appropriate response when a defect occurs (information disclosure, notification to customers)

7. Proper control of Confidential Information

We will recognize that confidential information, including trade secrets, know-how, and customer information, is an important asset of the Company, and will use and manage the same appropriately. We will also respect confidential information disclosed by third parties and manage the same in a similar manner.

1. Thorough information security
2. Defense against attacks on computer networks
3. Protection of personal information
4. Prevention of unauthorized use of confidential information

8. Supply chain

We will strive to have the significance of sustainable procurement be well understood and embraced by our business partners in order to fulfill social responsibility throughout the supply chain.

1. Promotion of Sustainability in the supply chain
2. Use of raw materials that are not involved in war or crime (conflict minerals)

9. Promotion of contributions to society

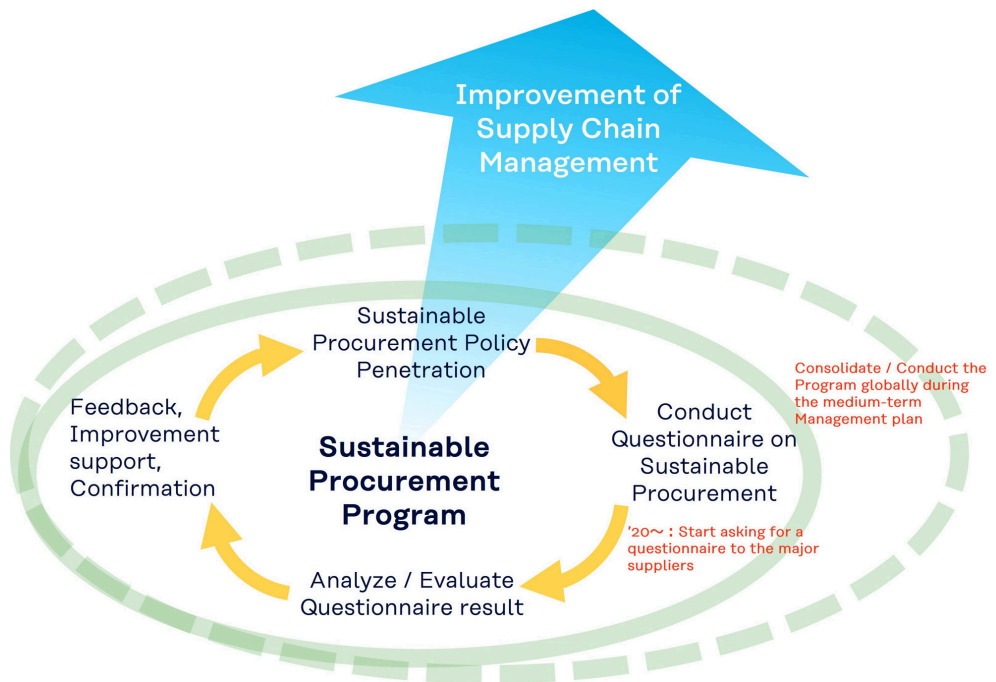
We will be cognizant of our role as a corporate citizen, and engage in activities to interact actively with and contribute to society.

1. Efforts with local communities and society for sustainable development

Evaluating Suppliers Partners

1. Sustainable Procurement Questionnaire

The Kuraray Group has identified “Improving supply chain management” as one of its material issues (materiality) [Materiality of the Kuraray Group](#). Observing and practicing the “Sustainable Procurement Policy” along the supply chain will be one of the main targets. In order to ensure these efforts, we conduct a Sustainable Procurement Questionnaire to confirm the status of our suppliers’ efforts. Specifically, we will build and operate a system where we follow a cycle involving our suppliers of (1) spreading the Policy among them, (2) conducting a Sustainable Procurement Questionnaire, (3) analyzing and evaluating the questionnaire results, and (4) giving feedback and supporting improvement as necessary. Through the process, Kuraray regularly monitor suppliers to mitigate risks and aim to ensure sustainable procurement. We will provide education and guidance on improvement through close communication with suppliers found to be especially in need of active support in improvement in the course of these activities. Furthermore, Kuraray will verify if and how often audits on suppliers will be necessary based on suppliers’ activities and status of improvement.



The questionnaire reflects the Kuraray Group Code of Conduct and the 10 principles of the United Nations Global Compact. It covers 51 items in nine areas including respect for human rights, abolition of discrimination based on gender, nationality, etc., abolition of child labor, water resource issues, global warming countermeasures, environment pollution countermeasures, fair corporate activities such as preventing bribery and corruption, ensuring quality, information security, consideration for the supply chain, and harmony with local communities, among others.

Sustainable Procurement Questionnaire

Item in the Policy

Questionnaire item

1. Corporate governance

1. Sustainability promotion system
2. Sustainability assessment
3. Business continuity plans (BCP)
4. Whistleblowing system
5. Disclosure and accountability

2. Respect for human rights

1. Basic stance on human rights
2. Respect for human rights and abolition of discrimination
3. Elimination of forced labor
4. Abolition of child labor
5. Freedom of association
6. Ratio of female executives
7. Employee training

8. Dialogue with employees

3. Safe, easy-to-work environment

1. Human resource development opportunities
2. Adequate wages
3. Fair work hours and holidays
4. Abolition of harassment
5. Management of employee safety and health
6. Safety and health management of subcontractors
7. Physical checkup

4. Promotion of environmental preservation

1. Environmental initiatives
2. ISO14001 certification, etc.
3. Control of chemical substances
4. Transportation of hazardous objects
5. Management of waste water, sludge and emissions
6. Sustainable and efficient use of resources (energy, water, raw materials, etc.)
7. Reduction of greenhouse gas (GHG) emissions
8. Disclosure of NOx, Sox, and VOC emissions
9. Responsible waste disposal

5. Fair business practices

1. Compliance with antimonopoly laws/competition laws
2. Elimination of unfair competition
3. Appropriate relations with local administration and public officials
4. Prevention of inappropriate delivery of benefits to and from customers and suppliers, etc.
5. Elimination of ties with anti-social groups
6. Abolition of unauthorized use of intellectual property and illegal reproduction of copyrighted material
7. Abolition of insider-trading
8. Abolition of conflict-of-interest transactions
9. Penalties and lawsuits
10. Export and important trade control

6. Safety and quality of products and services

1. Policy on quality and safety
2. Securing quality and safety
3. Appropriate response to accidents, defective products in the market, etc.

7. Proper control of confidential information

1. Thorough information security
2. Protection against cyberattacks
3. Protection of personal data and privacy
4. Prevention of unauthorized use of trade secrets

8. Supply chain

1. Promoting Sustainability in the supply chain
2. Conflict minerals

9. Promotion of contributions to society

1. Efforts to mitigate negative impact
2. Initiatives with local communities for sustainable development
3. Promotion of social contribution

Suppliers were asked to answer multiple choice questions on whether they have a system in place, and the status of improvement and confirmation for each item. We score each questionnaire question on a scale of 3, 2, 1 or 0.

Results of the 2023-2024 Sustainable Procurement Questionnaire Questionnaire response rate

	Number of target suppliers	Response rate
Japan	335 companies	98.8%
Overseas	308 companies	88.0%*

* As of the end of 2024. Including suppliers that used corporate reports prepared by suppliers as a substitute for responses to this questionnaire.

Evaluation levels

Evaluation	Score
A	80% or above
B	66%~80%
C	50%~66%
D	Less than 50%

In Japan, we started a questionnaire targeting major suppliers* controlled by the Purchasing and Logistics Division in 2020. In 2022, we conducted a Sustainable Procurement Questionnaire with 335 suppliers from each division and affiliated company in Japan. In 2023, we started a similar CSR Procurement Policy (Revised Version: Sustainable Procurement Policy) dissemination and Sustainable Procurement Questionnaire with 308 suppliers at our overseas bases, achieving the above response rate. In 2024, based on the questionnaire conducted with overseas group company suppliers in 2023, we promoted compliance improvement through feedback and dialogue with suppliers. Additionally, we integrated the previously individual domestic and overseas initiatives and prepared a system to conduct questionnaires covering 80% of the group's total purchasing amount (90% of the spent for raw materials and secondary materials) as set in the PASSION 2026 goals.

To improve the content and quality of the questionnaire, in 2022 we revised the questions and wording, added supplementary explanations to the questions, and created CSR Procurement Guidelines (Revised Version: Sustainable Procurement Guidelines) as specific items to be addressed in the Sustainable Procurement Policy, which were presented to suppliers together with the questionnaire. We will continue to revise the questionnaire as necessary to make it easier to answer.

We evaluate the responses from suppliers based on the criteria in the table above and provide feedback to the entire company. In particular, we conducted web interviews and additional written questions with 14 Japanese suppliers and some overseas suppliers to confirm the status of their initiatives and share the purpose and importance of the Sustainable Procurement Program. The questionnaire included D-rated suppliers and suppliers whose initiatives were deemed necessary to confirm. We asked suppliers whose efforts were found to be insufficient to make improvements. We received positive responses from all of them. As in Japan, we will provide feedback on the results to our overseas suppliers and request improvements when we deem their efforts to be inadequate.

* Suppliers covering 80% of total spent (90% of the spent for raw materials and others.)

Future plans

Starting from 2025, we will conduct a Sustainable Procurement Questionnaire for 80% of the Group's total spent, including overseas partners. At the same time, we aim to establish a global sustainable procurement program.

[> Sustainable Procurement](#)

2. Other questionnaires

The Kuraray Group conducts some evaluation per industry other than the above. For example, we have compiled a Warehousing Company Qualification Evaluation List covering criteria for newly selecting and continuing to evaluate third-party commercial warehousing companies in Japan. Based on the list, we audit warehousing companies in terms of location and facility, warehousing work environment, status of internal education, and other matters when newly appointing them and periodically after that. Initiatives are ongoing to give guidance on improvement when audit results do not satisfy criteria.