

Targets and Results

The JSR Group has identified long-term actions in various categories and set targets for each year. Major actions targets and results are described below.

Assessment ◎: Better than planned ○: As planned △: Improvement needed

Action	FY 2013 Target	FY 2013 Performance	Assessment	Target for FY 2014 Onward	Implementing Division
CSR Management Promote the relevant activities and raise the awareness of the activities across the Group Understand social trends Reinforce corporate ethics and legal compliance Reinforce risk management	Promote activities of the four committees	<ul style="list-style-type: none"> Promoted the activities of the four committees (Corporate Ethics Committee, Responsible Care Committee, Risk Management Committee, and Social Contribution Committee) as planned 	○	<ul style="list-style-type: none"> Continuation of current efforts 	CSR Department
	Raise awareness of the activities across the Group	<ul style="list-style-type: none"> Held the CSR Report Presentation across all Group divisions, and promoted information sharing via internal newsletters and by intranet, including messages from senior management, to raise employee awareness of CSR. Results were confirmed through various surveys. Held CSR workshops for employee leaders of Group companies Started activities to raise employee awareness at overseas sites 	◎	<ul style="list-style-type: none"> Continue to disseminate messages from CSR Department Continue to implement measures to raise the awareness within the company by holding workshops and other events Expand activities to overseas sites 	
	Utilize the UN Global Compact (GC) network, etc.	<ul style="list-style-type: none"> Used the GC network and reflected its activities in our corporate policies Supported activities of Global Compact Japan Network (GC-JN) as a member of the Working Group Steering Committee, Working Group Coordinator of In-house Awareness of UNGC Working Group, and as a member of the Human Rights Working Group 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Conduct a survey on awareness of corporate ethics	<ul style="list-style-type: none"> Implemented a survey on employee awareness of corporate ethics and followed it up at business sites both in Japan and overseas 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Ensure that employees are familiar with the Principles of Corporate Ethics	<ul style="list-style-type: none"> Partially revised the Principles of Corporate Ethics to reflect social trends 	◎	<ul style="list-style-type: none"> Ensure that all employees are aware of how the Principles of Corporate Ethics was revised Introduce a supplier hotline 	
	Ensure legal compliance	<ul style="list-style-type: none"> Periodically confirmed the status of legal compliance and conducted improvement activities for the requirements across the JSR Group, including our overseas companies Held lectures on legal issues periodically and created the Compliance Handbook to help employees across the Group gain knowledge of relevant laws and regulations 	◎	<ul style="list-style-type: none"> Continuation of current efforts Improve the legal compliance system 	
	Review and improve the risk management system	<ul style="list-style-type: none"> Reviewed and partially improved the company-wide risk management system 	○	<ul style="list-style-type: none"> Implement measures toward improvement and ensure that they continue to be implemented across the Group 	
	Periodically operate the company-wide risk management system	<ul style="list-style-type: none"> Implemented company-wide risk management activities across the Group, including overseas sites, and identified 14 major company-wide risks 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Crisis management	<ul style="list-style-type: none"> Embarked on projects to develop BCM while maintaining the existing crisis management system that focuses on initial response Implemented training that allowed employees to undergo simulated experiences, from the occurrence of a disaster to activation of BCM 	○	<ul style="list-style-type: none"> Develop BCM rules Continue to implement crisis management training 	
	ISO 26000 Organizational governance				
Customers/ Business Partners Continue to improve product quality Provide product environmental and safety information Improve management of chemical substances The environment Fair operating practices Consumer issues CSR procurement ⁸	Implement and strengthen PLP ¹ activities	<ul style="list-style-type: none"> Implemented and promoted activities to improve product quality and evaluation techniques to prevent quality accidents more effectively 	○	<ul style="list-style-type: none"> Improve quality control across entire supply chains, from raw material procurement through distribution – not just from design to manufacturing 	Responsible Care Committee
	Provide customers with environmental and safety information	<ul style="list-style-type: none"> Used SDS electronic management system to provide customers with appropriate SDS² for prototypes and products 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Ensure compliance with GHS ³	<ul style="list-style-type: none"> Made progress in labelling products shipped in Japan in accordance with the Industrial Safety and Health Law, and performed GHS of SDS as planned 	○	<ul style="list-style-type: none"> Continue to implement labelling and submit SDSs based on GHS and in accordance with laws and regulations. Observe GHS for exported products as well, as required by the laws and regulations of each country 	
	Ensure compliance with EU's REACH ⁴ and CLP ⁵	<ul style="list-style-type: none"> Communicated information necessary for the compliance with REACH and confirmed the registration status of materials for the compliance with REACH; affixed CLP labels to products exported to Europe 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Implement green procurement ⁶	<ul style="list-style-type: none"> Continued to utilize the JAMP-GP⁷ 	○	<ul style="list-style-type: none"> Conduct activities that focus on cooperation within the supply chain 	
Improve CSR procurement	<ul style="list-style-type: none"> Implemented CSR procurement, covering 98% of raw material suppliers on a purchase value basis (95% last fiscal year), and conducted a survey on biodiversity conservation targeted at petrochemical business suppliers 	○	<ul style="list-style-type: none"> Continue, and improve as necessary, the current activities 	Procurement Departments I and II	
Employees Promote employee work-life management Labor practices Human rights ISO 26000	Implement measures to increase understanding	<ul style="list-style-type: none"> Implemented education programs according to position Announced how much overtime work was generated (every month) 	○	<ul style="list-style-type: none"> Continuation of current efforts 	Human Resource Development Department
	Implement measures to increase employees' awareness of the program	<ul style="list-style-type: none"> Held an elderly-nursing care seminar 	○		
	Cultivate the diversity as our corporate culture, take concrete measures, and achieve quantitative targets	<ul style="list-style-type: none"> Percentage of women among our employees hired in April 2013 – engineering positions for college graduates: 18%; and clerical positions for college graduates: 50% Percentage of managerial positions filled by women as of April 2013: 3.9% Promoted communication activities at each business site 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Ensure diversity of recruitment	<ul style="list-style-type: none"> Ratio of employees with disabilities (JSR): 1.96% (1.84% last fiscal year) Number of non-Japanese employees (JSR): 19 (14 last fiscal year) Held a workshop to learn cross-cultural communication 	○	<ul style="list-style-type: none"> Ensure diversity of recruitment Implement the workshop at other sites 	

CSR workshop (January 2013)



CSR workshops were organized for employee leaders of Group companies. Following a lecture given by an expert, the participants developed a vision of what they should become and held group discussions on what they could do as a company and as a global citizen.

Issuance of a CSR report by JSR Micro, Inc. (April 2013)



JSR Micro, Inc., located in the United States, issued its own CSR report for the first time among our Group companies. This CSR report is expected to lay the foundation for the company's future sustainability activities.

Initial response training for business continuity (December 2012)



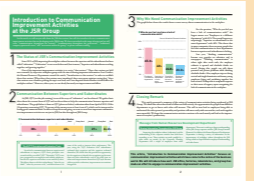
We carried out a simulation training exercise that assumed a scenario in which a large earthquake had occurred in the Tonankai region and that a tsunami warning had been issued, as part of our efforts for continuous improvement of BCM. The disaster response staff at the Head Office and the Yokkaichi Plant learned what decisions needed to be made to deal with the succession of problems that occurred.

Exchanging opinions with suppliers (January 2013)



As the first step in our efforts to realize biodiversity conservation throughout the supply chain, we conducted a survey on what initiatives each supplier is taking toward biodiversity conservation. We visited some of our major suppliers to exchange opinions.

Sharing information on communication activities (July 2012)



To promote communication, one Course of Action of The 4Cs, among different divisions and across the Group, we arrange social gatherings at each business site of the JSR Group. Group company employees, temporary staff, and many others have participated in these social gatherings to deepen their communications with each other. In July 2012, a newsletter introducing best communication practices implemented within the Group was issued to all employees.

*1 PLP (Product Liability Prevention): activities designed to prevent the manufacture of defective products

*2 SDS (Safety Data Sheet): a form that is attached to chemical substances when they are shipped to other businesses to provide safety information

*3 GHS (Globally Harmonized System of Classification and Labeling of Chemicals): a system aimed at creating a global standard for chemical classifications, labeling, and SDS submission

*4 REACH (Registration, Evaluation, Authorization and Restriction of Chemicals): a European Union regulation requiring registration of safety testing data for all chemicals that are manufactured or imported in volumes of 1 ton or more annually

*5 CLP (Classification, Labeling and Packaging of substances and mixtures): a European Union regulation regarding classification, labeling and packaging of hazards of chemical substances and mixtures based on GHS

*6 Green Procurement: measures aimed at procuring materials from suppliers who implement comprehensive management of substances that have the potential to harm human health


*7 JAMP-GP (Joint Article Management Promotion-Consortium Global Portal): global portal site for the Joint Article Management Promotion-Consortium, with the functions to support its member companies to manage, disclose, and transmit information regarding chemical substances contained in products

*8 CSR Procurement: measures aimed at procuring materials from suppliers who are environmentally compliant and strive to be socially responsible in their corporate behavior, when hiring employees, etc.

Action	FY 2013 Target	FY 2013 Performance	Assessment	Target for FY 2014 Onward	Implementing Division
Society RC Develop products with consideration to the environment and safety Eliminate accidents and disasters Develop highly-trusted business establishments Reduce environmental impact ISO 26000 The environment Community involvement and development Secure the environment and safety in international businesses	Use LCA ^{*9} in environmental impact reduction activities	<ul style="list-style-type: none"> Implemented LCA of new products and major products (about 70 product groups in total) from their R&D stage to calculate their expected CO₂ emissions during production 	○	<ul style="list-style-type: none"> Continue investigation of the use of LCI^{*10} data in activities to reduce environmental impact 	Responsible Care Committee
	Implement preliminary environmental and safety assessments	<ul style="list-style-type: none"> Continued to implement preliminary environmental and safety assessments in accordance with safety and environmental manuals when installing new facilities or modifying existing ones and performing non-regular work Two fire-based accidents, which were required to be reported to the government under the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, occurred in FY 2013. Problems identified and other information were shared across the Group and countermeasures were taken. Continued efforts, among other actions taken, to eliminate hazardous areas and operations to prevent occupational health and safety accidents. In FY 2013, no accidents resulting in a worker absence occurred at JSR and its Group companies in Japan Implemented antiseismic reinforcement in anticipation of an earthquake with the epicenter directly below a populated area, and organized and promoted countermeasures in anticipation of a huge tsunami following an interplate earthquake 	△	<ul style="list-style-type: none"> Identify potential risks concerning existing facilities, materials and work, and continue countermeasures for them 	
	Introduce systematic measures to prepare for and respond to major earthquakes	<ul style="list-style-type: none"> Continued efforts, among other actions taken, to eliminate hazardous areas and operations to prevent occupational health and safety accidents. In FY 2013, no accidents resulting in a worker absence occurred at JSR and its Group companies in Japan Implemented antiseismic reinforcement in anticipation of an earthquake with the epicenter directly below a populated area, and organized and promoted countermeasures in anticipation of a huge tsunami following an interplate earthquake 	○	<ul style="list-style-type: none"> Eliminate dangerous work practices and conditions, and encourage passing down of skills from experienced to inexperienced workers 	
	Maintain ISO 14001 and ISO 9001 certification	<ul style="list-style-type: none"> Passed audits to maintain ISO 14001 and ISO 9001 at three JSR plants 	○	<ul style="list-style-type: none"> Maintain and continue to operate ISO 14001 and ISO 9001 Obtain ISO 14001 certification for the Tsukuba Research Laboratories 	
	Maintain certification under security-related laws and regulations	<ul style="list-style-type: none"> Maintained certification under the High Pressure Gas Safety Act at three JSR plants Obtained permission for four-year consecutive operations of class-1 pressure vessels under the High Pressure Gas Safety Act at the Chiba Plant 	○	<ul style="list-style-type: none"> Renew certifications under safety laws and regulations 	
	Audit environmental and safety performance of Group companies	<ul style="list-style-type: none"> Implemented environmental and safety audits at 22 sites of 13 Group companies in Japan and one site of one overseas Group company 	○	<ul style="list-style-type: none"> Continue current efforts Increase the frequency of audits at overseas sites 	
	Participate in Japan Safety Competency Center activities	<ul style="list-style-type: none"> Joined activities of the Safety Enhancement Center, an independent evaluation organization established in April 2013 for the purpose of promoting the Safety Management Evaluation System within industrial circles 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Conduct energy conservation measures and anti-global warming measures	<ul style="list-style-type: none"> Worked on further sophistication of energy-saving technologies and established a system that is expected to reduce total CO₂ emissions from three plants by 6% over FY 1991. CO₂ emissions in FY 2013 decreased by approx. 16,000 tons (2.2%) compared to FY 1991. The per-unit index was 63 in FY 2013 when FY 2000 = 100. 	△	<ul style="list-style-type: none"> Continue energy-saving activities to achieve the target for reducing CO₂ emissions 	
	Reduce atmospheric release of VOC ^{*11}	<ul style="list-style-type: none"> Reduced VOC emissions by 76% compared to FY 2001 through the stable operation of RTOs^{*12} installed at three JSR plants 	○	<ul style="list-style-type: none"> Promote activities to maintain the reduction of VOC emissions to achieve the FY 2016 target: a 75% reduction from the FY 2001 level 	
	Reduce the environmental impact of wastewater, industrial waste, and other impacts	<ul style="list-style-type: none"> Industrial waste: "zero waste" goals have been achieved every year from FY 2004 to FY 2013 (seven tons of landfill waste per year), due to various measures taken at all our plants, such as those to limit the generation of industrial waste, sort waste thoroughly, and search for recyclers. Satisfied the 6th Total Pollutant Load Control with respect to wastewater (COD, total nitrogen, total phosphorous) Continued efforts to realize stable wastewater treatment and improved water quality with a view to meeting the 7th Total Pollutant Load Control scheduled to be enforced in April 2014 Completed all improvement work to meet the revised Water Pollution Control Act (Renovated JSR sites and relevant facilities of Group companies that failed to meet the revised act) 	○	<ul style="list-style-type: none"> Continue to achieve "zero waste" goals 	
Introduce measure to improve local environments	<ul style="list-style-type: none"> Continued to reduce offensive odors by installing RTOs at three JSR plants Continued countermeasure to reduce noise and light by installing a ground flare^{*13} at Yokkaichi Plant; there were no environmental complaints in FY 2013 	○	<ul style="list-style-type: none"> Promote stable wastewater treatment and further reduce drainage load to meet the 7th Total Pollutant Load Control 		
Society Biodiversity conservation ISO 26000 The environment	Make cooperation for the International Center for Environmental Technology Transfer around the world	<ul style="list-style-type: none"> Cooperated in the International Center for Environmental Technology Transfer (ICETT) and supported training of environment and safety engineers around the world 	○	<ul style="list-style-type: none"> Continue zero environmental complaints performance 	Corporate Social Responsibility Department Safety Environment Affairs Department
	Promote activities based on the JSR Group's biodiversity policies	<ul style="list-style-type: none"> Started to improve green spaces at the Yokkaichi Plant and Tsukuba Research Laboratories to make them a better habitat for biodiversity. Conducted Living Things Monitoring periodically at each site Started to incorporate conservation for biodiversity into the design of new sites Conducted a survey on the biodiversity conservation activities of suppliers Conducted research on sustainability of synthetic and natural rubbers Continued to participate in JBIB working groups 	◎	<ul style="list-style-type: none"> Promote activities according to established policies and plans Continue involvement in JBIB's activities 	
Society Community ISO 26000 Community involvement and development	Implement social contribution programs	<ul style="list-style-type: none"> Continued to provide Fun Lab Classes for elementary school students, visiting lectures of science for junior high school students, and private company training programs for teachers in collaboration with educational institutions, as well as participating in the TABLE FOR TWO program 	○	<ul style="list-style-type: none"> Continuation of current efforts 	Social Contribution Committee
	Support disaster-affected areas	<ul style="list-style-type: none"> Continued to support the improvement of the living environment at a disaster-affected area by applying thermal insulation paint containing our materials to temporary housing in the area 	○	<ul style="list-style-type: none"> Continue conducting activities that meet the needs of affected people 	
	Implement activities that will contribute to local communities	<ul style="list-style-type: none"> Implemented various activities at each plant area with the emphasis on communication with the local community, such as interactive events with local residents and cleanup activities. Continued to hold a local food fair in the cafeteria of Yokkaichi Plant 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
Shareholders Better communication with shareholders and investors	Share information through various media	<ul style="list-style-type: none"> Provided information regarding the Group in an easy-to-understand manner through the Investor Relations section of our website, Annual Reports, the "JSR Throughout Society" brochure, and other means 	○	<ul style="list-style-type: none"> Continuation of current efforts 	General Affairs Department Accounting & Finance Department Corporate Communications Department
	Promote interactive communication with shareholders and investors	<ul style="list-style-type: none"> Held briefings on business results after each quarter, seminars for institutional investors and analysts, technical seminars, and plant tours 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Make general shareholders' meetings more attractive	<ul style="list-style-type: none"> Enclosed documents with useful information together with a convocation notice mailed to shareholders, introduced our products on the day of the general shareholders' meeting, and ensured that explanations of our businesses made during the meeting were informative and detailed 	○		

Environmental and safety audits for overseas Group companies


The JSR Group ensures that environmental protection and safety measures are observed at its sites in Japan and overseas by periodically conducting environmental and safety audits. In FY 2013, an audit was performed at Elastomix (Foshan) Co., Ltd., our Group company in Foshan, Guangdong, China, whose main business is refining and processing crude rubber.



Audit at Elastomix (Foshan) Co., Ltd.


Introduction of "Safety Competency Evaluation System"

We introduced "Safety Competency Evaluation System", a self-diagnosis tool for the level of safety competency developed by the Japan Society for Safety Engineering (JSSE). The system focuses on safety infrastructure (the technological aspect of safety) and safety culture (the human aspect of safety). The system will be tested at the Yokkaichi Plant first before being introduced at other locations.



Reduction of CO₂ emissions through creating combustible waste sludge

Sludge generated from the wastewater treatment facilities of the Yokkaichi Plant previously required a combustion support fuel (heavy oil) for incineration. In 2012, we introduced a sludge dryer system, which enables us to make sludge combustible without requiring any combustion support fuel. The system is expected to help us to reduce CO₂ emissions by approx. 15,000 tons annually.



Sludge dryer system

JSR Micro Taiwan Co., Ltd. (JMW) wins a greening contest prize for the second consecutive year

JMW entered a greening contest organized by The Central Taiwan Science Administration Bureau (CTSP) and won the top prize for the second consecutive year. Since its establishment, the company has been working hard to maintain harmony with the surrounding ecosystem by selecting indigenous plants of Taiwan that fit the local subtropical climate and planting them in green areas.



Thermal barrier coating using SIFCLEAR™ applied to temporary housing on Oshima Island, Kesenuma City

The JSR Group mobilized volunteer employees and organized activities to support people affected by the Great East Japan Earthquake on Oshima Island, Kesenuma City, Miyagi Prefecture. As part of these activities, a thermal barrier coating using our product SIFCLEAR™ was applied free of charge to temporary houses of affected people located on the island. The coating was added to a total of 88 houses in 2011 and 2012, and we have been working on an on-going basis to help improve the living environment by reflecting feedback from the residents.



*9 LCA (Life Cycle Assessment): a method of quantitatively analyzing and assessing a product's environmental impact in all lifecycle stages, including raw materials, manufacturing, use, and disposal
 *10 LCI (Life Cycle Inventory): in LCA, the compilation of data on the flow of resources, energy, and environmental impacts of a product
 *11 VOC (Volatile Organic Compounds): organic compounds that are highly volatile, which are a source of atmospheric pollution

*12 RTO (Regenerative Thermal Oxidizer): a device that combusts VOCs and breaks them down into water and CO₂ to make emissions cleaner
 *13 Ground flare: a device that combusts waste gases in a cylindrical furnace placed on the ground. Ground flares have a lower impact on the surrounding environment (create less noise, etc.) compared to conventional flare stacks.
 *14 JBIB: Japan Business Initiative for Biodiversity