

JSR group set targets regarding specific action items of priority issues and review our activities on every FY.
The following report describes the main activities and their results for FY2015.

Assessment ○ : Better than planned ○ : As planned △ : Improvement needed — : New item for this FY

CSR Priority Issues	Action Item	FY2015 Target	FY2015 Result	Review	Targets for FY2016 or later	Implementing Division	
Safety and Disaster Prevention	Management	Reinforced risk management	<ul style="list-style-type: none"> Establishment of overall group risk management system that includes overseas offices and plants Selection of 22 items as JSR group's priority risks Periodic progress check of risk mitigation strategies Establish an Internet Risk Forum to improve risk sensitivity in employees and disclose risk information Publish an information security handbook 	○	<ul style="list-style-type: none"> Review of risk identification process appropriate to this current era of rapid changes Continuation of current efforts 	Risk Management Committee	
		Reinforced crisis management	<ul style="list-style-type: none"> Crisis management training (initial operation to BCP*1 action) and measurement to identified issues Enhancement of information sharing system in the Response Head Office Enhancement of crisis response capability by integration of the headquarters for accident & disaster control and BCP Publish BCM*1 regulations (first edition) 	○	<ul style="list-style-type: none"> Utilization of rapid information gathering tools for occurrences of disasters Expand BCM to include group companies Continued implementation and improvement of crisis management training (initial response training and BCM training) Enhanced cooperation with the Safety and Health Promotion Dept 		
	RC	Elimination of Accidents and Accident Prevention	Implement preliminary environmental and safety assessments	<ul style="list-style-type: none"> Continued to implement preliminary environmental and safety assessment in accordance with safety and environment manuals before construction of new facilities or modifying existing ones and performing non-regular work 	○	<ul style="list-style-type: none"> Continue to discover and resolve potentially dangerous issues with current equipment, materials, and work procedures Reform and rebuild our safety infrastructure Reestablish a culture of safety Improved efforts to identify and resolve potentially dangerous equipment that could lead to serious workplace accident Promotion of action items in alignment with the mid-term plan Renew certifications on security-related laws and regulations Recertify the Yokkaichi Plant for the 2-year consecutive certification as a Class 1 Pressure Vessels (earliest time frame is after November 19, 2017) Continuation of current efforts Review and enhancement of plant safety systems that incorporate the results of diagnosis of safety performed by external consultants 	RC Committee
			Zero facility accidents and zero serious workplace accidents	<ul style="list-style-type: none"> Two facility accidents which were required to be reported to the government in accordance with the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, occurred. Consistent development throughout JSR group. Identification and resolution of issues One serious workplace accident occurred at JSR Promote the Workplace Accident Eradication Project and the Safety Infrastructure Reform Project in efforts to prevent reoccurrence of place accidents. Reform and rebuild our safety infrastructure, reestablish a culture of safety, and identify and resolve potentially dangerous facilities that could lead to serious workplace accident 	△		
			Planned promotion of large-scale earthquake countermeasures	<ul style="list-style-type: none"> Planning and promotion of suitable earthquake anti-seismic reinforcement in anticipation of large-scale earthquakes and promotion of developing a plan to prepare for and respond to large-scale tsunamis 	○		
			Maintain certification under security-related laws and regulations	<ul style="list-style-type: none"> Maintaining certification and compliance with high-pressure gas safety Act and promotion of preparations to continue renewing these certifications for all three JSR plants Chiba Plant continues to operate as a Class 1 Pressure Vessels as defined by occupational safety and health regulations for 4 consecutive years The Yokkaichi Plant lost its 2-year consecutive certification as a Class 1 Pressure Vessels due to the serious workplace accident that occurred in July of 2014 	△		
			Participation in Japan Safety Competency Center activities	<ul style="list-style-type: none"> Participation in Japan Safety Competency Center activities established as a third-party organization in April of 2013 to spread the Safety Competency Evaluation System throughout the industry 	○		
			Diagnosis of safety by an external consultant	<ul style="list-style-type: none"> Review and enhancement of plant safety systems that incorporate the results of diagnosis of safety performed by external consultants <ul style="list-style-type: none"> Safety Competency Center evaluations conducted by Japan Safety Competency Center: Chiba Plant in August and Kashima Plant in November Safety evaluation conducted by DuPont: Yokkaichi Plant in December 	○		
	Energy Saving, Resource Saving, and Climate Change Countermeasures	Development of safety-focused and environmentally friendly products	Activities to reduce environmental impact by incorporating the LCA*2	<ul style="list-style-type: none"> Estimate the CO₂ emissions from new and alternative products starting from the development phase through the incorporation of LCA (approximately 70 products are estimated using LCA at the manufacturing phase) 	○	<ul style="list-style-type: none"> Continued analysis/discussion of feasibility of activities to reduce the environmental impact utilizing LCI*3 data Create evaluation indicators for environmentally friendly products Maintain ISO 14001 and ISO 9001 certifications Prepare for revisions to ISO 14001 certification (expected in September of 2015) Review auditing methods to improve performance and conduct safety and environment audits under revised methods The target specific energy consumption was 87 or less based on the standards created in FY1999 Continue focus on energy conservation activities to achieve targets in reduction of CO₂ emissions Consider review of mid-term CO₂ reduction targets in accordance with trends and changes in government CO₂ reduction targets Calculation of greenhouse gas emissions (Scope 1, 2 and 3) throughout the supply chain and disclosure of this information via the CSR report VOC reduction targets for FY2016 Continue to reduce levels by 75% over FY2001 levels Continuation of current efforts Promote reduction of wastewater emission and stabilization of wastewater treatment Promotion of initiatives to improve water resource management (maintain current level of water recirculation and reuse) Continuation of current efforts Continuation of current efforts 	RC Committee
			Continued development of environmentally friendly products and review of standards	<ul style="list-style-type: none"> Continued development of environmentally friendly products (development of new grades) 	○		
Create offices and plants that have a high degree of public confidence		Maintain ISO 14001 and ISO 9001 certifications	<ul style="list-style-type: none"> Continue to pass ISO 14001 and ISO 9001 evaluations at our 3 plants Prepare for revisions to ISO 14001 certification (expected in September of 2015) 	○			
		Review of safety and environment audit system and conduct safety and environment audits	<ul style="list-style-type: none"> Review the safety and environment audit system. Conduct safety and environment audits on JSR and domestic group companies (9 companies, 13 locations) 	○			
Reduce environmental impact		Promote energy conservation and implement climate change countermeasures	<ul style="list-style-type: none"> The E-100 plus C project was conducted throughout all companies to help conserve energy and resources, but desired results were not achieved with a specific energy consumption of 89 for FY2015 due to decreased production. Note: The target specific energy consumption for FY2015 was 87 or less based on the standards created in FY1999 	△			
			<ul style="list-style-type: none"> We have continued safe operation of natural gas turbine cogeneration facilities. We exceeded our FY2015 goal of a 6% reduction in total CO₂ emissions from all 3 plants with an actual reduction of 64,000 tons, or an 8.9% reduction over FY1991 levels 	○			
			<ul style="list-style-type: none"> Calculation of greenhouse gas emissions (Scope 1, 2 and 3) throughout the supply chain and disclosure of this information via the CSR report 	○			
		Reduce emissions of VOCs*4 into the atmosphere	<ul style="list-style-type: none"> Reduced VOC emissions by 77% over FY2001 levels through continuance of stable operation of RTO*5 installed in the 3 JSR plants 	○			
		Reduce emission of wastewater into the environment and reduce industrial waste	<ul style="list-style-type: none"> Zero waste targets for industrial waste have been reached from FY2004 through FY2015 (0 tons of waste going to landfills) through systematic initiatives at all plants including strict waste reduction and separation efforts as well as searching for suitable recyclers Ensure proper wastewater management in all plants (COD*6, total nitrogen, total phosphorus). Continue to stabilize wastewater management and improve water quality. Comply with the seventh series of standards and regulations on total amounts 	○			
Conduct activities to improve local environments		<ul style="list-style-type: none"> Maintain reliable and stable functionality of environmental equipment and maintain current status of zero environmental complaints for FY2015 	○				
Ensure safety and environment in overseas offices and plants	Cooperation with the International Center for Environmental Technology Transfer (ICETT)	<ul style="list-style-type: none"> Cooperated in the ICETT and supported training of environmental and safety engineers around the world 	○				
Conservation of biodiversity	Promote the JSR Group policy and plan on the conservation of biodiversity. Continuation of JIBIB** activities	<ul style="list-style-type: none"> Promotion of green space areas to improve the conservation of biological diversity at all 3 JSR plants Function as an active member of the JIBIB raw materials procurement working group Accomplish goal #3 in the biodiversity policy to promote the development of products that help conserve biological diversity. Develop standards for products that help conserve biodiversity 	○	<ul style="list-style-type: none"> Promote communication using green areas that help conserve biological diversity Continuation of JIBIB activities Update definitions of existing environmentally friendly products while improving awareness throughout our companies 	CSR Dept. Environmental Dept. Procurement Dept. Plant Management Dept. R&D Dept.		

CSR Priority Issues	Action Item	FY2015 Target	FY2015 Result	Review	Targets for FY2016 or later	Implementing Division
Sustainable Society where people can enjoy health and longevity	Sustainable Society where people can enjoy health and longevity	Contribute to Sustainable Society where people can enjoy health and longevity through our materials (long-term action item)	—	—	• Contribute to the promotion of changing perspective from treatment to prevention and personalized medicine through the Life Sciences Business	Strategic Business Dept.
	Management	Enhanced compliance	Corporate ethics awareness surveys	• Follow up on corporate ethics awareness surveys including those conducted at overseas offices and plants	○	• Continuation of current efforts
Level of corporate ethics awareness and revision of JSR Group Principles of Corporate Ethics as necessary			• Implement corporate ethics e-learning program • Conduct corporate ethics training for new employees and new management employees	○		
Development of Hotline for Business Partners evenly among group companies			• Expand scope to include suppliers of domestic group companies	○		
Continue to promote activities and increase awareness amount all group companies		Promote activities of the four committees (corporate ethics, RC, risk management, social contribution)	• Promote the activities of the four committees according to plan	○	• Continuation of current efforts	CSR Dept.
Improve awareness throughout the group companies	• Hold the annual CSR report Presentation meetings • Conduct awareness-building activities regarding the integration of CSR and the JSR Group's Essential Elements • CSR caravans and workshops are currently not conducted (to focus on safety activities) • Reduced the number of messages posted on the website	△	• Conduct CSR awareness-building activities in overseas offices and plants as well			
Customers and business partners	Continuous improvement of product quality	Improve quality management throughout the entire supply chain	• Enhancement of activities to prevent quality assurance through focusing on improved raw materials management and improved manufacturing technologies	○	• Establish a global quality control system and raise the PLP*8 level throughout group companies	RC Committee
		Provide environmental and safety information on products	Provide environmental and safety information to customers	• Provide the proper information on prototypes and products to customers by utilizing the SDS*9 electronic management system • The Petrochemicals Business should hold a sales agency conference	○	
	Strengthen chemical substance management	Ensure compliance with GHS*10	• Promote labeling of product shipped domestically in compliance with Industrial Safety and Health Act. Promote compliance with SDS and GHS as according to plan	○	• Labeling of product based on GHS in compliance with regulations. Continue to provide SDS • Timely compliance with GHS in accordance with laws and regulations of each country of export	
		Ensure compliance with European REACH*11 and CLP*12	• Transfer necessary information for REACH compliance and confirm registration status of raw materials	○	• Continuation of current efforts	
		Promotion of green procurement*13	• Continuance of JAMP-GP*14 • Provide MSDS Plus	○	• Promote activities focusing on collaboration among the supply chain	
	CSR procurement*15	Expansion of CSR procurement	• A previous investigation regarding raw materials covers 99% of the suppliers that JSR continually does business with • Those suppliers that did not pass the investigation must bring up standards to appropriate levels through audits and other improvement activities • Investigations have been conducted on suppliers that could potentially have been using conflict materials and confirmed that there is no cause for concern	○	• Continuation of current efforts	Procurement Dept. I & II CSR Dept.
Employees	Work-life management promotion	Promote awareness-building	• Conduct training for leader class and subleader class employees • Disclosure of overtime status (monthly) • Conduct awareness surveys on overtime • Conduct employee awareness surveys	○	• Continuation of current efforts	Human Resources Dept.
	Diversified human resources	Development of corporate culture	• Continue communication-building activities in each office	○	• Continuation of current efforts	
		Conduct specific action items. Reach numerical goals	• Percentage of female employees as of April, 2015 [JSR]: College graduates in technical positions is 9% (goal of 15-20%), college graduates in general office positions is 33% (goal of 40-50%) • Percentage of female management employees as of April, 2015 [JSR]: 3.8% (goal of 5%)	△		
Promote diversity during recruitment activities	• Percentage of employees with disabilities [JSR]: 2.3% (statutory employment rate of 2%) • Foreign national employees [JSR]: 17 • Held a workshop on cross-cultural communication	○				
Society	Understand social trends	Utilize the UN Global Compact (GC) network	• Utilize the GC network • Participation as a member of the Environmental Management Subcommittee for the GC Network Japan and the Human Rights Due Diligence Subcommittee	○	• Continuation of current efforts	CSR Dept.
		Participate in the Consortium for Sustainable Paper Usage	• Participation as a member in the Consortium for Sustainable Paper Usage	○	• Continuation of current efforts	
	Promote social contribution activities	Promote social contribution programs	• Provide visiting lectures on science for elementary and middle school students in collaboration with educational institutions, private-sector training for teachers, and continue the Table for Two program • Internship program accepting students from Rikkyo University and other educational institutions • Conduct communication exchange with residents in local areas where our facilities are located including overseas offices and plants. Participate in local clean-up activities, and develop opportunities to engage in dialogue	○	• Continuation of current efforts	Social Contribution Committee
	Enhance communication with society	—	• Support young researchers in universities through sponsoring the TBS TV/CBS TV mini-series "Mirai no Kigen (Origin for the Future)"	—	• Include sponsorship of BS-TBS broadcasting as well to ensure access nationwide	Corporate Communications Dept.
Shareholders	Better communication with stakeholders and investors	Release information through various media	• Release information about the group that is easy to understand in a timely manner including such examples as the Information for Investors section of the website, annual reports, and the "JSR Throughout Society" booklet	○	• Continuation of current efforts	General Affairs Dept. Account & Finance Dept. Corporate Communications Dept.
		Bi-directional communication with shareholders and investors	• Hold the quarterly financial briefing, annual management policy briefing, and seminars for institutional investors and analysts. Participate in domestic and overseas conferences	○		
		Conduct shareholder meetings that encourage relationship-building	• Earlier and more frequent releases of meeting announcements. Earlier conducting of shareholder meetings. Enrich briefings of business overviews and product introductions at venues	○		

*1 BCM = Business Continuity Management and BCP = Business Continuity Plan. BCP defines the planning of determination criteria and course of action plans to continue business operations in the event of emergencies or disasters and to continue or restore operations as quickly as possible after a major emergency event that could affect the existence of the company occurs such as large-scale disasters, fires/explosions, terrorist attacks, etc. BCM defines the management system implemented to improve and operate the BCP through PDCA.

*2 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.

*3 LCI = Life Cycle Inventory. Sum of the input and output data of resource, energy, and environmental impact of products used for LCA.

*4 VOC = Volatile Organic Compounds. This is a cause of air pollution.

*5 RTO = Regenerative Thermal Oxidizer. A device used to burn and decompose VOCs into CO₂ to create cleaner exhaust gases.

*6 COD = Chemical Oxygen Demand. This is the amount of oxygen required to oxidize oxidizable materials in water. This is one of the more common indicators of water quality.

*7 JBIB = Japan Business Initiative for Biodiversity.

*8 PLP = Product Liability Prevention. This is an effort to prevent the manufacture of defective products.

*9 SDS = Safety Data Sheet. A sheet describing the safety information on chemical substances is attached when shipped to other operators.

*10 GHS = Globally Harmonized System Classification and Labeling of Chemicals. This system is designed to globally standardize classification, labeling and provision of SDS.

*11 REACH = Registration, Evaluation, Authorization and Restriction of Chemicals. This is a European regulation to provide safety test data on all chemical products that are manufactured or imported by an amount of at least 1 ton per year.

*12 CLP = Classification, Labeling and Packaging of Substances and Mixtures. This is a European regulation on defining the classification, labeling and packaging of compounds on the basis of GHS.

*13 Green procurement is a system of procuring raw materials from suppliers that meet strict guidelines on the management of substances that have the potential to cause harm to human health.

*14 JAMP-GP = Joint Article Management Promotion Consortium-Global Portal. The global portal website of the Article Management Promotion Consortium. This consortium manages, discloses, and propagates information on products containing chemical substances to member companies.

*15 CSR procurement is a system of procuring raw materials from suppliers that have demonstrated resolve to engage in environment protection as well as incorporating the social aspect into corporate ethics and employment activities.