

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	FY2014 Target	FY2014 Performance	Assessment	Target for FY2015 Onward	Implementing Division	
CSR Management Promote the relevant activities and raise the awareness of the activities across the Group	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"> Promoted information sharing via internal newsletters and by intranet Held CSR workshops for employee leaders of JSR and Group companies at the Yokkaichi Plant, our "mother" plant Published the CSR Report in many languages (English, two Chinese versions, Korean, Thai) Implemented the RC & CSR Caravan (JSR Micro Korea) 	◎	<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 		
	Understand social trends	<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 Due Diligence Working Group 	○	<ul style="list-style-type: none"> Continuation of current efforts 	CSR Department	
	Join the Consortium for Sustainable Paper Use	<ul style="list-style-type: none"> Joined the Consortium for Sustainable Paper Use as a founding member, aimed at promoting environmentally and socially considerate paper use in society 	○	<ul style="list-style-type: none"> Continuation of current efforts 		
	Reinforce corporate ethics and legal compliance	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 	Corporate Ethics Committee
		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 (stating our support for the Universal Declaration of Human Rights; tightening the Code of Conduct for Gifts and Entertainment (including political contributions); adding the provision concerning conflict of interest; etc.) Opened a hotline for suppliers in April 2014 	○	<ul style="list-style-type: none"> Continuation of current efforts Promote employees' understanding of the Principles of Corporate Ethics 	
		Raise awareness of corporate ethics	<ul style="list-style-type: none"> Implemented corporate ethics e-learning Held a Compliance Handbook study meeting at each workplace 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
		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 for employees across the Group to gain knowledge of relevant laws and regulations 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Reinforce risk management	Periodically operate the company-wide risk management system	<ul style="list-style-type: none"> Promoted the company-wide risk management system to gradually become the standard practice within the Group. Implemented company-wide risk management activities across the Group, including overseas sites, and identified 12 major company-wide risks Conducted intermediate inspections Prepared for the launch of a risk bulletin board on the intranet to help sharpen employees' sensitivity to risks 	○	<ul style="list-style-type: none"> Continuation of current efforts Launch a risk bulletin board 	Risk Management Committee
		Strengthen crisis management	<ul style="list-style-type: none"> Implemented training on BCM¹ procedures in a simulated disaster (JSR) Implemented BCP¹ training involving multiple Group companies Strengthened crisis management (initial response) (increased the efficiency of confirmation of the safety of employees and their families; multiplexing of communication circuits; etc.) 	◎	<ul style="list-style-type: none"> Continue to implement and improve crisis management training (initial response training and BCM training) Issue BCM rules Reinforce functionality of the disaster control headquarters 	
Customers/Business Partners Continue to improve product quality Provide product environmental and safety information Improve management of chemical substances	Enhance quality control across the supply chain	<ul style="list-style-type: none"> Enhanced material management and production technologies, among other efforts, to prevent quality accidents 	○	<ul style="list-style-type: none"> Develop a global quality control system and improve the level of PLP² throughout Group companies 	Responsible Care Committee	
	Provide customers with environmental, safety, and other information	<ul style="list-style-type: none"> Used SDS electronic management system to provide customers with appropriate SDS³ for prototypes and products Organized an agency conference at the Petrochemical Products Division 	○	<ul style="list-style-type: none"> Continuation of current efforts 		
	Ensure compliance with GHS ⁴	<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 labeling 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 ⁵ and CLP ⁶	<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 ⁷	<ul style="list-style-type: none"> Continued to utilize the JAMP-GP⁸ Submitted MSDS Plus 	○	<ul style="list-style-type: none"> Conduct activities that focus on cooperation within the supply chain 		
The environment Fair operating practices Consumer issues	Improve CSR procurement	<ul style="list-style-type: none"> Implemented CSR procurement, covering 99% of raw material suppliers with which we have consistently maintained transactions for the past four years Expanded the survey content to include a question on corruption prevention in the social responsibility section 	○	<ul style="list-style-type: none"> Support the catching-up of suppliers who failed to meet the standard Expand to include Group companies 	Procurement Departments I and II	
Employees Promote employee work-life management Ensure diversity in the workplace	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"> Increased employees' awareness of the program through the employee awareness survey 	○	<ul style="list-style-type: none"> Continuation of current efforts 		
	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 2014 (JSR) – engineering positions for college graduates: 20% (18% last fiscal year); and clerical positions for college graduates: 20% (50% last fiscal year) Percentage of managerial positions filled by women as of April 2014: 4.0% (3.9% last fiscal year) Continued communication activities at each business site Ratio of employees with disabilities (JSR): 2.19% (1.96% last fiscal year) Number of non-Japanese employees (JSR): 20 (19 last fiscal year) Held a workshop to learn cross-cultural communication 	○	<ul style="list-style-type: none"> Continuation of current efforts 		
	Ensure diversity of recruitment	<ul style="list-style-type: none"> Continued communication activities at each business site Ratio of employees with disabilities (JSR): 2.19% (1.96% last fiscal year) Number of non-Japanese employees (JSR): 20 (19 last fiscal year) Held a workshop to learn cross-cultural communication 	○	<ul style="list-style-type: none"> Continuation of current efforts 		

Publishing the CSR Report in many languages (December 2013)

The CSR Report was published in many languages (English, two versions of Chinese, Korean, Thai) to strengthen the unity of the JSR Group in its CSR efforts.

Hotline for suppliers (April 2014)

The JSR Supplier Hotline was opened as a contact point for suppliers who wish to consult and report on any legal or corporate ethical violations, whether actual or alleged, that they may find in the course of their transactions with us. The hotline is expected to help us to discover violations at an early stage. It is assured that reporting parties (suppliers) will not suffer any disadvantage or be retaliated against for their reporting of violations and that anonymity of the reporting parties will be respected if they choose to remain anonymous.

BCM training (October 2013)

We conducted BCM training for the first time to reinforce our BCM system. All members of BCP headquarters participated in the training, carrying out all procedures from the moment the BCP was activated in a simulated disaster until the emergency situation was brought under control.

Agency conference (February 2014)

The Specialty Elastomer Department of the Petrochemical Products Division organized a conference with 19 agency companies to discuss ways of building stronger relationships and forming solid teamwork with agencies and customers, explain increasingly diverse and complex material and procurement trends, increase product knowledge, and share problems. From among Japanese and international market agencies that had achieved prominent promotional performance in 2013, one agency each was commended during the conference.

Employee awareness survey debriefing (first half of FY2015)

Employee awareness and a satisfaction survey are conducted periodically and the results are utilized to help change the corporate culture for the better. FY2014 saw the fourth survey carried out. A survey debriefing meeting was also held at all business sites and Group companies to explain the survey results pertaining to their relevant division.


¹ BCM (Business Continuity Management), BCP (Business Continuity Plan): A BCP defines activities that need to be conducted before the occurrence of an emergency situation that may threaten the survival of a company (large-scale natural disaster, explosion/fire, terrorist attack, etc.), judgment criteria and action guidelines that enable business continuity in the event of such emergencies, and other matters necessary for ensuring the continuity of important businesses and early restoration. BCM is a management system that has been developed to operate a BCP and continuously improve it through a PDCA (plan-do-check-act) cycle.
² PLP (Product Liability Prevention): activities designed to prevent the manufacture of defective products
³ SDS (Safety Data Sheet): a form that is attached to chemical substances when they are shipped to other businesses to provide safety information
⁴ 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

⁵ 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
⁶ 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
⁷ Green Procurement: measures aimed at procuring materials from suppliers who implement comprehensive management of substances that have the potential to harm human health
⁸ 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
⁹ 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	FY2014 Target	FY2014 Performance	Assessment	Target for FY2015 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 ^{*10} in environmental impact reduction activities	<ul style="list-style-type: none"> Implemented LCA of new products and major products (about 67 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^{*11} 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. Problems identified and other information were shared across the Group and countermeasures were taken. Continued efforts to eliminate hazardous areas and operations to prevent occupational health and safety accidents Three accidents that resulted in worker absence occurred at JSR. Problems were identified and countermeasures were taken to prevent a recurrence. Implemented a safety assessment for JSR BST Elastomer (Thailand) prior to its full-fledged operation to ensure that the plant was at the same safety level as our plants in Japan 	△	<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"> Implemented anti-seismic reinforcement in anticipation of a near field earthquake, and organized and promoted countermeasures in anticipation of a huge tsunami following an inter plate earthquake 	○	<ul style="list-style-type: none"> Eliminate dangerous work practices and conditions, and encourage passing down of skills from experienced to inexperienced workers Implement safety assessment for overseas plants when they are completed or prior to their full-fledged operation to ensure that they have the same safety level as our plants in Japan 	
	Maintain ISO 14001 and ISO 9001 certification	<ul style="list-style-type: none"> Passed audits to maintain ISO14001 and ISO9001 at three JSR plants 	○	<ul style="list-style-type: none"> Implement measures in accordance with the mid-term business plan 	
	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 operation of class-1 pressure vessels under the Industrial Safety and Health Act at the Chiba Plant 	○	<ul style="list-style-type: none"> Maintain and continue to operate ISO14001 and ISO9001 Obtain ISO14001 certification for the Tsukuba Research Laboratories 	
	Audit environmental and safety performance of Group companies	<ul style="list-style-type: none"> Implemented environmental and safety audits at 16 sites of 11 Group companies in Japan and two site of two overseas Group company 	○	<ul style="list-style-type: none"> Renew certifications under safety laws and regulations 	
	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 Competency Evaluation System within industrial circles 	○	<ul style="list-style-type: none"> Continue current efforts Increase the frequency of audits at overseas sites 	
	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 FY1991. CO₂ emissions in FY2014 decreased by approx. 77,000 tons (10.7%) compared to FY1991. The per-unit index was 61 in FY2014 when FY1991 = 100 Began work on the measurement of GHG emissions across the supply chain (Scope 3), in addition to GHG emissions from our business activities (Scope 1 and Scope 2) 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Reduce atmospheric release of VOC ^{*12}	<ul style="list-style-type: none"> Reduced VOC emissions by 74% compared to FY2001 through the stable operation of RTOs^{*13} installed at three JSR plants 	△	<ul style="list-style-type: none"> Promote activities to maintain the reduction of VOC emissions to achieve the FY2014 target: a 75% reduction from the FY2001 level 	
	Reduce the environmental impact of wastewater and industrial waste	<ul style="list-style-type: none"> Industrial waste: "zero waste" goals have been achieved every year from FY2004 to FY2014 (zero ton 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 7th Total Pollutant Load Control through strict wastewater (COD, total nitrogen, total phosphorous) management at each plant and on-going measures to achieve stable wastewater treatment and improved water quality 	○	<ul style="list-style-type: none"> Continue energy-saving activities to achieve the target for reducing CO₂ emissions Continue activities for the measurement of Scope 3 emissions 	
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^{*14} at Yokkaichi Plant; once again, there were no environmental complaints in FY2014 	○	<ul style="list-style-type: none"> Continue to achieve "zero waste" goals Promote stable wastewater treatment and further reduce drainage impact Continue zero environmental complaints performance 		
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 to make cooperation for ICETT 		
Society Biodiversity conservation ISO 26000 The environment	Promote activities according to established policies and plans	<ul style="list-style-type: none"> Formulated the JSR Group's Paper Procurement Guidelines Conducted an investigation on paper procurement (JSR) Developed green space improvement plans for four business sites in Japan while considering biodiversity Supported biodiversity protection planning before two overseas Group companies started on plant construction 	○	<ul style="list-style-type: none"> Continue to make cooperation for ICETT 	Corporate Social Responsibility Department Safety Environment Affairs Department Units responsible for raw material procurement Relevant units at each plant
	Continue to support JBIB ^{*16} activities		○	<ul style="list-style-type: none"> Conduct activities in accordance with a green space improvement plan formulated for each business site Create product standards while considering biodiversity Promote other policies and plans Continue involvement in JBIB's activities 	
	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 Accepted interns from Rikkyo University and other educational institutions 	○	<ul style="list-style-type: none"> Continue to make cooperation for ICETT 	
Society Community ISO 26000 Community involvement and development	Promote volunteer activities such as those for supporting disaster-affected areas	<ul style="list-style-type: none"> Conducted support activities for disaster-affected areas, such as participating in local volunteer activities by taking volunteer service leave as well as purchasing local products 	○	<ul style="list-style-type: none"> Continuation of current efforts 	Social Contribution Committee
	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 	○		
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 	○		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, and other events 	○	<ul style="list-style-type: none"> Continuation of current efforts 	
	Make general shareholders' meetings more attractive	<ul style="list-style-type: none"> Made convocation notices mailed to shareholders more informative and mailed them as early as possible, held the general shareholders' meeting at an early date, introduced our products on the day of the general shareholders' meeting, and improved the way in which we explain our businesses during the meeting 	○		

Disaster prevention functions of the Yokkaichi Plant's main administration building

The main administration building that was completed in December 2013 is equipped with effective anti-earthquake devices. The combination of two different types of seismic isolators—a laminated-rubber type and an oil-damper type—makes the building capable of withstanding a 600 Gal seismic force. The grid-form ground improvement method was also adopted to prevent ground liquefaction. The building also serves as a disaster-preparedness warehouse and is designated by Yokkaichi City as a tsunami evacuation building. In the event that the Head Office in Tokyo is severely damaged by a disaster, this building will function as the emergency head office.



Laminated-rubber type seismic isolator

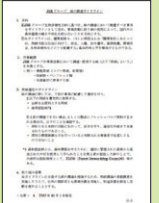
Environmental and safety audits for overseas Group companies

The JSR Group ensures that its business sites, whether based in Japan or abroad, meet the expected standards in terms of the environment and safety by conducting periodic audits. In FY2014, an audit was conducted for JSR Micro Korea Co., Ltd., a Group company in Korea that develops, produces, and sells materials for liquid crystal panels and semiconductors.




Formulation of JSR Group Paper Procurement Guidelines

The guidelines that need to be observed when purchasing paper were formulated based on the JSR Group's Biodiversity Policies created in FY2013. In accordance with these guidelines, we will promote the preferential procurement of paper produced mainly from used paper or paper certified by the FSC^{*15} or other reliable certification bodies.




Greening of Tsukuba Research Laboratories

Green space improvement plans were formulated for each of JSR's three plants as well as Tsukuba Research Laboratories based on the results of green space and biological research conducted at these sites in the pursuit of land use that does not affect biodiversity. At Tsukuba Research Laboratories, a part of its premises has been designated as a biodiversity conservation area where various efforts have been implemented, including limiting the use of herbicides to the minimum necessary level and leaving fallen leaves on the ground to produce compost.



"Delivery Science Class" (December 2013)

JSR staff visited Kamisu Municipal Hasaki-Daiyon Junior High School in Kamisu City, Ibaraki Prefecture where the Kashima Plant is located, to provide a science class for 102 second-year students to allow them experience the properties of macromolecules. FY2014 marked the fifth time the plant delivered this lesson. Science classes for junior high school students are provided at the Yokkaichi Plant as well.



*10 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

*11 LCI (Life Cycle Inventory): in LCA, the compilation of data on the flow of resources, energy, and environmental impacts of a product

*12 VOC (Volatile Organic Compounds): organic compounds that are highly volatile, which are a source of atmospheric pollution

*13 RTO (Regenerative Thermal Oxidizer): a device that combusts VOCs and breaks them down into water and CO₂ to make emissions cleaner

*14 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.

*15 FSC (Forest Stewardship Council): a nonprofit organization established to promote responsible management of the world's forests

*16 JBIB: Japan Business Initiative for Biodiversity