

## CONTRIBUTING TO SOCIETY THROUGH MATERIALS INNOVATION

**JSR Group practices a unique brand of CSR. For us, what CSR means is becoming a company that continuously grows while contributing to society through the provision of essential materials and that discharges its responsibilities to stakeholders in accordance with the Corporate Mission.**

### CSR Management

#### CSR Advancement Structure

JSR promotes CSR through a system of committees and the CSR Department, established to reinforce CSR-related initiatives. There are four committees that function under the supervision of the CSR Committee: the Corporate Ethics Committee, which implements corporate ethics standards and works to prevent improper actions throughout the Group; the Responsible Care Committee, which works to realize a sustainable society through the implementation of initiatives that safeguard the environment, health, and safety; the Risk Management Committee, which seeks to further strengthen the Group's risk management system; and the Social Contribution Committee, which devises and promotes activities to help the Group make a contribution to society.

#### Compliance

JSR Group's concept of legal compliance is grounded in the principle of ethical action based on compliance with the law. The Corporate Ethics Committee promotes activities to encourage employees to maintain high ethical standards and act with fairness and integrity. We conduct a Corporate Ethics Awareness Survey at business sites in Japan and overseas to ascertain the state of awareness of corporate ethics among employees and identify issues and we prepare a follow-up plan to address any issues identified in the survey. To strengthen compliance, in April 2013 we prepared the Compliance Handbook containing key points concerning laws and regulations to be observed and distributed to all employees in Japan. JSR has

issued compliance handbooks based on regulations in South Korea and China and distributed to JSR Group companies in South Korea and China. Our compliance with South Korean and Chinese rules and regulations is comprehensive and rigorous.

#### Risk Management

JSR Group considers preventing major crises from occurring and minimizing the effects of crises on business activities as an important management priority and engages in risk management activities. Using an independently developed system, each division and Group company periodically identifies, assesses, and formulates countermeasures against a wide range of risks, including explosion, fire, major earthquake, and pandemic outbreak. We designate particularly serious risks as "major company-wide risks," and the Risk Management Committee and the CSR Committee manage improvement in risk management. JSR holds crisis management training once a year, and in the event of an emergency, our president directs the emergency headquarters. In FY ended March 2017, the annual crisis management training was held assuming that a Tonankai earthquake (a large-scale earthquake centered on the Nankai Trough) occurred and caused big damage in the Chukyo area where JSR's Yokkaichi Plant is located. We also held our first-ever information security training event as a crisis management exercise premised on an accident caused by an information leak. JSR will continue to prepare through various forms of training to ensure safety, reduce damage and keep our businesses running in the event of a serious crisis.

## Creating Sustainable Value

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**Responsibility to Our Stakeholders**

JSR's Group's essential elements include values to be shared among all JSR employees for them to act responsibly with confidence towards all stakeholders. For JSR, the term "stakeholder" refers to all customers and business partners, employees, society, and shareholders.

**Responsibility to Customers and Business Partners**

We believe that JSR Group's most important role is to offer innovative materials and excellent products that meet customer needs and contribute to a better society. We devote effort to initiatives to ensure the quality and safety of our products so that our customers can use them in relief. These efforts have been recognized, and we have received top-rank supplier awards from global customers.

**Responsibility to Our Employees**

JSR Group develops mechanisms and fosters a corporate culture that enables all employees to accurately recognize and solve issues and maintains and enhances organizational capabilities. Moreover, we encourage whole new ways of working and are directing our energies into initiatives to improve labor productivity. On a different front, we have put the JSR Group global personnel system into place and pursue personnel development and management at the Group and global levels. Throughout JSR Group, synergies are generated through the contributions of a diverse workforce.

**Responsibility to Society**

JSR Group engages in responsible care management including the creation of highly trustworthy business sites and initiatives to reduce environmental impacts. We also engage in activities that contribute to the development of a sustainable society, such as

promoting biodiversity, factoring in natural capital considerations, and supporting socially beneficial activities.

**Responsibility to Shareholders**

Through investor relations activities, we strive to promptly and accurately communicate to shareholders and investors information about the business situation and our corporate policies. We hold the Ordinary General Meeting of Shareholders at an early date, promptly send the notice of convocation to shareholders, enable the exercise of voting rights via the internet, and take other measures to ensure smooth exercise of voting rights by shareholders. We hold quarterly results briefings, seminars for institutional investors and analysts, and technical seminars (JSR Tech Seminars) and promote wide-ranging, two-way communication.

Aiming to increase corporate value by creating business opportunities through materials

- Constantly enhancing its management efficiencies
- Inspiring trust by being highly transparent and conducting sound corporate management practices
- In April 2009, JSR Group became a participant in the United Nations Global Compact. Amid growing calls for corporate social responsibility, the Global Compact enables companies that operate on a worldwide level to declare their commitment to observing the Compact's ten principles. The principles include human rights, labor, the environment, and anti-corruption. Having declared its participation in the Global Compact and its commitment to act responsibly as a member of the international community, JSR Group will work even harder to actively fulfill its social responsibilities.

## Creating Sustainable Value

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## JSR Recognized Internationally for Inclusions in Socially Responsible Investment Approaches

JSR has been selected for inclusion in international indices and investment universes for socially responsible investment (SRI).

Our selection proves that our corporate activities are highly valued around the world, and is a testament to our value.

JSR has also been selected for inclusion in the Global Compact 100.

In 2016, JSR was named one of the top 100 sustainable companies in Asia, according to the Channel NewsAsia 2016 Sustainability Ranking by the Asian television news channel and its partners.

## Recognition for Socially Responsible Investment

**FTSE4Good (U.K.)**

We have been listed in the FTSE4Good Index Series since 2004.

**EURONEXT Vigeo Eiris World 120 (France)**

We were selected as one of the top 120 global companies included in the Euronext Vigeo Eiris World 120 Index.

**ETHIBEL PIONEER & EXCELLENCE Investment Registers (Belgium)**

We have been reconferred for inclusion in the Ethibel Pioneer & Excellence Investment Registers since June 2017.

**MS-SRI (Japan)\***  
(January 4, 2017)

We have been selected as a member of the Morningstar Socially Responsible Investment Index, Japan's major SRI index, since 2009.

**SNAM Sustainability Index (Japan)**

We were selected for inclusion in the SNAM Sustainability Investment Fund as a company that Sompo Japan Nipponkoa Asset Management (SNAM) evaluates highly on environment, social and governance (ESG).

**NADESHIKO Brand (Japan)**

We were selected for a second successive year for excellence in promoting women's workplace success in a program organized by the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange.

**Next Generation Certification Mark "Kurumin" (Japan)**

The Kurumin logo is an accreditation for raising the next generation awarded by the Ministry of Health, Labour and Welfare (MHLW) to companies that support parenting.

**Health and Productivity Management program 2017 "White 500" (Japan)**

We were recognized as a company demonstrating outstanding health and productivity management by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi.

\* The Morningstar Socially Responsible Investment Index comprises 150 companies selected from among listed companies in Japan by assessing their social responsibility. This index does not guarantee future performance, accuracy, completeness, etc. Morningstar Japan K.K. and Morningstar, Inc. shall not bear any responsibility for damage that might result from use of the index. Copyright and all other rights rest with Morningstar Japan K.K. and Morningstar, Inc. Copies, reproductions, and citations without permission are prohibited.