

CSR MANAGEMENT

Our corporate mission, “Materials Innovation,” states that “We create value through materials to enrich society, people, and the environment.” Based on this mission, we are building good relationships with various stakeholders in our quest to become a trusted and indispensable corporate citizen. Accordingly, we are working to resolve social issues based on our belief that our practicing our corporate mission in management and engaging in CSR activities are one and the same.

CSR Advancement Structure

JSR Group promotes CSR through the CSR Committee, which reports to Representative Directors. There are four committees that function under the supervision of the CSR committee: the Corporate Ethics Committee, which enlightens corporate ethics standards and strengthens compliance; the Responsible Care Committee, which works to realize a sustainable society through promoting responsible care; the Risk Management Committee, which seeks to further strengthen the Group’s risk management system; and the Social Contribution Committee, which considers and promotes the Group’s necessary contribution to society. The CSR Committee coordinates and guides the activities of these four committees and works to strengthen and promote CSR management through regular meetings four times a year, as well as extraordinary meetings.

Compliance

JSR Group practices corporate ethics to fulfill its responsibility to stakeholders, which is its management policy, in addition to ensuring legal compliance as a matter of course. We have also formulated the “JSR Group

Corporate Ethics Guidelines” to provide specific guidance related to corporate ethics. 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, identify issues and 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.

Risk Management

JSR Group considers preventing major crises from occurring and minimizing the impact of unprecedented crises on its business activities if they were to occur as important management priorities, and engages in risk management activities accordingly. JSR Group operates its own

risk management system to periodically identify, evaluate, and formulate countermeasures for a wide range of risks, including explosions, fires, major earthquakes, and terrorist attacks. Among identified risks, we designate serious risks which are likely to have a big impact on the continuation of business as “major company-wide risks” and we monitor and periodically review the risks that the management itself has identified. In these ways, we are building and maintaining systems to prevent and/or prepare for the occurrence of crises.

JSR holds crisis management training once a year for members of the Disaster Countermeasure Division, which is headed by the president. In fiscal 2017, our annual crisis management training was held assuming that a major earthquake occurred immediately beneath nation’s capital (centered on the northern part of Tokyo Bay) that damaged not only our headquarters but Group companies and other bases across the Kanto District. JSR Group will continue to prepare through training assuming various crises and other ways to ensure safety, reduce damage and keep our businesses running in the event of a serious crisis.

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Responsibility to Our Stakeholders

Based on our recognition that “everything derives from social expectations,” we emphasize dialogue with stakeholders to avoid resorting to one-sided judgment criteria. For JSR Group, the term “stakeholder” refers to all customers and business partners, employees, society, and shareholders.

Responsibility to Our Customers and Business Partners

We believe that the most important role for JSR Group is to contribute to the creation of a better society by supplying innovative materials and quality products that meet the needs of our customers. We would like our customers to use our products in relief, and we place particular emphasis on quality assurance and product safety initiatives. These initiatives have been recognized, and we have received top-rank supplier awards from global customers.

Through communication with our business partners, meanwhile, we are improving the business activities of JSR Group.

Responsibility to Our Employees

We strive to develop mechanisms and a corporate culture to help employees accurately perceive and solve issues in order to foster a JSR that not only maintains its organizational capacity but ensures its future growth. We are also focused on

promoting work-style innovation and raising the added value of our operations. At the same time, we have established a global personnel system for JSR Group and are engaged in training and managing the Group’s human resources on a global level. Throughout the entire JSR Group, synergistic effects are being generated from the great successes being achieved by our diverse human resources.

Responsibility to Society

Seeking to earn the deep trust of communities and societies where it conducts its business activities, JSR Group is working to reduce environmental impacts through responsible care initiatives. We are also making efforts aimed at sustainable social development. These include promoting biodiversity, reducing waste, recycling resources, and engaging in social contribution activities.

Responsibility to Our Shareholders

Through our IR activities, we work hard to ensure that shareholders and investors are promptly and accurately informed about our business situation and corporate policies. To facilitate the exercise of shareholders’ voting rights, we convene ordinary general meetings of shareholders early so as to avoid the heaviest-scheduled dates, and send out convocation notices well in

advance of meeting dates. We have also introduced a system that allows shareholders to vote via the Internet. Our wide-ranging mutual communication activities also include quarterly briefings on our financial results and seminars for institutional investors and analysts (including technical seminars).

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. As a company that conducts business globally, we recognize the need to increase our considerations of human rights, labor, the environment, and anti-corruption cited in the Ten Principles of the UN Global Compact. To this end, we will step up proactive efforts to fulfill our corporate social responsibilities. Moreover through our business activities, we will promote initiatives to achieve the “Sustainable Development Goals (SDGs)” adopted by the United Nations in 2015.