

HUMAN RESOURCES

Human Rights

1. Philosophy

As a global company, JSR Group supports the thinking behind the UN Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights, and the UN Global Compact and accordingly respects the basic human rights and diversity of individuals. Moreover, we will not discriminate nor permit discrimination on the basis of gender, age, nationality, ethnic group, race, origin, religion, beliefs, social status, physical disability, or sexual orientation.

Participation in the United Nations Global Compact

JSR Group became a participant in the United Nations Global Compact in April 2009. As such, we will more proactively fulfill our corporate social responsibilities with recognition that businesses operating on a global level must make a greater commitment to human rights, labor, the environment and anti-corruption, as expressed in The Ten Principles of the United Nations Global Compact.



Representative Director,
CEO
Eric Johnson

2. Response to Human Rights Issues

(1) Participation in Global Initiatives

The JSR Group is a signatory and supporter of the United Nations Global Compact. We also participate in the Human Rights Due Diligence Working Group of Global Compact Network Japan and, as such, participate in workshops and gather and disseminate pertinent information within the company. As a specific activity in FY2019, we participated in a human rights policy group and presented a model case for newly formulating human rights policy under the theme of "our vision of the ideal framework for human rights policy."

At the present time, we have begun applying knowledge we obtained through this activity in a study toward formulation of JSR Group's human

The Ten Principles of the United Nations Global Compact

- ① Businesses should support and respect the protection of internationally proclaimed human rights; and
- ② make sure that they are not complicit in human rights abuses.
- ③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ④ the elimination of all forms of forced and compulsory labour;
- ⑤ the effective abolition of child labour; and
- ⑥ the elimination of discrimination in respect of employment and occupation.
- ⑦ Businesses should support a precautionary approach to environmental challenges;
- ⑧ undertake initiatives to promote greater environmental responsibility; and
- ⑨ encourage the development and diffusion of environmentally friendly technologies.
- ⑩ Businesses should work against corruption in all its forms, including extortion and bribery.

rights policy with concerned departments in the company.

(2) Principles of Corporate Ethics

JSR Group respects human rights and prohibits discrimination by establishing the following code of conduct for human rights and labor in the JSR Group Principles of Corporate Ethics.

<Code of Conduct for Respecting Human Rights>

- ① We will respect and uphold basic human rights, such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, declared internationally and protected under constitution and legal precedents of respective countries, and will not infringe basic human rights.
- ② We shall never allow child labor or forced compulsory labor, whether at the JSR Group or in the workplaces of business partners and collaborating companies.
- ③ We will abide by national and international labor codes and respect workers' right of association and right for collective negotiation in the realm of basic labor rights.

3. Respect for Human Rights in the Labor Environment

JSR Group respects the human rights of employees by clearly specifying its responsibilities to employees in its management policies.

- To be evaluated and rewarded based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

4. Respect for Human Rights in the Supply Chain

JSR Group clearly specifies its responsibilities to customers and business partners in its management policies.

- Act in good faith and maintain fair and equitable business relations
 - Continue to be socially and environmentally conscious throughout the supply chain
- Specifically, we respect the human rights of our customers and business partners through our supply chain management.

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Labor Environment

1. Philosophy

We, JSR Group, specify our responsibilities to employees within our management policies.

- To be evaluated and rewarded based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

(1) Human Resource Development

① Human Resource Development Philosophy

We are working on human resource development with the understanding that it is the greatest priority for achieving sustainable, long-term corporate growth. In particular, we are promoting human resource development in order to strengthen our organizational capacity by implementing the Course of Action “The 4Cs” - “Challenge,” “Communication,” “Collaboration,” and “Cultivation” - of our Course of Action at a higher level, and with focus on “skill/know-how” and “awareness/motivation.”

(2) Work-Life Management

① Work-Life Management Philosophy

JSR is actively promoting its Work-Life Management initiative. Employees are encouraged to not only develop work-related skills, but to also actively participate in social, and personal activities (e.g., social and community groups, family, volunteer activities, self-development, and hobbies). JSR believes that by encouraging our employees to become well-rounded individuals,

and by finding a personal sense of self-fulfillment and satisfaction that they will then be able to bring that energy into their work.

JSR encourages all of our employees to closely manage their personal time and maintain a balanced work schedule. We are also working on implementing various systems that support flexible work styles, with special consideration for childbirth, childcare and family-nursing needs.

Work-life management is vital in the implementation of diversity management, because in order to create an organization with a diverse workforce, we must also promote a corporate culture that is open to diverse values and work styles.

② Codes of Conduct

We provide a work environment that facilitates flexible “work-life management” for employees, and strive to improve both productivity and employee satisfaction.

③ Work-Style Innovation

At JSR, we are focused on work-style innovation with the goal of realizing sustainable growth for both the company and our employees.

In advancing innovation-oriented activities, we will analyze factors in the workload of each department and then formulate and execute concrete measures to reduce work and alleviate workloads based on prioritization so that each employee can approach it with problem awareness. Management is demonstrating its commitment to these activities by, for example, establishing opportunities for reporting by assigned officer countermeasures proposed by each department.

Diversity

[Non-Financial KPI]

4.5% of women in managerial positions by the end of FY2019

1. Philosophy:

Recruitment and Promotion of Diverse Human Resources

JSR Group is rapidly expanding its various business activities around the world, and we believe that harnessing diverse human resources is crucial for the advancement of our wide-ranging business strategies.

We view the promotion of diversity as a fundamental part of our management strategy. In taking this approach, we are engaged in developing management that is focused on individualism and the respect for, and utilization of values through diversity. Furthermore, a corporate culture which is welcoming of new values and work styles is instrumental in our goals of creating a diverse workplace. We are committed to promoting these ideals with our work-life management initiatives.

JSR has established a Diversity Development Office to serve as an organization dedicated to the advancement of diversity. The office’s mission is to establish and implement initiatives which enable diversity in the workforce. In addition to our emphasis on gender equality initiatives, JSR Group shows its commitment to the future by expanding the scope of our initiatives to include foreign nationals, individuals

with disabilities, and individuals in the lesbian, gay, bisexual, and transgender (LGBT community). Furthermore, our initiatives also include intergenerational work-style and mindset understanding programs.

2. Promotion Measures and Schemes

Promoting the Active Participation and Advancement of Women in the Workforce

As a part of our mid-term business plan, JSR has publicly announced our quantitative targets for the active support of our female employees.

We have also developed an action plan to promote and support the lives of working women within JSR, based on and in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace (Women’s Act). The Women’s Acts’ second phase is set for April 1, 2018 to March 31, 2020. These targets demonstrate our management’s commitment in achieving understanding and cooperation throughout the organization. JSR has also publicly announced each of our action plans to nurture and raise the next generation of children. These plans are based the Act on Advancement of Measure to Support Raising Next-Generation Children (Next-Generation Act), which has been in effect since April 2005. The seventh phase of which is set for March 31, 2018 to March 31, 2020. We have continued to establish, notify, publicly disclose, raise awareness of, and implement action plans throughout the first phase of the Women’s Act and sixth phase of the Next-Generation Act while executing initiatives in line with both acts.

JSR’s Active Support of Women in the Workforce: Quantitative Targets

(As of April 1st of each fiscal year)

	Target	FY2016	FY2017	FY2018	FY2019
Percentage of women hired annually per position	College graduates, engineering positions: 15-20%	15%	20%	18%	23%
	College graduates, administrative positions: 40-50%	60%	50%	45%	50%
Percentage of women in managerial positions	March 2020: 4.5%	3.6%	3.8%	4.1%	4.3%