

Supply Chain Management



[Please refer to JSR Group's CSR/Sustainable Procurement Policy for more details.](#)

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Philosophy

JSR Group positions the “supply chain” as part of its materiality (priority issues) in terms of “Management Foundation.” An important role of JSR Group is to offer innovative materials and excellent products that meet customer needs and contribute to the making of a better society. Toward that purpose, we are working to build a sustainable supply chain and ensure that we can sustain stable procurement from sound suppliers.

● Sustainable Procurement

Based on the belief that the development of supply chain management will lead to mutual prosperity between our business partners and JSR Group, we have established the JSR Group CSR/Sustainable Procurement Policy and ask our suppliers to comply with 36 items representing six areas.

Since FY2021, to fully share the needs of society and JSR Group's philosophy, we have collected written consent for our CSR/Sustainable Procurement Policy and Human Rights Policy.

In FY2024, we achieved a collection rate of 99% for the Digital Solutions Business.

● Assessment of Business Partners

JSR regularly confirms that its business partners conform to the Company's procurement assessment standards. When assessing potential new business partners, we evaluate their financial status and quality control levels, and conduct on-site audits of safety, environmental, and quality concerns before starting trade. We also reassess as needed existing business partners following the same criteria. Some raw materials are difficult to procure in an emergency due to poor availability or scarcity. For them, we conduct regular audits, making on-site checks of matters having a bearing on supply continuity, and offering suggestions and guidance for quality reliability.

● Efforts for Compliance with Responsible Minerals Procurement

Under our stance, as based on the JSR Group Purchasing Guidelines, that the use of minerals posing a high risk of having negative impacts on human rights in the supply chain (including the conflict minerals of tin, tantalum, tungsten, and gold as well as cobalt and mica) shall not be tolerated for any reason, either directly or indirectly, JSR Group conducts ongoing initiatives to confirm that its suppliers do not use these. In FY2015, we conducted our first investigation concerning the use of conflict minerals. Since then, we have conducted investigations using the Responsible Mineral Initiative (RMI) standard template when adopting new raw materials and when commencing a business relationship with a new supplier.

In FY2024, we received responses from 95% of suppliers for the Digital Solutions Business, and confirmed that they do not use these minerals or if they do, they procure them from smelters that have no issues.

● Education and Training of Employees in Charge of Procurement

We also focus on the education and training of employees in charge of procurement on the subject of CSR/sustainable procurement and conflict minerals initiatives. We acquire information on the latest trends by attending outside seminars and participating in a subcommittee under the Global Compact Network Japan. This includes introductory education to personnel newly assigned to purchasing departments to ensure that they fully understand the JSR Group Purchasing Guidelines. For employees in charge of procurement, we also recommend that they acquire the Japan Management Association-accredited Certified Procurement Professional (CPP) certification* as a part of efforts to acquire more advanced knowledge. We support them in this endeavor by paying the costs of workshops and examination fees.

* Certified Procurement Professional (CPP): A qualification certifying expertise in the purchasing and procurement field.