

ESG Information

CSR Information

Approach to Corporate Social Responsibility (CSR)

We consider that a corporate citizen should observe compliance, contribute to society, and take steps to protect the environment. These are the foundations of all corporate activity.

In addition, a corporation should build good relationships with its various stakeholders and advance by creating and offering new value to contribute to society. This is the kind of corporation that USHIO is working to become.

Activity Highlights

○ CSR Action Plan

USHIO has created a CSR Action Plan (Policy) and taken steps to reinforce its CSR initiatives. Through dialogue with stakeholders, we have identified relationships between various social issues and our core businesses. To emphasize carrying out initiatives in line with our business strategy, we have set out basic principles in our Action Plan, which we incorporate into the strategies of each division and department.

In formulating the CSR Action Plan, the CSR Committee and other related organizations investigated CSR factors of the USHIO's business activities from various angles, while giving consideration to the 7 core subjects of ISO 26000 and many other sources of guidance and guidelines. As a result, the Group's issues were classified under the five pillars of governance, people, quality, society, and environment. These items are then broken down further into action policies. Currently the CSR Action Plan shows USHIO's CSR framework while forming the underlying philosophy for business planning at each business division and Group company. The Action Plan is modified each year to reflect the results of the listening survey.

○ USHIO's CSR Action Plan for the fiscal year ending March 31, 2018

Five Issues	CSR Action Plan
GOVERNANCE (Ensure transparency in sequences of business activities, information disclosure, compliance with laws and regulations and international rules, prevention of corruption, risk management, and others)	<ul style="list-style-type: none"> Strengthen information security Promote business continuity management Strengthen measures to prevent corruption Provide information for investors in Group CSR activities Strengthen Group CSR activities (share information, common targets, grasp needs, etc.) Enhance disclosure of non-financial information Initiatives to maintain transparency on tax issues Strengthen initiatives regarding the Corporate Governance Code
PEOPLE (Eradicate discrimination, respect diversity, respect the rights of all people related to operations to survive and live, eliminate harassment, ensure worker health and safety, prevention of child labor, forced labor, and slave labor, avoid complicity in human rights infringements)	<ul style="list-style-type: none"> Eradicate discrimination, respect diversity to promote use for human resources in the Company Maintain a comfortable work environment (eliminate harassment, ensure appropriate worker health and safety) Strengthen the development of human resources that contribute to the maintenance and the improvement of long-term business activities Promote work-life balance Conduct human rights education Strengthen monitoring of worker health and safety Promote innovation through respect for human rights, transformation of work styles, and raise awareness
QUALITY (Realize attractive quality overall, not only in products, but also in concepts and service provision, including observance of market rules and guidelines)	<ul style="list-style-type: none"> Pure customer satisfaction improvement, with the greatest emphasis on the customers' perspective Quality target and plan development ISO 9001 certification for quality management systems: transition to 2015 version and make improvements (faster speed, slimmer organization) Matters related to strengthening the supply chain (Promote green procurement and CSR procurement, promote activities with an awareness of the basic policy on conflict minerals, practice due diligence on human rights) Strengthen global quality assurance system Product safety assessment Enhance supplier CSR monitoring
SOCIETY (Maintain relationships with local communities, involvement with international society, contribution to education, culture, etc., social contributions through business such as products and services)	<ul style="list-style-type: none"> Foster social awareness by encouraging active participation in social contribution activities, community exchanges, volunteer and pro bono activities Promote business that contributes to global social issues such as business in emerging countries Promote participation in volunteer activities
ENVIRONMENT (Disclose information on greenhouse gas and other emissions affected by corporate activities, impacts on climate change and ecosystems, consideration for resource limitations, management of dangerous waste and hazardous chemicals, etc.)	<ul style="list-style-type: none"> Targets and initiatives based on Phase Five of the Environmental Action Plan <ul style="list-style-type: none"> ISO 14001 certification for environmental management systems: transition to 2015 version Strengthen safe, secure and environmentally friendly solutions through product development Reduce CO₂ emissions in business activities: reduce CO₂ by 3% from fiscal 2015 levels on a sales unit basis Advance CSR procurement as a group Strengthen chemical substance management Evaluate Group progress on Environmental Action Plan Strengthen management of waste and of recycling

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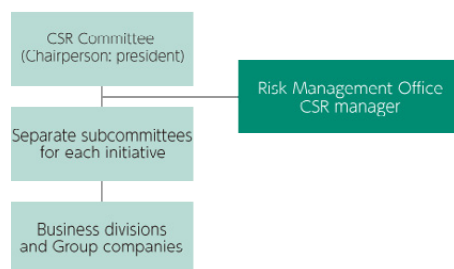
CSR Promotion Framework

USHIO has established a CSR Committee, which is chaired by the president. The committee decides on policies for the whole Company relating to CSR initiatives. The CSR Committee establishes subcommittees as needed to oversee practical implementation of the policies it has decided, and discusses specific initiatives and ways to promote them.

At the 26th CSR Committee held in May 2016, the members reached an agreement on a new CSR medium-term plan following a discussion about the next initiatives to take after the previous CSR medium-term plan ended on March 31, 2016, deciding to redouble efforts on matters that take precedence (materiality) and to broaden the scope of Group efforts (boundaries).

USHIO intends to enhance corporate value from a long-term perspective through measures to strengthen its presence in fields where it aims to advance as a corporation while enhancing social contributions, and to come together as a group determined to improve corporate value.

CSR Promotion Framework



United Nations Global Compact's Ten Principles

USHIO has declared its support for the United Nations Global Compact of principles concerning human rights, labor standards, the environment and anti-corruption. We have joined the local UN network supporting the compact, Global Compact Network Japan, and are working to promote all facets of CSR among the many other participating companies and NGOs. To this end, we are continuing to play an active role in sectional activities for sharing information on necessary specific measures, and enhancing the activities of each company.



Ten Principles of the United National Global Compact

United Nations Global Compact's Ten Principles and Our Initiatives		USHIO's Related Initiatives
Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	The third section of USHIO's 10 Action Guidelines sets out clear requirements for respecting basic human rights for all people, and prohibits unfair discrimination, among other measures.
	Principle 2 make sure that they are not complicit in human rights abuses.	
Labor Standards	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	The USHIO Group respects the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Under the third section of USHIO's 10 Action Guidelines, the Company strives to promote good labor-management relations, abolish discrimination in the workplace, and create working environments that are cheerful, safe, and comfortable.
	Principle 4 the elimination of all forms of forced and compulsory labor;	
	Principle 5 the effective abolition of child labor; and	
	Principle 6 the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges;	Section 8 of USHIO's 10 Action Guidelines clearly states the Company's position on actively working to protect the environment. We also formulated our 2020 Environmental Vision and are now working to implement Phase Three of the Environmental Action Plan.
	Principle 8 undertake initiatives to promote greater environmental responsibility; and	
	Principle 9 encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	Under section 6 of the 10 Action Guidelines, USHIO strives to prevent corruption and to conduct fair business activities. We have also set up a Compliance Committee and the USHIO Hotline (internal reporting system).

For more information about the USHIO Group's CSR initiatives, please visit our corporate website.

<http://www.ushio.co.jp/en/csr/>

Sustainability Report 2017 (PDF) update schedule: Japanese version: End of October English version: End of November