

## The Expert's Opinion



**Youichi Inomata**

Senior Consultant  
AMITA Holdings Corporation

In last year's expert opinion, I recommended 1) complying with international standards in line with increasing globalization; 2) determining the importance level (materiality) of CSR issues; and 3) commercializing Creating Shared Value (CSV), which is the CSR addressed in your main business under environmental restrictions. With last year's report in mind, my first impression after reading this year's CSR Report is the major leap forward in complying with international standards. Specifically, I thought it was outstanding that the report was written with due consideration to ISO 26000 and the SDGs. The message from top management also touched on your responsibilities as a member of the international community, and the top of each page notes its relevance to the seven core subjects of ISO 26000 and the 17 SDGs. I think readers will be able to understand how you are contributing to the international community.

Another thing that left an impression on me was that employees appeared in this report more than last year. With sales and technical employees explaining in the featured article about your products used in things such as vehicles and buildings, executive officers rounding each stakeholder category, and an introduction of new employees for 2017, you very adequately conveyed that the most important stakeholders are your employees. This is especially so given that last year, excessive overtime work was a problem for companies in Japan, and there was a lot of attention on the working styles of employees. Moving ahead, on top of improving the working environment of employees, there is a need to enhance organizational strength to become a sustainable

company, such as considering diversity and LGBT issues. A company where employees can work enthusiastically will attract talent, and I think this report was an exceptional opportunity to communicate the company's approach.

As I just mentioned, this year's report gave due consideration to compliance with international standards. To further communicate your corporate identity in the future, I would like to make two recommendations for next year. The first recommendation is something which I also touched on last year, which is coordination and linkage between the mid-term business plan and CSR initiatives. The next fiscal year will be the last fiscal year for your mid-term business plan, and so in order to further connect the SDGs to your business, it will be important to incorporate CSR into management. I think you should be clear about the CSR issues that you are prioritizing. I think you should also consider embedding clear indexes for CSR in your mid-term business plan. Furthermore, to contribute to the international community, you should be proactive in participating in international initiatives such as the United Nations Global Compact and so on.

The second recommendation is for initiatives regarding CSR issues in your supply chain. This year, ISO 20400 (a guide for sustainable procurement) was published. The Tokyo Olympics will also be held in 2020, during which the sustainable procurement that was implemented for the London Olympics will be continued. Companies are being asked to address CSR issues from the procurement aspect. Suppose your materials cannot be used in the future. Would you be able to continue your business? This is especially so overseas, where there are many human rights issues—such as child labor—occurring that we rarely see in Japan. As your business becomes more globalized in the future, society's expectations of you will increase, and there will be an increased possibility of risks occurring. I think you should once again examine the risks of CSR issues in your supply chain, and if necessary, take early action against these risks. I look forward to seeing even more CSR initiatives in the future.

## Listening to Expert's Opinion

### **Kazuaki Tokiwa**

Representative Director, President & COO RIKEN TECHNOS CORPORATION

In the featured article of our CSR Report for 2017, we introduced the ways that our technologies are put to use in the lives of everyone, together with the thoughts of our employees. I hope people understand that our employees fulfill their roles in their work to bring the technologies of the RIKEN TECHNOS GROUP—which are used in all kinds of places—to the world through teamwork.

We will seriously take on Mr. Inomata's suggestions. Regarding

coordination and linkage between management tasks and CSR initiatives, we will strive to make our report even easier for readers to understand. Specifically, the materials procurement can be said to be a lifeline for us as a manufacturer. When aiming for a sustainable society, issues regarding materials procurement for the RIKEN TECHNOS GROUP are becoming increasingly important. We will continue to work together with all our stakeholders on solving issues, including those raised.

### Editors' Postscript

"Aiming to become the leading provider of comfort for all living spaces" is part of the management policy of the three-year mid-term business plan. The RIKEN TECHNOS GROUP works daily to achieve this goal. This report uses images and concise sentences in order to convey our progress in a simple way. We hope that this report has helped readers to better understand the RIKEN TECHNOS GROUP's initiatives. We look forward to receiving frank and candid opinions on this report.

#### **Representative of the department in charge of this report**

Gakuyuki Kajiyama: Director, Senior Executive Officer

General Manager of Corporate Planning Division

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Sayaka Yoshioka, Kaori Miyamura: Corporate Branding Group, Corporate Planning Department

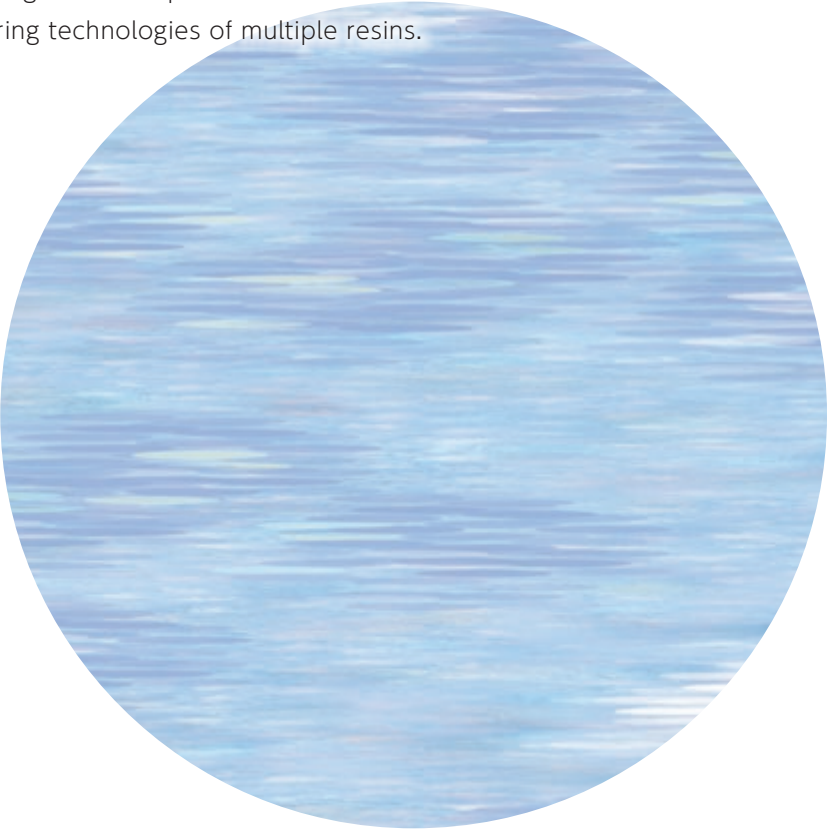




## RIKEN TECHNOS WAY

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We are a challenger  
that harnesses the power of science  
to improve the quality of life  
and create a safe, affluent society.  
We continuously provide new value and satisfaction  
to people, companies, and society  
through our original and superior formulations  
and manufacturing technologies of multiple resins.



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