Mission of the Taiheiyo Cement Group

Our mission is to contribute to social infrastructure development by providing solutions that are environmentally efficient, enhance our competitive position and bring value to our stakeholders.

Business Principles  Governing the Way the Company Conducts Business

• We are committed to creating sustainable value for our shareholders by generating synergies among the Taiheiyo Cement Group of companies.
• We aim to manage the environmental impact of our operations while supporting the development of a recycling-based society.
• We will act in an ethical manner and abide by the laws and regulations of those countries in which we operate.
• We will openly communicate with our stakeholders and proactively report on our business activities in a transparent manner.
• We are committed to the ongoing development and application of innovative technologies in order to provide products and services that benefit our customers and society.
• We are committed to maintaining an international outlook and conducting our business in accordance with global standards.
• We will strive to anticipate the changing business environment to assess new opportunities for growth.
• We are committed to achieving our full potential through training and self-development.
• We are devoted to providing a safe and healthy working environment where our employees are valued and the human rights of all individuals involved in our business are respected.

Under the Mission of the Taiheiyo Cement Group, which was established in June 2002, the company pledges to focus its management on the triple bottom line, the economy, the environment and society, to realize sustainable development, a shared principle of the WBCSD, of which we are a member. In December 2002 we formulated the Business Principles of Taiheiyo Cement, which comprise nine principles for realizing the Mission of the Taiheiyo Cement Group, and are striving to implement them.

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Relevant indicators of the GRI Guidelines (example: G4-1) are shown next to titles in the report.
CSR Management

We aspire to be a pioneer in the creation of a sustainable future for the earth. To achieve this group mission we established the CSR Management Committee as a means for sharing information about CSR issues and activities across departments and aligning our CSR initiatives with our business operations.

**Basic Policy for Promoting CSR Management**

We promote CSR management in accordance with our CSR guidelines which specify actions that are essential for realizing the Mission of the Taiheiyo Cement Group and implementation of our Business Principles. The guidelines direct the company in conducting activities in and outside of the business that fulfill our social responsibility while we pursue sustainable growth for both the company and society as a whole. Moreover, they lay down basic policies for promoting CSR management.

1. Based on our Mission and Business Principles, the company will clarify the ideal form of CSR management to be pursued and strive to advance operations based on CSR.
2. Promoting a corporate culture that places great importance on compliance, we aspire for all directors and all employees to always make the most appropriate independent judgments.
3. We will manage the company with awareness that our social mission includes environmental protection, defense of human rights and contribution to communities.
4. We will proactively engage on key CSR issues and undertake the most appropriate prioritization and resource allocation.
5. We will practice appropriate information disclosure and communication with stakeholders, based on the status of our CSR management promotion, and build relationships of trust.
6. We will treat CSR management and promotion as a group-wide activity and ensure all group companies are kept well informed.

**Our System for Promoting CSR Management**

To promote our CSR management we have created a cross-departmental CSR Management Committee, chaired by the company president, with all board directors as members, under the direct oversight of the Board of Directors.

The CSR Management Committee’s role is to screen CSR action plans and other material items and review their progress. Reporting to this committee are seven specialized committees for individual CSR subjects, each chaired by the director responsible for that area. The department most closely associated with any given issue acts as the secretariat for the related committee.

**Creating the CSR Objectives for 2025**

In May 2015 we created our CSR Objectives for 2025, which includes new quantifiable objectives.

We had formulated the Long-term CSR Vision in 2007 to deepen employees’ understanding of the group’s Mission by clearly expressing actions that embodied the Mission and described our CSR goals ten years into the future. The content of this long-term vision, however, was thought to be inconsistent with the original objectives set when it was formulated. Moreover, it was pointed out that the Vision overlaps with our Mission or Business Principles and therefore has an unclear role while making the entire systematized CSR concept seem complex and difficult to understand. It was also pointed out that the Vision has not been disseminated throughout the group. Furthermore, in line with various changes in society, we discovered gaps between the issues specified when we formulated the Vision and those we face now. Verifying to what extent we have achieved the Vision has also been difficult since it does not contain any numerical targets. In response to these problems we abolished the Long-term CSR Vision and set quantifiable objectives, the CSR Objectives for 2025, in May 2015. (For more on the CSR Objectives for 2025 see page 15.)