



Press Release

The Japan Research Institute, Ltd.

**JRI Discloses Results of Questionnaire Survey Concerning Trends in CSR Management at Japanese Businesses
---502 Companies Answer Questions on Their Efforts toward Corporate Social Responsibility---**

The Japan Research Institute, Ltd. (head office: Chiyoda-ku, Tokyo; president: Shunichi Okuyama) recently conducted a survey of companies listed on the first section of the Tokyo Stock Exchange and those that were listed on other stock exchanges and stood high in the ranking of the total value of their listed stocks concerning their efforts toward corporate social responsibility (CSR) and received replies from more than 500 of them. The report “Trends in CSR Management at Japanese Businesses 2003” attached herewith is a summary of some of the survey results totalized and represented graphically by industry type. We believe that the report will be useful for grasping objectively the actual condition of CSR management at Japanese businesses and acquiring a deeper understanding of their efforts toward CSR as well as the issues to be addressed by industry type.

The report is also available on JRI’s Web site “CSR Archives” (<http://www.csrjapan.jp/>).

1. Purpose of the Survey

Since FY 1999, JRI has been conducting surveys and evaluations of Japanese businesses’ approach to environmental and social problems for financial institutions to select stocks as the target of social responsibility investment. Recently, in order to review corporate evaluations for FY 2003, JRI conducted a survey of 1,524 companies listed on the first section of the Tokyo Stock Exchange and 479 companies that were listed on other stock exchanges and stood high in the ranking of the total value of their listed stocks, for a total of 2,003 companies. The prospectus of the survey was sent to the companies in early April 2003 and the deadline for acceptance of requests for updating registered information was September 1.

2. Clients

The results of the survey were submitted to the following clients:

(1) UBS Global Asset Management

UBS Global Asset Management has established and is currently operating UBS Japan Equity Fund, Eco Japan (Eco Hakase).

(2) Sumitomo Trust & Banking

Sumitomo Trust & Banking is operating SRI-type corporate pension funds and giving advice on investments to the Sumishin SRI Mother Fund.

3. Overview of the Survey

(1) Period: April 5 to September 1, 2003

(2) Subjects: 1,524 companies listed on the Tokyo Stock Exchange and 479 companies that were listed on other stock exchanges and stood high in the ranking of the total value of their listed stocks

(3) Method: The companies were requested to reply to the questionnaire online via the Web site “Survey Concerning Trends in CSR Management at Japanese Businesses” or by mail.

(4) Number of replies received: 502 companies (percentage response: 25.1%)

A total of 485 companies replied to the questionnaire on environmental issues (percentage response: 24.2%) and 226 replied to the questionnaire on social issues (percentage response: 11.3%)

(5) Survey items

The survey items are as listed below:

Questionnaire on environmental issues	Questionnaire on social issues
1. Management policies concerning environmental issues	1. Compliance with laws and ordinances
2. Environmental management system	2. Accountability and information disclosure
3. Environmental accounting	3. Sincerity toward customers
4. Environmental communication	4. Human resources development and support
5. Environmental performance	5. Precise response to global market
6. Environmental risk management	6. Active involvement in social activities
7. Environmental business and technology development	
8. Overseas operations	

4. Overview of Survey Results

In the report “Trends in CSR Management at Japanese Businesses 2003 (64 pages),” the replies to 50 questions (26 from the questionnaire on environmental issues and 24 from the questionnaire on social issues), which constitute part of the survey results, are totalized and represented graphically by industry type. The following are excerpts of the results of analysis included in the report.

(1) Businesses are more backward in disclosing information on social issues than in disclosing environmental information

In the 2003 survey, valid replies were received from 502 companies, and the percentage response was 25.1%. Approximately 95% of those companies replied to the questionnaire on environmental issues whereas the percentage of companies that replied to the questionnaire on social issues was less than

half, at approximately 44%.

(2) There is still a gap between manufacturing and non-manufacturing industries in terms of establishment of environmental policies and introduction of environmental management systems (EMSs)

Manufacturers have been actively taking environmental measures since early on, and in the 2003 survey as well, there was a large gap among the industries in terms of the progress made in establishing environmental policies and introducing EMSs. In particular, the delay of the service, telecom and financial industries in taking environmental measures is conspicuous.

(3) Little progress has been made in effectively using environmental accounting in decision-making process by managers

The percentage of companies that had introduced environmental accounting had reached 60% of the companies that gave valid replies, but only half of them replied that the value reflected decision-making by managers based on environmental accounting.

(4) Less than half of the companies surveyed disclosed negative information in their environmental reports

Less than half of the companies that published environmental reports disclosed information on the violation of laws or ordinances, accidents/pollution and complaints, in their reports.

(5) An increasing number of companies are able to grasp the condition of soil and underground water contamination

The percentage of companies that carried out activities for grasping the condition of soil and underground water contamination in the precincts of their offices and plants exceeded 60% of companies that gave valid replies. In particular, those efforts are advancing in the electric equipment, transport equipment and chemical industries.

(6) Grasping the condition of the awareness of the necessity for compliance with laws and ordinances is an issue to be addressed

In order to make employees fully understand the need to comply with laws and ordinances, approximately 70% of the companies surveyed persevered to make policies and other matters thoroughly known to all employees and provided education and training. However, only a handful of companies strove to grasp an understanding of the need to comply with laws and ordinances among the employees.

(7) Half of businesses consider management of environmental and social risks the responsibility of the

board of directors

Half of the companies that gave valid replies made it clear that the grasping and management of environmental and social risks was the responsibility of the board of directors. In particular, the risk management recognition level, as a responsibility of the board of directors, is low in the pharmaceutical and transport equipment industries.

(8) The response to health hazard, accident or product/service defect when information on such incidents is received varies from one company to another

The percentage of companies that had established in advance policies and procedures to ensure swift response to problems with products and/or services that were identified was high for the foodstuff, glass/earth/stone and chemical industries and low for the construction, pharmaceutical and electric power/gas industries.

(9) Flexible working-hour systems are in place but issues remain to be addressed in terms of other working patterns

Approximately half of the companies that gave valid replies had in place flexible time and short-hour work systems, but only a limited number of companies allowed their employees to work at home or at satellite offices.

(10) Businesses generally regard environmental consideration as their overseas materials procurement standards

A little less than 90% of the companies that had overseas materials procurement standards included environmental consideration in such standards. Meanwhile, only a handful of companies confirmed whether overseas suppliers respected fundamental human rights and workers' rights.

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