

## Results of the Third Survey of Business Partners on CSR

### I. Overview of Survey

Ube Industries periodically surveys the CSR efforts of its business partners with the intention of ensuring they engage in business activities with an awareness of CSR and raising the level of the entire supply chain.

In the third CSR Survey, Ube Industries received answers to a total of 27 questions in six categories from a self-diagnosis survey carried out by business partners.

### Question Categories

1. Internal structure for promoting CSR (3 questions)
2. Ensuring stable supply, quality (3 questions)
3. Corporate ethics, compliance with the law and social norms, and fair transactions (5 questions)
4. Consideration for the environment (7 questions)
5. Respect for human rights, safety, and health (4 questions)
6. Social contribution, communication with society, and information management and disclosure (5 questions)

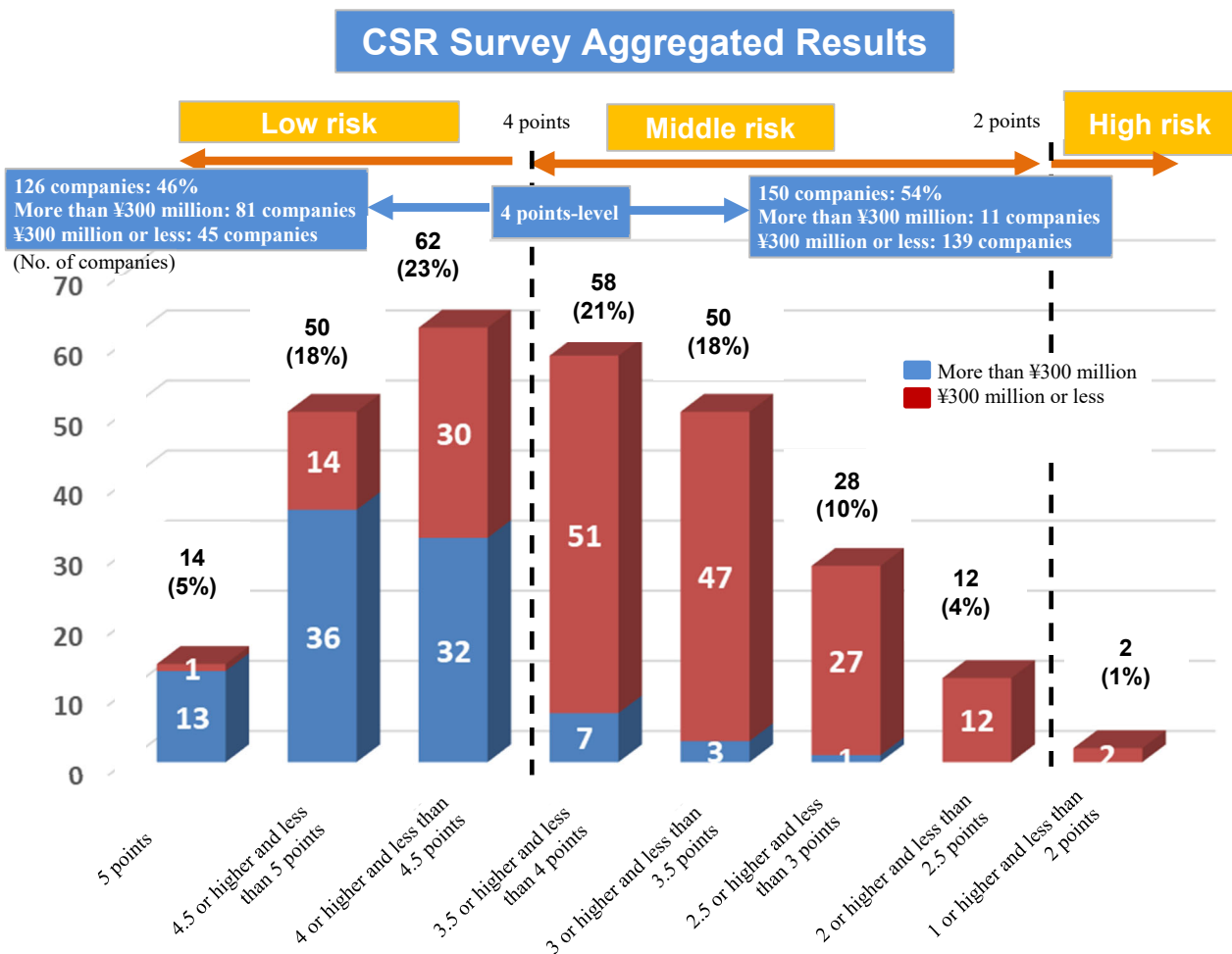
The self-diagnosis survey set specific levels for initiatives and asked business partners to select the level on a 5-point scale from 0 to 5 that they considered to be closest to their present climate for all 27 questions.

Level	Status	Status (Example)
5	There is a mechanism for implementing initiatives and measures and checking	<ul style="list-style-type: none"> <li>There is a mechanism for regularly monitoring and following up on operations.</li> </ul>
4	A measurable level of initiatives and measures has been implemented.	<ul style="list-style-type: none"> <li>There are company policies and standards that are widely known and implemented.</li> </ul>
3	Initiatives and measures have been implemented at a part of the company's operations.	<ul style="list-style-type: none"> <li>There are company policies and standards, which are implemented at some departments and/or businesses.</li> </ul>
2	Some initiatives and measures are being considered.	<ul style="list-style-type: none"> <li>There is awareness about the importance of the category, and countermeasures are already being considered in the departments concerned.</li> </ul>
1	No initiatives or measures have been implemented.	<ul style="list-style-type: none"> <li>There is not much awareness of the importance of the category.</li> </ul>
0	Not applicable	

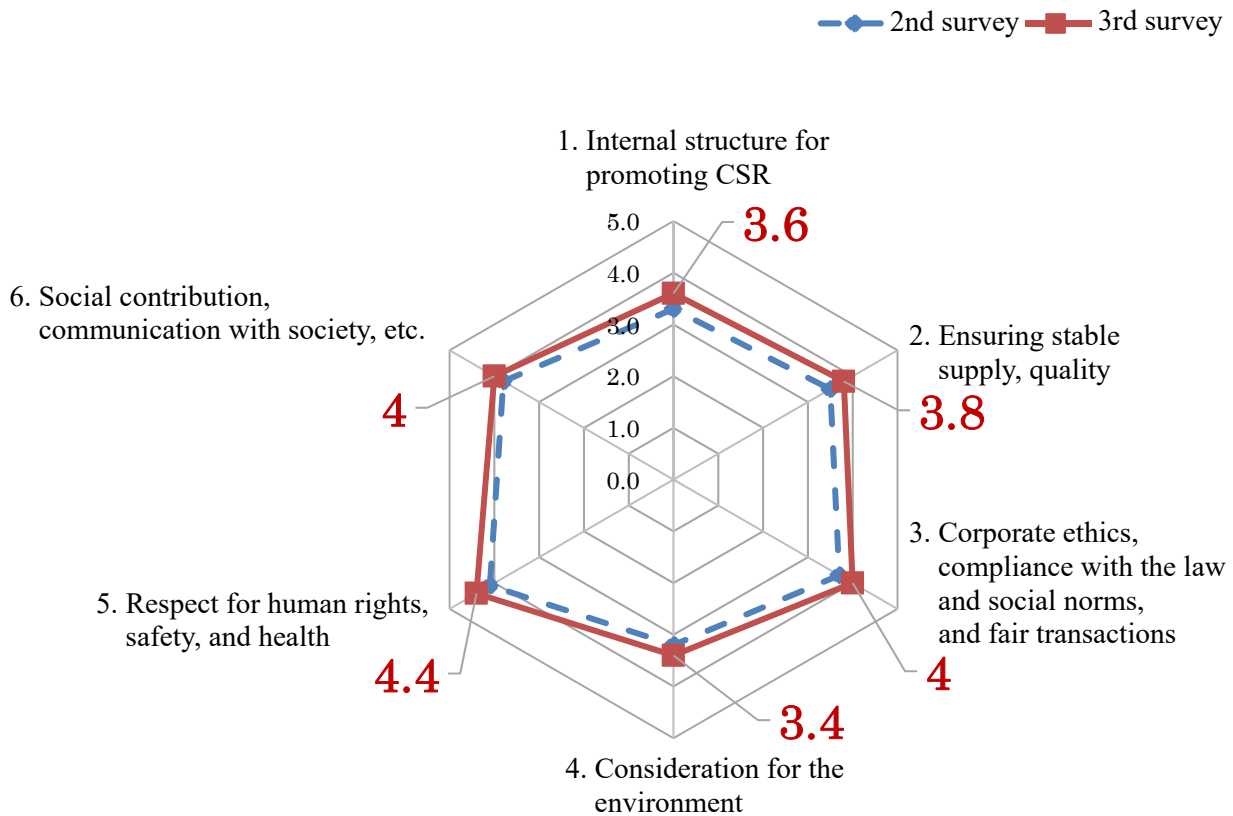
## II. Survey Results

In the third CSR Survey, Ube Industries sent out the questionnaire to 276 existing business partners in January 2019 and received responses from all respondents by July 2019. (The 276 existing business partners account for 90% of the purchase value of materials, construction, fuel oil, and packaging materials.) The overall average level of the survey results was 3.8, indicating that a certain level of initiatives and measures have been implemented. The average level for large companies with more than ¥300 million in capital was 4.5 while the average level for small- and medium-sized companies with ¥300 million or less in capital was one point lower at 3.5.

By category, while there was a high level of initiatives relating to human rights and safety and health, the scores on consideration for the environment were relatively low. In the evaluation rankings, a level of 4 or higher was rated as low risk, 2 or higher and less than 4 was rated as medium risk, and less than 2 was rated as high risk. There were 126 low risk companies, 148 middle risk companies, and two high risk companies.



## Comparison of Answers in 2nd and 3rd Surveys (Radar Chart by Category)



### III. Post Aggregation and Analysis Measures

A feedback report on the survey results showing the all-company average and the responding company's score for each category was sent to all of the 276 companies that responded. Ube Industries confirmed the results of the self-diagnosis with its business partners and requested further improvements.

In particular, Ube Industries conducted interviews with the bottom-ten ranked companies to confirm the content of their answers and request further efforts for improvement.

#### Improvements from the Previous Survey (2nd Survey)

The overall average in the previous survey was 3.6, which improved to 3.8 in this survey, reflecting the results of sending feedback and requesting further efforts for improvement at the time of the previous survey.

In particular, Ube Industries held interviews with the bottom-ten ranked companies in the previous survey to confirm the content of their answers and request improvements and obtained a significant improvement from the previous overall average of 1.81 for the bottom-ten ranked companies to 3.54 in this survey.