

# CSR Report 2019

From: Apr, 2019 to Mar, 2020



Shinshiro factory



YAMAGUCHI MICA CO., LTD.

By CSR committee  
Jun 2, 2020

## 1. Message from president

In 2019, we have worked on proactive measures against natural disasters as one of our CSR activities, and in January 2020, we were certified by the Small and Medium Enterprise Agency as a “Business continuity enhancement plan”. By now, we have established new BCP committee to promote the formulation and preparatory work of BCP (Business Continuity Plan) assuming a Nankai Trough earthquake.

There were lockdowns around the world and declaration of state of emergency in Japan caused by Covid 19 pandemic, and limited human activity lead to tremendous negative impact. By this experience, we strongly felt the needs for advance preparation and planning BCP approaches even for viral infections.

We were not even prepared for viral infections, but we could take measures in anticipation of internal and external impacts at an early stage, and that is because of our growing awareness of BCP and CSR.

In FY2020, we will focus on BCP, SDGs, and environmental issues to contribute to a peaceful life around the world and a sustainable society in the future.



山口卓巳

Takumi YAMAGUCHI,  
President of YAMAGUCHI MICA CO., LTD.

## 2. Policies

### Management Principle

1. Yamaguchi Mica contributes to the prosperity and development of society through the manufacture and sale of mica-based powders.
2. In its activities, we will comply with social discipline, strive to respect human rights, protect the global environment, and act as a model for society.
3. Targeting mutual reflection of customers, vendors and employees as well as company development.

### Quality Policy

- (1) Provide products that meets ever-changing user's needs and attract customer.
- (2) Develop unique products that deliver customers reliability and inspiration.
- (3) Improve our system which enables to provide quality, price and lead time that the customer's request.

### Environmental Policy

- (1) Comply with environmental laws and regulations, our self-regulation and other requirements which we have agreed.
- (2) Consider the environmental impact of our corporate activity and working for resource saving and global environment conservation.
- (3) Clarify the purpose, target and plan, and continuously promote legal compliance, environmental pollution prevention, energy and resource saving, recycling, etc.

### 3. Company outline

Company name	YAMAGUCHI MICA CO., LTD.
Place	Head office: Toyokawa, Aichi, Japan Toyohashi factory: Toyohashi, Aichi, Japan Shinshiro factory: Shinshiro, Aichi, Japan Subcontract factory: Andhra Pradesh (India), Hebei (China)
Founded	Apr, 1951(Established in Aug, 1960)
Capital	JPY47.6million
Annual sales	JPY1.19billion (FY Sep, 2019)
Categories	Ceramic, stone, clay product industries
Main business	Powder production and processing of mica and other inorganic minerals
Products	Wet grinding mica powder, dry grinding mica powder Wet grinding talc powder, photochromic pigments Various processing of surface treatment, heat-treatment and mica granulation, etc.
Employee	70(As of Mar, 2020, including 6 non-regular employees)
Production volume	Wet grinding: 2,500t/year, Dry grinding: 1,000t/year
Main market	Plastics, Cosmetics, Paintings, Rubber and Ceramics

Head office at the time of founding in 1954,  
at Toyokawa city (former Kosakai)



Head office at Toyokawa city  
site area: approx. 5,000 m<sup>2</sup>



Toyohashi factory  
site area: approx.5,000 m<sup>2</sup>



Shinshiro factory (since Sep, 2018)  
site area: approx.27,000 m<sup>2</sup>

#### 4. Company history

1951	Founded at Toyohashi city, Aichi Pref, and started mica powder production
1954	Moved to Kosakai City, Hoigun (Present Toyokawa City)
1960	YAMAGUCHI UNMO CO., LTD. was established
1978	Started production for cosmetics (Improving product quality and multi-product production)
1988	Toyohashi factory was newly established
2003	Toyohashi 2 <sup>nd</sup> factory was established
2004	ISO9001certified (LRQA, updated to 2015' s cert in 2017)
2005	Production of wet grinding started at a subcontract factory in India
2009	Production of dry grinding started at a subcontract factory in India
2010	Company name was changed to YAMAGUCHI MICA CO., LTD.
2016	Introduction of CSR Management and became a member of UN Global compact
2018	Shinshiro factory was newly established and started production
2019	Toyohashi 2 <sup>nd</sup> factory was closed and relocate to Shinshiro factory
2020	Formed BCP committee, and acquired company certification under the "Business Continuity Enhancement Plan" by the Small and Medium Enterprise Agency

## 5. CSR Approach

YAMAGUCHI MICA agrees to four fields 10 principles of the following U.N Global Compact executing a concrete approach in the enterprise activity for its achievement and continues.

Human right	<p>Principle 1. Business should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2. Make sure that they are not complicit in human rights abuses.</p>
Labour	<p>Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4. the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5. the effective abolition of child labour; and</p> <p>Principle 6. the elimination of discrimination in respect of employment and occupation.</p>
Environment	<p>Principle 7. Business should support a precautionary approach to environmental challenges;</p> <p>Principle 8. undertake initiatives to promote greater environmental responsibility;</p> <p>Principle 9. encourage the development and diffusion of environmentally friendly technologies.</p>
Anti-corruption	<p>Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>

We are engaged on responsible corporate activities for the realization of the Sustainable Development Goals (SDGs).

## SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



## 5-1 Corporate governance

### **【Achievement in 2019】**

- Associated CSR management with each in-house activity to promote all employees understanding for “Raw material procurement”, “Formulation of BCP”, “Reformation of human recourse system”, “Mental and physical health”, “Product development”, “Copes with consumer issues”, “Safety and health management”, etc.
- At the company policy presentation in September 2019, manager at planning dept showed how to operate our CSR activities.
- Progress was reported at monthly management meetings and manager meetings.

### **【Plan for FY2020】**

- Maintain CSR committee.
- Link CSR management / SDGs with internal activities to improve employee awareness.
- BCP preparation assuming Nankai Trough earthquake.

## 5-2 Human right

### **【Achievement in 2019】**

- Set up our own CSR audit form and in November 2019, we conducted an audit for an Indian raw material supplier. We have put in place a system to continuously perform a combination of our own audits and by third-party organizations.
- We have been a member of the Responsible Mica Initiative (RMI), an NGO that focus to eradicate child labor in the entire area of raw material mining in India, and continued to collect local information and cooperated with their activities.

### **【Plan for FY2020】**

- Conduct a third-party audit on an Indian raw material supplier which we independently audited in November 2019.
- Conduct our own audits on three Indian raw material suppliers.
- Cooperation RMI activities for eradication of child labor.

## 5-3 Employment practice

### **【Achievement in 2019】**

- Established new personnel evaluation and salary increase system to enhance working satisfaction. As a transition period toward the introduction of a new system from October 2020, we partially reviewed the existing system and started evaluator trainings.
- In October 2019, the Safety and Health Committee Chairman joined the CSR Committee and decision-making has been speeded up for working safety and environment.

### **【Plan for FY2020】**

- Start of new personnel evaluation system and salary increase system to improve work satisfaction.
- Promote measures against heat related safety precautions at the factories.
- Conduct regularly stress checks with external tools.
- Promote work from home systems.



#### 5-4 Environment

##### **【Achievement in 2019】**

- Promoted digitizing in-house documents, and gone paperless approximately 50% of the shared documents at factories.
- Promoted production efficiency by improving utilization of Shinshiro factory.

##### **【Plan for FY2020】**

- Conduct specific activities based on environmental policies and environmental management regulations. For example, examine the relationship between the amount of utility usage (electricity, gas, and water) in the entire company and our production volume, then formulate a numerical target for FY2021.

#### 5-5 Business practices

##### **【Achievement in 2019】**

- To create open and comfortable workplace, we did a harassment questionnaire for all employees and fed back the results for further improvements.
- With the target of raising awareness and improving compliance in the supply chain, we have established a basic material transaction contract with all suppliers of raw materials of mica in India and talc in China that clearly states "prohibition of forced labor and child labor", "rejection of transactions with antisocial forces", and "prohibition of bribery".

##### **【Plan for FY2020】**

- Conduct regularly harassment questionnaires.
- To reinforce relationship with suppliers for stable procurement, we will consider new supply chain management system with sharing the information such as our long-term ordering plan, supplier's raw ore inventory and the schedule of processing to shipping, etc.

#### 5-6 Consumer Affairs

##### **【Achievement in 2019】**

- For cosmetic grade natural mica powder, we have achieved mass production that enables strict limitation on heavy metal content which is less than global standard with our unique technology.
- In the procurement of mica raw materials from India, we have dealt only with suppliers not involved in child labor, based on the results of third-party audits for some suppliers and the results of our own audit for all suppliers. For providing reassurance to our customers, we have established a raw material procurement policy for the next three years, "to increase the number of suppliers subject to audit by a third company's organization and implement it systematically."
- Relocated to the Shinshiro Factory to consolidate operations by closing the Toyohashi No. 2 factory and terminating the contract with the external warehouse, we could improve operational efficiency.

##### **【Plan for FY2020】**

- Focused on powder processing, continue product development to meet customer's needs
- Promote the raw material procurement policy which was established in FY2019.

## 5-7 Local participation/ Community development

### 【Achievement in 2019】

#### ■ Community

- Apr, 2019: Joined Shinshiro City Labor Relations Council and participated in safety and health study meeting.
- May, 2019: Participated in the “Shinshiro Corporate Exhibition”, a local company information session for middle and high school students.
- Oct, 2019: Participated in festival events in the Kosai area at Toyokawa City as volunteer.

#### ■ Human right/ environmental protection organization.

- Continued participation for UN Global Compact, NGO the Responsible Mica Initiative (RMI) and human right related NGO ACE.

#### ■ CSR platform

- Continued participation for Sedex and EcoVadis(Supplier CSR information platform) and disclosed our information.

#### ■ Academic and industrial organizations

- Continued participation for Society of Automotive Engineers of Japan Inc, THE SOCIETY OF COSMETICS OF JAPAN, Japan Cosmetic Suppliers Association, Japan Hygienic Olefin And Styrene Plastics Association, Filler Society of Japan.

#### ■ Website

- Promoted CSR activities by renewing bilingual pages.

### 【Plan for FY2020】

- Continue to participate in local community and human right, environmental protection, academic and industrial organizations.
- Continue to update our CSR information on the CSR platform and website.

## 6. Associations for CSR

【U.N Global Compact】

【Sedex】

【EcoVadis】

【NGO Responsible Mica Initiative(RMI)】

【NGO ACE】

## 7. CSR information

We update CSR report in March every year and publicize in our web site.

If you have any question and comment, please contact to:

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