Corporate Social Responsibility

Corporate governance

Strengthening management systems

In June 2004, Suzuken introduced an executive officer system. This created a framework under which the Board of Directors is responsible for management oversight and decision-making and the executive officers are responsible for business execution. In another move to reform management, the upper limit on the number of directors was lowered from 30 to 15 to clarify the role of directors and promote faster, more dynamic decision-making. The term of directors has also been reduced from two years to one in order to increase awareness among directors of their responsibilities and accountability.

Suzuken has no external directors because of the policy of placing importance on a decision-making process that is closely tied to business operations. External advisors and the corporate auditors confirm that the decisions of the directors are proper and legal, respectively. Suzuken has four corporate auditors, including two outside auditors, both of whom are attorneys. All four corporate auditors attend all meetings of the Board of Directors, where they offer their opinions as necessary in order to provide a suitable system of checks.

A Nomination/Compensation Committee has been established to provide for transparency and objectivity with regard to the appointment and remuneration of directors and executive officers from the standpoint of Suzuken's stakeholders. Furthermore, Suzuken has replaced the system under which directors' retirement benefits were based on their length of service with a remuneration system based on each director's performance and contribution to Suzuken's development.

Establishing a compliance framework

In April 2004, Suzuken merged three committees that oversaw corporate ethics, pharmaceutical regulatory compliance and risk management into a single Risk Management Committee for the purpose of creating a more effective compliance framework. The Risk Management Committee meets once each month.

At the same time, Suzuken established the Risk Management Section to provide dedicated administrative support to the committee, thereby increasing the effectiveness of risk management activities. In addition, as part of a corporate ethics system aimed at promoting sound management and internal compliance with relevant laws and regulations at Suzuken and its subsidiaries, a corporate ethics hotline was established.

Information management framework

Suzuken is establishing information management systems designed to protect management-related information, minimize data-related risks, and comply with laws concerning the protection of personal information. Suzuken is also raising awareness of related issues among employees.

In July 2004, Suzuken formulated an information security policy that in December 2004 received certification at its System Development Department under the BS7799 international standard for ISMS (Information Security Management System) methodology. Suzuken thus became the first member of Japan's pharmaceutical industry to receive this certification, which uses third-party evaluations to verify compliance with standards for information security management. In January 2005, Suzuken established an Information Security Department to oversee all matters involving information management.

For the protection of personal information, Suzuken has set up the Personal Information Protection Countermeasures Team as part of its project to establish information management systems. This team is putting in place systems for the appropriate protection of personal information. In January 2005, Suzuken announced its Personal Information Protection Rules and posted its personal information protection policy on its website. In addition, steps are taken to educate employees about this subject through Internet e-learning tools, internal publications and other means.

Raising levels of disclosure and accountability

Suzuken is releasing earnings reports faster, preparing annual reports and other business reports, and taking other steps to supply IR information. In addition to these activities conforming to disclosure regulations, Suzuken voluntarily conducts a number of other activities to ensure the timely disclosure of information. The Suzuken website has sections for news releases and investor relations, in Japanese and English, to make this information readily available.

Employee training

In August 2002, Suzuken began conducting seminars for the purpose of training individuals who will be the company's future managers. The seminars give participants basic skills involving management strategies, examine case studies involving prominent companies, and provide a forum for individuals to discuss research reports with senior executives.

In September 2003, Suzuken started a program that assists employees to study on their own to reach their goals. The aim is to encourage employees to have the initiative to learn more and improve themselves. Under this program, Suzuken pays part of the cost of correspondence courses and the cost of acquiring official qualifications.

In fiscal 2004, Suzuken introduced an award system that recognizes employees who make particularly noteworthy contributions to business operations or a charitable program. This system helps motivate employees to make such contributions and invigorates the entire Suzuken organization. Offering these awards also raises awareness of the need to enact business reforms.

In fiscal 2005, Suzuken adopted a pay system that, while raising the motivation of employees, places greater importance on performance and moves away from the previous system that was based in part on the ages of employees.

While managing personnel with emphasis on merit, Suzuken will determine pay and other benefits based on the characteristics of each job category. The objective is to conduct a comprehensive overhaul of the personnel system to establish a framework in which employees are managed from a number of perspectives.

Environmental activities

Suzuken has for years been working on reducing its environmental impact in many ways, such as by using ice thermal storage air conditioners, which reduce CO_2 emissions, and incorporating fuel-efficient minicars and hybrid vehicles in the Suzuken fleet. To build a more effective framework for these activities, an Environmental Management System was established in March 2003. Since then, Suzuken has been taking many actions based on this system, which is intended to minimize the environmental impact of business operations.

In March 2004, the Suzuken Head Office received ISO 14001 certification for its environmental management system. We plan to extend this certification to branch offices and group companies.

Community activities

To encourage progress in medical sciences, the Suzuken Memorial Foundation was established in 1981. Separately, Suzuken collaborates with the NHK Culture Centers in Nagoya, Tokyo and Osaka to hold community seminars led by individuals who are prominent in various fields. As of May 2005, cumulative attendance at these seminars was more than 5,000. Suzuken holds these seminars at no cost in Nagoya and Osaka for junior high school, high school and university students.