



Please refer to our Sustainability Report 2021 for a detailed explanation and data.
https://www.jsr.co.jp/jsr_e/sustainability/

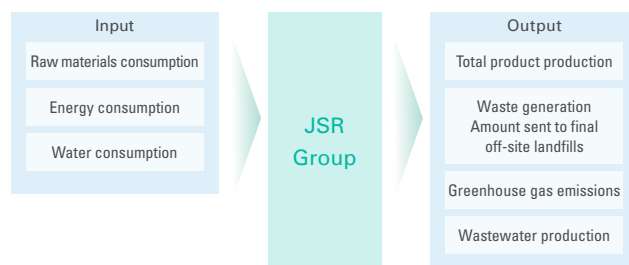
Philosophy

As a company that deals in chemical substances, JSR Group recognizes that it has a duty to help bring about a sustainable global environment and society.

Consequently, JSR considers reducing the environmental impact of business activities and managing chemical substances to be top priorities and strives to properly manage waste and greenhouse gas emissions arising from energy consumption. Climate change in particular is expected to have a major impact on businesses due to the growing frequency of natural disasters and risks associated with future environmental regulations. For this reason, JSR has positioned the reduction of greenhouse gas emissions as a medium- to long-term management issue.

Reducing Environmental Impact: Material Balance

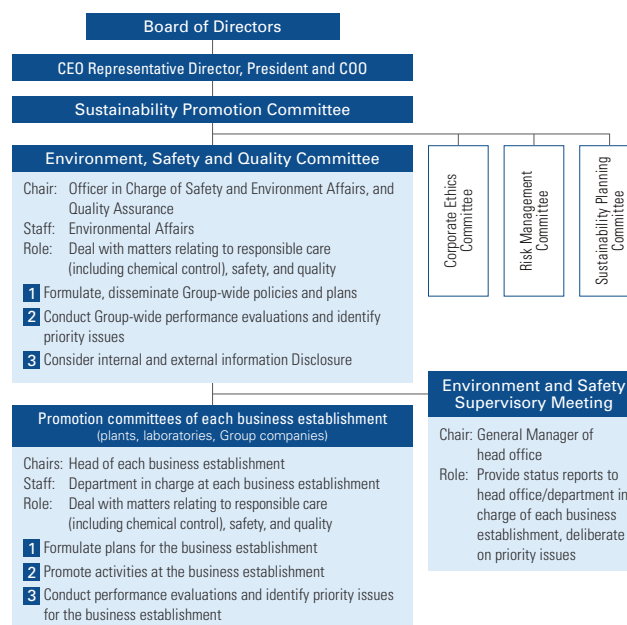
JSR Group strives to reduce its environmental impact in a comprehensive, efficient way by quantitatively ascertaining and closely analyzing the consumption of energy and resources in its business activities (input) as well as its product production, emissions into the environment, waste production, and other data (output).



Approach to the Environment

JSR Group sets environmental targets based on its Environmental Safety Management Policy with the aim of integrating responsible care activities into corporate management. The Environmental Supervisory Department formulates initial targets, which are reviewed and approved by the Environment, Safety and Quality Committee chaired by the officer in charge of Safety and Environment Affairs, and Quality Assurance, and reported to the Sustainability Promotion Committee. The environmental affairs departments of each business play a central role in meeting established targets through responsible care activities in compliance with ISO 14001 environmental management system standards. JSR is also taking proactive responsible care measures such as the introduction of state-of-the-art equipment and technological development.

Environmental Management System Promotion Framework



Various Initiatives

JSR Group is engaged in the following initiatives.

	Initiatives
Climate Change Mitigation	We regard climate change as one of our most pressing issues, and are vigorously engaged in activities to reduce greenhouse gas emissions. To this end, we view the TCFD* Recommendations as contributing to the development of a sustainable society transitioning toward a low-carbon economy, and expressed our support for these recommendations in October 2020. The management policy announced in March 2021 also commits us to actively take on the challenge of achieving "net zero" greenhouse gas emissions by 2050. We will work to deepen our understanding of the opportunities and risks inherent in our corporate activities, act accordingly, and proactively disclose our efforts.
Conserve Water	Aside from drinking water, water resources are used as a raw material and coolant in manufacturing processes. In addition to striving to recycle water resources in our processes, after use, we appropriately purify water before discharging it into rivers.
Waste Reduction	We are working to reduce our environmental impact, focusing on the 3Rs of waste management (reduce, reuse, recycle). We are also promoting a circular economy that efficiently uses resources throughout the product life cycle, from procurement of raw materials to manufacturing, and contributing value to customers and to related SDGs initiatives through our business activities.
Chemical Management	Globally, regulations of chemical substances are growing more stringent. From the perspective of ensuring product safety, we develop products in line with trends in chemical risk evaluations of each country from the design stage onward. In addition, we are smoothly responding to legislation requiring existing substances to be registered along with safety data, in collaboration with local subsidiaries, according to the nature of the business.

*TCFD: The Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB). In June 2017, the TCFD presented recommendations for the disclosure of the effects that climate change risk has on financial institutions, companies, and governments in financial reports.