

Environment

Message from the Officer in Charge of Safety and Environmental Affairs



Policy

Seeing occupational safety, security and accident prevention, environmental conservation, and product safety as key foundations for its business activities, JSR Group conducts all business undertakings under the following Responsible Care® (RC) policy.

1. We strive to ensure the safety of employees and local communities, and to contribute to environmental conservation and a sustainable global environment by ascertaining risks associated with our business activities and executing countermeasures.
2. We strive to comply with laws, ordinances, and voluntary regulations by gathering information on and ensuring the full development of laws and regulations required for business activity.
3. We strive to ensure the safety of our products by developing products with consideration for safety, health, and the environment and providing information about them.

Sharing our safety philosophy with the entire Group and working to build a robust management foundation

In FY2021, JSR Group set KPIs for “environmental conservation and impact reduction” and “health and safety,” which are materiality (priority issues) related to the Group’s management foundation. Based on this, we continued with our activities in FY2022.

With regard to environmental conservation and impact reduction, we have set an interim target of a 30% reduction by FY2030 compared to FY2020 in order to ensure that we reach net-zero GHG emissions by FY2050. In addition to our existing energy conservation activities, we are promoting the use of purchased electricity generated from renewable energy and energy transition. Going forward, JSR Group will work together as one to implement these activities.

With regard to health and safety, starting in FY2022 we have been focusing on activities that are conscious of strengthening the safety foundation at all JSR Group sites in Japan and overseas, including the Life Sciences Business.

One of our activities is to instill safety-related value. This time, we have improved the content of the JSR Group’s shared safety philosophy to make it easier to understand. We intend to raise the safety level of the entire JSR Group by instilling this approach in each and every employee and monitoring the safety level of each site based on common standards.

These new activities will not only build a robust



Please refer to the JSR Sustainability Site for more details.
https://www.jsr.co.jp/jsr_e/sustainability/environment/reduction.shtml

management foundation, but also provide value to all stakeholders, including employees, local communities, customers, and shareholders.

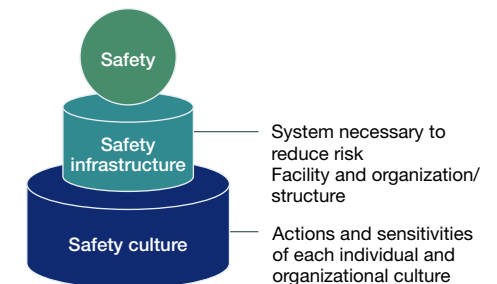
Stay safe.

JSR Group’s safety goal

Safety is based on risk, and safety is supported by a safety infrastructure that mitigates risk and a safety culture that complements and strengthens the safety foundation.

JSR divides the status of safety into three stages and aims for the target stage three to raise its safety level.

“Safety” means a state in which **risk is at an acceptable level, supported and ensured by a safety infrastructure and safety culture.**



Philosophy

JSR Group recognizes that it is our duty to contribute to the realization of a sustainable global environment and society as a company which handles chemical substances.

Therefore, we consider reducing the environmental impact arising from our business activities and appropriately managing chemical substances to be priority issues. Accordingly, we are striving to reduce greenhouse gas emissions from energy consumption and to appropriately manage waste. In particular, it is expected that climate change will have a big impact on our business due to the risks from an increase in natural disasters and environmental regulations. Therefore, we consider reducing greenhouse gas emissions to be a mid- to long-term management issue and are working on it over the whole of JSR Group.

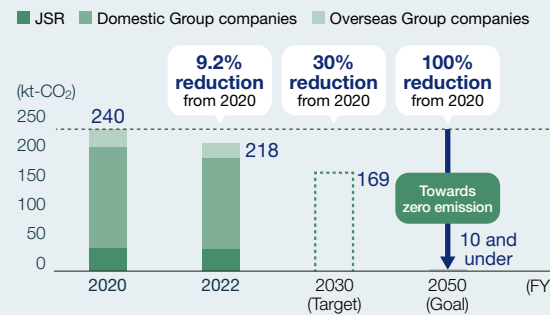
Reducing Environmental Impact: Material Balance

JSR Group strives to reduce its environmental impact in a comprehensive, efficient way by quantitatively ascertaining and closely analyzing inputs as well as outputs.



Climate Change Mitigation Materiality

Goal: Reduction of GHG emissions (vs FY2020)
FY2030: 30% reduction / FY2050: 100% reduction



Note: Due to the transfer of the Elastomers Business in April 2022, we have recalculated GHG emissions going back to the base year of FY2020.

Initiatives to Reduce GHG Emissions

In addition to fuel conversion, JSR Group has been working to enhance energy conservation technologies, introducing, for example, cogeneration equipment and sludge drying equipment.

As an example of our main initiatives in FY2022, we switched to renewable energy power plans at the following sites with the objective of reducing emissions by changing electricity procurement methods. We will continue to advance initiatives to reduce emissions.

Manufacturing sites

- JSR Micro Kyushu Co., Ltd.
- JSR Micro N.V.

Please refer to the JSR Sustainability Site for more details.
https://www.jsr.co.jp/jsr_e/sustainability/environment/co2.shtml

Business offices

- Head office (tenant building)

Endorsing the mission of the TCFD, we identify climate change-related risks and opportunities through scenario analysis and formulate medium- to long-term measures. Based on this, we are taking on the challenge of introducing innovative energy technologies and promoting the development of eco-friendly businesses and products, thereby contributing to the formation of a decarbonized and recycling-oriented society.

We aim to achieve “net-zero” GHG emissions by 2050, and will continue to actively take on challenges going forward.



JSR Micro Kyushu

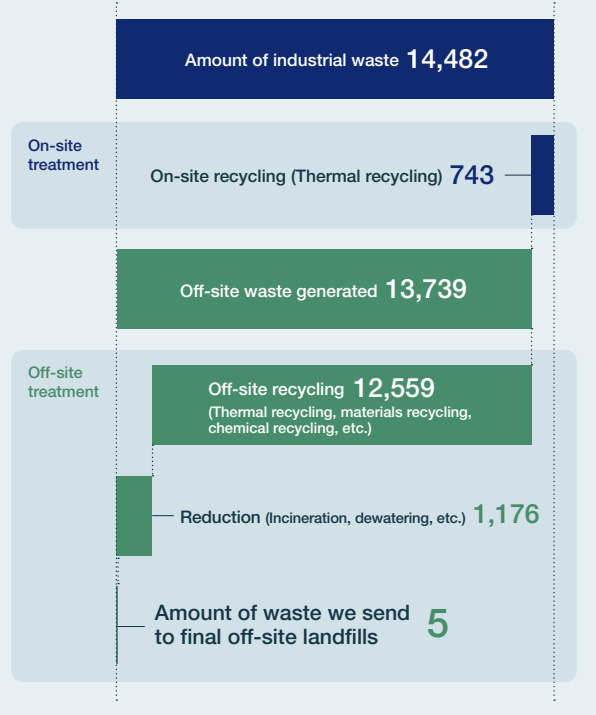


JSR Micro N.V.

Waste Reduction Materiality

Goal: Final landfill amount of 0.1% or less

Disposal of industrial waste (FY2022) Unit: tons



Initiatives to Reduce Industrial Waste

JSR Group recognizes that “aiming for zero waste sent off to final off-site landfills” is an important issue.

Industrial and other waste generated in the Group’s corporate activities is first internally treated (separation, recycling, weight reduction, etc.), and the rest is externally treated as waste discharged outside the plant.

Amid this, we established a global target to reduce the amount of waste sent to final off-site landfills to 0.1% or less of the amount of waste generated, and we are promoting recycling toward this end. In FY2022, the amount of industrial waste generated was 14,000 tons (down 25% from the previous year), and the recycling rate was 92%. As a result, the amount of waste we sent to final off-site landfills was 5 tons, maintaining this ratio at less than 0.1%. We will continue to strive to control this waste, advance recycling, and implement activities from a long-term perspective.

Waste Plastic Recycling Promotion

JSR is working to advance the recycling of waste plastics with a target of reaching a recycling rate of 100% including heat recovery and 60% excluding heat recovery by FY2030.

The FY2022 waste plastics recycling rate (including heat recovery) was 92% for JSR and for domestic Group companies. We will continue moving forward with approaches. At the same time, our recycling rate (not including heat recovery) has fallen short of our target values as of the current point in time, and we will continue working to further raise our recycling rates.



Please refer to the JSR Sustainability Site for more details.
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Chemical Management

Following the EU’s enactment of the REACH Regulation in 2007, JSR Group has confirmed regulatory trends such as substance registration each time they have been strengthened in countries. We respond to these without omission based on the business areas and structure of local subsidiaries.

From the perspective of ensuring product safety, we develop products in line with trends in chemical risk evaluations in each country from the design stage onward.

In addition, we are facilitating compliance with legislation requiring existing substances to be registered along with safety data, in collaboration with local subsidiaries.

Conservation of Water Resources

JSR Group uses such water resources for drinking water, of course, but also as a raw material, cleaning solution, in treatment facilities for chemicals, and coolant in its manufacturing processes. We strive to recycle water in our processes. At the same time, we purify and check the quality of the water as required after use before discharging it into rivers or other bodies of water.

In FY2022, JSR Group consumed 3,853,000 m³ of water (down 3.3% year on year) and discharged 3,748,000 m³ of wastewater in total (down 4.4% year on year).

We will continue to strive to appropriately manage increasingly important water resources in the future.