

# JSR Group Sustainability Report 2023

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# Sustainability

JSR is committed to using value creation through business to help achieve a sustainable environment and society.



## Providing Value to Society through Our Business Activities



### Contribution to Quality of Life and Happiness >

Providing Materials That Support a Comfortable Society



### Contribution to a Healthy and Long-Living Society >

Providing Advanced Medical Care to Patients Faster



### Contribution to Preservation of the Global Environment >

Developing Products That Reduce the Environmental Impact of Our Customers



## Strengthening Our Management Foundation to Continue Providing Value



Environmental conservation and impact reduction

We are working to achieve net zero emissions by 2050.

> [Click here for details](#)



Diversity, equity, and inclusion

We value diversity and improve employee engagement.

> [Click here for details](#)



Health and safety

We are developing a work environment where our employees can continue to work safely and healthily.

> [Click here for details](#)



Respect for human rights

We respect human rights in all our business activities.

> [Click here for details](#)



Supply chain

We aim to strengthen communication with our business partners and create value together with them.

> [Click here for details](#)

## Management Messages



### Message from our Chief Sustainability Officer

We will promote sustainability in the Group as a whole by encouraging better communication between departments and Group companies.

[Click here for details](#)

## Latest Sustainability Information

- 11/17/2023 [JSR revamped its sustainability website.](#)

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- 04/01/2023 [JSR joins Japan Climate Leaders' Partnership \(JCLP\) as supporting member.](#)  
([Japan Climate Leaders' Partnership](#) [Web Site](#))

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- 03/01/2023 [Support for the people and areas affected by the Turkey-Syria Earthquake](#)

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- 11/02/2022 [JSR Joins Semiconductor Climate Consortium as Founding Member](#)

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- 12/17/2021 [Corporate Governance Report has been updated. \(PDF: 1MB\)](#)

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- 09/10/2021 [JSR to establish the JSR Group's Human Rights Policy](#)

## Sustainability Management at JSR Group

	<a href="#">Corporate Mission and Sustainability Philosophy</a> >		<a href="#">JSR Group's Materiality (Priority Issues)</a> >
	<a href="#">Sustainability Management and Advancement Structure</a> >		

## ESG Activities



### Environment

- > Overview of Environmental Initiatives and Environmental Impact
- > Climate Change Mitigation
- > Response to the TCFD Recommendations
- > Conservation of Water Resources
- > Waste Reduction
- > Biodiversity Conservation



### Society

- > Occupational Safety, Security and Accident Prevention
- > Logistics
- > Product Safety
- > Quality Management
- > Human Rights



### Governance

- > Corporate Governance
- > Compliance
- > Risk Management



- > Initiatives to Prevent Pollution
- > Environmental Accounting
- > Chemical Management

- > JSR Health Promotion (Initiatives in Health and Productivity Management)
- > Human Resource Management
- > Work-Life Management
- > Diversity, Equity, and Inclusion
- > Supply Chain Management
- > Social Contributions



Communication with Stakeholders




Responsible Care


- > JSR Group's Responsible Care
- > Responsible Care Management

## Related Information

- ESG Data >
- Policy, Guideline, Principle >

## Downloads

- Integrated Report >
- Corporate Brochure 
- Sustainability Report (Group Companies) >
- Sustainability Report Archive >

- > Editorial Policy
- > GRI Guideline Comparison Table 
- > Evaluation by Outside Organization
- > JSR Group Profile
- > Post comments and opinions concerning sustainability here.

# Providing Value to Society through Our Business Activities

## Contribution to Quality of Life and Happiness

Providing Materials That Support a Comfortable Society



Developing Digitalization for the Smart Society

### Contributing to the Miniaturization of Semiconductors with EUV Photoresists

All things are being connected via the Internet with the advent of the information society and the development of communications technologies to support that. Against that backdrop, PCs, smartphones and other devices have become indispensable for us to lead rich social lives. In addition, with the progress of this information society, data centers are becoming increasingly important as they speedily process the vast quantities of data constantly being generated to facilitate smooth communications.

Semiconductors are essential in these devices and data centers. Accordingly, the miniaturization of semiconductor circuit wiring contributes to improvement in functionality and power saving. Technology which uses light with an extremely short wavelength called extreme ultraviolet (EUV) is currently being used as the technique for that miniaturization. The resin which supports that technology is our EUV photoresists.

#### Advantages of Miniaturization

Increased processing capacity



Increased data capacity



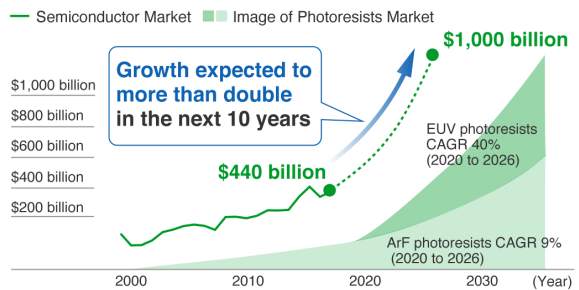
Reduced size and weight



Energy saving



#### Forecast for the EUV Market



## Contributing to the Mass Production of Advanced Semiconductors with World Class High Performance Materials Solutions

Inpria, which joined JSR Group in 2021, is developing Metal Oxide Resist (MOR), which are in the spotlight as EUV photoresist ideal for EUVs. MOR can be reliably formed on the miniature semiconductor circuit boards on the nanometer level, deemed difficult using conventional materials (CAR), thanks to Inpria's metal EUV photoresist technology. This greatly increases semiconductor performance, substantially evolves the functions of the machinery and devices they are used in, and contributes to greater convenience and comfort in our day-to-day lives.

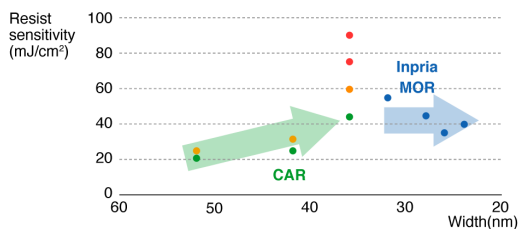
The mass production of advanced semiconductors using MOR is expected to begin in 2030 or later. Inpria is now working to build an optimized quality, mass production, and sales systems for customers' manufacturing processes while utilizing JSR's knowhow gained from many years in the semiconductor business. This groundwork for the mass production of advanced semiconductors is vital for the future of JSR Group's digital solutions business. With the partnership between Inpria and JSR the key, we are carrying out promotional activities with customers of advanced semiconductors through collaboration with JSR's sales offices in Taiwan, South Korea and the United States to kickstart this partnership. Through this, JSR Group will be able to enhance its collective strengths and contribute to a better quality of life and people's happiness through digital solutions.



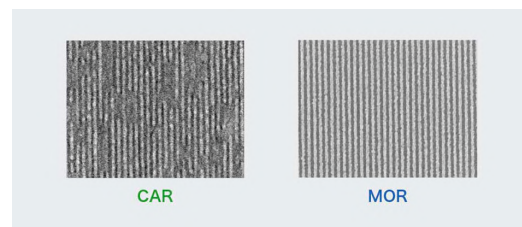
T.T.

JSR Micro, Inc.  
Financial Planning Analyst

### Comparison of resolution



### Difference in resolution of 18nm width



## Realizing Comfortable Driving with a Reduction of Squeaks in Vehicles

### Suppressing Abnormal Noises in Automobiles with HUSHLLOY™ Anti-squeak Material

EVs are spreading around the world at an accelerated pace on the back of stricter regulations to stop global warming and prevent air pollution. On the other hand, this has led to the problem that the quietness of these vehicles means that even slight abnormal noises in them cause annoyance.

JSR Group's HUSHLLOY™ anti-squeak material reduces the squeaks generated from the joints of plastic parts; obtaining a permanent effect that contributes to ensuring a safe and comfortable driving environment. Not only that, it also lightens the workload in terms of applying grease and affixing non-woven fabric which have been taken as measures by hand up to now.



 Techno-UMG Co., Ltd.

Points where squeaks are effectively suppressed by using HUSHLLOY™

Contribution to  
Quality of Life and Happiness

Contribution to  
a Healthy and Long-Living society >

Contribution to  
Preservation of the Global Environment >



# Providing Value to Society through Our Business Activities

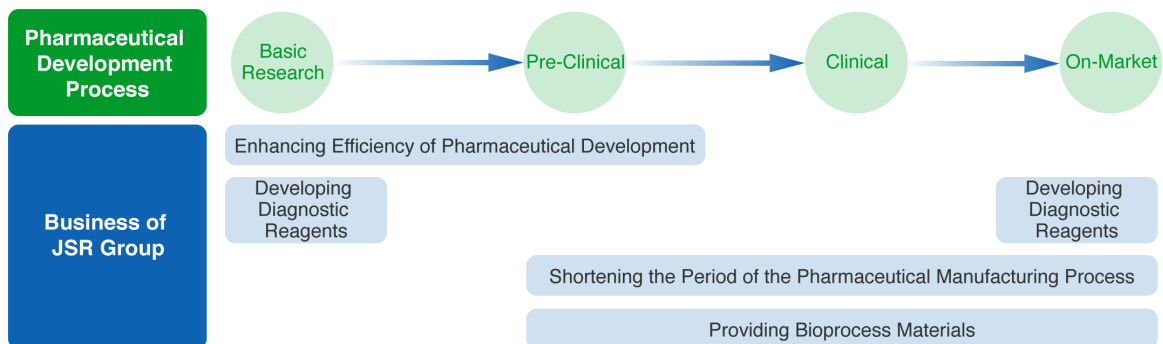
## Contribution to a Healthy and Long-Living Society

Providing Advanced Medical Care to Patients Faster



Contributing to Shortening the Period and Improving the Success Rate of Pharmaceutical Development for Clients

### Contribution of JSR Group to the Pharmaceutical Development Process



### Enhancing Efficiency of Pharmaceutical Development

We develop and provide various pre-clinical efficacy evaluation models including the industry's largest PDX\* collection and screening services to select effective drug candidates from many such candidates. These efforts are contributing to improving the efficiency of pharmaceutical development for pharmaceutical companies. We also provide pre-clinical services using organoids known for having an extremely high similarity with organs. Tumor organoids reflect the tumor characteristics specific to patients. Therefore, it is possible to even more accurately predict the response to drug candidates. It is expected this will improve clinical success rates.

\* Patient-derived xenografts (PDX): This is a model in which tumor tissue derived from a patient is transplanted into an immunodeficient mouse. It is effective in selecting drug candidates because it allows an evaluation in an environment similar to that of humans.





## Developing Diagnostic Reagents

We provide in vitro diagnostics, research reagents and diagnostic reagent materials. This provides wide-ranging support – from research to diagnosis. We also undertake the contracted development of companion diagnostics which identify patients for whom therapeutic effects can be expected and patients at high risk of developing serious side effects before the administration of pharmaceuticals. This is supporting the development of personalized medicine.

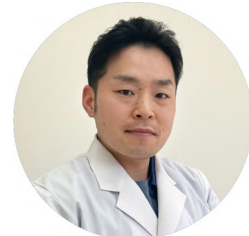
Additionally, we market a number of diagnostic reagents only available from Medical & Biological Laboratories (MBL). We are developing new diagnostic reagents using innovative technologies regardless of whether there are many or few patients with unmet needs, contributing to people's health and the development of medicine.



### Developing Companion Diagnostics for Cancer Treatment Tailored to Individual Patient Needs

MBL has developed and obtained manufacturing and marketing approval for MEBGEN™ BRAF Kit ("the reagent"), a companion diagnostic for malignant melanoma, a type of skin cancer. Melanoma is a cancer that occurs frequently in Caucasians, but the number of patients is increasing in Japan due to aging. In drug therapy for cancer patients, the therapeutic drug used depends on the genetic mutation in the cancer tissue. The reagent can detect BRAF gene mutations, which are more frequent in malignant melanoma, in the DNA of cancer tissue. Testing with this reagent prior to drug therapy allows the selection of therapeutic agents for BRAF gene mutations and increases the likelihood of positive outcomes.

On the other hand, tests using this reagent target cancer tissue, which puts a burden on patients. Therefore, we are developing reagents that can detect genetic mutations from DNA in blood. If these can be commercialized, testing will be possible with a simple blood collection, reducing the burden on patients. Moreover, such testing is much easier to implement, increasing the possibility of early detection of various cancers, and monitor recurrence after treatment. Since the target genes in the blood are small in number, there are many challenges to overcome before development. By solving these one by one and developing reagents with higher sensitivity, shorter measurement time, and lower cost, we will contribute to the development of personalized medicine and a healthy and long-living society.



**A.S.**

Group Leader  
Genetic Reagent Development  
Unit  
Research and Development  
Division  
Medical & Biological Laboratories

MEBGEN™ BRAF Kit



## Shortening the Period of the Pharmaceutical Manufacturing Process

We have advanced technologies relating to analysis, cell line development and manufacturing process development in the development and manufacturing of biopharmaceuticals. With that technology, we also support the process development and manufacturing of molecules with complex structures. Furthermore, we provide an integrated service called "Gene to GMP in 9 months." It covers the processes from cell line development to manufacturing process development, analysis and manufacturing. This contributes to shortening the period to establish manufacturing processes in biopharmaceutical development.



## Providing Bioprocess Materials

We provide process materials used in biopharmaceutical manufacturing such as particles for purification of antibody pharmaceuticals. Our Amsphere™ A3, a protein A carrier for antibody pharmaceutical purification with its industry-leading performance, is being used in the manufacturing of more than 95 investigational new drugs around the world. It started to be used in the commercial production of antibody pharmaceuticals approved by the U.S. Food and Drug Administration (FDA) in March 2022.



Contribution to  
Quality of Life and Happiness >

Contribution to  
a Healthy and Long-Living Society

Contribution to  
Preservation of the Global Environment >

# Providing Value to Society through Our Business Activities

## Contribution to Preservation of the Global Environment

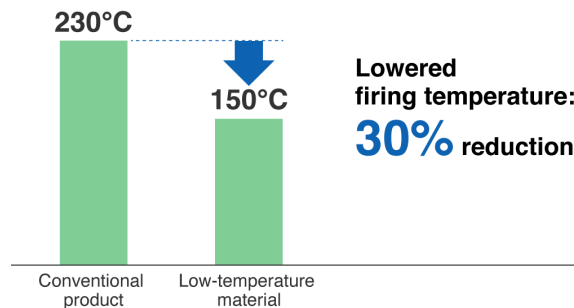
Developing Products That Reduce the Environmental Impact of Our Customers



Contributing to Energy and Resource Saving with Display Materials

### Lowering the Firing Temperature with Low-temperature Materials Reducing Energy Consumption in the Manufacturing Process

Conventionally, the technological development of liquid crystal display materials was focused on the aim of reducing power consumption of the display panel itself such as by improving luminance (brightness) and the display response speed. However, we have been working on the development of a low-temperature material aiming to reduce the environmental impact in the manufacturing process of display panels. The low-temperature material we have developed allows the conventional firing temperature of 230°C to be lowered to 150°C. The material is designed to have the same performance as before. Accordingly, using this material leads to an approximately 10% reduction in energy consumption in display panel manufacturing. We will strive to further spread this low-temperature material in the future to contribute to building an even richer society and reducing power consumption.



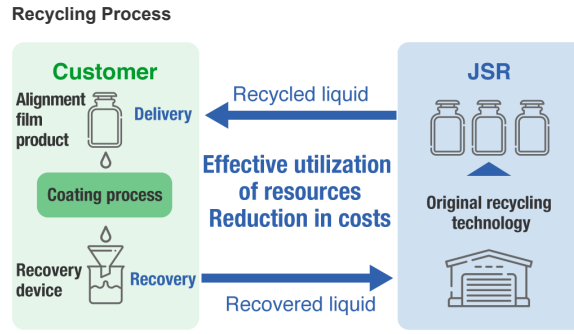
### Launch of an Alignment Film Recycling Business

Alignment film is one of the important materials used to control liquid crystal behavior in liquid crystal displays. We have supported the progress of liquid crystal displays as a leading company in the development and sale of alignment films over many years.

Leftover chemical material and used waste liquid is generated in the process of forming alignment films for displays. There is a risk that material and liquid will leak during transportation or storage. In addition, great care must also be taken in handling when disposing of them. Accordingly, we have launched an alignment film recycling business to support our customers in efficiently using materials and to reduce their environmental



impact. We will work to reduce the environmental impact and improve customer satisfaction by widely providing materials we have recycled based on the extensive knowledge in alignment films we have accumulated over time.

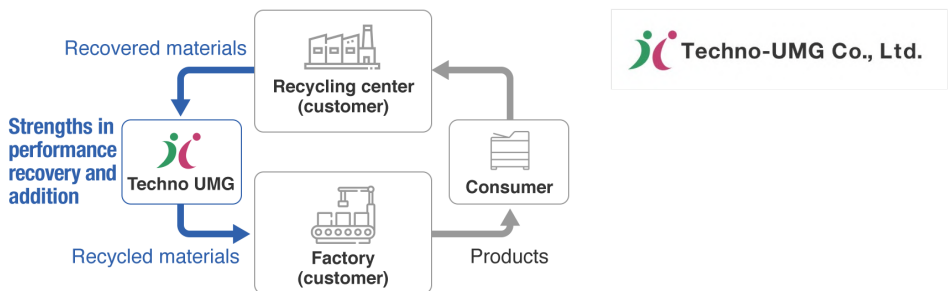


**Toward Automobile Plastic Material Resource Circulation**

**Aiming to Eliminate Painting and Promoting the Recycling of Automobile Parts with VIVILLOY®**

VIVILLOY® highly colorable and highly weather resistant materials are materials which express high color development even without painting. We developed these materials based on our unique polymer development technologies we have cultivated through our track record in the global sale and supply over many years of weather-resistant materials (DIALAC® series) and alloy products (composite materials with other resins). VIVILLOY® also contributes to energy saving and an improvement in work efficiency in addition to cutting costs with the omission of the painting process. Moreover, JSR Group is implementing the closed recycling of plastic parts with the cooperation of our customers in office automation equipment applications. We will utilize this knowledge to also consider the recycling of unpainted parts of automobiles.

**Recycling Process**



Application Examples



Radiator grills



Side mirror covers

**Utilizing Paintless Applications to Reduce GHG Emissions by over 40% and Contribute to Environmental Conservation with Highly Recyclable Parts**

Materials used in automotive exterior parts, such as plastics and ABS resin, undergo secondary processing such as plating and painting to maintain their aesthetics and functionality even in harsh environments. However, this process is very costly and also emits a large amount of GHG emissions.

VIVILLOY® helps to solve these problems. In addition to the excellent weather resistance and scratch resistance required for exterior parts, the coloring is comparable to that of painting, which eliminates the need for secondary processing. Therefore, switching materials to VIVILLOY® can reduce costs by about 30% and GHG emissions by more than 40%. Furthermore, when recycling materials, conventional products require paint stripping, a process that VIVILLOY® does not require. Moreover, VIVILLOY® is exceptionally durable, retains the same performance as virgin material even after long-term use, and has been proven to offer excellent recyclability.

With these features, we are developing a system to accelerate VIVILLOY®'s adoption and have it recognized as a paintless highly colorable material not only for use in the automotive sector but also in a wide range of other fields such as office automation equipment. Our research laboratory is reviewing the polymer design and developing a new product with even greater coloring, which is scheduled to be launched in FY2024. Going forward, we will carefully examine the needs and market potential of new applications such as EVs and autonomous driving, and not only strengthen VIVILLOY®'s performance, but also develop new high-performance products and build a stable supply system. Furthermore, by strengthening cooperation with overseas subsidiaries and expanding this business overseas, we hope to contribute widely and deeply to global environmental conservation.



From left:

**H.A.**

R&D Headquarters  
Techno-UMG Co., Ltd.

**K.H.**

R&D Headquarters  
Techno-UMG Co., Ltd.

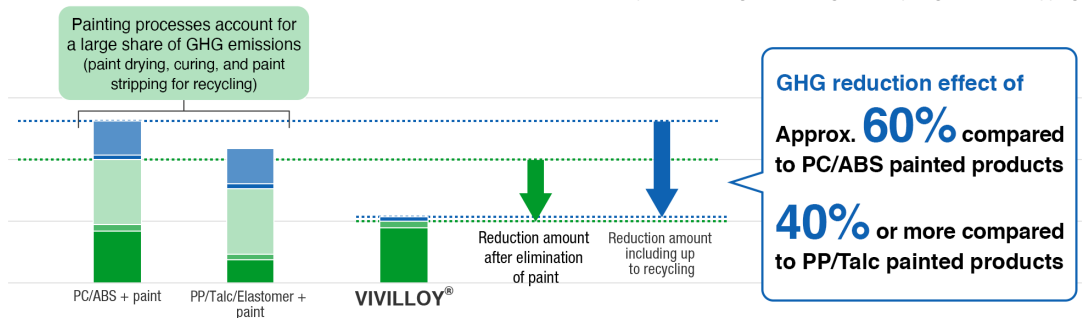
**Y.S.**

Sales and marketing headquarters  
Techno-UMG Co., Ltd.

**GHG reduction effect from elimination of paint\***

Equivalent GHG emissions per 1kg of material

■ Raw materials ■ Injection molding ■ Painting ■ Recycling ■ Paint stripping



\* GHG emission intensity quoted from databases is used to calculate GHG reduction effects.

Contribution to  
Quality of Life and Happiness >

Contribution to  
a Healthy and Long-Living Society >

Contribution to  
Preservation of the Global Environment



# Message from Our Chief Sustainability Officer

We are promoting JSR Group's business strategy side by side with sustainability to lead to even greater value creation

Ichiko Tachibana  
Director,  
Senior Officer



## JSR Group's Sustainability – Initiatives for Materiality (Priority Issues)

JSR Group defines sustainability as "contributing to society by creating value with our business activities." Promoting sustainability Groupwide while respecting diversity is considered as one of our important strategies for enhancing corporate value.

Our process for implementing sustainability initiatives involves identifying our materiality based on a comprehensive evaluation of the social and natural environments, product markets, technology trends, and stakeholder interests, while also considering our corporate mission and management policies. This process yielded KPIs related to the five priority issues for management foundation and the three priority issues related to business activity.

### > 1. JSR Group's Materiality

Among our materiality, there are two priority issues that we emphasize in particular. The first is to increase employee engagement because employees are the main actors in implementing sustainability activities, and to promote diversity, equity and inclusion (DE&I), which is the basis for these activities. The second is to address climate change and its enormous impact around the world by reducing our environmental impact. Going forward, in addition to initiatives for sustainability of our management foundation in relation to risk aspects, we will further promote sustainability initiatives for business activities that lead to business opportunities.

## Progress of KPIs and Findings

With FY2022 as the first year of the KPIs for materiality set in FY2021, we verified progress regularly. Details can be found on a separate page.

### > 2. Establishment and Advancement of KPIs for Materiality

While we found that the progress of KPIs in FY2022 was steady, after confirming the progress over the past year, reviewing the situation, and analyzing the information obtained, we realized that it was necessary to focus on the characteristics of each business as well as the perspective of separating global initiatives from the initiatives based on regional characteristics when setting KPIs. This new found awareness could lead us to add or review KPIs as needed. We are working to reduce GHG emissions in accordance with the plan based on the KPI of reducing Scope 1 and 2 emissions by 30% in FY2030 compared to 2020 levels. Based on the information obtained in confirming progress and requests from stakeholders, we have determined a probable need to set more in-depth targets in the future, and have begun to review them.

For all KPIs, we believe that it is important not only to achieve the target, but also to firmly incorporate a sustainability perspective into the activities of each division through initiatives aimed at achieving the targets, empowering each and every employee can remain aware of sustainability in their daily work.

For example, as an initiative to achieve KPIs, with regard to "increasing employee engagement," which relates to management foundation materiality, the results of the second global engagement survey conducted in FY2022 showed that many employees want management to enhance the dissemination of information on the company's direction, future vision, and long-term vision. In addition to sending out messages from top management and business heads multiple times, we have started to hold dialogue sessions between top management and a small number of employees as a venue for two-way communication. By setting increase engagement as a KPI at the organizational and departmental levels, it is incorporated into the activities of these organizations and departments.

Regarding business activity Materiality, we have set the sales volume and sales ratio of sustainability products as KPIs. We have made steady progress toward the targets for FY2024, and some businesses have already achieved them, but going forward, we will consider new KPIs that expand business opportunities while also being conscious of sustainability. This will lead to business development in line with the direction required by stakeholders.



## Respect for Diversity – Providing a Place for People to Shine and Incorporating Diverse Perspectives

Diversity is the source of our competitiveness. We are focusing on DE&I initiatives as a foundation to get the most out of our diverse pool of human resources. In order to link the abilities of each employee to the enhancement of corporate value, it is necessary to increase the number of highly engaged employees who understand and empathize with the direction and vision of the company, mutually recognize and enhance their abilities, and have a sense of attachment to the company and desire to contribute. This is an important sustainability initiative that leads to the realization of each person's career aspiration, which in turn leads to the fulfillment of their lives. The Chief Sustainability Officer (CSO) is also in charge of promoting diversity in light of the prominent position of DE&I in sustainability, and from June 2023, I have been in charge of promoting global human resource strategies throughout the Group, as they are the main actors of sustainability promotion. With regard to human resource policies, the key is to balance and identify the parts that should be unified globally and those addressed by local rules. We will strengthen human resource management, which is the foundation of sustainability, in cooperation with the human resources departments of each Group company.

In promoting sustainability, it is also important to incorporate diverse perspectives and viewpoints. In addition to DE&I initiatives within the Group, we are aware of actively incorporating external perspectives and viewpoints.

One is that CSO serves as a director and directly participates in reports and discussions on the promotion of sustainability at meetings of the Board of Directors, and receives advice on the Company's initiatives from outside directors who offer an outside perspective.

In the past several years, interactions with external stakeholders have been limited due to the COVID-19 pandemic, but from the second half of FY2022, we have been able to network with other companies and invite experts to give lectures. We will continue to devise ways to incorporate broader perspectives and viewpoints and disseminate information within the Group.

By doing so, we believe that JSR Group's commitment to sustainability will steadily move forward from what we can do now to further contributing to the enhancement of corporate value with an awareness of all stakeholders.

## Looking Ahead – Integrating Sustainability Strategy into Business Strategy

In promoting sustainability, initiatives cannot be completed only within sustainability promotion department; it is necessary to communicate closely with other departments and Group companies. In FY2022, we held regular meetings aimed at promoting specific sustainability activities, refining existing activities and leading to new considerations. Going forward, we will continue to share various ideas and examples of initiatives to promote sustainability throughout the Group.

Compared to FY2019, when we set the current Materiality, the social and market environments surrounding JSR and JSR's business portfolio have changed significantly. Going forward, we will identify risks and opportunities in line with the current situation and consider reviewing our Materiality. In particular, we intend to strengthen the competitiveness of our products and services from the perspective of sustainability and set ourselves apart from other companies to create new opportunities in our business activities. In discussions toward the formulation of the next Medium-Term Management Policy, we will work with related departments to integrate our sustainability strategy into our management strategy. To that end, it is important for all employees to think independently about how to incorporate sustainability into their work and take action. I will continue to support the realization process.

Director and Senior Officer,  
Sustainability Promotion, Diversity Promotion  
Global HR Coordinate

# Corporate Mission and Sustainability Philosophy

1. Corporate Mission and Sustainability Philosophy ▾

2. Value Creation Model ▾

We established our “Essential Elements” as a set of common values that allows each JSR Group employee to act with responsibility and confidence. This ensures that we create a corporate culture in which sustainable growth is achieved regardless of changes in personnel or organizational form. The Essential Elements consists of the Corporate Mission, the Management Policies, and the Course of Action.

> The JSR Group's Essential Elements [□](#)

## 1. Corporate Mission and Sustainability Philosophy

We believe that to be a sustainable company, we must continue providing value to all stakeholders while responding to environmental changes. We define sustainability as “contributing to society by creating value through corporate activity.” This way of thinking vis-à-vis sustainability is connected to JSR Group's Corporate Mission and in line with our management policies over the years.

Under our Corporate Mission of “Materials Innovation - We create value through materials to enrich society, people and the environment,” we aim to contribute to the development of a sustainable global environment and society by creating value through corporate activity. And we will advance initiatives that benefit all stakeholders—customers and business partners, employees, society, the environment, and shareholders.

The scope of JSR Group's business activities is in the process of shifting from a Japan-centric focus to a truly global focus. In order to carry out global business activities, we need to have a deeper understanding of worldwide issues and the problems faced by regions throughout the world.

On the other hand, these issues and problems can be turned into opportunities for new businesses. By actively seeking to identify these business opportunities, we are working to expand the scope of our business.

### Participation in the United Nations Global Compact

JSR Group signed the United Nations Global Compact in April 2009. As a company engaged in business operations globally, we will more proactively fulfill our corporate social responsibilities, recognizing that global businesses must make a greater commitment to the ideals expressed in The Ten Principles of the United Nations Global Compact; namely, human rights, labor, the environment and anti-corruption. As a signatory, we conduct Communication on Progress (COPs) by preparing status reports on our actions for the ten principles.



> [www.unglobalcompact.org](http://www.unglobalcompact.org) [□](#)

Eric Johnson  
Representative Director and CEO  
JSR Corporation

#### — The Ten Principles of the United Nations Global Compact

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;

8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.

## The Sustainable Development Goals (SDGs)

"Transforming our World: the 2030 Agenda for Sustainable Development" was adopted at the UN Sustainable Development Summit in September 2015. The SDGs are comprised of 17 goals and 169 targets that all United Nations member states will strive to achieve by 2030 for people, the earth and prosperity. In addition to conventional development goals, such as eradicating extreme poverty and hunger, the SDGs also cover challenges faced by developed countries, among them the promotion of gender equality, creation of a strong employment environment, reexamination of production and consumption, conservation of marine and forest resources, and development of safe communities. JSR Group will do its part to achieve the SDGs by creating value through its corporate activity.

> [United Nations Information Centre "What are the Sustainable Development Goals \(SDGs\)?"](#)

## SUSTAINABLE DEVELOPMENT GOALS



## 2. Value Creation Model

We seize upon social issues and use JSR's technological strengths to strive to contribute to society and increase our corporate value.







# JSR Group's Materiality (Priority Issues)



1. JSR Group's Materiality ▾

2. Establishment and Advancement of KPIs for Materiality ▾

## 1. JSR Group's Materiality

We have identified materiality (priority issues) aiming to help bring about a sustainable environment and society by creating value through corporate activity, following our Corporate Mission of "Materials Innovation - We create value through materials to enrich society, people and the environment." This materiality is reflected in the Medium-term Management Policy announced in March 2021 and positioned at the center of our resilient management foundation.

### JSR Group's Materiality (Priority Issues)

Business Activity Advancement of the three priority issues		Digital Solution	
Contribution to quality of life and happiness		Materials supporting the digitalization of smart society Curtailment of electricity consumption	
Contribution to a healthy and long-living society		Life Science	Early development of pharmaceuticals Increase success probability of development and development efficiency
Contribution to preservation of the global environment		Plastic	More comfortable driving experience by eliminating interior squeaking Providing products designed to support plastic recycling
Management Foundation Promotion throughout the Group Five priority issues			
Environmental conservation and impact reduction Achieve net zero GHG emissions by 2050 by working collectively as a Group			
Employees, DE&I, and Ways of Working Respect diversity and increase employee engagement			
Health and safety Prioritize safety and ensure good mental and physical wellbeing			
Respect for human rights Deepen understanding of human rights and take the correct actions			
Supply chain Sustain stable procurement from sound procurement partners			

### (1) Materiality Identification Process

Based on the findings from dialogue held with experts in 2019, we began reviewing the existing materiality (formulated in 2015) from the same year.

From FY2019 to FY2020, as part of JSR Sustainability Challenge, we reorganized our materiality into two perspectives: business activity and management foundation. In implementing this process, we received opinions and summaries from Mr. Keisuke Takegahara of the Development Bank of Japan as an outside expert.

\* JSR Sustainability Challenge: An initiative where hearings were conducted to grasp the positive and negative social impacts of the Group's five business segments to determine the material impacts, both positive and negative, of JSR Group's business activities.

- > [JSR Report 2020 – JSR Sustainability Challenge / Summary of Business Activities \(PDF: 86KB\)](#)
- > [Sustainability Report 2021 – JSR Sustainability Challenge / Management Foundation Implementation Process and Summary \(PDF: 435KB\)](#)
- > [Looking back at the process of developing the "new materiality" from the 2019 dialogue with Mr. Keisuke Takegahara](#)

### (2) Future Reviews

We believe that our materiality will evolve amid continuing changes in what society demands of us as well as in our various stakeholders' views and needs. Going forward, we will therefore continue to identify and review materiality through the following operations.

1. We will respond accordingly whenever the need to review the validity of materiality arises through engagement with experts and employees as well as Responsible Care activities, etc.
2. Whenever we formulate new medium-term management policies, we will ensure (and periodically review) the transparency and acceptability of the processes that we apply when specifying materiality by exchanging views with experts.

## 2. Establishment and Advancement of KPIs for Materiality

### (1) Establishment of Key Performance Indicators (KPIs) for Materiality

In FY2021, we established Key Performance Indicators (KPI) for our issues of materiality. During this process, the Sustainability Promotion Department, with the support of the Corporate Planning Department, discussed and shared sustainable management issues facing JSR Group together with business departments, corporate departments, and Group companies to determine specific KPI and numerical targets.

Regarding materiality initiatives to be implemented from FY2022 onward, we will review the situation every six months using KPIs and take additional actions as necessary. In addition, we will share the evaluation results of each fiscal year with the Sustainability Promotion Committee and the Executive Committee, and reflect this information in activities in the next fiscal year and beyond. For details on the content and progress of materiality KPIs, please see the table below "Materiality Initiatives and KPI."

### (2) Progress of Materiality KPIs

The materiality of Business Activity stipulates that the Group contributes to society by providing products and services that demonstrate various effects in "Contribution to Quality of Life and Happiness," "Contribution to a Healthy and Long-Living Society," and "Contribution to Preservation of the Global Environment," in each of the Digital Solutions, Life Sciences, and Plastics businesses that the Group engages in.

Based on this, we have defined "sustainability products" in each business domain from among all the products provided by JSR Group, set KPIs such as sales, sales volume, and sales ratio, and established targets for FY2024.

In FY2022, sales of sustainability products in the Digital Solutions Business grew 2.3 times compared to FY2020, and the sales ratio of the entire business to total net sales nearly doubled. In the Life Sciences Business, sales of sustainability products also rose significantly, far exceeding our FY2024 target. In the Plastics Business, sales volume of sustainability products grew steadily.

In this way, in FY2022, sales of sustainability products grew across all business domains. We will continue to strive to provide value to society through all of our business activities in the form of "Contribution to Quality of Life and Happiness," "Contribution to a Healthy and Long-Living Society," and "Contribution to Preservation of the Global Environment."

In addition, the "Management Foundation" that supports our business activities has five forms of materiality: "environmental conservation and impact reduction," "employees, DE&I, and ways of working," "health and safety," "respect for human rights," and "supply chain." Therefore, we have set medium- to long-term issues and KPIs for each of these.

In FY2022, we advanced all activities described in the action plan for the fiscal year to be implemented toward the targets of each materiality KPI. While we are making steady progress in reducing GHG emissions and improving employee engagement, there are many issues that take time to produce results, such as the advancement of DE&I and strengthening supply chain management. We will continue to work toward the goals together with related departments.

The background and characteristics of the materiality of "Management Foundation" are as follows. Detailed progress of materiality KPIs is described in the relevant sections of each.

#### — Environmental Conservation and Impact Reduction

Climate change and resource depletion are issues threatening the very future of humankind. To resolve these worldwide social issues, JSR Group will begin by aiming to reach net zero GHG emissions by 2050 and eliminate waste bound for landfills entirely.

##### > Waste Reduction

#### — Employees, DE&I, and Ways of Working

We believe that promoting flexible and diverse ways of working, utilizing each other's individual abilities and approaches, and working with higher engagement will improve organizational competitiveness and ultimately elevate corporate value.

In particular, we believe that the advancement of DE&I in managerial grades, which plays a central role in organizational management, will lead to improved resilience of JSR Group as a whole. Therefore, based on the social issues unique to Japan, we have set the ratio of female managers at JSR (non-consolidated basis) as a KPI. We regard this as one of the indicators that reflects the results of ensuring "fairness of opportunities" for each employee's challenges, active participation, and growth, and we will accelerate the creation of a DE&I culture using this KPI as a driver.

— Safety and Health

For safety, we will use the number of accidents occurring after safety activities and results of the safety culture survey for measuring the progress of this process as KPI and adopt uniform standards for evaluating safety performance globally.

> Occupational Safety, Security and Accident Prevention

For health, we targeted White 500 certification for JSR. During and after the pandemic, we have positioned the balance between employee health and productivity as an important management issue that we are now working diligently to address.

> JSR Health Promotion (Initiatives in Health and Productivity Management)

— Respect for Human Rights

Companies are responsible for setting an example when it comes to respect for human rights. To fulfill this responsibility, each and every JSR Group employee must deepen their understanding of human rights. Based on this approach, through e-learning and other means, we will focus on initiatives that educate our people about human rights continuously and systematically.

> Human Rights

— Supply Chain

To share societal needs and JSR Group’s philosophy with suppliers and to prevent risks before they materialize, we distribute booklets containing JSR Group’s CSR/sustainable procurement and human rights policies to foster supplier understanding and we ask that they submit a written endorsement. With regard to conflict minerals and cobalt, which pose concerns in terms of child labor and other human rights abuses, we will use commonly used questionnaires worldwide to monitor JSR Group’s use of these commodities and suppliers’ responses to preventing human rights abuses.

> Supply Chain Management

Materiality Initiatives and KPI

Materiality in Business Activity	Purpose	KPI	2022 progress and results	Goal (In FY2024)	Location
Contribution to quality of life and happiness	Digital Solution <ul style="list-style-type: none"> <li>Provision of materials to support digital development in a smart society</li> <li>Reducing power consumption in a smart society</li> </ul>	Sales of sustainability products Sustainability Products Sales Ratio	2.3 times 2.0 times	3 times as many <sup>*1</sup> 2 times as many <sup>*1</sup>	Global
Contribution to a healthy and long-living society	Life Science <ul style="list-style-type: none"> <li>Early development of medical products</li> <li>Improvement of development success probability and development efficiency</li> </ul>	Sales of sustainability products	126.5 billion yen	100 billion yen	Global
Contribution to preservation of the global environment	Plastic <ul style="list-style-type: none"> <li>Comfortable driving by improving vehicle creak noise</li> <li>Providing products designed to support plastic recycling</li> </ul>	Sales of sustainability products Sustainability Products Sales Ratio	14,000 tons 7%	27,000 tons <sup>*2</sup> 10% <sup>*2</sup>	Global

\*1 Compared to FY2020    \*2 Changed numerical targets after reviewing sustainability products

Materiality in Management Foundation	Purpose	KPI	2022 progress and results	Goal	Scope
Environmental conservation and impact reduction	Reducing GHG emissions (Scope 1&2)	Reduction of GHG emission (vs FY2020)	9.2% reduction	FY2030: -30% FY2050: -100%	Global
	Waste reduction	Final landfill amount	Maintained at 0.1% or less (Digital Solutions and Plastics)	<0.1%	Global
Employees, DE&I, and ways of working	Increase engagement	Increase employee engagement	Clarify strengths globally, and advance initiatives to address shared issues and individual efforts particularly in Japan and North America	Continue to improve engagement and carry out initiatives toward that end	Global
	Promote DE&I	Ratio of women in managerial positions	5.8% (as of March 31, 2023) 6.5% (as of April 1, 2023)	10% in FY2030	JSR Corp
Health and safety	Create a safe work environment	The number of workplace accidents The number of facility accidents	4 incidents (lost work time) 0 incidents	Zero (target to halve in FY2023) Zero	Global
	Improve the health of employees	Obtain certification as an "Excellent Health Management Corporation (White 500)" by METI	Selected as Health & Productivity Management Outstanding Organization (Not selected for White 500)	Obtain "White 500"	JSR Corp
Respect for human rights	Give all employees opportunities to learn about human rights	Participation rate in e-learning on respect for human rights	82%	>80%	Global
Supply chain	Strengthen supply chain management	Collection rate of receipt acknowledgement of receipt received after sharing the JSR Group's CSR/Sustainable Procurement Policy and Human Rights Policy with our suppliers	90%	100%	Global
		Collection rate of RMI templates (survey on the use of Conflict Minerals and Cobalt) from our suppliers	CMRT : 88% EMRT : 88%	100%	Global

# Sustainability Management and Advancement Structure

1. Sustainability Promotion Committee ▾

2. Employee Activities to Advance Sustainability ▾

3. Review of Advancement Structure ▾

Under the corporate mission "Materials Innovation - We create value through materials to enrich society, people and the environment," JSR Group aims to build and maintain good relationship with all of our stakeholders and become an indispensable corporate citizen. And we will promote initiatives that benefit all stakeholders—customers and business partners, employees, society, the environment, and shareholders.

## 1. Sustainability Promotion Committee

JSR Group established its Sustainability Promotion Committee in 2020. The committee discusses and coordinates on matters related to sustainability, including policies, in line with internal and external circumstances relating to ESG and the SDGs.

Below the Sustainability Promotion Committee are four committees called the Sustainability Planning Committee, Environment, Safety and Quality Committee, Risk Management Committee, and Corporate Ethics Committee. The Sustainability Promotion Committee supervises and guides the four committees, and also strengthens and promotes their management through regularly scheduled meetings (held four times annually) as well as extraordinary meetings. In principle, the Committee also reports on activities once every quarter to the board of directors and undergoes supervision/observation by the board of directors.

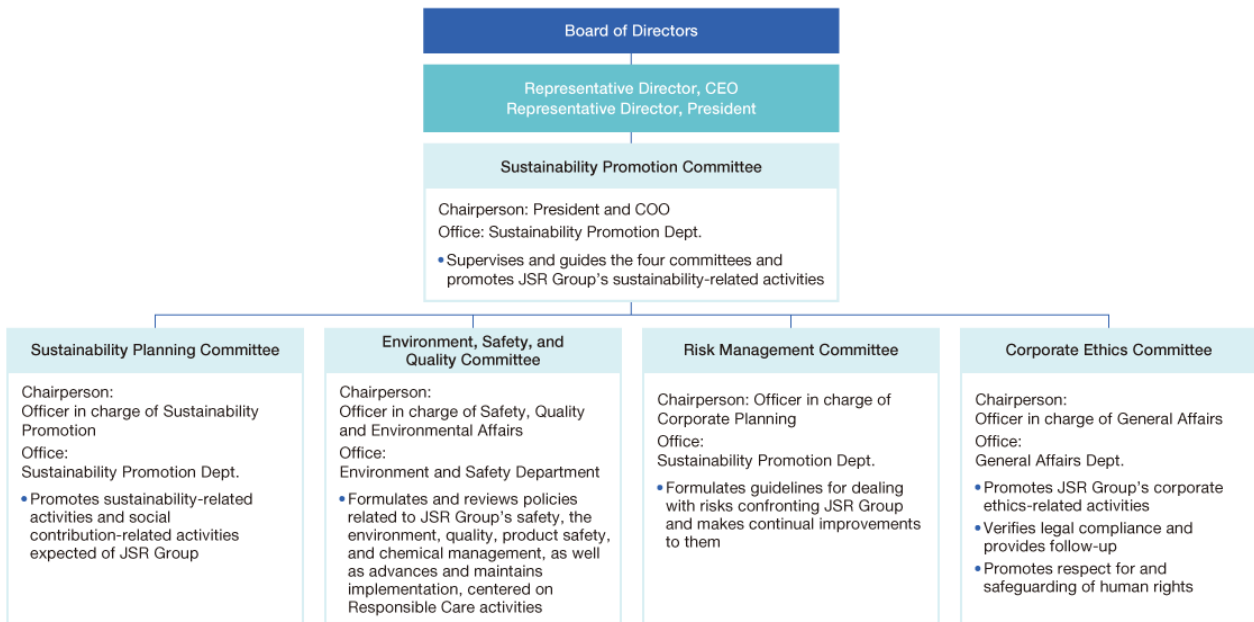
The Sustainability Promotion Committee is chaired by the President. Participants are the secretariats of the four above-mentioned committees as well as company officers (those responsible for corporate planning, manufacturing technologies, procurement and logistics, quality assurance, safety and environmental affairs, research and development, human resources development, accounting and financial affairs, corporate communications, general affairs, legal affairs and compliance, system strategies, cyber security management, sustainability promotion, diversity promotion, the Digital Solutions Business, the Life Sciences Business, and the Plastics Business). This enables the committee's discussions to touch on all businesses and functions of the Group.

We endeavor to build confidence among our stakeholders by disclosing information on the committee's activities and results in the Sustainability Report.

### — Examples of Issues Discussed by Sustainability Promotion Committee in FY2022

- JSR Group's activities to advance sustainability management
- Discussion on JSR Group's material risks
- Latest situation on various reviews related to activities to advance sustainability





## (1) Sustainability Planning Committee

JSR Group maintains a Sustainability Planning Committee that is chaired by the officer in charge of sustainability promotion. The reason we have this committee is that we recognize the need to respond to changes in the environment, deepen our sustainability initiatives, and continually provide value to all stakeholders.

The Sustainability Planning Committee summarizes the state and results of Creating Shared Value (CSV) activities through co-creation with business departments. It also considers corporate initiatives for sustainability, such as responding to the Task Force on Climate-related Financial Disclosure (TCFD) and addressing climate warming and sets direction for sustainability strategies in light of the management policy, materiality, and identified risks.

The committee also addresses social contribution activities by studying new undertakings and monitoring the status of existing activities based on JSR Group's Philosophy for Social Contribution.

> [Click here for details concerning our social contribution-related initiatives.](#)

## (2) Environment, Safety and Quality Committee

We believe "making sustainable development possible" is an important form of corporate responsibility. We therefore address the environment, safety, and quality based on the principle of "responsible care." At JSR, these initiatives are fundamental to our business activities. Therefore, we maintain an Environment, Safety and Quality Committee chaired by the officer in charge of safety, environmental affairs, and quality assurance, who spearheads effective, Group-wide initiatives.

The committee approves plans that concern responsible care activities within the contexts of the environment, safety, and quality. It also evaluates and verifies the results of these activities. The committee additionally strives to maintain and improve responsible care as it pertains to the elimination of accidents, reduction of environmental impacts, chemical management, and product safety.

> [Click here for details concerning our responsible care-related initiatives.](#)

## (3) Risk Management Committee

We believe that preventing major crises and minimizing their effects on business activities should they occur are important management challenges. Given this, we have formulated Risk Management Policies and established a Risk Management Committee that is chaired by the officer in charge of corporate management. The Risk Management Committee promotes continuous improvement of guidelines and plans for responding to both manifested and potential crises.

> [Click here for details concerning our risk management-related initiatives.](#)

## (4) Corporate Ethics Committee

JSR Group practices and promotes corporate ethics by setting down the JSR Group Principles of Corporate Ethics—a code of conduct for fulfilling our Responsibility to Our Stakeholders, a key management policy to support the realization of our Corporate Mission. We further pursue corporate ethics through the Corporate Ethics Committee chaired by the officer in charge of general affairs.



This committee makes certain that JSR's Course of Action is recognized throughout the Group as a statement demanding compliance in daily corporate activity. It also confirms compliance each year and works to continually improve it.

We also provide compliance reporting channels. For employees, we have an internal hotline connected to the Corporate Ethics Committee, an external hotline connected to an attorney, and an external hotline that can handle communication in English, Chinese, Korean, and Thai. We have also set up an external hotline for our business partners.

> [Click here for details concerning our corporate ethics and compliance-related initiatives.](#)

## 2. Employee Activities to Advance Sustainability

JSR Group implements the following activities to deepen employees' understanding of sustainability and ensure that they utilize this knowledge in their daily work.

### — Explanations during Stratified Training

We provide explanations in training for new employees and new managers.

### — Sustainability & RC Caravan

Every year, the officer in charge and department heads explain the progress of sustainability and RC initiatives and the specifics of activities.

### — Sustainability Meetings

We hold annual meetings to set themes related to sustainability and discuss them with departments and teams. The results and opinions discussed are collected by the Sustainability Promotion Department, and the results and feedback are posted in our digital company newsletter. The theme for FY2022 was "KPIs for Management Foundation in the Workplace and Specific Activities," with a total of 184 departments and teams participating.

### — Sustainability Discussions

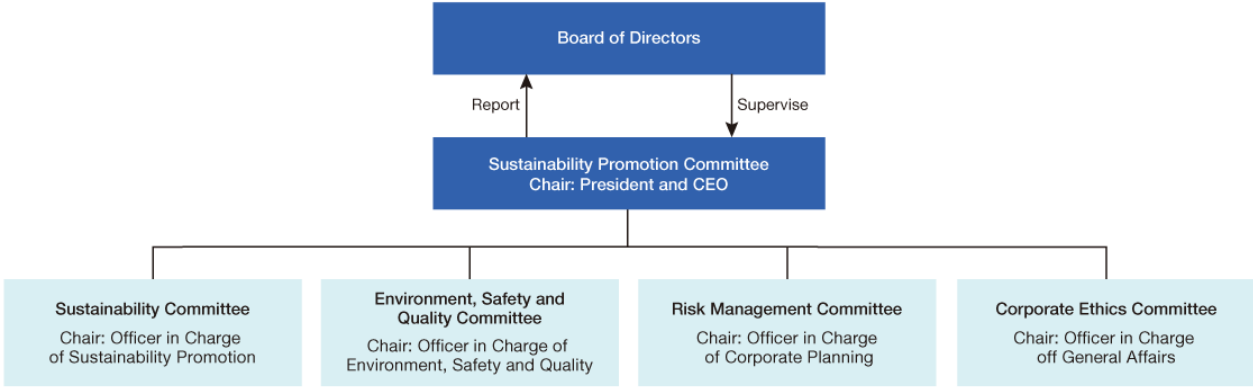
In FY2023, the Sustainability Promotion Department began activities to explain in detail social trends related to materiality and sustainability for interested employees.

## 3. Review of Advancement Structure (June 16, 2023 onward)

In accordance with the organizational reform following the Ordinary General Meeting of Shareholders in June 2023, the chair of the Sustainability Promotion Committee was changed to the President and CEO. Under this structure, the office of the four committees and each executive officer (corporate planning, production technology, procurement logistics, quality assurance, environment and safety, research and development, human resource development, accounting, finance, public relations, general affairs, legal and compliance, system strategy, cybersecurity management, sustainability promotion, diversity promotion, Digital Solutions Business, Life Sciences Business, and Plastics Business) will continue to participate to advance sustainability activities.

Going forward, we will continue to deliberate and coordinate sustainability-related matters, including policies for sustainability activities, in light of domestic and international developments related to ESG and the SDGs, and operate the committee a cross-functional meeting body representing all of the Group's businesses and functions.

Sustainability Management Advancement Structure



In accordance with the organizational reforms approved by the Ordinary General Meeting of Shareholders in June 2023, the chair of the Sustainability Promotion Committee was changed to the president and CEO.

# Overview of Environmental Initiatives and Environmental Impact

1. Our Environmental Initiative ▾

2. Overall Picture of our Environmental Impact: Input to Output ▾

## 1. Our Environmental Initiative

### (1) 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.

### (2) Promotion Structure

JSR Group formulates environmental targets under our basic policy of responsible care to promote environmental activities integrated with our management. The Environmental Supervisory Department drafts the environmental targets. The Environment, Safety and Quality Committee chaired by the Officer in charge of Safety and Environment Affairs and Quality Assurance then deliberates and approves those targets. After that, the committee reports the targets to the Sustainability Promotion Committee for their review.

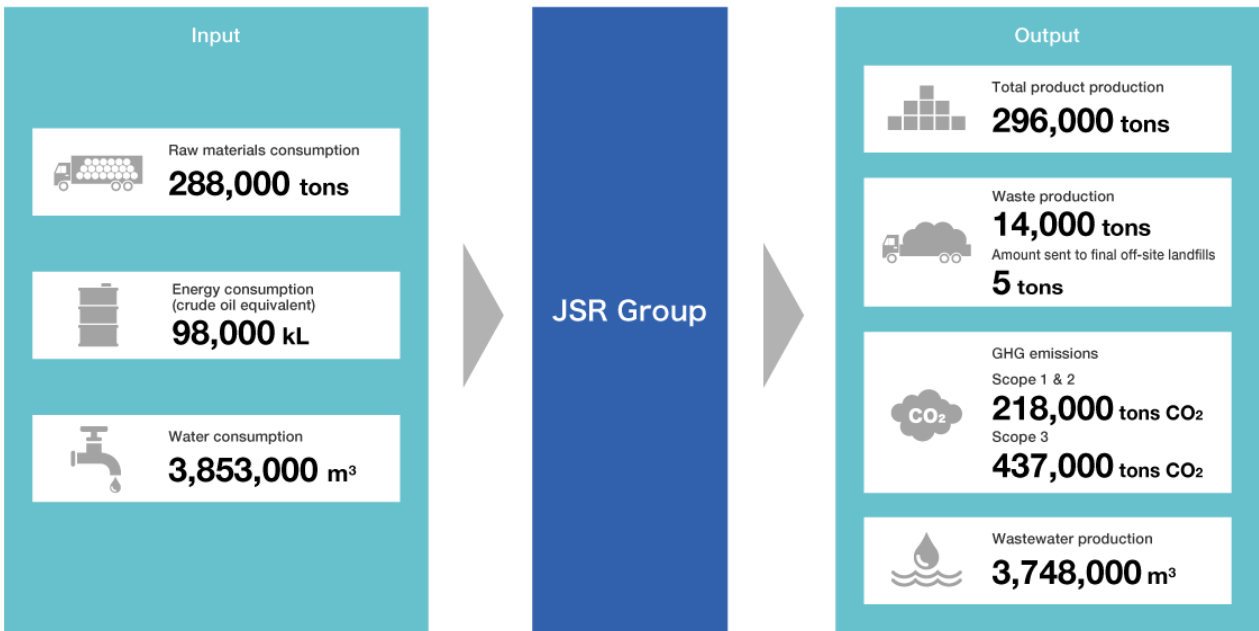
### (3) Various Initiatives

- Climate Change Mitigation
- Response to the TCFD Recommendations
- Conservation of Water Resources
- Waste Reduction
- Biodiversity Conservation
- Initiatives to Prevent Pollution
- Chemical Management

## 2. Overall Picture of our Environmental Impact: Input to Output

JSR Group strives to comprehensively and efficiently reduce its environmental impact by quantitatively ascertaining and closely analyzing its 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).

The chart provides an overview of JSR Group's environmental impact (material balance) in FY2022. It presents totals for three items as input (raw materials consumption, energy consumption and water consumption) and five items as output (total product production, waste production, amount sent to final off-site landfills, greenhouse gas (GHG) emissions, and wastewater production).



> JSR Group ESG Data



# Climate Change Mitigation



1. Philosophy ▾

2. GHG Emissions and Energy Consumption ▾

3. Initiatives to Reduce GHG Emissions ▾

## 1. Philosophy

As a company that manufactures chemical products, JSR Group considers response to climate change issues faced by the society as one of its top priority issues, and that it is the Group's responsibility to contribute to the realization of a decarbonized society.

Chemical products are ultimately used in various products. Therefore, we believe it is necessary to work to reduce greenhouse gas (GHG) emissions throughout the lifecycle of our products. To this end, we are calculating and keeping track of GHG emissions from our own business activities (Scopes 1 and 2), as well as GHG emissions by the suppliers (Scope 3).

We will continue to calculate and ascertain our GHG emissions on a global basis to contribute to reducing GHG emissions throughout society through initiatives including reducing energy consumption in various processes from product manufacturing to supply.

In addition to this, we participate in organizations including the Japan Chemical Industry Association, the TCFD Consortium, the Semiconductor Climate Consortium (SCC), and the Japan Climate Leaders' Partnership (JCLP) to collect information and improve our awareness that climate change will bring about both risks and opportunities for JSR Group. Accordingly, we formulate and implement strategies based on scenario analysis.

## 2. GHG Emissions and Energy Consumption

JSR Group declared support for the TCFD Recommendations in October 2020 and declared its intent to achieve carbon neutrality in FY2050 in March 2021. To pursue these objectives, JSR Group set a global target with the milestone of reducing GHG emissions by 30% by FY2030 (compared to FY2020) in December 2021.

To reach this target, we will continue to implement energy conservation promotions and strive to reduce consumption through switching procurement methods for electricity.

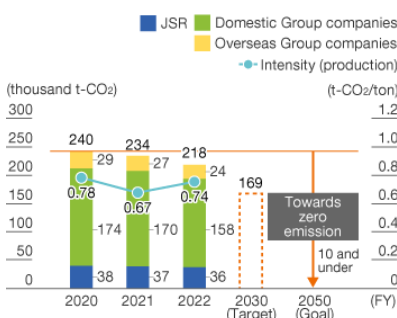
> Philosophy on Response to TCFD Recommendations

> Indicators and Targets

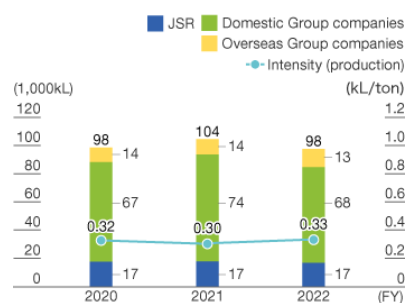
Due to the transfer of the Elastomers Business in April 2022, we have recalculated GHG emissions going back to the base year of FY2020. In FY2022, GHG emissions were 218 thousand t-CO<sub>2</sub>, and energy consumption was 98 thousand kL, both of which were lower than in FY2021 (GHG emissions reduced by 7%, energy consumption reduced by 6%).

\* Third-party verification of GHG emissions will be published within FY2023.

### GHG emissions



### Energy consumption



## 3. Initiatives to Reduce GHG Emissions

### (1) JSR Bases

#### 1) Switch to a Renewable Energy Plan for Electricity

As part of the effort to achieve the global target of reducing GHG emissions by 30% in FY2030 (compared to FY2020), we have moved towards a renewable energy plan at the following locations in aiming to reduce GHG emissions by changing the procurement method for electricity.

##### — Manufacturing sites

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

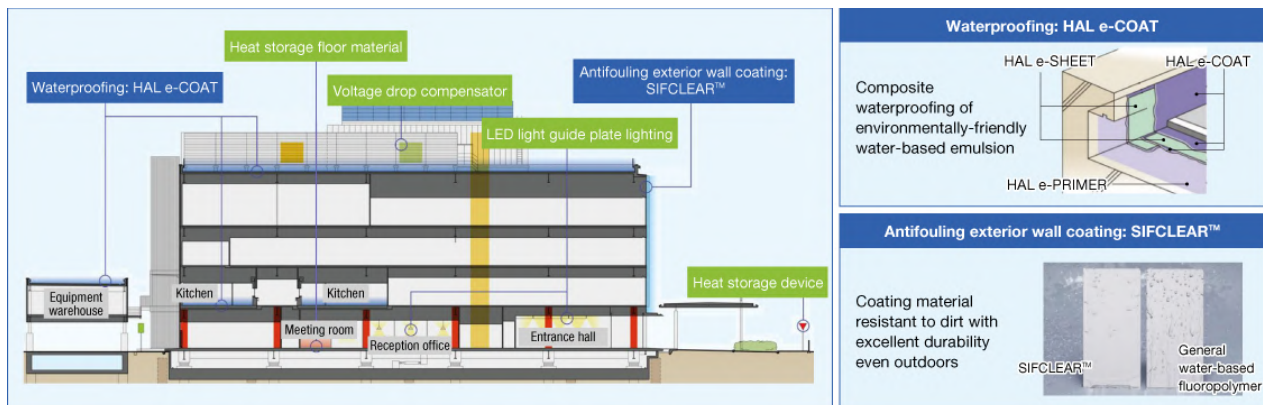
##### — Business offices

- Head office (tenant building)

#### 2) Other Initiatives

##### — Yokkaichi Plant

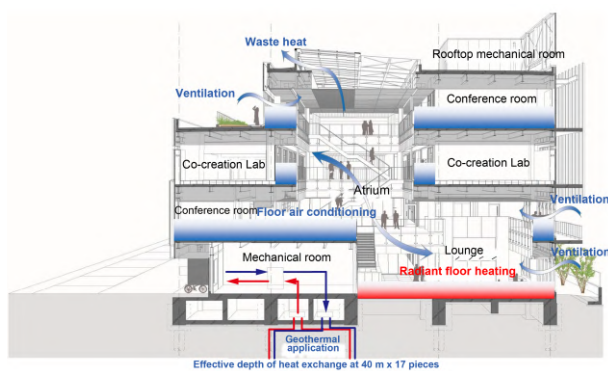
JSR Group develops various products which contribute to a reduction in the environmental impact. We use those products in various places throughout the main building at Yokkaichi Plant to mitigate climate change.



(Note: The products with no name are not currently handled by JSR Group)

##### — JSR BiRD

#### Environmental initiatives



JSR BiRD\*, which started operation in 2021, has adopted a cooling and heating system which uses geothermal heat (geothermal heat utilization system).

The temperature in the ground is lower than the outside temperature in the summer and higher than in the winter. We have built an effective cooling and heating system using this temperature difference. This system reduces CO<sub>2</sub> emissions resulting from the generation of cold and hot water further than with conventional air conditioning systems. That has led to a reduction in the environmental impact.

#### Environmentally friendly facility features

1. Incorporating natural ventilation that blends with the atrium shape
2. Floor-ducted air conditioning and radiant floor heating to the atrium and work areas
3. Geothermal heat pump system that takes advantage of the 50 m pile length

\* This stands for JSR Bioscience and informatics R&D center. It is a JSR research facility we newly established in 2021 for the creation of new business.

## (2) Logistics: Improving Transport Efficiency

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In terms of transportation, we proactively promoted switching to bigger forms of transport with a modal shift from trucks to railways and ships, which lead to a reduction in our transport energy intensity. In April 2022, we transferred our Elastomers Business, which accounted for approximately 90% of our transportation volume, resulting in a significant decrease in the modal shift rate.

# Response to the TCFD Recommendations



1. Philosophy ▾	2. Governance ▾	3. Strategy ▾
4. Risk Management ▾	5. Indicators and Targets ▾	6. Participation in Related Group ▾

## 1. Philosophy

JSR Group sees responding to the problem of climate change currently facing society as one of the most important issues for the company because of its large correlation to the Group's businesses, and we are therefore actively working to reduce greenhouse gas (GHG) emissions both internally and externally. JSR Group's manufacturing sites and supply chain directly impact climate change in various ways. At the same time, JSR Group aims to become a solution provider using innovation as a driving force. Thus, we can help mitigate climate change indirectly through our products and services. We understand that our response to climate change must be mindful of both these facets.

It is in this context that JSR Group expressed its support for the TCFD<sup>\*1</sup> Recommendations in October 2020. We believe that these recommendations will contribute to the development of a sustainable society that is transitioning to a decarbonized economy. As a chemical company that takes climate change seriously, we seek to more deeply understand the opportunities and risks that impact the Group's business activities. We take action accordingly and strive to disclose our initiatives proactively and publicly. We will seek to achieve net-zero emissions by 2050 as JSR Group announced in 2021 and to reduce GHG emissions through our products.

\*1 TCFD (Task Force on Climate-related Financial Disclosures): Founded by the Financial Stability Board in 2015. In June of 2017, the TCFD recommended that financial institutions, companies, governments, and the like disclose their climate change impacts in their financial reports. More than 4,500 organizations around the world have endorsed the recommendations (as of May 2023; from data published by the TCFD).

Governance	Strategy	Risk Management	Indicators and Targets
Development of a managerial governance structure relating to climate change risks and opportunities	Analysis of impacts that climate change-related risks and opportunities will have on business, strategic and financial planning	Development of framework for assessing and managing climate change-related risks and opportunities	Establishment and progressive disclosure of metrics and targets for managing risks and opportunities

## 2. Governance

JSR utilizes a supervisory structure, overseen by the Board of Directors, to examine and carry out appropriate responses to issues that could potentially pose business risks or represent business opportunities. With the aim of strengthening supervision of risks and opportunities related to sustainability, including responses to climate change, the Board of Directors receives progress reports twice a year, examines them as identified themes, shares issues, and discusses and deliberates on future activities. In addition, the executive officer in charge of promoting sustainability (CSO) concurrently serves as a director. In this manner, we have established a system that enables the Board of Directors to thoroughly implement sustainability management.

In addition, JSR has established the Sustainability Promotion Committee, chaired by the CEO and President, as a cross-functional meeting body to advance the implementation of sustainability activities. Under the Sustainability Promotion Committee, we established the Sustainability Planning Committee, Environment, Safety and Quality Committee, the Risk Management Committee, and the Corporate Ethics Committee (each chairperson of which concurrently serves as a member of the Sustainability Promotion Committee), with the Sustainability Promotion Committee overseeing all of these committees. In particular, with regard to climate change response, the Sustainability Planning Committee is responsible for setting the direction of sustainability-related strategies, the Environment, Safety and Quality Committee is responsible for approving the action plan of the entire organization and evaluating and verifying the results of activities, and the Risk Management Committee is responsible for implementing and improving response policies and response plans according to actual and potential crises. The Sustainability Promotion Committee supervises and guides the activities of these three committees and strives to strengthen and advance management through regular meetings held four times a year and extraordinary meetings. In principle, the Sustainability Promotion Committee reports its activities to the Board of Directors quarterly.

> Sustainability Promotion Committee



#### — Board of Directors discussions that included climate change (FY2022)

- Activity reports from each committee and results of ESG rating agency assessments (July)
- Progress of addressing materiality (October)
- JSR Group's activities to advance sustainability management (February)

### Director Remuneration Linked to Climate Change Response

The yearly bonuses of the CEO and President are determined based on Group performance (90%) and a non-financial evaluation (10%). This means that bonuses are linked to progress on Group-wide sustainability management indicators such as reducing GHG emissions and promoting DE&I. The amount of remuneration based on non-financial evaluation is first discussed by the Remuneration Advisory Committee and then decided by the Board of Directors, who can set it to any amount from 0% to 200%.

## 3. Strategy

The vision of JSR Group's Medium-Term Management Plan is to generate value for all stakeholders and to create a resilient organization that adapts to all environmental changes with the aim of achieving sustainable growth. The entire JSR Group is working on climate change as one of the themes to be addressed.

In formulating strategies, risk management, indicators, and targets related to climate change, JSR Group has been conducting scenario analysis in line with the TCFD recommendations since FY2019. In FY2022, we worked on designing calculation software for quantitative simulations. In FY2023, we will use this software to conduct simulations under conditions based on multiple scenarios and continue to conduct quantitative analysis.

On the other hand, we have incorporated internal carbon pricing (ICP) into the decision-making process for future investments. Specifically, the cost of investment assets is calculated based on ICP, future cash flows are calculated, and reflected in return on investment. Based on the characteristics of each investment, we then determine the appropriateness of the payback period.

#### Climate-Related Risk Significance Assessment

- Socio-economic scenario assumptions
- Formulation of business impact scenarios and determination of degree of impact

#### Climate Change Scenario Analysis (Qualitative Determination)

- Investigation of risk and opportunity impact stemming from changes in JSR's business environment (scenarios) as a result of climate change

#### Climate Change Scenario Analysis (Quantitative Determination)

- Quantification of impact that JSR scenarios will have on future business strategy and financial affairs, and strategic incorporation of results

#### Identification of Potential Implementation Measures

- Determination of climate change strategy implementation measures and selection of management metrics

### Climate-Related Risk Significance Assessment

For those social environments associated with JSR Group business, we assumed climate change impacts over the short term (five years), medium term (10 years), and long term (30 years).

\* External information utilized includes IPCC\_RCP1.9/2.6, RCP8.5, and IEA\_B2DS.

#### Climate Change Scenario Analysis (Qualitative and Quantitative Determination)

A climate change impact-related scenario analysis for JSR business was performed based on the gravity of the climate-related risks.

JSR Group has set a target to achieve net-zero GHG emissions (Scope 1 & 2) by 2050 and, as an intermediate target, we have announced our commitment to reduce GHG emissions (Scope 1 & 2) by 30% by 2030 compared to 2020 levels. We will plan scenarios based on the assumption that we will make the necessary investments, and examine their financial impacts.

#### — Assessment Targets

Digital Solutions Business, Life Sciences Business, and Plastics Business were chosen as JSR Group's core business domains.

#### — Assessment Method

- (1) Based on the socio-economic scenario assumptions, relevant business impact scenarios were formulated and the degree of business-specific impact determined.
- (2) Based on the potential for, and impact on business (human loss, financial impact, etc.), of the above, particularly significant risks and opportunities were categorized while upholding examples of other companies to further define the direction of JSR Group's response.

## — Assessment Results

- (1) Impact Scenarios and Degree of Business-Specific Impact

Small ← Size of Impact → Large

High-Impact Risks / Opportunities	Risk	Opportunity	Impact on Business			Impact period
			Digital Solutions	Life Sciences	Plastics	
<b>World of +1.5°C</b>						
Increased opportunities for life-cycle CO <sub>2</sub> reduction (bring attention to climate change challenges)		✓				Short term
Strengthening of GHG emissions regulations	✓					Medium term
Establishment and increase of carbon costs	✓					
Emergence of customers demanding decarbonated products (e.g., RE100)	✓					
Evolution of low-carbon energy sources	✓	✓				
Increased demand for environmentally-beneficial products	✓	✓				
Fundamental lifestyle transformation		✓				
Mainstream adoption of sustainable finance	✓					Long term
Change in how human resources are secured	✓					
Popularization of advanced decarbonization technology	✓	✓				
Change in automotive industry / Increased mainstream adoption of EV	✓	✓				
Increased need for recycling / reuse of tire materials Expansion in demand for recycled and recyclable resins	✓	✓				
More frequent flooding and more severe storm and flooding damage in Japan	✓					
<b>World of +4°C</b>						
Increased opportunities for life-cycle CO <sub>2</sub> reduction (bring attention to climate change challenges)		✓				Short term
More frequent flooding and more severe storm and flooding damage	✓					Medium term
Rise in sea levels	✓					Long term
Rise in temperature	✓					
Supply chain disruption due to more severe storm and flooding damage	✓					
Fundamental lifestyle transformation		✓				

- (2) Significant Risks and Opportunities and Direction of JSR Group's Response

For those classified as transition risks, items identified from the 1.5°C scenario will have a significant impact earlier than in the 4°C scenario. Conversely, items classified as physical risks identified from the 4°C scenario have a significant impact earlier than in the 1.5°C scenario. Therefore, we believe that the most sustainable and resilient response for JSR Group is to anticipate and respond to transition risks in the 1.5°C scenario and physical risks in the 4°C scenario as the scenarios that will have the greatest impact.

## Risks

Anticipated Environmental Changes	Category	Factors (qualitative analysis results)	Direction of JSR Group's Response	Remarks/Supplementary Explanation
Increased energy costs because of carbon pricing	Transition	<ul style="list-style-type: none"> <li>Stronger GHG emissions regulations</li> <li>Carbon price setting and steep price rises</li> <li>Emergence of customers who demand decarbonized products (RE100, etc.)</li> </ul>	<p><b>Drive to net zero GHG emissions</b></p> <ul style="list-style-type: none"> <li>Capital investment in measures to reduce emissions (energy conservation)</li> <li>Capital investment in measures to reduce emissions (fuel switching)</li> <li>Greater energy cost burden (switch to renewable energy electric power)</li> </ul>	<ul style="list-style-type: none"> <li>As a measure to reduce GHG emissions, we will first advance energy conservation efforts at our business sites and facilities with the goal of reducing the total amount of energy used by 1% every year. Particularly, we are planning to change the temperature and humidity control system in clean rooms where energy consumption is large. We also plan to gradually switch the electricity used by each business site to renewable energy. We will implement these initiatives ahead of schedule wherever possible with the goal of reducing GHG emissions by at least 30% of our initial emissions by 2030. In addition, from 2030, we will gradually advance fuel conversion at each business site, aiming for net-zero emissions by 2050.</li> <li>In the 1.5°C scenario case, which will have a large impact, impacts from the increase in energy compliance costs and soaring raw materials prices due to regulatory compliance and levies (carbon taxes) are expected to be significant. The carbon price in 2030 is expected to be 18,260 yen/CO<sub>2</sub> ton (using the value of the NZE scenario in IEA WEO 2022 converted using 130 yen to one U.S. dollar); thus, we can assume a financial impact of up to about 3 billion yen due to carbon pricing.</li> <li>In anticipation of the possibility of rising raw materials prices, we are planning to encourage upstream supply chains to collaborate to reduce GHGs in the future. We aim to reduce the environmental impacts of the entire supply chain, including JSR.</li> <li>The 4°C scenario is not expected to have as much of an impact as the 1.5°C scenario. Thus, we will advance measures based on the 1.5°C scenario as a response to changes.</li> </ul>
Rising prices for raw material because of carbon pass-through		<ul style="list-style-type: none"> <li>Advance of low-carbon energy sources</li> </ul>	<ul style="list-style-type: none"> <li>Greater raw materials cost burden</li> </ul>	
Ensuring corporate value		<ul style="list-style-type: none"> <li>Mainstreaming of sustainable finance</li> <li>Changes in how human resources are recruited</li> </ul>	<ul style="list-style-type: none"> <li>Winning trust by disclosing sufficient information</li> </ul>	
Damage caused by disaster	Physical (acute)	<ul style="list-style-type: none"> <li>More frequent flooding and more severe storm and flooding damage in Japan</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient preparation in advance of disasters</li> <li>BCM/BCP formulation in preparation for disasters</li> </ul>	<ul style="list-style-type: none"> <li>Regarding preparations for physical natural disasters and BCM/BCP in the event of their occurrence, we have been taking suitable measures at each business site according to the environmental conditions specific to each region, and we will continue to take address each situation with climate change in mind. In particular, based on the 4°C scenario, we have been working to identify areas that may be damaged by storm surges or floods by 2050. Based on this, we will explore minimizing the financial impact through measures in the supply chain.</li> <li>The 1.5°C scenario is not expected to have as much of an impact as the 4°C scenario. Thus, we will advance measures based on the 4°C scenario.</li> </ul>
Maintenance of work and social environment	Physical (chronic)	<ul style="list-style-type: none"> <li>Air temperature rise</li> </ul>	<ul style="list-style-type: none"> <li>Preservation of the business environment</li> <li>Environmental conservation in the supply chain and response to changes</li> </ul>	

#### Opportunities

Anticipated Environmental Changes	Factors (qualitative analysis results)	Direction of JSR Group's Response	Remarks/Supplementary Explanation
Industry growth resulting from responding to environmental changes	<ul style="list-style-type: none"> <li>Increasing momentum to reduce life cycle CO<sub>2</sub> (closer scrutiny of climate change problem)</li> <li>Spread of advanced decarbonization technologies</li> <li>Increasing demand for products that benefit the environment</li> <li>Changes in how lifestyles are structured</li> </ul>	<p><b>Digital Solutions Business</b></p> <ul style="list-style-type: none"> <li>Business response to conserve energy in IT equipment and advance IoT built to respond to climate change</li> </ul> <p><b>Life Sciences Business</b></p> <ul style="list-style-type: none"> <li>Business response to accelerating drug development, advancement of personalized medicine</li> </ul>	<p>JSR Group engages in three major business activities with very different market environments. We have anticipated environmental changes caused by climate change for each of these businesses and are responding to them by seizing opportunities. In anticipation of future market trends, we will make preparations from a long-term perspective and take timely and prompt actions, including modifying our strategies (response).</p> <p><b>Digital Solutions Business</b></p> <p>In order for the IT industry to help reduce the climate impact of business and industry as a whole, many high-impact companies have already announced net-zero targets. We plan and provide solutions that can reduce emissions in society and the economy as a whole by</p>

Anticipated Environmental Changes	Factors (qualitative analysis results)	Direction of JSR Group's Response	Remarks/Supplementary Explanation
	<ul style="list-style-type: none"> <li>■ Impact of changes in automobile industry / EVs becoming mainstream</li> <li>■ Increased demand for recycled &amp; recyclable plastics</li> </ul>	<p><b>Plastics Business</b></p> <ul style="list-style-type: none"> <li>■ Business response to diversification (lighter, quieter) resulting from transition to EVs and evolution of circular economy</li> </ul>	<p>applying the technologies and systems of each company. JSR Group is helping to solve climate change issues by continuously providing materials that are compatible with these solutions<sup>*2</sup>. We participate as a founding member of the Semiconductor Climate Consortium (SCC), which aims to advance measures to reduce greenhouse gas emissions globally. This allows us to confirm the role of JSR Group in the entire supply chain and link this to our activities. Further advancements will be made in the energy efficiency of IT equipment and IoT as part of the response to climate change, which are expected to lead to the growth of both markets and businesses.</p> <p><small>*2 For details, see "Contribution to Preservation of the Global Environment"</small></p> <p><b>Life Sciences Business</b></p> <p>We anticipate changes in the living environment due to climate change will increase the importance of health management, which will lead to greater business opportunities. We expect that the acceleration of drug development, including in vitro diagnostics, and the response to advancements in personalized medicine will be further required in the future, and we will achieve sustainable growth by strengthening synergies throughout the Group and adding next-generation development activities.</p> <p><b>Plastics Business</b></p> <p>In the automotive industry where JSR Group supplies products, the market is expected to grow further in the future, and the shift to EVs is set to accelerate. JSR Group is advancing the development and provision of products that meet the performance requirements (weight reduction and quietness) associated with the shift to EVs. At the same time, we are also planning new materials such as naturally derived materials. Furthermore, we are working with client companies to study material recycling systems. Aiming to provide materials and systems that are friendly to the global environment, we will continue to develop and provide sustainability products<sup>*3</sup> that can contribute to society.</p> <p><small>*3 For details, see "Contribution to Preservation of the Global Environment"</small></p>

#### — Resilience

JSR Group's vision is to aim for sustainable growth, generate value for all stakeholders, and create a resilient organization that adapts to all environmental changes. Our strategy for responding to risks and opportunities based on scenario analysis is follows this vision.

JSR Group is preparing to address anticipated regulatory issues such as carbon pricing head-on, incorporating them into financial plans, while continuing efforts and investments to mitigate climate change, such as reducing GHG emissions at its own facilities. At the same time, we will not miss opportunities to expand our business in response to changes in the social environment, such as increased demand from new markets for sustainable products.

In order to remain sensitive to changes in society and perceive environmental issues as potential opportunities, we will need to create a resilient organization. The Five Foundations define a series of actions to advance the desirable shift to a lean organization and flexible thinking as required by the management policy in order to achieve sustainable growth. The Five Foundations, which are comprised of Sustainability, Innovative Culture, Digitalization, Globalization, and Operational Excellence, serve as important guidelines for solidifying our management foundation and enhancing corporate value. By taking on the challenges of responding to climate change-related risks and opportunities from an early stage, we will further increase resilience.

We will continue to conduct scenario analysis, identify potential countermeasures, and understand the financial impacts of risks and opportunities associated with climate change. The results of reviews will be regularly reported to the Board of Directors for deliberation and implementation of the PDCA cycle.

## 4. Risk Management



JSR Group believes that preventing major crises and minimizing their effects on business activities should they occur are important management issues. Given this, we have formulated Risk Management Policies and empowered the Risk Management Committee to lead our risk management efforts.

We have been operating our own independent risk management system since FY2009, and under the leadership of the Risk Management Committee, we regularly identify risks in all units in Japan and abroad, including Group companies. Climate change risks, such as carbon pricing and global regulatory issues, which are particularly urgent and very important, are also regarded and discussed as management-level risks. With regard to climate change issues, we organize and assess transition risks as risks related to business strategies and physical risks as risks associated with business operations.

The risks identified are mapped based on the degree of impact on management and the frequency of occurrence. Risks that may have a significant impact on business continuity are positioned as "JSR Group Risk Factors" and are addressed based on priority. By monitoring and periodically reviewing risks identified by management, we are working to build and maintain a system to prevent risks and prepare for crises.

Please refer to "Risk Management" for more details.

## 5. Indicators and Targets

We have established KPIs and targets to monitor and manage JSR Group's priority issues (materiality)<sup>4</sup>.

<sup>4</sup> For details, see "JSR Group Materiality (Priority Issues)."

With regard to climate change, as with other social issues, we have designated GHG emissions as one of our KPIs and set targets that we are working to achieve. JSR Group has declared our aim of becoming carbon neutral in terms of our own GHG emissions (Scope 1 & 2) by FY2050. To establish milestones along the way, we formulated intermediate environmental targets for FY2030.

### — FY2050 Targets

We in JSR Group will continue working actively toward our aim of "net-zero" GHG emissions by FY2050.

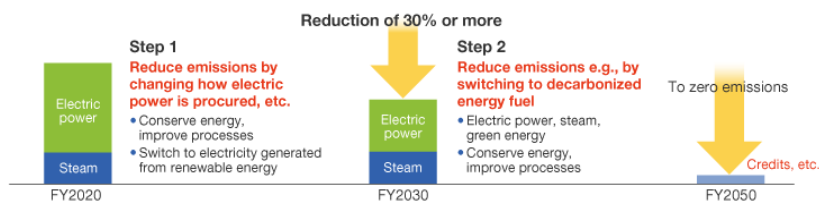
### — FY2030 Intermediate Targets

Globally, we are taking measures to conserve energy and switch to renewable energy, with the aim to reach GHG emissions that are 30% or more lower in FY2030 than they were in FY2020. We are also challenging ourselves to implement innovative energy technologies and promoting the development of eco-friendly businesses and products to help shape a low-carbon, recycling society<sup>5</sup>.

<sup>5</sup> For progress in FY2022, see "Climate Change Mitigation" and "JSR Group Materiality (Priority Issues)."

### GHG Emissions Reduction Image

Reduce GHG emissions by 30% or more by FY2030 compared to FY2020 and aim for net-zero emissions by FY2050



## 6. Participation in Related Group

- Supporting member of the Japan Climate Leaders' Partnership (JCLP)
- Founding member of the Semiconductor Climate Consortium (SCC)
- TCFD Consortium

# Conservation of Water Resources



1. Philosophy ▾

2. Response to Water Pollutants ▾

3. Usage of Water Resources ▾

4. Water Risk Assessments ▾

5. Initiatives to Reduce Water Risks ▾

## 1. Philosophy

Water is an essential resource for living beings. Globally, freshwater, in particular, is an extremely valuable resources. Since water resources are being affected by natural disasters caused by abnormal weather events resulting from climate change, we recognize that our mission as a manufacturer of chemical products is to conserve and preserve 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. Therefore, we strive to recycle water in our processes. At the same time, we purify and check the quality of the water when discharging it outside of our plants. In this way, we work to conserve water resources through appropriate management and treatment.

## 2. Response to Water Pollutants

Depending on the quality of wastewater, JSR Group removes solids, separates oil-water, and conducts chemical treatment (neutralization, etc.). Furthermore, by performing biological treatment (decomposition of organic matter using microorganisms, etc.) as necessary, we treat water pollutants such as organic matter, nitrogen, and phosphorus contained in wastewater, and monitor the amount of water discharged. As a result, we manage wastewater at a level well below the legal standard value and strive to conserve water resources.

- > Environmental load (COD discharges, total nitrogen emissions, total phosphorus emissions) → JSR Group ESG Data
- > Initiatives to Prevent Pollution: 1. Protection of Atmospheric, Water and Soil Environments >(2) Protection of Water Quality and Environments

## 3. Usage of Water Resources

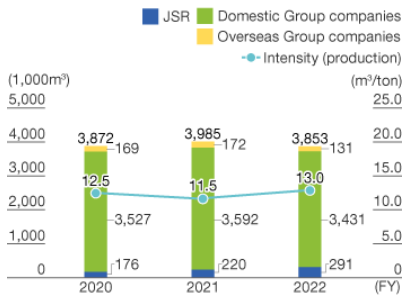
We have recalculated data back to FY2020 following the transfer of the Elastomers Business in April 2022.

In FY2022, JSR Group consumed 3,853,000m<sup>3</sup> of water (down 3% year on year) and discharged 3,748,000m<sup>3</sup> of wastewater in total (down 5% year on year).

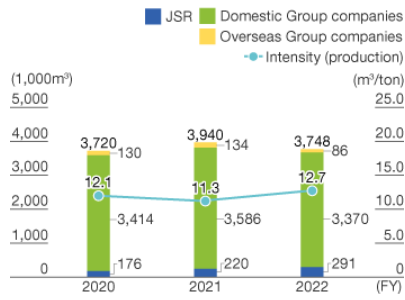
We will continue to strive to appropriately manage increasingly important water resources in the future.

\*Measure taken in conjunction with the base year of GHG emissions

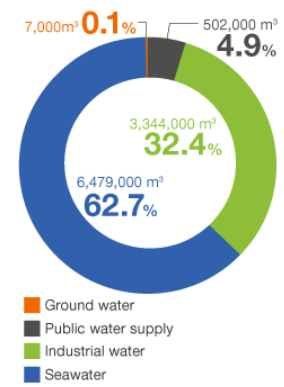
### Water consumption



### Amount of Wastewater in total



### Breakdown by water intake source



## 4. Water Risk Assessments

JSR Group uses the Aqueduct Water Risk Atlas of the World Resources Institute (WRI) as a tool to assess water risks. We conducted "water stress" assessments of our production bases in and outside of Japan from now up to 2040 and identified areas with high water stress.

As a result of assessing the current state of the overall water risks, we have confirmed that the overall water risks in all our bases is 3\* or less.

We are taking measures to reduce the respective risks at our bases with relatively high water risks, including conducting further detailed studies.

\* The Aqueduct Water Risk Atlas contains a risk assessment (five stages). A higher value indicates a higher water risk. The assessment is calculated from the situation of the indicators selected for each category in each of the physical quantity, quality and regulations/reputation items.

## 5. Initiatives to Reduce Water Risks

### Initiatives of JSR Micro N.V.

A large amount of water is used in the production process of the Life Sciences Division. The wastewater is then treated off-site. We started building an on-site wastewater treatment facility from October 2021 to reduce the amount of wastewater we generate. We completed construction of the facility in September 2022 and started test operation from October of that year. This facility makes most off-site wastewater treatment unnecessary and has allowed us to reuse 70% of the wastewater since the third quarter of FY2022. We have also greatly reduced the CO<sub>2</sub> emissions we generate by transporting wastewater to off-site treatment facilities.

> Reference: P. 21 of JSR Micro N.V. CSR Report 2021 (PDF: 2.89 MB) [📄](#)

# Waste Reduction



1. Philosophy ▾	2. Trend in Generation and Disposal of Industrial Waste ▾	3. Initiatives to Reduce Industrial Waste ▾
4. Initiatives for Hazardous Waste ▾		

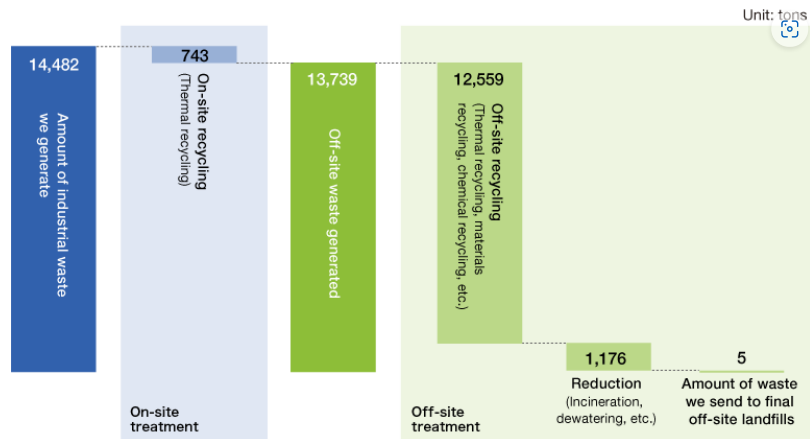
## 1. Philosophy

As a manufacturer of chemical products, JSR Group understands that addressing the problem of marine plastic litter facing society is one of our most important issues. We recognize that it is our duty to contribute to the realization of a recycling-based society.

In addition to initiatives related to the 3Rs (Reduce, Reuse, and Recycle) of waste, we advance the efficient use of resources (circular economy) throughout the life cycle from raw materials procurement to product manufacturing, while also contributing to the customers through business activities and the achievement of related SDGs.

## 2. Trend in Generation and Disposal of Industrial Waste

In FY2021, JSR Group set KPIs for newly identified materiality. In the materiality "environmental conservation and impact reduction," we have set a global goal to reduce the amount of waste sent to final off-site landfills to 0.1% or less of the amount of waste generated, and have decided to further advance recycling.



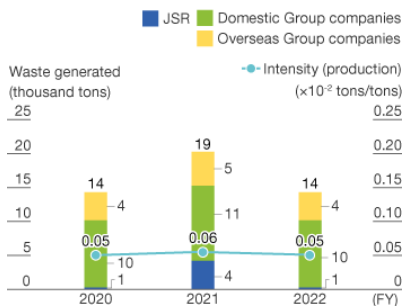
We re-calculated\* the amount of waste sent to final off-site landfills following the transfer of the Elastomers Business in April 2022.

In FY2022, we achieved our 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. In addition, the amount of industrial waste generated was 14,000 tons (down 25% from the previous year), and the recycling rate was 92%. Although the amount of industrial waste generated changes with production volume, we will continue to strive to control this waste, advance recycling, and implement activities from a long-term perspective.

\*Measure taken in conjunction with the base year of greenhouse gas emissions.



### Amount of Industrial Waste We Generate



## 3. Initiatives to Reduce Industrial Waste

### (1) Examples of Initiatives at Business Sites

#### Initiative to Acquire Zero Waste Certification [JSR Micro Inc. (America)]

JSR Micro Inc. is aiming to acquire Total Resource Use and Efficiency (TRUE) zero waste certification in FY2023. The company is making improvements in response to identifications from an audit.

#### Reuse of Used Equipment [JSR Micro N.V. (Belgium)]

JSR Micro N.V. regularly upgrades its analytical equipment to the latest version to ensure the best possible quality. Since the analytical equipment that is no longer used after the upgrade can often still be used for other applications, in 2021 we decided not to discard it but to donate it to the university for use in the laboratory for students' practical training.

### (2) Waste Plastics Recycling Advancement

JSR has established the following targets for FY2030 to advance the recycling of waste plastics.

- 1) 100% recycling (including heat recovery)
- 2) 60% recycling (not including heat recovery)

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.

#### Waste Plastics Recycling by JSR and Domestic Group Companies

	Waste plastics			
	Amount generated (thousand tons)	Amount recycled (thousand tons)	Recycling rate (including heat recovery)(%)	Recycling rate (excluding heat recovery)(%)
JSR Corporation				
Domestic Group companies	2.0	1.8	92	36

### (3) Promotion of "3R" (Reduce, Reuse, Recycle) for Packaging Materials in Logistics

JSR has always been serious about environmental measures in its logistics. Therefore, we promote "3R" (Reduce, Reuse, Recycle) to effectively utilize waste-free packaging materials and packaging containers.

We are working to reduce the weight of outer cardboard boxes (from a two-layer to a one-layer structure), as well as simplify packaging and streamline transport (palletizing) for our efforts to reduce packaging materials.

We are striving to use links for product containers\* and to reuse containers used in processes for our efforts to reuse packaging materials.

Moreover, we are working to recycle various packaging materials, such as plastic drums, metal drums, pails and glass bottles, generated at our business sites for our efforts to recycle packaging materials.

Also, we are making efforts to select label base materials made from recycled raw materials (foamed PET).

JSR will actively engage in the above 3R activities for packing materials to promote recycling and effective use of resources.

\* Use of links: Links are returned or collected from customers for reuse.

## 4. Initiatives for Hazardous Waste

JSR properly stores and manages low-concentration PCB\* waste in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes in Japan. We will also systematically carry out detoxification treatment in accordance with treatment deadlines.

\*PCB stands for polychlorinated biphenyl

# Biodiversity Conservation



1. Philosophy on Biodiversity ▾

2. Biodiversity Conservation Initiatives ▾

3. Biodiversity Conservation Initiatives Within the Product Life Cycle ▾

## 1. Philosophy on Biodiversity

At JSR Group, our management policy is to proactively contribute to the conservation of biodiversity through our business activities. As a company that handles chemical substances, it is our duty to contribute to the realization of a sustainable global environment and society. Therefore, we consider reducing the environmental impacts arising from our business activities and appropriately managing chemical substances to be priority issues. Accordingly, we are taking actions in areas such as climate change mitigation, conservation of water resources, waste reduction, initiatives to prevent pollution, and chemical management, which we believe will help achieve biodiversity conservation.

## 2. Biodiversity Conservation Initiatives

### (1) Company-wide Activities

Please see each page below

- [Climate Change Mitigation](#)
- [Waste Reduction](#)
- [Initiatives to Prevent Pollution](#)
- [Conservation of Water Resources](#)
- [Chemical Management](#)

In addition to the above, we have established the JSR Group Paper Procurement Guidelines to promote sustainable use of forest resources. Following these guidelines, we promote initiatives that prioritize the procurement of company envelopes, copy paper, and other materials made primarily from used paper, or paper with FSC or other forest sustainability certifications.

### (2) Site-specific Activities

JSR Group continues to conduct resource conservation activities at each business site and clean-up activities in local communities, beaches and rivers. These activities also foster good relationships with local communities and residents.

#### **JSR Micro, Inc. (United States)**

JSR Micro, Inc. hosted an environmental event in celebration of Earth Day on April 22, 2023. On the day of the event, a contest was held to share sustainable activities that employees can carry out on a daily basis. We received entry submissions including efforts on and photos of garbage collection, use of alternative modes of transportation, display of recycled products, low carbon/vegan recipes, and sustainable product use at home, from which winners were chosen.

#### **JSR Micro, N.V. (Belgium)**

JSR Micro, N.V. holds the "ik kyoto" event from May to October every year. Many employees participate in this event that advances the use of sustainable transportation and reduction of CO<sub>2</sub> emissions.

The company also recycles broken laptops as much as possible and plants as many trees as the computers it donates.



Tree planting

#### Ube Plant of Techno-UMG Co., Ltd. (Japan)

The Ube Plant of Techno-UMG Co., Ltd. participates in the Water Conservation Forest Creation Experience Activity held in Yamaguchi Prefecture every year as a corporate member of the Kotou River Industrial Water Users Council. Through the thinning of trees and bamboo, we deepen our understanding of the role of forests and the necessity of forest upkeep, and contribute to watershed conservation in the Kotou River Dam basin.

We also participate in the Activity to Protect and Nurture the Grasslands of Akiyoshidai in Mine City, Yamaguchi Prefecture (traditional events of himichi-kiri and yama-yaki [controlled burning of mountains]) every year. This activity is a traditional event with the participation of related organizations and local people, as well as companies and their families in the prefecture.

We will continue to assist with these events and contribute to the community.

#### Emulsion Technology Co., Ltd., Japan Coloring, Co., Ltd., Techno-UMG Co., Ltd.

Emulsion Technology Co., Ltd., Japan Coloring, Co., Ltd., and Techno-UMG Co., Ltd. are donating a portion of sales from beverage vending machines to the Mie Prefecture Greening Promotion Association.

These donations are used to promote greening, such as tree planting and thinning.

#### Medical & Biological Laboratories Co., Ltd. (Japan)

Medical & Biological Laboratories Co., Ltd. has concluded an agreement with Nagano Prefecture and conservation groups on activities centered on wild bird protection, and is contributing to the protection of wild birds.

#### JSR Headquarters

The JSR Headquarters uses paper from the Forest Neighborhood Association\* when creating printed materials.

In FY2022, we used 3.11 tons of paper and contributed to the thinning of 0.21 hectares of forests in Iwate Prefecture.

\*Forest Neighborhood Association (Morino Chonai-Kai): A system in which companies purchase and use paper made from thinned wood as an environmental contribution to compensate for the shortfall in thinning costs. Thinning helps maintain healthy forests and contributes to the prevention of global warming and landslides and conservation of biodiversity.

> [Forest Neighborhood Association](#) 

#### JSR BiRD (Japan)

JSR BiRD employees attend local clean-up activities that are held regularly in contributing to the maintenance of the community environment.

The company also purchases beverages from a social welfare corporation in Kawasaki City, which are provided to clean-up activity participants, to also contribute to social welfare.

## 3. Biodiversity Conservation Initiatives Within the Product Life Cycle

### (1) Raw Materials Procurement

We included Environmental Conservation as a clause in the JSR Group CSR/Sustainable Procurement Policy, and request that our business partners support and comply with the policy. In addition, we conduct surveys to assess the status of environmental conservation by our business partners.



> [Supply Chain Management](#)

## (2) Product Safety

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We provide product safety data sheets (SDS) to customers to ensure safe product use and prevent improper handling that may affect the surrounding environment.

> [Chemical Management](#)

## (3) Logistics

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We are working with business partners in transportation and logistics companies to achieve environmentally friendly and efficient transportation.

> [Climate Change Mitigation](#)

# Initiatives to Prevent Pollution



1. Protection of Atmospheric, Water, and Soil Environments ▾

2. Improving the Local Environment ▾

## 1. Protection of Atmospheric, Water, and Soil Environments

JSR endeavors to protect the environment by complying with laws such as the Air Pollution Control Act in Japan, Water Pollution Prevention Act in Japan, and Soil Contamination Countermeasures Act in Japan and thereby avoid polluting the air, water or soil (including groundwater).

### (1) Protection of the Atmospheric Environment

JSR keeps our SO<sub>x</sub> and NO<sub>x</sub> emissions below regulatory values by implementing various measures, including the use of low-nitrogen fuels (LNG, city gas, etc.) and the introduction of low-NO<sub>x</sub> burners.

> SO<sub>x</sub> and NO<sub>x</sub> emissions → JSR Group ESG Data

### (2) Protection of Water Quality and Environments

JSR complies with total emission controls in terms of water quality for COD, nitrogen and phosphorous in wastewater. We have strived to maintain and improve water quality through rigorous wastewater management at all of our plants.

We will continue to strictly monitor water quality. At the same time, we will work to reduce the burden caused by the wastewater discharged from our plants into enclosed coastal seas.

> Environmental Load (COD emissions, total nitrogen emissions, total phosphorus emissions) → JSR Group ESG Data

### (3) Protection of Soil Environments

JSR regularly conducts fixed-point studies of soil and groundwater (observation wells) at each of its plants. As in previous years, no problems in the soil environment at our plants were found in FY2022.

Additionally, whenever we plan construction that involves changing the soil's form and nature over an area exceeding 900 m<sup>2</sup>, we voluntarily conduct a soil survey beforehand.

### (4) Main Initiatives

#### 1) Measures Targeting Substances Subject to PRTR<sup>\*1</sup> System

Based on the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (Chemicals Management Act) in Japan, JSR and its Group companies in Japan aggregates for each business site the amount of designated chemical substances emitted into the environment (atmosphere, water and soil), transferred by manufacturing, or used in the previous year, and notifies the government of Japan of the results.

Together with this, we have systematically implemented a range of measures primarily for substances that are highly hazardous or are emitted in significant amounts and that have a great impact on the environment. Such measures include enhancing the airtightness of substance release sources, rendering substances harmless (scrubbers, activated carbon absorption, and RTO, etc.), and improving manufacturing processes.

As a result of these efforts, our atmospheric emissions of designated chemical substances in FY2022 were 32 tons.

We will continue to maintain atmospheric emissions at the current level through full implementation of the above-mentioned measures in the future. At the same time, we will proceed with advance preparations to respond to future legal revisions (reexamination of the substances subject to notification).

\*1 PRTR: Pollutant Release and Transfer Registers. This is one of the systems stipulated by the Chemicals Management Act.

## 2) Management of Fluorocarbons

JSR and its Group companies in Japan work to control fluorocarbon leaks when using Class-1 Specified Equipment, including industrial air conditioners, refrigerators, and freezers, based on the Act on Rational Use and Proper Management of Fluorocarbons in Japan.

To properly promote efforts, JSR has prepared management standards that expand the scope of management to include all devices that use fluorocarbons (including those that are not designated products) and are continuing to manage leaks based on them.

Our fluorocarbon leaks in FY2022 amounted to 118 t-CO<sub>2</sub> after CO<sub>2</sub> conversion (reporting to the government is mandatory for leaks of 1,000 t-CO<sub>2</sub> or more).

In addition, we introduced a system at each of JSR's business sites to collectively and electronically manage documents in response to a revision to the Act on Rational Use and Proper Management of Fluorocarbons (requiring, among other things, the storage of more documents) on April 1, 2020. Going forward, we will provide necessary information-based assistance to Group companies.

We will continue to appropriately manage fluorocarbon leaks and link our efforts to control leaks.

## 3) Asbestos Measures

JSR conducted a survey of locations sprayed with materials containing asbestos in all of its facilities, including Group companies. For those places that were identified as a result, we undertook removal and enclosure work in accordance with the Ordinance on Prevention of Health Impairment due to Asbestos. This work was completed in FY2006.

In addition, whenever we demolish structures, we take suitable measures based on the Air Pollution Control Act in Japan and Ordinance on Prevention of Health Impairment due to Asbestos to ensure that no workers or others nearby suffer health problems due to exposure to asbestos.

## 4) Other Countermeasures

JSR has set a voluntary target even higher than that of the government and industry groups to reduce VOC<sup>\*2</sup> emissions by 75% compared to the FY2000 level. Under that aim, we are making large-scale capital investments and taking other actions to reduce emissions. Our VOCs emissions in FY2021 were 572 tons (81% reduction as compared to FY2000), and thus we continue to meet our voluntary target.

This target compared to FY2000 was reviewed following the transfer of the Elastomers Business in April 2022, and we decided to set the new target at current emissions levels.

JSR and its Group companies in Japan emitted VOCs totaling 39 tons in FY2022.

We will maintain our current level of emissions through various emission reduction measures and management activities.

\*2 VOCs: Volatile Organic Compounds.

## 2. Improving the Local Environment

JSR values the opinions of people living near its manufacturing and research bases, and considers high transparency of plant operations to be the key to improving the local environment. With this in mind, we strive to improve the local environment based on the opinions we receive through monitoring and tours of environmental equipment at regular intervals.

We will continue striving to maintain our basic policy of improving the local environment.

### Number of Environmental Complaints (JSR and Domestic Group Companies)

FY		2018	2019	2020	2021	2022
Number of Environmental Complaints	Odor	0	0	0	0	0
	Noise	0	0	0	0	0
	Vibration	0	0	0	0	0
	Other	0	0	0	0	0

# Environmental Accounting

1. Policy, Scope, and Underlying Assumptions

2. Environmental Protection Costs

3. Economical Effects of Environmental Protection Measures -Substantial Effect-

4. Consolidated Accounting

## 1. Policy, Scope, and Underlying Assumptions

### (1) Policy

JSR introduced environmental accounting in FY1999 with the following two objectives.

1. To strive to quantify the amount of resources invested into the environment and implement sound measures for the environment.
2. To publish environmental accounting and increase corporate transparency.

### (2) Scope

JSR Corporation - JSR Head Office, Yokkaichi Plant, Tsukuba Research Laboratories, and JSR BiRD (as of March 31, 2023).

### (3) Target Period

April 1, 2022 - March 31, 2023

### (4) Underlying Assumptions regarding Aggregation and Calculation

1. Calculations are performed in accordance with the Environmental Accounting Guidelines, 2005 edition (Ministry of the Environment of Japan) and environmental guidelines used in the chemical industry (issued by the Japan Chemical Industry Association and the Japan Responsible Care Council).
2. While the calculation of costs was based mainly on actual results, the calculation of some expenses was based on underlying assumptions.
3. Economic effects were substantial and did not include conversions of risk aversion effects or deemed effects into monetary amounts.

## 2. Environmental Protection Costs

(Unit: million yen)

Classification	Content of main activities	Investment		Expense	
		FY2021	FY2022	FY2021	FY2022
(1) Business area costs		157	54	4,351	347
Breakdown					
(1)-1 Pollution prevention costs	Investments: Air and soil pollution prevention facilities, etc. Expenses: Odor and air pollution prevention costs, etc.	57	23	1,864	78



Classification	Content of main activities	Investment		Expense	
		FY2021	FY2022	FY2021	FY2022
(1)-2 Global environmental protection costs	Investments: Switch to LED lighting, air conditioning upgrade, transformer upgrade Expenses: Prevention of ozone depletion, etc.	46	31	742	14
(1)-3 Resource circulation costs	Investments: None Expenses: Industrial waste recycling, disposal, etc.	54	0	1,745	255
(2) Upstream/downstream costs		0	0	0	0
(3) Management activity costs	Expenses: Environmental management system maintenance and operational costs, information disclosure, labor costs for environmental conservation measures, etc.	1	0	496	200
(4) Research and development costs	Expenses: Development of environmentally friendly products, tests for legal applications, etc.	0	0	1,551	1,114
(5) Social activity costs	Expenses: Donations to environmental protection organizations, support for ICETT, etc.	0	0	40	23
(6) Environmental pollution response costs		0	0	1	0
Total		158	54	6,439	1,684

Note: The business site was reduced in size due to a company split, resulting in some items being drastically different in FY2022 compared to the previous year.

### 3. Economical Effects of Environmental Protection Measures -Substantial Effect-

Effect (for one year)		Benefit	
		FY2021	FY2022
Cost reduction	By saving energy	53	9
	By saving resources	0	0
	By treating waste on-site	770	0
Total		823	9

(Unit: million yen)

## 4. Consolidated Accounting

(Unit: million yen)

	Investments		Expense		Benefit	
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
JSR	158	54	6,439	1,684	823	9
Domestic Group companies total	176	193	1,865	1,878	185	34
Total*	334	247	8,304	3,563	1,008	43

\* Total of JSR Corporation and 8 Group companies

# Chemical Management



1. Philosophy and Advancement Structure ▾	2. Voluntary Approaches to Systematically Reduce Toxic Chemicals ▾	3. Compliance with Laws / Regulations and Standards ▾
4. Response to Overseas Regulations Concerning Exported Chemicals, etc. ▾	5. Chemical Management within Supply Chain Management ▾	6. Industrial and International Measures ▾

## 1. Philosophy and Advancement Structure

Under its sustainability promotion structure, JSR Group's Environment, Safety and Quality Committee formulates items that should be promoted in relation to chemical management and concrete actions plans based on those and then promotes those efforts.

### (1) Chemical Management Basic Policies

In light of recent global trends in chemical management, JSR has established the following three policies in its environment and safety management organization by which chemical management is implemented.

1. Instead of hazard-based management<sup>\*1</sup>, we will endeavor to implement risk-based management<sup>\*2</sup>.
2. We will strive to manage our entire supply chain by utilizing a globally standardized method.
3. We will strive to comply with regulations and promote self-motivated initiatives to ensure the safety of our products.

\*1 Hazard-based management: Management based solely on the hazardous properties of substances

\*2 Risk-based management: Management based on exposure to the hazardous properties of substances

### (2) Chemical Management Advancement Structure

Under the Responsible Care advancement structure, in Japan, the dedicated chemical product management team within the Environment and Safety Department of JSR's Corporate Div. deals with matters relating to legal compliance and exported goods. Overseas, we have established a structure to promote chemical management with local subsidiaries playing a central role. Under this structure, we quickly identify and respond in a planned manner to changes in the environment and trends in the relevant laws/regulations in Japan and overseas.

In 2019, we launched an overseas legal management organization to broadly collect legal information from overseas, such as from industry organizations, and promptly share information with all of JSR, including Group companies and local subsidiaries, to support the rapid tightening of regulations abroad and new legislations in various countries.

Going forward, we will continue to flexibly review our structures based on the expansion of our Group's business and trends in Japan and overseas.

Please refer to the two pages below for the details of our structures.

- > Responsible Care Management
- > RC Advancement Structure

## 2. Voluntary Approaches to Systematically Reduce Toxic Chemicals

JSR systematically implements approaches to reduce and eliminate toxic chemicals starting in the product design stage. The chemicals subject to management are those listed in laws and regulations of various countries and customers' management standards as well as general chemicals not included in those lists. For all of these chemicals, specialists implement reviews during each step – from raw materials procurement to design, development, trial manufacture, customer evaluation, and commercialization. In this way, we are striving to minimize the risks that JSR products have on people's health and the environment.

## (1) Response to Regulations of Various Countries and Customer Management Standards

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Substances of which the manufacture and use are prohibited or restricted in the laws of major countries are investigated in detail starting with the raw materials selection stage, and their use, byproducts and mixing in products is strictly managed. The lists of substances covered are as shown below. Among these, 1) to 6) are those for which use in JSR materials/products is prohibited. Those in 7) to 15) are those for which risks are evaluated by intended use when reviews are conducted in the development stage, and for which the possibility of use and necessity of review of alternative substances are confirmed.

In recent years, regulatory laws on chemicals have been legislated/amended in various countries across the world. As such, JSR confirms the regulated substances in applicable countries and checks their usage restrictions in a framework for reviewing commercialization in response to the expansion of countries to which our products are exported.

### — List of major chemical substance regulations subject to survey

- 1) (Japan) Act on the Regulation of Manufacture and Evaluation of Chemical Substances Class I Specified Chemical Substances
- 2) (Japan) Article 55 of Industrial Safety and Health Act and Article 16 of Enforcement Order of the Industrial Safety and Health Act (Harmful Substances, etc., Prohibited for Manufacturing, etc.)
- 3) (Japan) Article 2 of Act on Special Measures against Dioxins
- 4) (Japan) "Specified Poisonous Substances" as specified in the Poisonous and Deleterious Substances Control Act and Cabinet Order for the Designation of the Poisonous and Deleterious Substances
- 5) (UN) Annexes A, B, and C of Stockholm Convention on POPs
- 6) (US) Toxic Substances Control Act (TSCA) Prohibited or Restricted Substances in Section 6
- 7) (Japan) Act on the Regulation of Manufacture and Evaluation of Chemical Substances Class II Specified Chemical Substances and Monitoring Chemical Substances
- 8) (EU) ELV Directive
- 9) (EU) RoHS Directive Annex II
- 10) (EU) POPs Regulation Annex I
- 11) (EU) REACH Regulation Candidate List of SVHC for Authorization and Annex XIV (Authorization List)
- 12) (EU) REACH Regulation Annex XVII (Restricted Substances)
- 13) (EU) Medical Devices Regulation (MDR) Annex I 10.4 Chemical Substances
- 14) Global Automotive Declarable Substance List (GADSL)
- 15) IEC 62474 DB Declarable substance groups and declarable substances

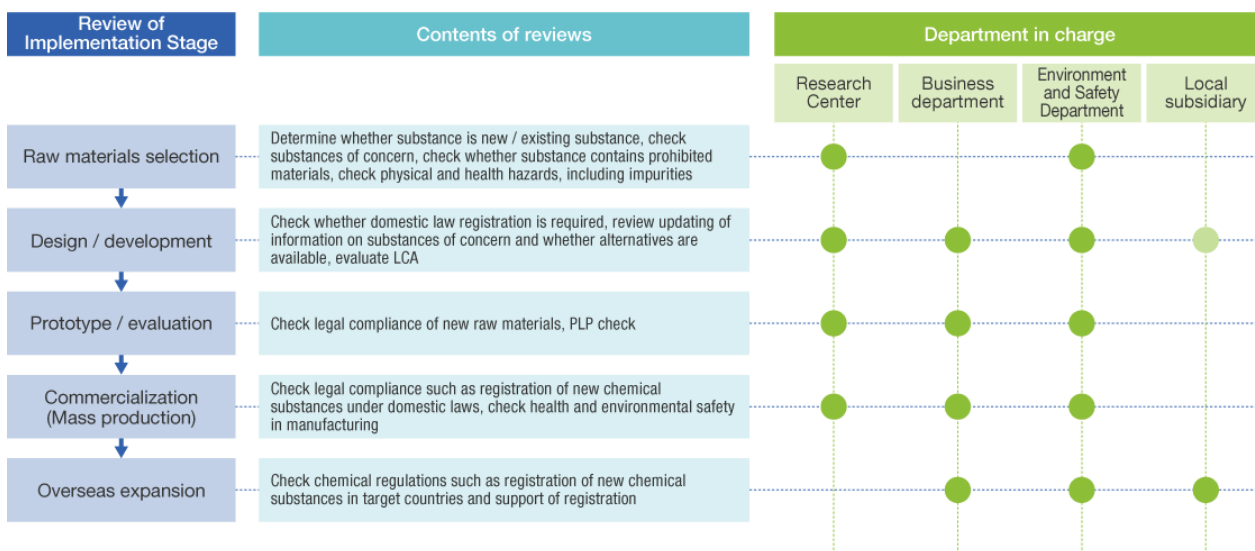
## (2) Approaches to Reducing and Eliminating Toxic Substances and Substances of Concern Across All Chemicals

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Even for chemical substances not regulated by law, JSR implements verifications of toxicity during reviews in the raw materials selection stage, design and prototype stage, regardless of whether it is an existing chemical substance or new chemical substance. In cases where it is judged as being necessary, JSR also takes measures such as limiting use. In recent years in particular, JSR has been implementing investigations and analyses of substance information, safety information and country registration information for impurities found in existing chemical substances in the raw materials selection stage. This is part of an effort to strengthen checks to make sure that raw materials containing toxic substances and substances of concern are not used erroneously.

For substances where there are concerns regarding continuity of future use due to the chemical structure of the substance or trends in risk evaluations of each country, our Chemical Products Management Dept. regularly gathers information and makes the business departments and R&D Dept. aware that such substances are toxic substances and substances of concern for which substitution and elimination should be examined starting in the design stage. We examine their elimination in reviews leading up to commercialization. (See diagram below)

## Scheme for Confirming/Removing Toxic Substances and Substances of Concern Applied to All Chemical Substances Starting in the Design Stage



Note: This diagram features only contents of support related to chemical products. In each review, however, quality, specifications, manufacturing techniques, etc. are also checked simultaneously.

## 3. Compliance with Laws / Regulations and Standards

### (1) Response to Chemical Product-related Domestic Laws and Regulations

In 2017, the Law concerning Pollutant Release and Transfer Register in Japan<sup>\*3</sup> was amended, and the revised portion of this Act which is concerned with the confirmation system used for low volume new chemical substances came into effect in 2019. JSR has been responding without problem since the revision to the act. This includes dealing with requirements such as for usage certificates for each substance as newly needed due to this revision. Moreover, we have been preparing for the expansion in substances subject to risk management arising from the enforcement of the Revised Chemical Substances Control Act<sup>\*4</sup> in 2023 and the enforcement of the Revised Industrial Safety and Health Act in 2024. To that end, we have been proceeding with system modification for the revisions to SDS<sup>\*5</sup> and advance confirmation to ascertain the amount of release and transfer. Of this, we have already started to list substances subject to being added to the Revised Chemical Substances Control Act in the SDS prior to enactment in consideration of downstream companies. We will continue to respond in a planned manner.

\*3 Act on the Regulation of Manufacture and Evaluation of Chemical Substances in Japan

\*4 Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof in Japan

\*5 Safety Data Sheet: Documentation listing the names, respective hazards and toxicities, etc., of substances contained in chemical products in order to ensure their safe handling

### (2) GHS Compliance and Provision of SDS for All Products

#### 1) Provision of SDS for All Products

JSR has voluntarily adopted a policy of providing customers with environmental and safety information by preparing SDS not only for products subject to legal obligations and products containing hazardous substances, but for all products which contain polymers. All SDS prepared by JSR are in compliance with JIS Z 7253, the Industrial Safety and Health Act in Japan, the Law concerning Pollutant Release and Transfer Register in Japan, and the Poisonous and Deleterious Substances Control Act in Japan.

Furthermore, in order to provide customers with SDS that contain the most accurate information possible, we were early adopters of an SDS electronic data management system, which we have operated since its creation in 2002. This system includes user management, chemical substance database management, creation support, and publication (revision) history, and it allows us to accurately and quickly provide environmental and safety information related to JSR products.

#### 2) GHS Compliance

GHS<sup>\*6</sup> is an international standard for (a) classification of chemical products according to hazard and toxicity; (b) labeling on product packaging and containers; and (c) documentation and provision of details in the SDS.

In Japan, the Industrial Safety and Health Act and the Law concerning Pollutant Release and Transfer Register stipulate mandatory application of GHS on the labels and SDS of products containing GHS-designated chemical substances, with GHS classification stipulated with JIS Z 7252 and SDS and other



communicated information stipulated with JIS Z 7253. At JSR, we perform GHS-based hazard and toxicity classification and create appropriate labels, as well as provide SDS, for all of our domestic products that contain applicable substances. We will also promote the gradual switch to the GHS in line with the laws being enacted in each country for when we export products we have manufactured in Japan.

\*6 Globally Harmonized System of Classification and Labeling of Chemicals

### (3) Education on Chemical Substance Regulations

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JSR provides in-house training on chemical substance regulations in Japan and abroad every year. In FY2021, we decided to cancel training in consideration of changes in the business structure of our business sites such as the need to respond to the spread of COVID-19. We resumed training in FY2022, implementing training on new chemical substance laws/regulations in and out of Japan along with revisions to Japanese laws. We launched an in-house portal site for chemicals in FY2021, and with that, we have established an environment where it is possible to refer to the latest information on laws/regulations and training materials up to the previous fiscal year when needed from the Intranet environment.

## 4. Response to Overseas Regulations Concerning Exported Chemicals, etc.

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Countries around the world strengthened their chemical products laws and regulations in advance of 2020 as this was the target year for the WSSD 2020 Goal<sup>7</sup>. This global trend to strengthen regulations will continue beyond 2021.

Following the EU's enactment of the REACH Regulation in 2007, JSR 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. We describe our response to laws and ordinances in the major manufacturing and importing countries of JSR below. In addition to these, we appropriately comply with chemical products laws and ordinances in many other countries including ASEAN nations.

\*7 WSSD 2020 Goal (long-term goal for chemical substances management that was adopted by the 2002 World Summit on Sustainable Development): International goal aiming to minimize significant adverse effects on human health and the environment by 2020

### (1) EU (REACH Regulation compliance)

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The REACH<sup>8</sup> Regulation is an EU law relating to the registration, evaluation, authorization and restriction of chemical products. It was enacted in June 2007. Under REACH, all chemical products whose total production or import volume within the EU is one ton or more must register safety testing results and other data for the chemical substances contained in them, regardless of whether they are new or existing substances, every year.

In order to ensure there is no disruption to our manufacture and import of products in Europe, we regularly check whether or not the substances JSR utilizes require registration. In addition, we have also prepared for risks with respect to usage restrictions which may arise from future substance evaluations. Accordingly, we are sharing information with development departments and taking other steps to anticipate risk once evaluations commence.

\*8 Registration, Evaluation, Authorization and Restriction of Chemicals

### (2) United States

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In the United States, new chemical substance reporting is overseen by the Environmental Protection Agency under the Toxic Substances Control Act (TSCA) and other related federal laws and regulations. JSR follows all the required legal procedures with regard to the manufacture and importation within the United States of substances not included on the list of existing chemical substances. Moreover, we work in conjunction with our local subsidiaries to flexibly respond to the new legal requirements in relation to the amended TSCA enforced in 2016. In addition, we ascertain regulatory trends accompanying the start of risk assessment and respond to them.

### (3) China

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Since the enactment of the Measures for Environmental Management of New Chemical Substances to govern the reporting of new chemical substances in China, JSR follows the required legal procedures if exporting to China a substance not included in the "Inventory of Existing Chemical Substances in China." The amended Measures for Environmental Management of New Chemical Substances went into effect from January 2021. We are working to ensure we will not make any omissions in registering new chemical substances based on this amended law in the future.

### (4) Korea

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In Korea, reporting of new chemical substances is governed by the Act on Registration and Evaluation of Chemical Substances (REACH)<sup>9</sup> and the Occupational Safety and Health Act (OSHA)<sup>10</sup>. JSR follows the procedures based on these laws in advance when manufacturing and importing within Korea substances not included on the list of existing chemical substances.

In addition, the Korean REACH Act underwent major revisions in 2019, and, as a result, it is now required that existing chemical substances produced or imported within Korea in quantities of one ton or more must be registered every year. JSR has already completed this pre-reporting in the preliminary stage through coordination between our business departments and local subsidiaries. This registration started in stages from the first deadline at the end of 2021. We will advance measures to systematically register substances according to the amount of them we manufacture and import.

\*9 Act on Registration and Evaluation of Chemical Substances

\*10 Occupational Safety and Health Act

## (5) Taiwan

In Taiwan, a registration system for new chemical substances was introduced based on the Toxic Chemical Substances Control Act<sup>11</sup> enacted in 2014. JSR follows the required legal procedures established in line with this system. In addition to this, as part of efforts to update its existing chemical substances list, Taiwan has instituted "Existing Chemical Substance Nomination," with the first designated target substances registration taking place in 2019. The registration deadline has been extended to the end of 2024 due to the impact of the COVID-19 pandemic. Despite that, JSR has been complying with the registration system in a structure according to each business with our Taiwan subsidiary playing a central role in this.

\*11 (old) "Toxic Chemical Substances Control Act." Amended in January 2019 to expand the scope of controlled chemical substances; the name was also changed to "Toxic and Concerned Chemical Substances Control Act" in order to reflect this expansion.

## 5. Chemical Management within Supply Chain Management

JSR incorporates processes for chemical management in CSR procurement, green procurement, green purchasing and other areas of the implementation flow as part of our supply chain management. In particular, from the standpoint of toxic chemicals management, we have introduced chemSHERPA as part of our green procurement, as it is the industry standard format for communicating toxic substances information, and this has helped ensure that we are able to smoothly and reliably relay information to suppliers and in-house handling departments, as well as to customers. Please refer to the following links for more information.

- > [CSR / Sustainable Procurement](#)
- > [Green Procurement, Green Purchasing](#)

## 6. Industrial and International Measures

JSR is a member of the Japan Chemical Industry Association (JCIA). In addition to participating in the association's working groups, we contribute by providing a part of research funding to the activities of the Long-range Research Initiative (LRI)<sup>12</sup> which is being promoted by the association as voluntary effort of the chemical industry.

\*12 LRI (Long-range Research Initiative):

This is a long-term, international initiative supporting research into chemical substances that have an impact on the environment, and human health. It was begun as a voluntary global research grant initiative of the International Council of Chemical Associations (ICCA), and it is currently being advanced through the cooperative efforts of the chemical industries associations of Japan, the United States, and the EU. In Japan, the Japan Chemical Industry Association (JCIA) is pursuing research into the following five topics.

- (1) Development and evaluation of the new risk assessment method/development of methods for simple exposure evaluation and alternatives to using laboratory animals
- (2) Study on the safety of new chemical substances including nano materials
- (3) Study on the effects of chemical substances on children, the elderly, and gene disorders
- (4) Evaluation of the impact on ecosystems and the environment
- (5) Other issues that require an emergency response

# Occupational Safety, Security and Accident Prevention

1. Management System ▾

2. Targets and Results ▾

3. Safety Initiatives ▾

4. Training ▾

## 1. Management System

### (1) Safety Philosophy and Approach

#### Realizing a Company where Employees can Work Safely, with Peace of Mind, and in Good Health

We regard safety as the foundation of business continuity. As such, we are working on safety as a key management issue necessary for corporate growth. Under our safety philosophy and policy as well as the Course of Action for achieving them, we strive to be a company where all employees work safely and experience happiness, and as a responsible member of the community, we will carry out environment- and safety-conscious business activities.

We also provide support for the safety activities of our Group companies in Japan and overseas based on our safety philosophy and policy. The entire Group works together to ensure safety.

#### Safety Philosophy

At JSR Corporation, safety is our highest priority and the foundation of all of our activities.

Accordingly, we will create safe worksites and strive to maintain physical and mental health, with the goal of ensuring workers happily take it for granted that they will return home safely at the end of each workday.

#### Safety Policy

##### ■ Extremely Safe Behavior

The Safety Policy has penetrated through the organization, the Course of Action is established as applying to everyone, and safety competency is improving through proactive safety activities.

##### ■ Enhanced Human Resources and Organizational Strength

High personal skills, organizational ability, and a healthy organizational culture are being maintained with the establishment and execution of the education and training programs needed for organizational management.

##### ■ Optimal Risk Management and Security Measures

Security measures corresponding to risk importance are being efficiently and effectively implemented using new technologies.

#### Courses of Action of Safety

- No matter the situation, we will act with safety foremost in mind.
- We will comply with established rules and never fail to act in accordance with safety basics.
- We will maintain safety by identifying and eliminating both actual and potential hazards.
- We will strive to create comfortable work environments and promote physical and mental health.
- Through communication and ingenuity, we will aim to achieve 100% employee participation in all safety activities.

### (2) Safety Management System

JSR Group strives to minimize risks in occupational safety, security, and accident prevention efficiently and effectively by steadily implementing the PDCA cycle based on a Safety Management System that

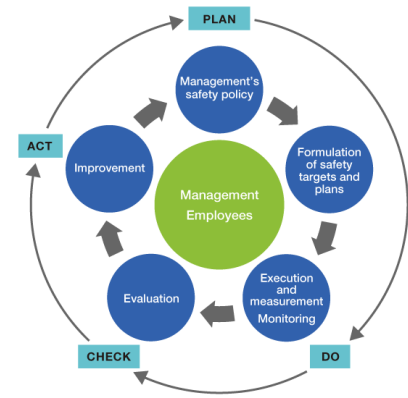
**Conceptual Image of JSR's Safety Management System**

has been configured according to the circumstances of each business site and company.

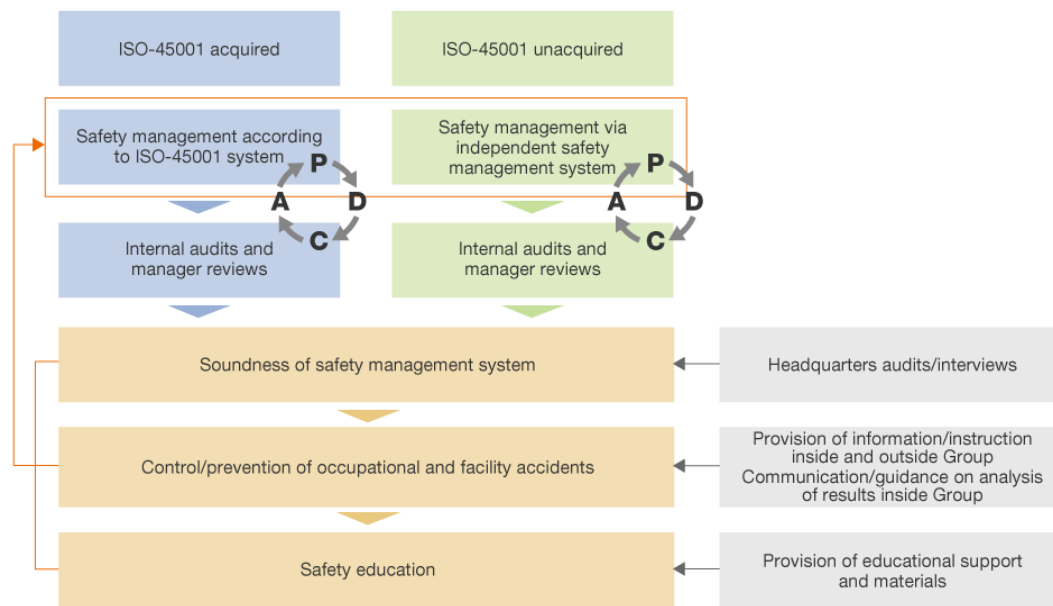
To verify the effectiveness of this management system, our business sites conduct internal audits, safety patrols and management reviews. In addition, the JSR Headquarters Environment and Safety Division conducts annual **Headquarters Environment and Safety Audits** in an effort to achieve continuous improvement.

We have compiled manuals that contain appropriate and effective response measures that help to prevent damages from spreading in the event of an accident or disaster. By conducting regular drills based on these manuals, we have established a system capable of properly handling emergencies. In addition, to prevent recurrences, we thoroughly investigate all accidents to determine the root cause, implement countermeasures, and verify their effectiveness. In turn, we share this information within the Group to stop accidents before they occur.

We believe that human resources with high safety awareness are essential for implementing reliable safety management and effective safety activities, so we are also working on human resource development.



### System for Advancing Safety Management



### (3) Advancement Structure

Under the JSR Group's **RC Advancement Structure**, the President is established as the Chief Safety Officer, and the JSR Headquarters Environment, Safety and Quality Committee, which is chaired by the Officer in charge of Environment, Safety, and Quality, establishes and advances safety policies and plans. The committee deliberates on policy and planning progress reports, activities related to priority safety issues, and other matters. Based on the results of committee reviews, Headquarters environmental and safety audits, and management reviews, decisions are made on activity policies and plans for the following fiscal year, considering internal and external issues.

## 2. Targets and Results

Based on the belief that "safety is the foundation of business continuity and a key management issue necessary for corporate growth," JSR Group has established targets and action plans for each fiscal year in light of the results of internal safety audits and management reviews conducted in the previous year. As a result, we are using a selection-and-concentration approach to implement more efficient occupational safety, security, and accident prevention efforts.

To clearly visualize progress toward achieving our targets, we have set the number of occupational and facility accidents as a result of our safety activities as a key performance indicator (KPI) of the material issue of "safety and health" within the Group. We have also globally standardized the evaluation criteria and have begun monitoring.

## 2022 Results and 2023 Targets

KPI	Aggregation scope <sup>*3</sup>	2022			2023
		Target	Result	Judgment	Target
Number of occupational accidents <sup>*1</sup>	JSR Group	0	4	Not achieved	2 or less
Number of facility accidents <sup>*2</sup>	JSR Group	0	0	Achieved	0

\*1. Occupational accident resulting in four or more days of lost time

\*2. Explosions, fires, leaks, or any of the following that are recognized as accidents by the government:

- Accidents or disasters that cause health hazards to employees or local residents
- Accidents or disasters with estimated damages exceeding 100 million yen
- Accidents or disasters that shut down a part of the plant for more than a month or the entire plant for more than a week

\*3. Domestic or foreign companies in which JSR's shareholding exceeds 50%

## Occupational Safety

### 2022 Occupational Safety Target: Zero Occupational Accidents (Four or More Days of Lost Time)

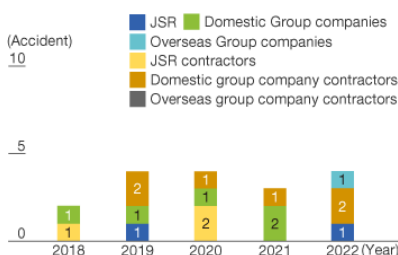
In Japan, JSR Group defines occupational accidents resulting in four or more days of lost time, which must be reported promptly to the government, as significant occupational accidents. In addition, reporting and evaluation criteria are standardized globally, and these accidents are monitored as a KPI. As a member of the Japan Petrochemical Industry Association and the Japan Chemical Industry Association, JSR reports the number of occupational accidents to each organization.

In 2022, there was one occupational accident at JSR, and there were three at Group companies for a total of four, in contrast to the Group's target of zero. There has been an increase in accidents resulting in lower back pain caused by "handling of heavy objects (improper posture or repetitive tasks)," which had not occurred in recent years. However, the weight of the objects was 10 kg or less, so the cause was not the heavy weight of the objects, which had previously been the case, but rather improper posture or repetitive tasks. There were also accidents with four or more days of lost time caused by "getting caught or trapped in equipment" and "slipping or tripping."

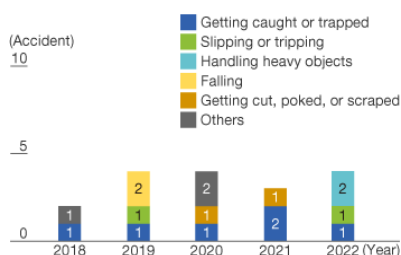
Based on an analysis of the cause of these accidents, we have determined that there are issues with "education" and "identification of risks." We are working on the items below as measures to prevent the recurrence of these occupational accidents.

- Enhancement of risk assessments (work risk management with additional focus on lower back pain from improper posture or repetitive tasks)
- Implementation of proper education (enhancement of clerical work risk awareness and education)

### Number of occupational accidents (four or more days of lost time)

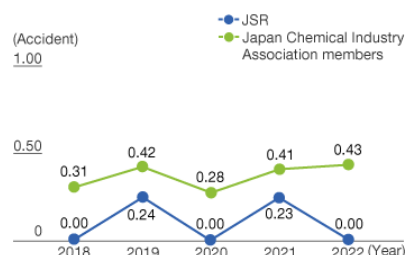


### Number of occupational accidents by type (four or more days of lost time)



\*The aggregation scope until 2021 included JSR and domestic group companies, including the Elastomer Business. In 2022, we globally standardized occupational accident reporting and evaluation, so overseas group companies were added to the scope, which now includes JSR Group companies in Japan and overseas.

### Frequency rate of occupational accidents involving lost time (JSR)



\*Until 2021, the scope was the Yokkaichi, Kashima, and Chiba plants with JSR manufacturing facilities. In 2022, the scope was narrowed to the Yokkaichi Plant with JSR manufacturing facilities.

## Security and Accident Prevention

### 2022 Security and Accident Prevention Target: Zero Facility Accidents (Serious Facility Accidents)

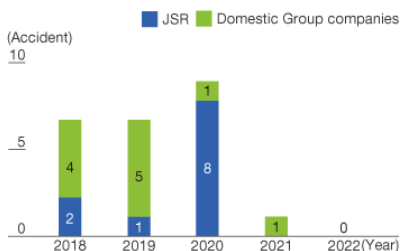
JSR Group defines significant facility accidents as accidents involving explosions, fires, leaks, and other incidents recognized as accidents by the government corresponding to high-urgency events outlined in the crisis management manual. The criteria for judgment and evaluation have been standardized globally, and we are monitoring them as KPIs.

There were no facility accidents (serious facility accidents) within JSR Group in 2022.



We believe that one of the reasons we were able to achieve our target this year was that we were successful in our efforts to control corrosion at our facilities and engage in risk-based facility and crisis management. These measures have already been incorporated into the facility management system and will continue to be implemented in the future.

#### Number of facility accidents (serious facility accidents)



\*Until 2021, the counts were based on the definition of "abnormal phenomena" in the Act on Prevention of Disasters in Petroleum Industrial Complexes and Other Petroleum Facilities. As of 2022, we count accidents that involve explosions, fires, leaks, or those recognized as accidents by the government falling under the high-urgency events outlined in the crisis management manual.

## 3. Safety initiatives

JSR Group believes that safety is linked to the daily lives of all stakeholders and is also the bedrock of corporate management. With this in mind, we have been conducting safety activities. However, a serious occupational accident, which claimed the life of an on-duty employee, occurred at the Yokkaichi Plant on July 23, 2014.

With a pledge to aim for zero accidents and keep the lessons learned from these serious occupational accidents alive, executives, managers, and employees will work together to advance safety activities with a strong determination to protect precious lives and prevent such tragic accidents from ever happening again.

### Top Management's Commitment to Safety

The President of JSR communicates his thoughts on the importance and value of safety to all JSR employees on various occasions, such as those below.

- Instruction to strive for safe and stable operations in remarks at the beginning of the calendar and fiscal years
- Direct address to employees at headquarters during entrance ceremony and delivery of messages
- Delivery of President's messages related to National Safety Week
- Delivery of President's messages related to Safety Day
- Participation in Headquarters Environment and Safety Audits as head and conducting of direct interviews on status of activities at business sites

### Safety Day

On July 23, 2014, an accident at the JSR Yokkaichi Plant resulted in an employee's death.

We have established a Safety Day with a solid determination to keep the lessons learned from serious occupational accidents alive and never to allow such a tragic accident to happen again. We hold events to commemorate this day every year.

In FY2022, with the transfer of the Elastomer Business, we established a new structure. JSR's President issued a message on July 23, the anniversary of the accident, sharing the importance of Safety Day and expressing his and all employees' determination never to allow such a tragic accident to happen again.

### Health and Safety Activity Forum

JSR Group holds an annual Safety and Health Activity Forum to raise the level of safety activities and safety awareness among all Group employees, including those in Japan and overseas. The forum includes lectures by relevant parties on outstanding activities for occupational safety, security, and disaster prevention. It also draws attention to the value of these activities. In FY2022, priority had to be given to handling the transfer of the Elastomer Business, so the forum was not held. However, it will be brought back next year to raise safety awareness.

## Internal and External Communication

### Activities to Reduce Number of Occupational Accidents at Contractors

JSR has established the Comprehensive Disaster Prevention Committee (CDPC) for communication with its contractors that perform various work and construction at each business site. When our contractors notice something in their operations or identify areas that need improvement, we ask them to share this information at the CDPC and set up opportunities for communication as necessary. We then share opinions to ensure safety and advance operational improvements.

If an accident or disaster occurs in the operations handled by a contractor, we work with that contractor to investigate the root cause, implement countermeasures, and verify their effectiveness to prevent a recurrence. Not only do we share this information within the Group, but we also share it with contractors as necessary to prevent accidents.

We strive to ensure the safety of all employees working at JSR by collaborating with other companies to advance occupational safety activities.

### Example Safety Activities Conducted by CDPC

#### Safety Activities Conducted by CDPC (highlights)

Name	Details
Safety training for member companies	Training on occupational accidents through case studies, experience-based training, and risk prediction is provided to safety instructors of member companies to improve their knowledge, skills, and sensitivities toward safety.
Special patrol for regular maintenance	Members of the Comprehensive Disaster Prevention Committee conduct patrols during regular maintenance periods to identify and eliminate unsafe elements that may emerge or materialize from a third-party perspective.

## Communication with Communities and Society

JSR is a member of the Japan Chemical Industry Association, Japan Petrochemical Industry Association, the Japan Society for Safety Engineering, and the Japan Industrial Safety Competency Center. Through the following safety activities and our Responsible Care program, we communicate with communities, society, and peer companies, sharing information both in Japan and abroad.

- Hosting of or participation in accident prevention training drills of firefighting authorities and joint training with other nearby companies
- Participation in joint accident prevention organizations with nearby companies
- Participation in disaster prevention councils in the community
- Participation in local dialogue on Responsible Care
- Response to CSR surveys from other companies/organizations

Our business sites in Japan and overseas also actively communicate with their local communities to increase awareness of safety, improve safety technologies, and reciprocally prevent accidents.

## Thorough Risk Management

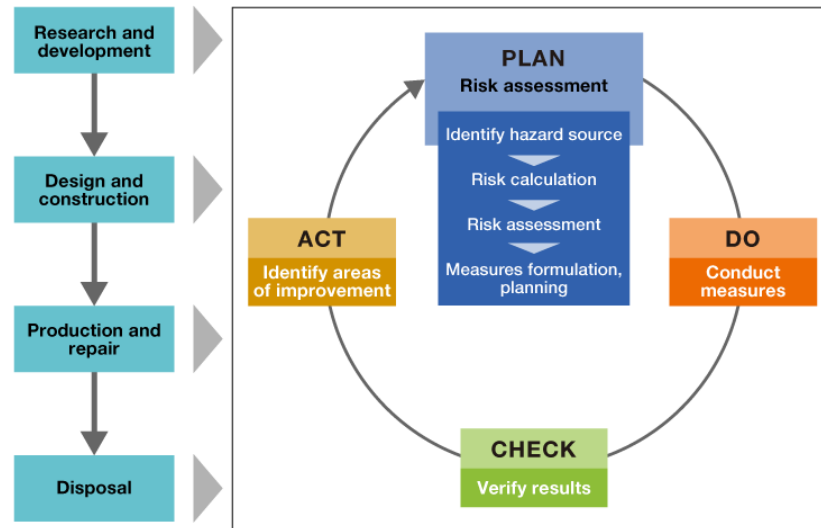
JSR Group emphasizes risk assessment as a means of preventing accidents and disasters and ensuring safety. By steadily implementing risk assessments, we are working to ensure effective risk management.

In FY2022, we confirmed that the business sites and companies with the Group's manufacturing facilities were each engaging in risk management in accordance with their respective standards. However, we believe that significant risks should be evaluated and managed according to the same criteria throughout the Group. We plan to begin looking into that in the next fiscal year.

JSR manages risks related to chemical substances, facilities, and occupational safety from research and development to each stage of the plant life cycle. We have defined the items and procedures necessary for such management within our standards.

Furthermore, not only do we verify risks when introducing new facilities or making changes but we also identify risks in existing facilities using various approaches. We engage in centralized management of those risks that have the potential to lead to accidents or disasters, and we have established an environment where any employee working at a business site can check the description of risks, the status of countermeasures, and the status of emergency responses carried out until permanent countermeasures can be implemented.

## Conceptual Image of Risk Management



## Environment and Safety Audit

An audit team consisting of members from the Environment and Safety Department at JSR Headquarters conducts annual Headquarters Environment and Safety Audits of JSR Group's plants and laboratories on a regular basis. These audits are conducted according to an audit plan and check sheet\*. They verify the effectiveness of the management system in place at each department based on the results of interviews and objective facts (evidence, on-site inspections, etc.) on the status of safety, health, security, disaster prevention, environmental conservation, and chemical management in the audited department. The audits also provide an opportunity to share and discuss issues faced by audited departments, and the Group comes together to resolve issues related to environmental and safety activities.

With the verification of system effectiveness, the team not only identifies areas for improvement and provides guidance but also highlights the strengths. The results are shared with business sites and companies as necessary and used to raise the level of safety group-wide.

Since FY2015, opportunities have been provided for top management and employees to engage in dialogue during JSR audits. This allows management and frontline workers to share their thoughts and revitalize environmental and safety activities.

\*Prepared based on the Risk-Based Process Safety (RBPS) approach

In FY2022, we conducted in-person audits and site inspections in relation to the impact of the transfer of the Elastomer Business in April 2022 on the environmental and safety system in addition to the key areas of risk management, legal compliance management, and accident management.

The business sites and companies audited are shown below. There were no non-conformities at any of the business sites or companies that would significantly impact safety activities.

We are currently looking into expanding the scope of the audits. In the next fiscal year or thereafter, we plan to conduct audits at business sites outside of Japan as well.

### Scope of FY2022 Headquarters Environment and Safety Audits

#### — JSR Corporation (3 business sites)

Yokkaichi Plant & Research Laboratories  
 Tsukuba Research Laboratories / Tsukuba Site  
 JSR Bioscience and informatics R&D center

#### — Domestic group companies (7)

Medical & Biological Laboratories Co., Ltd. (Ina Laboratory and Tsukuba Laboratory)  
 Emulsion Technology Co., Ltd.  
 JSR Micro Kyushu Corporation  
 JSR Life Sciences Corporation  
 JSR ARTON Manufacturing Co., Ltd.  
 Techno-UMG Co., Ltd. (Yokkaichi Plant)  
 Japan Coloring Co., Ltd.



Dialogue with President Kawahashi (JSR Tsukuba Site)



Audit in progress (JSR Yokkaichi Plant)



Audit in progress (JSR Micro Kyushu)

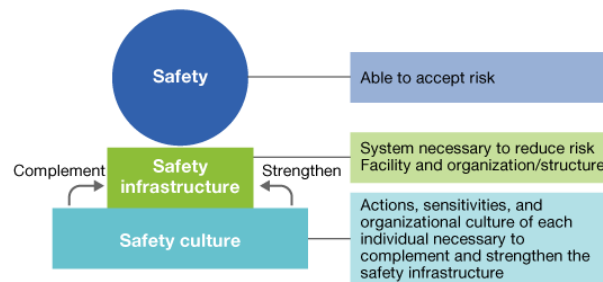
## Fostering a Safety Culture

One of the material issues for the management foundation set forth by JSR Group is safety and health. In FY2022, JSR began evaluating domestic and overseas group companies based on uniform standards, establishing the number of occupational and facility accidents (lagging indicator) as a KPI. At the same time, we have begun looking into setting KPIs related to fostering a culture of safety as leading indicators.

We have concluded that a common approach to safety is necessary for the Group to work together with a shared focus ensure safety. We are currently developing this approach and the goals we aim to achieve from the perspectives of safety, safety infrastructure, and safety culture. Furthermore, we are looking into establishing a new evaluation system to measure the level of our safety infrastructure and safety culture.

Moving forward, we will work on instilling the above approach through e-learning and other means. At the same time, we will regularly monitor the safety infrastructure and safety culture level at each business site and provide feedback to advance the safety activities at each business site.

### Conceptual Image of Approach to Safety at JSR Group



## 4. Training

### Emergency Response

JSR has established a Crisis Management Manual to minimize damage and protect employees, local residents, and other stakeholders in the event of a serious accident, disaster, or scandal involving our business activities, or in the event of an emergency such as a major natural disaster. The manual also includes information about emergency contact channels, and both JSR and our Group companies in Japan and overseas act accordingly.

In 2022, the emergency contact channels were reviewed in conjunction with the transfer of the Elastomer Business. At the same time, we verified the effectiveness and made sure there were no serious deficiencies in the newly established channels by conducting training at the business sites subject to the review.

None of the earthquakes that occurred in 2022 in or near the areas where Group plants or business sites are located caused any damage to people, the environment, or facilities.

- March 16, 2022 Off the coast of Fukushima Prefecture Maximum intensity of upper-6
- April 19, 2022 Northern Ibaraki Prefecture Maximum intensity of lower-5
- May 22, 2022 Off the coast of Ibaraki Prefecture Maximum intensity of lower-5
- June 26, 2022 Kumamoto area, Kumamoto Prefecture Maximum intensity of lower-5
- October 21, 2022 Off the coast of Fukushima Prefecture Maximum intensity of lower-5
- November 9, 2022 Southern Ibaraki Prefecture Maximum intensity of upper-5

### Occupational Safety, Security and Accident Prevention Training

JSR conducts on-the-job training (OJT) at each business site and offers experience-based, practical skills training in miniature plant setting at its company-owned and operated training centers. This training helps to instill knowledge, skills and sensitivity to security management.

Training on work processes includes an experience-based component provided in a virtual space using virtual reality (VR). Through experiencing fear that is difficult to replicate in real life for safety reasons, employees are able to increase their safety awareness and make efforts to eliminate unsafe actions.

In addition to mandatory training under Industrial Safety and Health Act, we provide training on occupational safety, security and accident prevention in rank-based training for each job type in stages. In addition to gathering opinions on the training from the top management and frontline workers of the business sites, we survey the participants and instructors after the training and use the results to continuously review the curriculum and approaches.

The main training conducted in FY2022 is shown in the table below.

Item	Summary	Method	Target	Number of participants	Total number of training hours
Training for new employees	Learn the basic rules of the company and the business site to which the participant belongs. In the safety part, recognize the safety philosophy and understand the approach to and importance of safety.	Group education	JSR Corporation	28	1995.0
Common skills education for plants	Acquire specialized knowledge of safety and manufacturing processes (introduction, beginner, intermediate, and advanced). In the introduction, participants receive experience-based training in getting caught in machinery, falling, and electrostatic dust explosions to understand the importance of safety through practical training.	Group education e-learning	JSR Corporation	152	2041.8
			Group companies in Japan	35	390.5
Miniature plant training	In addition to plant startup, which cannot easily be experienced at the actual plant, participants learn how to discover and handle tripped circuits and other abnormalities and loss of control through practical training.	Group education	JSR Corporation	31	81.5
			Group companies in Japan	1	4
Management skills training Safety management	Training of human resources who will play a central role in improving and advancing workplace safety activities by learning how to prevent accidents and implement effective roll-out using examples of facility accidents.	Group education	JSR Corporation	4	30



# Logistics



1. Policy ▾	2. Safety Initiatives ▾	3. Accidents and other Incidents in JSR Corporation (FY2022) ▾	4. "White Logistics"-Related Initiatives ▾
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## 1. Policy

Each year, JSR executes activities to manage risks and ensure safety after formulating a health and safety promotion plan at each plant based on the Philosophy and Course of Action for Occupational Health and Safety.

We formulate these plans based on actual results and issues from the previous fiscal year from the standpoint of the PDCA cycle and then implement activities with the aim of eliminating logistics and workplace accidents.

> Philosophy and Course of Action for Occupational Health and Safety, which includes items pertaining to logistics safety.

## 2. Safety Initiatives

### (1) Identification and Improvement of Risks

We strive to improve the safety of our logistics sites by identifying potential sources of logistics/workplace accidents for both people and infrastructure—such as hazardous operations and locations within worksites—and making improvements. One way we do this is through regular patrols by managers.

### (2) Cultivating and Spreading Safety Awareness

We provide hazard prediction training (KYT) to raise awareness of potential risks without carelessness or overconfidence, even in routine and familiar tasks, and improve sensitivity to hazard prediction. We also broadly solicit safety slogans from logistics partners to cultivate and instill safety awareness in each worker.

### (3) Enhancing Education and Training

We provide preventive education based on a horizontal approach to logistics accidents and workplace accidents that incorporates examples from other companies. We also conduct various drills jointly with our logistics partners that simulate crises, such as large-scale disasters and logistics accidents, to improve our ability to respond to crises and raise safety awareness. Whenever points requiring improvement arise after training, we enhance the quality of our education and training by revising crisis management manuals, incorporating improvements into subsequent training, and the like.

### (4) Maintaining Transport Safety and Environmental Standards

JSR outsources the distribution of its products to outside logistics contractors. To maintain environmental and safety standards during transport, we have drivers carry a "Yellow Card" imprinted with special measures and telephone numbers in case of emergency. This is in addition to having logistics contractors train their drivers on specific safety issues.



Example of a Yellow Card

## (5) Reinforcing Health and Safety Collaboration with Logistics Contractors

We share logistical challenges concerning quality, safety, and the environment and manage the progress of improvement activities by holding quarterly meetings with logistics contractors through our logistics subsidiaries. We also verify, assess, and guide health and safety activities by conducting annual audits of our logistics contractors.

## 3. Accidents and other Incidents in JSR Corporation (FY2022)

- Logistics-related workplace accidents: 0
- Traffic accidents resulting in injury to others: 0
- Traffic accidents resulting in injury to JSR employee: 0


## 4. “White Logistics”-Related Initiatives

JSR endorses the “White Logistics” Movement being advocated by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT); the Ministry of Economy, Trade and Industry (METI); and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan. We submitted a voluntary action declaration for the movement and are currently engaged in the following activities.

The movement seeks to improve productivity and logistics efficiency in truck transportation and create work environments in which female and elderly drivers can work comfortably. In doing so, its goals are to address ever-worsening truck driver shortages, to bring stability to the logistics services needed in daily life and industrial activity, and to contribute to economic growth.

We aim to work with business partners and logistics providers to reduce the burden on drivers, such as by reducing standby times, and raise logistics efficiencies. We are also taking earnest steps to maintain fair and equitable business relationships with logistics operators while building a supply chain that does a better job of considering the environment and society.

As for the modal shift to ship and rail, which had been taking place at a high rate until last year, the Elastomer Business, which accounted for 90% of our transport volume, was transferred in April 2022. This resulted in a substantial decrease in our product offerings suitable for domestic ship and rail transport. This has resulted in a 1% modal shift at JSR, and we will continue to look into initiatives to achieve sustainable logistics.

[> Click here to learn more about the White Logistics Movement](#) 

\* Written in Japanese

### Initiatives undertaken by JSR Corporation

Item	Description
Proposing and cooperating in logistics improvements	Whenever our business partners or logistics operators present proposals to reduce the burden on drivers and workers or streamline logistics, for example, we discuss those proposals with sincerity and proactively offer our own ideas.
Use of pallets, etc.	We aim to reduce drivers' workload and shorten cargo-handling time by using pallets for transportation.
Separation of non-driving tasks	Whenever we are approached by a transportation company about non-transportation tasks performed by drivers, we engage in earnest discussions with the company to resolve the issue. We also proactively reach out to transportation companies and strive to grasp what is happening at the ground level.
Modal shift to ships and railroads	We aim to reduce environmental impacts by conducting a modal shift from truck to ship and railroad transportation.
Use of written transport contracts	We promote the use of transport contracts prepared in documentary form.
Safety measures during cargo handling	When handling cargo, we put safety first by implementing such measures as clearly indicating safe work procedures and installing scaffolding. We also strive to eliminate workplace accidents and achieve a safe work environment by identifying the sources of danger and hazardous operations and constantly conducting educational activities using Kiken Yochi Training (KYT).
Reducing long-distance transportation	We shorten the transport distance per trip and alleviate the workload on drivers in long-distance truck transportation by using ships and railroads and setting up stock points.

See ESG Data for CO<sub>2</sub> emissions associated with logistics.



# Product Safety



1. Philosophy ▾

2. Advancement Structure ▾

3. Product Liability Prevention (PLP) ▾

4. Chemical Management ▾

## 1. Philosophy

JSR Group considers product safety assurance as a critical foundation of its business activities. The Group conducts all of its business undertakings following its Responsible Care policy, which states that “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.”

## 2. Advancement Structure

Under the basic policy of Responsible Care, the Environment, Safety and Quality Committee, chaired by the officer in charge of safety, quality and environment, formulates policy and action plans related to product safety and chemical management at JSR Group. The committee also oversees related activities and their results.

Agenda items deliberated and approved by the Environment, Safety and Quality Committee are reported to the Sustainability Promotion Committee, which is chaired by the President.

## 3. Product Liability Prevention (PLP)

### (1) PLP Guiding Principles

Maintaining respect for humanity, JSR does business with based on the following PLP Guiding Principles

- Social mission:  
The company's social mission is to pursue safety in the products it supplies and to ensure the safety and health of those who use them.
- Customer trust:  
Activities that unflinchingly execute PLP and continually supply safe products lead to customer trust.
- Prevention:  
The essential point of PLP is to take all possible preventative measures to ensure that product accidents do not occur.
- Company-wide activity:  
PLP activities are executed through collaboration among concerned departments and with the combined strength of JSR.

Established: April 1, 1994

### (2) PLP Activities

JSR has enacted Product Liability Prevention (PLP) Standards as the foundation for conducting its product safety efforts. We are implementing ongoing PLP activities to prevent PL incidents by establishing regulations for each part of the supply chain; namely, design and development, manufacture, sales, and distribution.

## Examples of PLP Activities

### — Utilization of PLP Check Sheet

When conducting design reviews, we utilize the PLP Check Sheet to prevent PL accidents. Using the PLP Check Sheet, we have built a system that checks the safety of products that will be newly brought to market from multiple aspects from the design stage and commercializes them after obtaining approval from department heads.

### — PLP Training

We regularly provide training on PLP, including the Product Liability Act, our PLP system, and the prevention of PL incidents, to improve employees' knowledge and awareness of PLP.

## 4. Chemical Management

JSR Group also puts efforts into chemical management in order to provide safe products. We consider chemical hazards as well as look into legal regulations in Japan and overseas and ensure compliance starting with the design phase of products.

> [Chemical Management](#)



# Quality Management



1. Philosophy ▾

2. Advancement Structure ▾

3. Quality Assurance ▾

## 1. Philosophy

JSR Group's Management Policies state "Always strive to increase customer satisfaction" as its policy on quality. We believe that an important role of JSR is to supply innovative materials and excellent products that meet customer needs and contribute to a better society. Going forward, we will continuously implement initiatives to enhance quality from the standpoints of expanding business globally and into broader fields, diversifying the supply chain as a result, and addressing more sophisticated customer needs.

## 2. Advancement Structure

The Environment, Safety and Quality Committee, which is chaired by the officer in charge of safety, quality and environment, deliberates and formulates JSR Group's activity policy and action plan on quality. The committee also supervises these activities and their results. For details about the Environment, Safety and Quality Committee, please see below.

> For details about Responsible Care management at JSR, see "2. RC Advancement Structure."

## 3. Quality Assurance

### (1) Quality Management System

JSR Group's main plants and business sites have obtained ISO 9001 certification, the international standard for quality management systems.

In addition, we have established quality management systems (ISO 13485<sup>\*1</sup>, GMP<sup>\*2</sup>, etc.) for corresponding products that we handle at manufacturing bases for the Life Sciences Business, and conduct quality assurance accordingly.

\*1 ISO 13485: An international standard of quality management system for medical devices and in vitro diagnostic drugs

\*2 GMP: Abbreviation for Good Manufacturing Practice, a standard for manufacturing and quality management of pharmaceuticals.

#### — Quality management systems certification status (as of June 2023)

> ESG Data

### (2) Quality Guidelines

JSR shares its basic approach to quality management in terms of design and development, purchasing, production and sales with the entire Group and strives to ensure consistency in the application of this approach by all employees. Toward this end, we established and enforce the Quality Guidelines, which serve as a guideline for quality control at JSR Group.

#### — Main Areas of Quality Guidelines

■ Design review for commercialization

- Design review for planning<sup>\*3</sup>
- Manufacturing and process management
- Response to quality issues

\*3 Design review: A system for quality evaluation between multiple related departments during the design and development phases of new products to determine whether the quality meets customer requirements.

### (3) Quality Assurance

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JSR Group conducts quality verification using quality management methods in each stage of design and development, manufacturing, and quality assurance. We eliminate quality risks in advance to mass produce products that meet the customers' quality requirements.

#### — Examples of Quality Control Methods

- Quality control at the time of product manufacturing using QFD (Quality Function Deployment<sup>\*4</sup>)
- Identification of risks in advance at the time of starting new product manufacturing or process changes using FMEA (Failure Mode and Effect Analysis<sup>\*5</sup>)

\*4 Quality Function Deployment (QFD): A design approach aimed at making quality assurance possible by bring the design quality of a supplied product to the manufacturing process.

\*5 Failure Mode and Effect Analysis (FMEA): A Method for assigning priority to countermeasures after estimating risks in case an abnormality were to occur in design, process development and/or manufacturing.

### (4) Quality Improvement

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JSR Group incorporates the "Six Sigma methods"<sup>\*6</sup> that reduces product defect rates based on statistical data analyses, to its traditional quality control methods. This approach has yielded substantial results in quality improvement. Moreover, use of the Six Sigma methods also transforms employees' approaches into data-driven thinking<sup>\*7</sup>.

\*6 The Six Sigma methods: A quality improvement method that was developed by Motorola of the United States in the 1980s. It seeks to suppress quality deficiencies and improve quality by controlling variability with focus on the processes by which variability occurs.

\*7 Data-driven thinking: An approach to thinking and taking action based on data

### (5) Quality Management Review

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Quality management reviews are conducted annually by factory managers and the management personnel at JSR Group's ISO-certified business sites. In addition, quality audits check quality control activities and the quality control mechanisms within the quality management system using the PDCA cycle<sup>\*8</sup>.

#### — Main Matters Reported at the Quality Activities Forum

- Report on results of customer satisfaction survey
- Presentations and commendations on quality improvement activities

\*8 PDCA cycle: A method of improving business operations by repeating the four steps of Plan, Do, Check and Act.

### (6) Quality Education

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JSR Group provides stratified training on quality control and product liability prevention. In addition, an intranet site containing quality training materials and videos is set up for employees to always have access to these quality-related training materials. Through these training programs, we are working to increase the level of quality companywide and transform the way employees think about quality.

#### — Examples of Quality Training

- Quality control training
- PLP training
- Six Sigma training

# Human Rights



1. Philosophy ▾

2. Advancement Structure ▾

3. JSR Group's Human Rights Policy ▾

4. Response to Human Rights Issues ▾

## 1. Philosophy

JSR Group positions respect for human rights as one form of materiality (important issue).

It is critical for the entire Group to enhance its understanding of human rights and take appropriate actions. We have established JSR Group's Human Rights Policy in accordance with the UN Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights, and the UN Global Compact, as we strive to fulfill our responsibility to respect human rights in all of our business activities.

## 2. Advancement Structure

At JSR Group, the Corporate Ethics Committee, which is chaired by the officer in charge of general affairs and whose office is the General Affairs Department, is responsible for promoting initiatives related to respect for and safeguarding of human rights.

The Corporate Ethics Committee is charged with formulating and executing plans to advance initiatives and verifying their progress. Progress made by the Corporate Ethics Committee is reported to the Board of Directors via the Sustainability Promotion Committee.

> [Sustainability Management and Advancement Structure](#)

## 3. JSR Group's Human Rights Policy

JSR Group conducts its business activities based on JSR Group's Human Rights Policy formulated in September 2021. As stated in the UN Guiding Principles on Business and Human Rights, companies have a social responsibility to respect human rights. To fulfill this, we must educate employees about the importance of respect for human rights, and it is necessary for everyone involved in JSR Group to understand the policy.

JSR Group's Human Rights Policy was formulated in accordance with the UN Guiding Principles on Business and Human Rights, and the Government of Japan's National Action Plan on Business and Human Rights, and in reference to knowledge gained as a participant in Global Compact Network Japan's Human Rights Due Diligence Committee. The policy was finalized in September 2021 following a review by relevant divisions and Group companies in Japan and overseas and approval of the Sustainability Promotion Committee, chaired by the President.

We ensure each employee of JSR Group understands this policy by sharing it on the company intranet and covering it in special feature articles in the company newsletter. We are also considering adopting a framework for human rights due diligence.

### **JSR Group's Human Rights Policy (September 2021)**

> [Japanese \(PDF 188KB\)](#)

> [English \(PDF 145KB\)](#)

> [Simplified Chinese \(PDF 147KB\)](#)

> [Traditional Chinese \(PDF 177KB\)](#)

> [Thai \(PDF 97KB\)](#)

## 4. Response to Human Rights Issues

### (1) Participation in Global Initiatives

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JSR Group is a signatory and supporter of the United Nations Global Compact. We also actively participate in subcommittee activities provided by Global Compact Network Japan in aiming to gain knowledge on human rights.

As participants in GCNJ's Human Rights Due Diligence Subcommittee, we gather pertinent information through attending workshops and participating in group work activities, and disseminate it throughout the company. In group work activities, we participated in a human rights policy group and presented a model case for newly formulating human rights policy under the theme of "our vision of the ideal framework for human rights policy." In formulating JSR Group's Human Rights Policy, we applied insights that we acquired through these activities.

As we believe this policy must continue to be understood and diffused throughout the entire Group, we joined GCNJ's Human Rights Education Subcommittee in FY2021. The knowledge we gain from participating in the activities of this subcommittee is incorporated into the e-learning we conduct on human rights.

### (2) Respect for Human Rights in the Supply Chain

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JSR Group also understands the necessity of promoting initiatives oriented toward respect for human rights not only within the Group, but across the entire supply chain as well. To put this into practice, we revised our questionnaire for suppliers in 2017 and incorporated relevant items on respect for human rights in the "JSR Group CSR/Sustainable Procurement Policy" established in 2018.

Additionally, the "JSR Group's Human Rights Policy" clearly states that we will continue to encourage our business partners in the supply chain to support this policy and adopt a similar policy.

JSR Group's philosophy outlined in the above policies speaks for the requirements placed in companies by international society. JSR Group believes that it must share this philosophy with its business partners, and toward this end we have conveyed both policies to the Group's main suppliers and collected consent forms stating their endorsement of the policies in FY2022. The entire Group is working to implement this effort with a target collection rate set at 100%. In FY2022, the collection rate was 90%.

We will continue taking the steps necessary to strengthen collaboration with partners in the supply chain and enhance our respect for human rights.

> [Supply Chain Management](#)

### (3) Initiatives for Promoting Respect for Human Rights

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JSR Group has established a Corporate Ethic Hotline for employees as a remedy for employees who have been affected by harassment considered to be a violation of their human rights. Also, we have JSR Group Supplier Hotline for business partners whom we do business with regularly to quickly detect suspected violations of corporate ethics.

In order to garner trust, we ensure strict confidentiality of reports and prohibit unfavorable handling of whistleblowers using either hotline. Also, we provide redress or implement corrective action for any persons affected.

> [Compliance](#)

Further educating Group employees of human rights is essential to fulfilling our responsibilities in terms of respect for human rights. To this end, we will begin providing ongoing e-learning on human rights, aiming to systematically educate our employees on human rights.

In FY2022, we conducted the first installment of e-learning on the basic knowledge of human rights and overview of JSR Group's Human Rights Policy utilizing e-learning curriculum provided by Caux Round Table Japan (CRT Japan).

Going forward, the same course will continue to be implemented with a target of over 80% participation rate globally. In FY2022, overall participation exceeded the target at 82%, but participation varied among each implementation site. For places with lower attendance, we will look into factors among those who did not attend to identify whether there is any bias due to department or position and take measures to improve attendance.



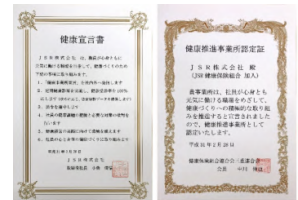
# JSR Health Promotion (Initiatives in Health and Productivity Management)



1. Philosophy and Code of Conduct	2. Health and Productivity Management and Advancement Structure	3. Health and Productivity Management Initiatives	4. Physical Health Assistance
5. Mental Health Assistance	6. Measures to Combat COVID-19	7. Results of Initiatives	

## 1. Philosophy and Code of Conduct

JSR Group feels that a healthy mind and body are extremely important for employees and their families to live happy lives. We also feel that they are imperative in the creation of a productive and vibrant workplace. Because of this, we have adopted various measures to help our employees work in good health, both mentally and physically. JSR and some locations make a Health Declaration, which describes the policy on active initiatives to create health. The Mie National Health Insurance Organization, which is part of the National Federation of Health Insurance Societies, has designated JSR and these locations as business establishments that promote health.



### — Codes of Conduct

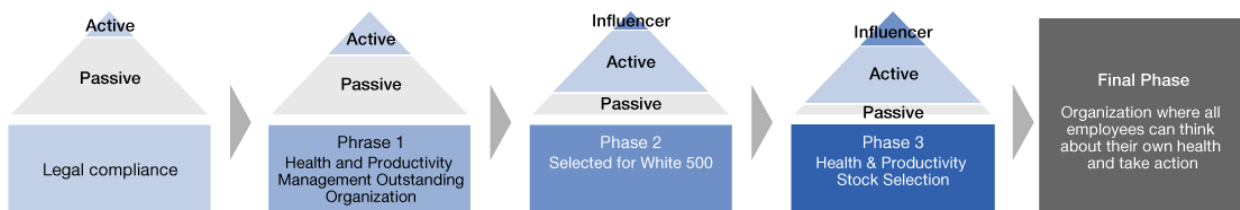
We shall strive to maintain and improve safety and hygiene levels for all relevant parties, based on our belief that "safety is of utmost importance to everyone working in manufacturing and the bedrock of business activities." Additionally, we shall pay sufficient attention to the maintenance of the mental and physical health of ourselves and those we work with.

## 2. Health and Productivity Management and Advancement Structure

JSR will advance "JSR Health Promotion" as an activity to promote health and fitness among our employees, who are the foundation of organizational activity, and thereby increase engagement and improve work productivity.

The ultimate vision and goal of this initiative is to become an organization where all employees can think about their own health and take action. We aim to provide measures to maintain and improve the health of each employee in ways that suit them and that can be performed autonomously.

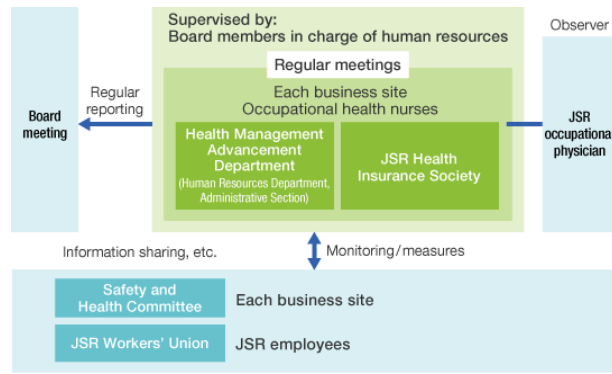
### Vision of creating an organization where all employees can think about their own health and take action through JSR Health Promotion



As part of the system for advancing JSR Health Promotion, the Health Promotion Committee, which is overseen by the officer in charge of human resources, meets regularly, and industrial nurses and health management promotion departments at each business site play a central role in conducting cross-functional monitoring and implementing various measures. In addition to communicating the significance of improving one's health through messages from top management, management receives regular reports from the Health Promotion Committee and supervises its activities.



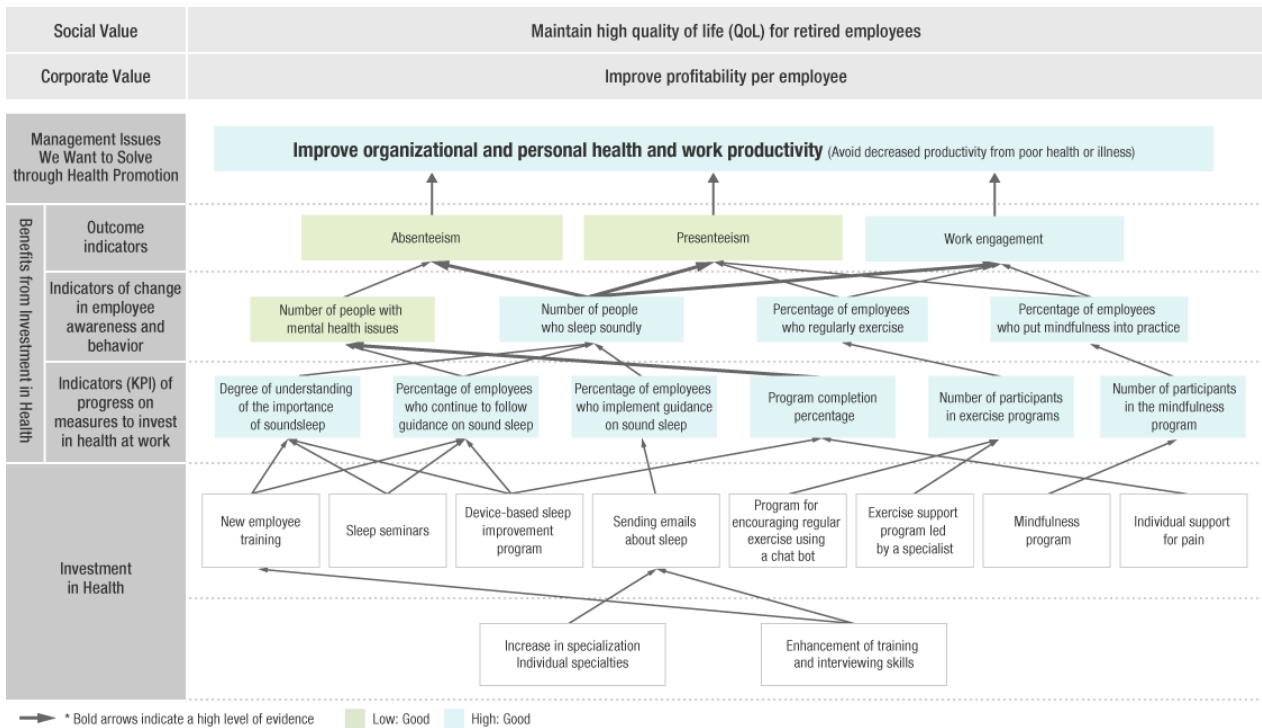
### JSR Health Promotion Advancement Structure



## 3. Health and Productivity Management Initiatives

Specific measures of JSR Health Promotion include formulation of a strategy map to improve the health and labor productivity of organizations and individuals (presenteeism measures), hosting of sleep seminars and improvement programs, and encouragement of regular exercise and mindfulness.

### JSR Health Promotion Strategy Map



As one example of this initiative, we are holding sleep seminars to learn about the role of sleep and how to improve issues, arranged for daytime workers and shift workers.

In FY2022, 135 people participated in the sleep seminar, and according to a survey of seminar participants, the percentage of “very poor” and “poor” sleep quality decreased by 19.4 points (27.4% to 8.0%), and the percentage of “very good” and “good” increased by 20.0 points (7.4% to 27.4%), showing positive results were achieved. Together with changes in sleep quality, the degree of work functioning impairment due to health problems (WFun) was also measured, and the proportion of moderate or higher work functioning impairment decreased by 12.2 points (23.7% to 11.5%) before and after the seminar.

In addition, we formulated 12 JSR Sleep Guidelines as recommendations to ensure quality sleep. In FY2022, in addition to the conventional one for daytime workers, we also created a version for shift workers and are using it for employee sleep awareness activities.

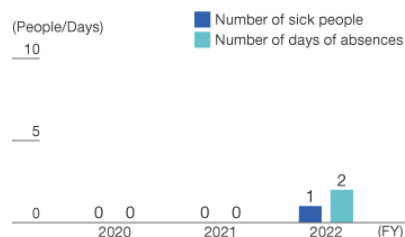
No.	For daytime workers	For shift workers
1	Set aside enough time for sleep	Get as many hours of sleep as possible
2	Wake up at a regular time	Sleep at the right time according to work schedule
3	Get bright natural light as soon as waking up	Nap strategically

No.	For daytime workers	For shift workers
4	Eat breakfast	Try to relax and unwind before sleeping
5	Get adequate exercise during the daytime and avoid strenuous exercise at night	Get adequate exercise regularly
6	Avoid caffeine less than four hours before going to sleep	Avoid caffeine less than four hours before going to sleep
7	Do not eat late night snacks (eat before sleep)	Do not eat a heavy meal immediately before sleeping
8	Do not drink alcohol before sleeping	Do not drink alcohol before sleeping
9	Do not smoke before sleeping	Do not smoke before sleeping
10	Go to bed soon after feeling sleepy	Go to bed soon after feeling sleepy
11	Avoid blue light (smartphone, computer, television, etc.) exposure one hour prior to sleeping	Avoid blue light (smartphone, computer, television, etc.) exposure one hour prior to sleeping
12	Create a good bedroom environment conducive to restful sleep (linens, lighting, etc.)	Create a good bedroom environment conducive to restful sleep (light-blocking curtains, eye mask, ear plugs, linens, lighting, etc.)

## 4. Physical Health Assistance

In addition to general physical screening and special examinations as required by law, and lifestyle disease checkups, JSR supports employee's physical health by providing subsidies to employees who receive complete medical screenings, brain scans, and special exams for women (breast cancer screening and gynecologic cancer examinations). As an infection control measure, JSR also provides a partial subsidy for flu vaccinations. In FY2022, the number of employees who were sick due to influenza was one, and the number of absences due to influenza was two.

### Number of People/Number of Absences due to Influenza



In FY2022, the percentage of people with abnormalities in their physical examinations was 24.1%, which is lower than the national average. This signifies that our employees are maintaining good health.

In addition to a high-risk approach (individual measures being taken when illnesses occur), the idea of a population approach (overall risk reduction/prevention) was incorporated with regard to health management of employees. We make active approaches to ensuring the health of our employees, by preventing lifestyle-related diseases, ensuring that employees undergo physical examinations and providing follow-up, and preventing passive smoking.

### Data on Health Support Measures

Category	FY2019	FY2020	FY2021	FY2022
Percentage who underwent physical examinations	99.8%	98.7%	98.9%	98.9%
Percentage with abnormalities in physical examinations	—	26.4%	24.3%	24.1%
Percentage who maintained normal weight * BMI: 18.5 up to 25.0	67.1%	65.9%	66.3%	68.8%
Percentage who sleep soundly * Percentage of people who get sufficient rest from sleep	65.6%	68.6%	69.2%	63.2%
Percentage who smoke	22.4%	17.9%	16.2%	10.7%
Percentage who underwent a stress check	92.1%	92.2%	91.4%	84.8%
Percentage who scored as highly stressed on the stress check	8.3%	8.2%	8.9%	7.5%
Organizational vitality index * 2019 = 100	100	126	101	146

Category	FY2019	FY2020	FY2021	FY2022
Number of people using company training facilities	8,009	1,472	1,794	1,601

### — Training Facility Establishment

In addition to providing its own sports facilities for employees, employees can also take advantage of memberships in sports clubs through welfare service contracts. Each JSR business site also hosts sporting events, such as softball games and bowling tournaments, to improve health through physical activity and facilitate communication among employees. These programs have also received positive feedback from employees who do not normally have the opportunity to participate in physical activities. To combat the COVID-19 pandemic since FY2020, restrictions were placed on the hours of usage and the number of people. As a result, the number of people using company training facilities decreased.



Health management center (exterior) and training room, Yokkaichi Plant

## 5. Mental Health Assistance

JSR Group is strengthening the support structure because we think it is even more important to support the mental health aspects of moving to telecommuting and other new workstyles in order to prevent each employee from feeling lonely and isolated.

To be more specific, we are taking a four-point approach in implementing measures to improve employee mental health: "Check," "Organizational Analysis," "Consultation," and "Training."

Checks and organizational analysis include an employee mental health survey conducted by JSR since FY1998. Starting in FY2015, stress checks have been implemented annually in accordance with the amendment of the Industrial Health and Safety Act in Japan, and the results of such checks are analyzed in units of departments.

Consultation includes the establishment of a program to provide counseling for employees at a location of their choosing. Counseling is conducted through a third-party professional, Human Frontier Counseling. This program has been established at JSR and our domestic group companies as a part of our mental-health counseling support efforts. After stress checks are administered, an organizational analysis report is distributed to managerial staff, and support is provided in usage seminars to communicate how to view the report and what actions to take. We are working to enhance the response by occupational health professionals at all of JSR's offices and plants.

Training includes a variety of mental health care programs, such as self-care and line-care that properly reflects each level of JSR's organizational hierarchy.

As a result of these efforts, 7.5% of people who took the stress check were identified as experiencing high stress. This is lower than the nationwide average.

## 6. Measures to Combat COVID-19

To combat COVID-19, JSR is implementing appropriate prevention measures at the workplace as well as daily health management in alignment with the state of each business site, based on social conditions.

In addition to providing alcohol-based hand sanitizers and installing contactless thermometers in business sites, we are distributing masks to employees, and working to prevent infections. We are also distributing one set of antigen test kits (containing 20 tests) per employee in each office to enable early detection if an infection occurs.

We provided occupational vaccines at the Yokkaichi Plant and the Shiodome Headquarters in FY2021 and FY2022. A total of 3,539 people were vaccinated, including people from Group companies, contractors, and employees' family members.

JSR had been offering health exercises by a health fitness programmer from the JSR Health Insurance Society, for health and strength development of employees. With the spread of COVID-19, however, we began providing a health exercise program online from FY2020. With a total of 2,167 users in FY2022, this program helps to solve the issue of lack of exercise caused by working from home and quarantining.

### — Total Participants (JSR employees only)

- FY2020: 2,959 (online only)
- FY2021: 6,627 (online only)

## 7. Results of Initiatives

These initiatives were recognized and seven companies in JSR Group were selected as Excellent Health Management Corporation in 2023.

### — The Certified Health and Productivity Management Organization Recognition Program in 2023 (Large Enterprise Category)

- JSR Corporation



### — The Certified Health and Productivity Management Organization Recognition Program in 2023 (Small and Medium-sized Enterprise Category)

- Emulsion Technology Co., Ltd.
- JSR Micro Kyushu Co., Ltd.
- JSR Health Insurance Society
- JSR Logistics & Customer Center Co., Ltd.
- Japan Coloring Co., Ltd.
- Medical & Biological Laboratories Co., Ltd.



JSR considers balancing employee health and productivity to be an important management issue, and we are promoting initiatives with the goal of obtaining White 500 certification by around FY2025.

We will continue to plan and implement various initiatives to maintain and improve the health of our employees. In addition, by evaluating and improving the results of these initiatives and implementing the PDCA cycle, we will develop more effective health maintenance and improvement measures and support the health of our employees.

# Human Resource Management



1. Philosophy ▾	2. Advancement Structure ▾	3. Increasing Employee Engagement ▾	4. Human Resource Development ▾
5. Personnel System ▾			

## 1. Philosophy

### (1) Policy

We, JSR Group, specify our responsibilities to employees within our management policies.

- Evaluation and rewards based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

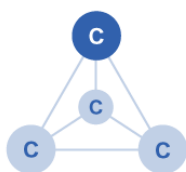
We established 4C Course of Action for our employees consisting of Challenge, Communication, Collaboration and Cultivation.

Based on this corporate philosophy system, our human resources strategy states, "maximize value (provision) to customers and markets, linking efforts for the enhancement of corporate activity efficiency and business competitiveness and the creation of innovation, by maintaining a global perspective and strengthening dynamic and diverse human resources and organizational capabilities according to the characteristics of countries, regions, and businesses." We have formulated the following as our ideal corporate and organizational culture, and we are advancing various measures.

#### — JSR's Ideal Corporate and Organizational Culture

- By respecting diversity, equity and inclusion and having employees autonomously build their own careers, all employees are maximizing their abilities.
- By ensuring employees and the company trust one another and growing together, employee engagement continues to increase resulting in continuous innovation.

#### 4C Course of Action



**CHALLENGE**  
**COMMUNICATION**  
**COLLABORATION**  
**CULTIVATION**

**CHALLENGE:** All employees of JSR Group should share a common, global focus and desire to succeed. Employees should feel confident to autonomously take on new challenges, learning from successes while viewing setbacks as opportunities to learn, grow and improve.

**COMMUNICATION:** All employees should feel comfortable and confident maintaining open lines of bi-directional communication at all levels within JSR Group. Employees should strive for organizational transparency through direct conversations as the best means to share value and achieve common goals, especially in the face of growth and diversification.

**COLLABORATION:** Employees will work together in the spirit of cooperation, valuing common, corporate goals over internal or departmental barriers. Employees will also be encouraged to actively collaborate with external resources and not be bound to conventional ideas.

**CULTIVATION:** All employees will cultivate an environment that supports bi-directional communication between managers and subordinates and provides opportunities to develop together as individuals and as members of productive, supportive teams.

### (2) Codes of Conduct

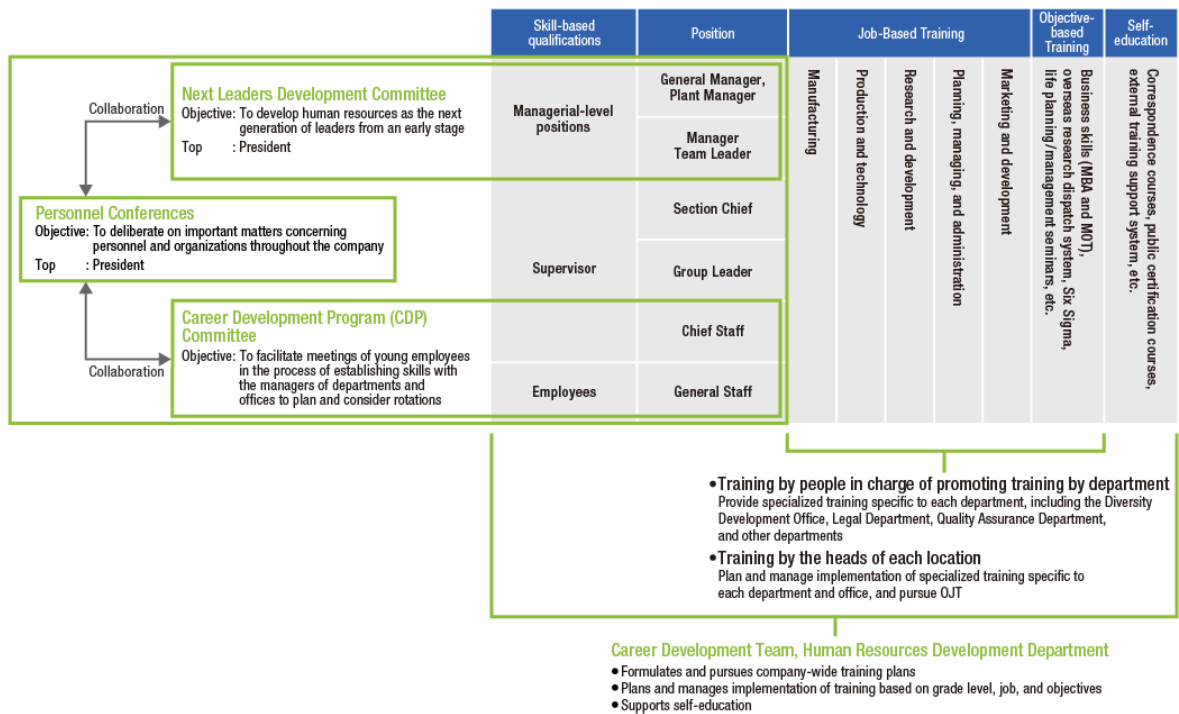
- We shall ensure the fair treatment of employees, based on each person's tasks, roles, and level of commitment.
- We shall respect the diversity of our workforce and make efforts to create a workplace environment that enables every employee to make the best use of their abilities and to find a rewarding sense of satisfaction in their work.



- We shall respect the human rights and diverse characteristics of all individuals, and shall not discriminate against gender, age, nationality, race, ethnic group, origin, religion, beliefs, social status, physical disability, sexual orientation, or other relevant conditions when determining employment status and/or working conditions.
- We shall not force religion and/or belief on others.
- We shall provide a workplace free from any harassment arising from positions of power. In addition, we will not engage in any form of sexual harassment, such as behavior and verbal comments with sexual connotations that will make others feel uncomfortable.
- In the event that a staff member reports the violation or possible violation of the law and/or the Principles of Corporate Ethics to his / her superiors and / or internal / external hotline, we shall fully protect the said staff member's identity and protect him or her from unfavorable treatment.

## 2. Advancement Structure

The Human Resources Development Department and Career Development Team take the lead on employee training. They formulate and advance company-wide training plans while working closely with others through the various personnel systems, personnel conferences held by each level of management, and other means. The person in charge of training in each division and the head of each location plan and manage implementation of specialized training specific to each department and office.



## 3. Increasing Employee Engagement

JSR Group believes that increasing employee engagement is the key to sustaining corporate activities and enhancing corporate value. Toward this end, based on the establishment of a culture of diversity, equity and inclusion, we are working to increase engagement by creating a comfortable and rewarding workplace, providing opportunities for employees to take on proactive challenges, build their careers, grow and play an active role.

At the same time, we have been conducting a global employee engagement survey since FY2021 to listen to the frank voices of employees, identify issues in each organization, and effectively work to create a better work environment.

### Initiatives in FY2022

The global response rate, which was 82% in the first year, rose to 89% in the FY2022 survey. While the number of employees in the Elastomer Business decreased significantly due to the business transfer, the number of participants in the survey increased significantly following the expansion in the target Group companies, careful explanations and cooperation with each company, and increasing awareness among employees.



Participants  
**6,256**



Global response rate  
**89%**

In addition, based on the results of the first year, we improved the survey content and decreased the number of questions to rebuild the foundation for continuous improvement of employee engagement in the future.

An analysis of the overall survey results revealed positive aspects of the Group, such as business execution (delegation of authority/business processes), expectations for innovation, and respect for individuals, and we reaffirmed that these are the strengths of the Group.

On the other hand, in order to continuously increase employee engagement going forward, we found that there are two common global issues: first, making employees feel the company has a promising future and second, making employees feel that they can achieve their career goals at JSR.

In addition, each Group company and department shares their own scores, interprets and discusses them with all members, and formulates improvement actions using a bottom-up approach. In FY2022, we saw many initiatives related to career and company policies around the globe.

We will continue to conduct the survey on a regular basis and work to improve employee engagement by implementing continual improvements from both the top down and bottom up while carefully examining the appropriateness of such actions and reflecting them in measures.

### Initiatives in Japan

In addition to common global issues, quantitative and qualitative analyses, especially in Japan, have revealed two-way communication between management and employees as an issue. After discussions at the Executive Committee, we have set the "Communication Series," in which management disseminates information on JSR Group's strategies, future policies, expectations for employees, and other issues, and exchanges opinions at dialogue meetings, as a high priority top-down action.

Going forward, we will continue to provide opportunities for communication from management and dialogue with employees to foster a sense of unity within JSR Group.

#### Main initiatives in Communication Series and officer dialogue

Overall initiatives overseen by CEO	Initiatives in Japan overseen by the President	Officer dialogue
Messages from business heads	Messages from heads of each function	Dialogue session with management

### Initiatives in North America

In North America, we launched the Every Person Influences Culture (EPIC) conversation series as one of our initiatives to increase employee engagement. EPIC is an online event in which employees from various parts of JSR Group participate and discuss with management specific topics that will strengthen and support JSR Group employees so that they can reach their full potential. EPIC is a meaningful opportunity to listen to the opinions of others and learn specific actions that each individual should take in order to realize a workplace where diversity, equity and inclusion is firmly established.

> For details, see the diversity, equity and inclusion page.



## 4. Human Resource Development

### (1) Goal of Human Resource Development and Ideal Personnel Traits

We have set the goal of human resource development as "to establish a mechanism and corporate culture in which the company and individuals grow together, and to develop human resources who can realize our corporate philosophy of Materials Innovation," and have set "ideal personnel traits" to target.

- Human resources able to take on the challenge of new value creation utilizing various experiences using unconventional approaches
- Human resources who can think from a global perspective in everything they do
- Human resources who can grow together and actively collaborate/cooperate internally and externally while emphasizing two-way communication
- Human resources who embrace each other and different ways of thinking transcending differences in terms of gender, culture, generation and age, etc.
- Human resources with their own career vision who can contribute to the company/society and their own self-actualization by taking action proactively.

## (2) Human Resource Development Philosophy

The foundation of the company is the growth of our employees. JSR has established the following elements as its human resource development policy. The purpose is to develop human resources who are consistent with the company's corporate philosophy and medium and long-term business objectives, increase the value of each employee through encouraging self-led career development, and enable employees to fully utilize their abilities.

- 1) Provide sufficient support for employees to focus on their own desire to grow and take the initiative in improving their own skills and building their careers.
- 2) Developing and cultivating the abilities of employees is the foundation of the company. The greatest priority is growth through work. Structured, systematic, ongoing training is provided to supplement this from a company-wide, long-term perspective.

### — Definition of Self-Led Career Development

#### Self-led Career Development Equals Proactive Career Vision and Sustainable Actions Toward Career Realization

To draw a personal work-life career vision, and to grow and increase one's value through sustained action to realize this vision and all the experiences gained from the process, for the betterment of one's life.

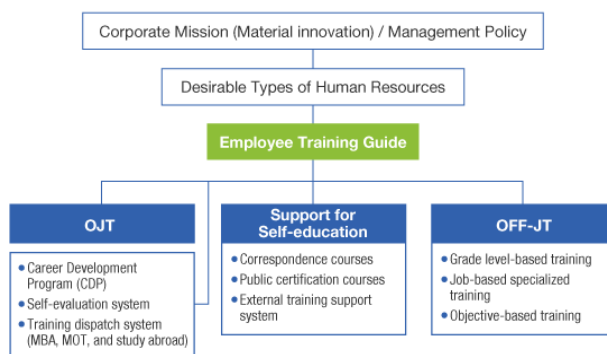
## (3) Mechanisms and Specific Measures Relating to HR Development

Human resource development and education (training) at JSR is based on the Employee Training Guide, which specifies the training policy, training structure, and matters related to implementation.

The Employee Training Guide positions 1) on-the-job training (OJT), 2) support for self-education, and 3) off-the-job training (OFF-JT) as the three pillars of human resources development.

Based on the view that Human Resource Development = Skill & Know-How x Motivation, we work to develop both skills & know-how and the motivation & drive of human resources, and to further improve organizational capabilities.

Overall Image of JSR Human Resource Development Structure



### (1) OJT

The greatest priority is growth through work via on-the-job training. We have produced the Seven Articles of OJT (Trainer's Edition) and the Three Articles of OJT (Trainee's Editions) and are using these to develop human resources through work at each workplace.

### (2) Support for Self-education

We have established the following systems to support self-education:

- Correspondence course system: Once an employee has completed a voluntary correspondence course selected from menu of 250 courses the company has selected, the company will pay roughly 50% of the course fee as a subsidy.
- Public certification course system: The company will pay testing fees, course fees, and the cost of course texts to employees who have acquired certifications necessary for their work.

- External training support system: The company will pay part or all of the course fees for external courses employees have taken that are necessary for their work.

### (3) OFF-JT (Training)

We provide the following off-the-job training to augment on-the-job training.

#### — Grade level-based training

Training in the common knowledge and skills considered necessary for skill qualifications or for each job grade level, from a company-wide perspective.

#### — Job-based training

Training in the specialized knowledge and skills needed for each job for career building and to improve work efficiency.

- Specialized skill training: For engineers and technical staff, this includes plant training in common skills, safety training, quality control training, technology management training, and R&D environmental safety training. For administrative staff, it includes external courses on management strategies, accounting, finance, and other areas.
- Courses on handing down technological expertise: Expertise on the past business activities of JSR is shared among employees, including understanding of the past history, background on initiatives, techniques for problem identification and control, problem points, discussion of failures and tips for succeeding. We pass on the good DNA of JSR and have employees utilize it in the future business activities of each department.

#### — Objective-based Training

For issues that should be addressed on a company-wide level, we narrow down the objectives and focus on the needs.

- Language training: To develop language skills and the mindset for global response, we support short-term language study abroad (in English and Chinese), and hold conversation classes in English and Chinese.
- Overseas research dispatch: Employees voluntarily perform research at universities and research institutions overseas for up to two years to improve research skills and learn challenging and innovative new technologies useful for future business creation and technological innovation.
- Dispatch for MBA/MOT: Employees acquire MBAs and MOTs at graduate schools in Japan while working their normal jobs.
- Life planning/management seminars: Employees around the ages of 51 to 52 have the opportunity to think about their lives after retirement by learning about the three pillars of life planning: 1) career development plan, 2) lifelong economic plan, and 3) health management.

Skill-based qualifications	Position	Grade level-based Training	Job-based Training					Objective-based Training								
			Manufacturing	Production and technology	Research and development	Planning, managing, and administration	Marketing and development	Common across all areas	Six Sigma	Promoting internationalization	Business skills	Life planning	Assistance to applicants for career transfer			
Managerial-level positions	General Manager, Plant Manager	Training for the next-generation leaders (JSR Business School) (JSR courses for managers)														
	Manager, Team Leader	Training for new managerial level positions (Social education program) (Coaching skills) (Organizational human resource management training)	Pre-management training Safety, environmental preservation, quality control, facility management, personnel management, and cost management													
Supervisor	Section Chief	Mid-level supervisor training (Developing subordinates) (Managing assessments)	Motivation leadership training (Improving organizational motivation)													
	Group Leader															
	Chief Staff	New supervisor training (Improving followership skills) (Improving facilitation skills)	Health and safety education for foreperson, etc. (External courses / workshops)													
Employees	General Staff	Training for 3rd year after graduation (Facilitation skills) (Future career plan, mindset)	General technical skills training	Basic knowledge training Polymer chemistry, chemical engineering, chemical processes, and bioprocesses		External courses (for graduates) External courses on accounting, finance, marketing, etc.										
		High school graduate training in the 3rd, 6th, and 9th year of employment (Reporting / communicating / consulting, guidance of junior colleagues, career plan, leadership)	Safety and environmental training	Understanding of JSR's unique technologies		Correspondence courses (for graduates) Correspondence courses on English, accounting, finance, marketing, legal affairs, etc.										
		New employee follow-up training (Logical thinking, career)	Quality control training	Quality control (Levels: Introductory / Intermediate)		Technical skill courses (for graduates) Technical skill courses conducted by individual department										
		New employee training	Public certification training	Chemical management, environment, safety, intellectual property and contracts												

### Other training

- Training content is the same for all domestic Group companies and the employees of domestic Group companies also participate in training conducted by JSR. JSR is working to develop human resources for the entire Group.

- Some training is provided online, depending on the training objectives.
- To promote the advancement of women, the Diversity Development Office provides training to managerial level employees who have female subordinates, sends them to external training (the NPO, J-Win), and provides other training opportunities. [Click here for more information.](#)
  - Diversity, equity, and inclusion: Initiatives promoting the advancement of women
- As part of our efforts to promote digital transformation (DX), we provide training in data science to employees who will be the next generation of leaders, training in programming to young engineers and technical staff, and an introductory course in data literacy to young administrative staff.

## (4) Developing the Next Generation of Leaders

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As globalization and digitalization progress, the demands made of leaders are changing. At JSR, we have been providing the "Training the next generation of leaders" course with external cooperation since 2007. This course is focused on development of the next generation of leaders. The training teaches participants established practices, the essentials of digital management, and other necessary business skills through discussions based on actual cases. Participants also expand their perspective by imagining that they are in the position of a superior, thinking about what is important from a management perspective, and outlining a vision for their own departments. Those who have taken this training include people who are already officers and the training is steadily generating diverse human resources who are equipped to look beyond the present and spur innovation themselves.

## (5) Career Development Program (CDP)

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As part of its nurturing and career development for young employees, JSR established and runs the Career Development Program (CDP). CDP is a job rotation program for university graduates on the management track. Since introducing the program in 1988, we have continued to improve and refine this method of training.

The program is for employees up to their 10th year with the company who are able to work for a number of different departments. This program not only produces employees with diverse and broad horizons, but also leads to increased inter-departmental communication. In terms of career development, CDP gives participants the opportunity to think about their own careers and facilitates autonomous career building for the future.

To consider transfers under CDP, CDP Committee members individually interview employees who will enter CDP before discussing individual rotation plans at a general CDP meeting, which are also based on a comprehensive view toward the employee's desires and aptitude. The Human Resources Department runs the CDP Committee, and each General Manager is a committee member.

## (6) Self-evaluation System

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We established a self-evaluation system in which individuals report frankly on how they view the status of the work they are currently responsible for and their future vision and career ambitions for themselves. This system plays a role in the career development of participating employees and increasing engagement. Skill development objectives are set for the coming year through discussion between the individual and his or her superior based on feedback from wage assessment results, skill development results during the past year, and the individual's self-evaluation. As a result, using this system, we conduct systematic and efficient skill development to achieve self-realization, skill improvement, and autonomous career development, as well as human resource development that is important for both the individual and the company.

## (7) Training Programs

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JSR conducts a variety of training programs to raise the skills of its employees. The total annual training time and education cost per JSR employee was as follows.

	2018	2019	2020	2021	2022
Total training time (hr)	49,671	64,334	43,624	34,591	17,828
Training time per person (hr)	14.7	18.7	12.4	10.1	8.3
Total cost of education/training (thousand yen)	108,189	148,711	115,513	120,628	102,612
Education/training cost per person (yen)	32,037	43,130	32,900	35,148	47,616

Note: This total was calculated by including technology and skill training, stratified training programs, and other training organized by human resources departments. It therefore does not include hours spent in education provided independently by departments or external education. Additionally, it does not include educational hours based on e-Learning.

The status on providing core training is shown below.



Training	Total number of participants (people)	Total hours of training (hr)	Cost of education/training (thousand yen)	Training objectives and content
Grade level-based Education	617	10,468	60,200	We are working to provide the basic knowledge and mindset needed for each grade level in JSR (managerial level, supervisor, new employee, etc.). Along with this, we are providing basic training aimed at those types of human resources that we need but are difficult to develop through the on-the-job training (OJT) in each workplace alone. More specifically, this means developing human resources who can logically state their own opinions even when among people having diverse views, lead everyone to identify the issues and arrive at a consensus from mutual debate of conflicting opinions, and guide the organization to resolution of the issues while involving those concerned.
Technical Training Common to all Plants	186	2,372	341	We provide systematic education on safety, environment, facilities, manufacturing processes, and other knowledge necessary to handle manufacturing operations at JSR, mainly for employees involved in manufacturing and technology departments and other areas of manufacturing. This does not end with learning about the topics mentioned above. One of the objectives is "T-shaped" human resource development that delves deeply into specialized knowledge and expands to related knowledge.
Miniature Plant Training and Safety Education	72	245	364	We provide experience-based, hands-on training using a miniature plant in the Yokkaichi area, and work to improve knowledge, technical skills, and sensitivity to security management. We are also working on revising the educational system diagram, creating a skill map for safety education, and establishing a safety education curriculum.
Quality Control Education	121	1,498	1,250	Employees are learning practical quality control methods through lectures on the basic philosophy on quality control, exercises using internal data, and other means. We also provide education on basic statistical methods using statistics software, gauge analysis, control chart techniques, process capability analysis, etc. to improve data analysis skills and for implementing statistical quality control.

Note: Nearly all technical training common to all plants, miniature plant training and safety education, and quality control education is conducted by internal instructors or alumni. We provide instructor training to improve the instruction techniques of these internal instructors and alumni.

We have established training centers near our Head Office and in the Yokkaichi area to create an environment that can provide continual educational support to employees. We are using these training centers to focus on further refining our strengths in technology and developing human resources by passing on technical skills at manufacturing sites and expanding employee education programs.



Yokkaichi Training Center



Miniature Plant in Yokkaichi Training Center



Head Office Training Center (JSR Roppongi Club)

The following types of original educational programs and symposiums are also held at domestic Group companies.

— **Techno-UMG Co., Ltd.: Short-term study abroad in the U.S.**

This program is designed to develop human resources equipped to support global business operations overseas. The three-month program involves learning the mechanisms of company operation and management at the U.S. subsidiary while studying at a language school in the U.S.

— **Techno-UMG Co., Ltd.: Business Training**

Techno-UMG Co., Ltd. has been conducting selective business training since FY2022. The training consists of two phases. Phase 1 involves systematically learning the management skills required for business leaders. Phase 2 utilizes what participants learned in Phase 1 to think about what will be important to the company in the future from a management perspective, identify an ideal state, and formulate the necessary business strategies to achieve it.

— **MEDICAL & BIOLOGICAL LABORATORIES CO., LTD.: Takato Molecular Cell Biology Symposium**

This symposium has been held since 1989 and facilitates interaction with researchers who are leading global biological research. The 33rd Symposium was held in FY2022. The free-ranging discussions include presenters and participants of all generations and lead to opportunities to gain new perspectives and motivation.

> Takato Molecular Cell Biology Symposium (Japanese only) [🔗](#)

## 5. Personnel System

### (1) Rank System

Under the career-track system, we have established a skills-based qualification system that specifies qualification grades corresponding to employees' abilities. Skill standards established for each qualification also clarify the standards for the type of human resource, ability, and treatment. For employees of higher ranks, we also apply a job rank system that establishes ranks corresponding to given duties (i.e., responsibilities in the organization and performance responsibilities).

In April 2022, we revised the personnel system for managerial level positions by establishing role-based grading system to create an environment and culture where fair treatment of diverse employees and organizations enables them to demonstrate their best performance and to ensure that JSR continues to be a company that is chosen by employees and external human resources. We also review grades in accordance with changes in the organization, and change and apply grades due to transfers as appropriate.

### (2) Assessment System

We have introduced an evaluation system for all employees with indefinite employment, which leads to fair treatment, career development, and increased engagement.

We conduct assessments of abilities and results fairly and regularly by employing two systems. One is an "ability assessment system" that designates the specific behavioral characteristics of abilities required for each qualification grade in individual job categories and then assesses demonstrated abilities based on those standards. The other is an "objective management system" that assesses the degree to which a person has achieved objectives that were determined at the beginning of the fiscal year.

The ability assessment system evaluates the abilities demonstrated in the six functional categories of task definition, task execution, organizational leadership and management, creativity, interpersonal skills, and growth mindset. Because the behavioral characteristics required differ according to the job category, these six functional categories are weighted according to the job category.

In these assessments, work performance objectives (work standards) are clearly established, the performance of the objectives is monitored, and employees meet regularly with superiors to properly assess the results. This system achieves improvement in the quality of work assigned, ensures reasonable treatment, and is designed to systematically develop work skills through the day-to-day performance of work.

In addition, for managerial level employees who revised the system, we conduct evaluations according to their roles, divided into behavioral evaluations that assess process aspects and performance evaluations that assess performance aspects.



### (3) Philosophy concerning Wages and Working Hours

JSR Group strictly complies with the legally established minimum wage of each country and region, and provides wages that are based on fair assessments of employees. JSR Group naturally strives to be legally compliant in terms of working hours. We also endeavor to provide appropriate labor management with the aim of avoiding long working hours and to help employees enjoy a proper work-life balance.

See below for data on the wage gap between men and women at JSR Corporation.

#### Wage Gap between Men and Women (%) <sup>※1</sup> <sup>※2</sup>

Permanent employees	Non-permanent employees	All employees
72.1%	63.8%	71.9%

\*1 Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). In addition, seconded employees are counted as employees of the dispatching organization.

\*2 Hiring, evaluation, promotion, etc. is conducted fairly regardless of gender, nationality, age, etc. There is no difference in wages between men and women for equal work. There are differences, though, depending on the composition of the number of people by qualification.

## (4) Employee Awards Program

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We use various awards programs to enhance employees' motivation.

- Among the awards presented are the President's Award, Production and Technology Award, Research and Development Award, Environment Distinguished Service Award, special commendations, length-of-service commendations, and "zero accidents" commendations.

# Work-Life Management



1. Philosophy ▾	2. Advancement Structure ▾	3. Systems for Supporting Flexible Work Styles ▾	4. Work Style Innovation ▾	5. JSR Workers' Union ▾
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## 1. Philosophy

At JSR, we think that fostering diversity, equity, and inclusion (DE&I) and the two pillars built on that are essential in improving the competitiveness of the organization and employees to achieve sustainable growth and a resilient organization. Those two pillars are 1) establishing a work environment, various systems, and IT infrastructure to make flexible work styles possible, and 2) work-style innovation (WSI) that maximizes results by accepting many flexible work styles at each workplace, mutually supporting them, and transforming them into organizational strengths.

To explain in more detail, employees use the various systems and infrastructure appropriately, as needed, proactively practice work-life management, and implement a workstyle that allows them to work in health and with vigor. Each workplace is aiming to realize the vision for their own division by employing business management, people management, and using team building to create psychological safety as they make active use of the latest digital technologies and other means to dramatically improve productivity.

Such environments increase employee engagement and create workplaces that make it easy to work and provide job satisfaction. This generates innovation and competitiveness and will lead to sustained growth.



## 2. Advancement Structure

The Human Resources Development Department establishes work environments and formulates, designs, and implements policies on various systems. The Diversity Development Office takes the lead on formulating the policy on work style innovation and planning and implementing measures. Based on the medium-term human resources strategy, the two organizations work closely together to report the details of initiatives to management as needed and use the intranet to make employees aware of these initiatives.

## 3. Systems for Supporting Flexible Work Styles

## (1) Systems for Supporting Flexible Work Styles

JSR has a variety of systems designed to create an environment that helps employees balance work and caretaking duties. JSR also distributes a guidebook detailing the various support programs available for balancing work and caretaking (including those within the company and without) to educate employees about the options available to them.

We are implementing various initiatives to support employees' diverse working styles. In addition to easing the requirements to qualify for the work-from-home system, this includes changing the system to eliminate uniform time limitations (up to 5 days per month) and allow for flexibility depending on the work or department; introducing a by-the-hour annual paid leave system that allows employees to take their annual paid leave in one-hour increments; extending the time period during which employees can work shortened hours for child care and nursing care; and adding more annual paid holidays for young employees (14 days in the first year of employment).

### Number of and Percentage of Employees Using the Childcare Leave System

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of users	Female	22	14	15	21	13
	Male	38	61	59	101	87
Percentage of taking leave	Female	100%	100%	100%	100%	100%
	Male	24.5%	42.7%	50.9%	72.7%	81.3%

### Percentage Who Return to Work After Childcare Leave and Retention Rate

		FY2018	FY2019	FY2020	FY2021	FY2022
Percentage of returning to work	Female	100%	100%	100%	100%	100%
	Male	100%	100%	100%	100%	100%
Retention rate after one year*	Female	96%	100%	95%	89%	81%
	Male	100%	97%	100%	96%	59%
Retention rate after three years*	Female	—	—	96%	95%	84%
	Male	—	—	98%	92%	64%

\* Retention rate after one year: Of the number of employees who have returned from childcare leave in fiscal year (n-1), the percentage who still work at the company at the end of fiscal year n

Retention rate after three years: Of the number of employees who have returned from childcare leave in fiscal year (n-3), the percentage who still work at the company at the end of fiscal year n

### JSR's Systems for Supporting Flexible Work Styles

Life Stage	Available Support	Description
Prenatal (During fertility treatment, pregnancy etc.)	Shorter working hours	During pregnancy, employees may reduce their working hours up to two hours per day. Employees engaged in fertility treatments can reduce their working hours by up to four hours per day, or up to 44 hours per month.
	Work from home	In cases where increased productivity is anticipated, employees can work from home based on a schedule where the work-from-home frequency or period is set individually, subject to approval by the department head.
Before and after childbirth	Maternity leave (prenatal & postpartum)*	Employees can take maternity leave starting six weeks before, and extending eight weeks after childbirth.
	Childcare leave system at the time of birth	Employees are able to take four weeks of leave within eight weeks of the birth of a child.
	Special paid paternity leave	Male employees can take four days of special paid paternity leave anytime from one week prior to two weeks after the birth of their child.
	Extended childcare leave*	Employees are able to take a leave of absence up to three times until their child turns 18 months of age.
	Extended childcare leave counseling	Upon request by employees taking extended childcare leave, counseling sessions between the employee and their supervisor are held. In these sessions they discuss and aim to resolve any worries or issues that could hinder a smooth transition back to working life.



Life Stage	Available Support	Description
Balancing work and childcare	Shorter working hours	Employees with non-working spouses can shorten their working hours until the child is three years of age. Additionally, employees with working spouses can reduce their working times until the child is in their sixth year of elementary school.
	Work from home	In cases where increased productivity is anticipated, employees can work from home based on a schedule where the work-from-home frequency or period is set individually, subject to approval by the department head.
	Family care leave	Employees can take up to ten days of leave in half-day units per year to provide nursing care for family member's that live in the same household. Uses include, accompanying family members to the hospital, medical examinations, vaccinations etc. Can also be taken in one-hour increments.
Balancing work and nursing care	Shorter working hours	Employees providing nursing care for family members can reduce their working hours by up to four hours per day, or up to 44 hours per month.
	Work from home	In cases where increased productivity is anticipated, employees can work from home based on a schedule where the work-from-home frequency or period is set individually, subject to approval by the department head.
	Family care leave	Employees can take up to ten days of leave in half-day units per year to provide nursing care for family members that live in the same household. Uses include, accompanying family members to the hospital, medical examinations, vaccinations etc. Can also be taken in one-hour increments.
	Nursing care leave	Employees providing nursing care for family members can take up to 20 days of leave in half-day units annually. Can also be taken in one-hour increments.
	Extended nursing care leave*	Employees providing care for family members can take up to 24 months of extended nursing care leave. Extended leave can be broken down into as many as three periods for up to two years.

\* At the request of employees who use these various systems, we have established the mechanisms for lending company PCs or making it possible for them to access email and internal systems through a dedicated app on their personal devices while on leave. In addition to providing a way for employees to obtain information on the company and workplace during leave, these mechanisms are used as BCP measures during natural disasters, pandemics, etc.

JSR has also established a discretionary work system for employees in R&D, as well as a "no-core" flextime work system for employees who do not work shifts. Employees who need time off for community service activities can take up to a total of five days paid leave per year as volunteer leave.

### JSR and JSR Micro Kyushu were Accredited with the "Kurumin" Next-Generation Mark

In August 2007 and April 2012, JSR received the Next Generation Mark accreditation (nicknamed "Kurumin") issued by the Minister of Health, Labor and Welfare. Kurumin designates enterprises that provide superb parenting support. JSR Micro Kyushu Co., Ltd. also received the mark in May 2017.



### JSR was awarded the "Tomonin" Mark for promoting the establishment of a work environment that enables employees to balance work and caretaking duties

JSR uses this mark (nicknamed Tomonin), which was created by the Ministry of Health, Labour and Welfare for promoting the establishment of workplace that enable employees to balance work and caretaking duties, to showcase initiatives in JSR and create an environment that enables employees to continue to contribute actively while balancing work and caretaking duties.



## (2) JSR Original Support Benefits

In addition to compensation benefits available during paid leave periods via health and employment insurance, JSR employees are provided with the following original benefits. These benefits aim to aid employees in maintaining a healthy work-life balance.

### > ESG Data

#### ■ Childbirth Lump-Sum Allowance

Women enrolled in JSR's health insurance program are eligible to receive 100,000 yen per child as Childbirth Lump-Sum allowance in addition to the

government mandated childbirth allowance.

■ Extended Childcare Leave Allowance

Employees on extended childcare leave are eligible to receive their base salary with an additional 50% bonus for the first five days. This allowance is funded via JSR Mutual Aid Association.

■ Post Childcare Leave Reinstatement Allowance

For employees who have returned back to work for a continues six months following maternity leave or extended childcare leave (of at least one month) are eligible to receive an allowance of 200,000 yen per child. This allowance is funded by JSR Mutual Aid Association for the purpose of recognizing employees past service, and continued dedication.

■ Daycare Allowance

In households where both parents work, employees are reimbursed half the cost of babysitter services that are required on working days. Costs are reimbursed via JSR Mutual Aid Association with an annual limit of 400,000 yen per eligible employee.

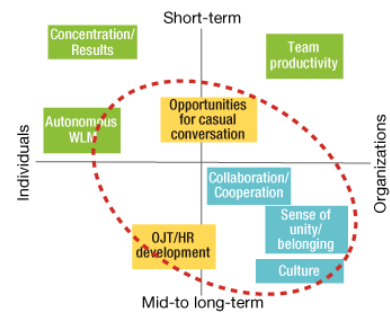
## 4. Work Style Innovation

JSR recognizes the need for continual innovation of work styles to turn organizational strengths into organizational results. Work style innovation does not just refer to continuing to search for better work styles by checking and reflecting on your own work styles. It includes innovation to achieve better work styles for the organization as a whole while learning about and understanding the diverse work styles adopted by those around you and mutually supporting one another from time to time. We think that, as individuals and the organization continue to innovate work styles, this will lead to a resilient organization that is able to respond flexibly to changes in the external environment.

### FY2022 Topics

In FY2022, we conducted a survey of employees working at headquarters departments, where telecommuting has become commonplace, about their work styles over the past three years. This survey covered the actual state of employees' work styles, their feelings about current work styles, and issues.

Based on the results, we confirmed that employees are generally satisfied with their current work style. Of particular note was the fact that employees have made good use of the flexible work system and devised communication with those around them, thereby improving the efficiency and productivity of their workplace and team. On the other hand, however, it is clear that there are still concerns about medium- to long-term human resource development and organizational development, such as the creation of opportunities to replace casual communication, a sense of unity in the workplace, as well as the inheritance and cultivation of a sense of belonging and camaraderie with the company and the corporate culture.



In light of these concerns, we are recommending autonomous work-life management and diverse work styles, and promoting hybrid work that combines face-to-face and online work. Specifically, we have presented the following recommendations for face-to-face and online meetings and are promoting initiatives at each workplace.

Face-to-face	<ul style="list-style-type: none"> <li>Establish opportunities where the team or colleagues attend work on the same day for opportunities to converse in person</li> <li>When attending work in person, actively greet/talk with people from other departments</li> </ul>	Atsu-maru Day*
Online	<ul style="list-style-type: none"> <li>Intentionally establish opportunities to exchange information such as casual conversation and small talk, etc.</li> <li>Establish opportunities at times for longer dialogue or discussions with workplace members</li> </ul>	

\*A casual saying in Japanese meaning "let's get together."

## 5. JSR Workers' Union

### (1) Thinking on Workers' Union Activities

We strive to maintain a relationship with JSR Workers' Union that allows us to routinely engage in constructive dialogue through regular labor-management councils, meetings concerning the revision of labor agreements, and other opportunities. We are also working to build better workplace environments with attention to union concerns—namely, wage policy, labor environment policy, welfare policy, leisure time, public relations and volunteerism policy, and organizational policy.

## (2) Codes of Conduct

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We will abide by national and international labor codes and respect workers' right of association and right for collective negotiation in the realm of basic labor rights.

## (3) Communication between JSR and JSR Workers' Union

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JSR and JSR Workers' Union have entered a labor agreement based on workers' union regulations. As specified in the labor agreement, we notify JSR Worker's Union before implementing significant changes in operations.

The president, directors in charge of individual business segments, and workers' union representatives have regular discussions to exchange opinions and conduct Q&A sessions regarding the working environment, business conditions, major company policies, and workers' union activities. JSR Workers' Union discloses the content of these discussions with union members. Moreover, we endeavor to deepen mutual understanding and trust as well as to maintain and strengthen sound labor relations through frequent labor-management councils at the employee and plant levels, local labor-management councils, and Safety and Health Committee meetings.

In FY2022, we held a number of discussions on our approach to future employee welfare and benefits systems in order to address growing diversity in the lifestyles and careers of our employees. We are now making preparations involving labor and management aimed at realizing an employee welfare and benefits system that provides assistance and opportunities for employees to think and act on their own with regard to health improvement, life planning, career planning and skills building.

## (4) Dialogue between the Workers' Union and its Members

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Union members at each workplace represent workplace workers' opinions. They also act as a conduit between union leadership and the union members. Workplace discussions and questionnaires are conducted to ensure the ideas and opinions of union members are incorporated into union activities.

## (5) JSR Workers' Union Membership

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As of the end of March 2023, the enrollment rate in JSR Workers' Union was 100%, made up of 1,653 employees excluding board members, management personnel, etc. The Union is a member of Japanese Federation of Chemical Workers' Unions, an umbrella organization.

The total number of union members is 2,022, including members of unions organized at consolidated subsidiaries. This represents 25.3% of the 7,994 employees at the consolidated level.

### Number of Members Enrolled in the Worker's Union and Enrollment Rate

		FY2018	FY2019	FY2020	FY2021	FY2022
JSR Corporation	Number of members	2,629	2,709	2,799	2,746	1,653
	Enrollment rate	100%	100%	100%	100%	100%
JSR Group	Number of members	3,588	3,739	3,766	3,775	2,022
	Percentage of consolidated employees	41.0%	41.3%	40.1%	38.9%	25.3%

# Diversity, Equity, and Inclusion



1. CEO Message ▾	2. Philosophy ▾	3. Advancement Structure ▾
4. Promoting Active Participation and Advancement of Diverse Human Resources ▾		

## 1. CEO Message

JSR is committed to ensuring Diversity, Equity and Inclusion throughout our workforce. We recognize the importance of bridging gaps related to gender, culture, and identity.

By truly understanding these dynamics and the factors that drive them, we aim to foster a globally united JSR. Our goal is to create an inclusive environment where every employee can unlock their full potential. It's essential to emphasize that this endeavor is not just a social responsibility – it's a crucial part of our overall business strategy.

By focusing on DEI, we aim to build a stronger, more sustainable JSR that thrives in a rapidly changing world. We believe that by embracing diversity and providing equitable opportunities, we can create a culture of innovation, attract top talent, and enhance our competitive advantage. Together, we can achieve our business goals while making a positive impact on society and the environment.

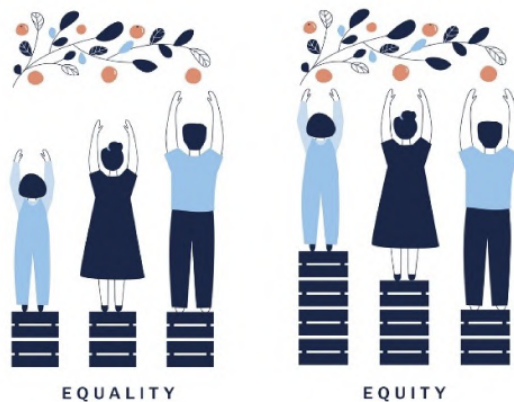
Eric Johnson  
Representative Director, President and CEO

## 2. Philosophy

To be a sustainable, resilient company, JSR Group is actively working to create an inclusive culture where diverse human resources mutually trust and accept one another's presence and views, can demonstrate their individual skills fully, and thereby develop this diversity and inclusion as organizational strengths.

We have added equity to the concept of diversity and inclusion used thus far and are using the expression, diversity, equity, and inclusion (DE&I). This means that individuals work under many different environments and circumstances, and the company coordinates and provides opportunities and resources equitably and fairly, according to the circumstances and needs of each person.

### Equality and Equity

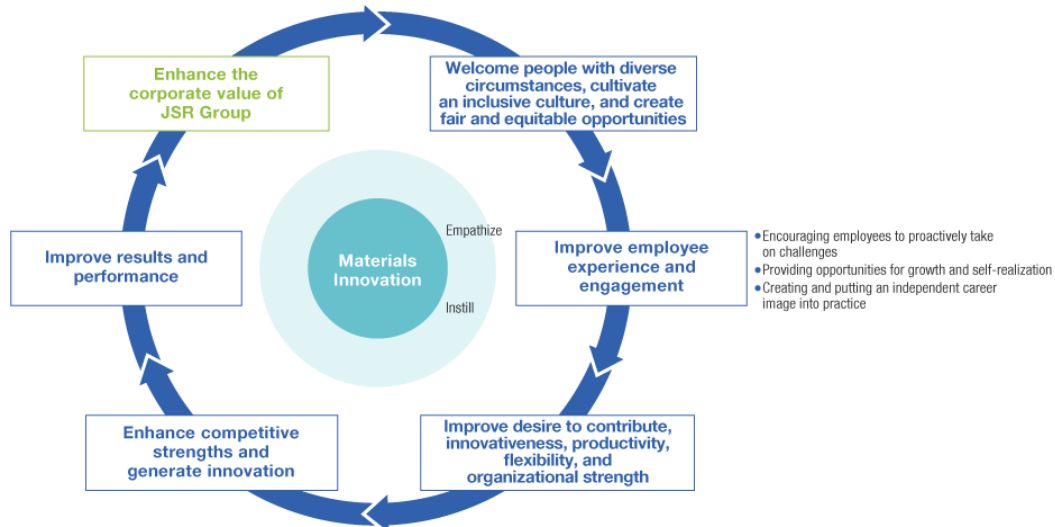


Equality: Providing everyone with the same resources, regardless of the obstacles they face  
Equity: Coordinating and providing resources according to the circumstances of each person

By creating opportunities for employees to proactively take on challenges, develop careers, grow, and play an active role based on DE&I, JSR Group can increase employee engagement, reinforce organizational strengths and competitiveness, and evolve into a resilient organization that can respond flexibly to many different changes in the business environment. We think that will lead to sustainable growth of JSR Group.

Especially in work styles, we are pushing ahead on work-life management by providing systems to support both work and life, work-from-home and other systems, and enhancing infrastructure, and by incorporating diverse workstyles. This will provide management that leads to the manifestation of each person's capabilities as well as results and stronger competitiveness as an organization.

> Work-Life Management



### 3. Advancement Structure

At JSR Group, the Diversity Promotion Office of JSR and the DE&I personnel of JSR North America Holdings are playing a central role in DE&I efforts under the Chief Sustainability Officer. In 2022, we worked on sharing the different DE&I issues faced depending on the country or organization. We are strengthening global cooperation by engaging in ongoing discussion.

The JSR Diversity Promotion Office was established in 2015 as an organization dedicated to advancing DE&I efforts. Initially, the focus was on the advancement of women and providing support for balancing work and child rearing. Today, the office establishes and implements measures to create an inclusive organization and culture where diverse human resources, regardless of personal attributes, are accepted and can play an active role. This is not limited according to nationality, disability, status of caregiving or dealing with an illness, and includes bridging the generation gap and giving consideration to LGBTQ individuals.

JSR North America Holdings seeks to improve corporate value through organizational growth and value creation. In FY2022, it launched an employee resource group (ERG) called REACH, which connects group companies across corporate boundaries. REACH is an acronym for Representation, Education, Advocacy, Community, Hope. The ERG allows employees who share common values to take the initiative in activities to build a workplace environment where everyone can work authentically and energetically.

For example, the company introduced a self-ID system where employees determine and enter their own identity information, including gender, age, race, gender identity, sexual orientation, pronouns, disabilities, and military experience. It also carried out a self-ID campaign that provides an opportunity for self-expression so that each individual feels accepted and needed as a member of the company. In addition, it has established a forum called EPIC (Every Person Influences Culture) for regular dialogue, where general employees, managers, and executives discuss various subjects, learning from and empathizing with each other as they work to create a working environment that solidly reflects DE&I. Furthermore, volunteers have formed communities for various demographic groups, including women, BIPOC, and LGBTQ, ensuring a safe and secure place for employees to connect with each other.

The various initiatives of REACH have cultivated an inclusive environment where employees with various attributes and diverse backgrounds accept each other and can be themselves. We will continue to carry out activities so that individuals can reach their full potential and convert organizational strengths into the driving force behind innovation.



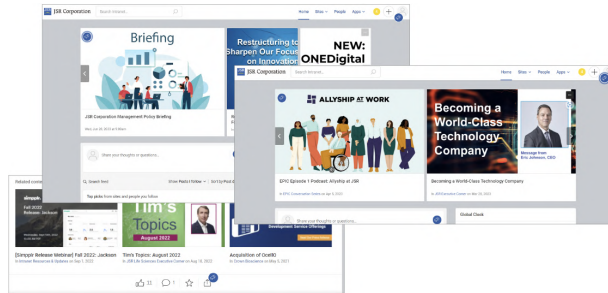
REACH activities



In addition, JSR and JSR North America Holdings have created internal portal sites to actively disseminate information to familiarize employees with the Group's DE&I policy, approach, and initiatives so that they can each take ownership of DE&I. JSR is making efforts to expand the content and increase employee understanding, including posting messages on the portal site from the President where he describes DE&I in his own words.



JSR Portal Site



JSR North America Holdings Portal Site

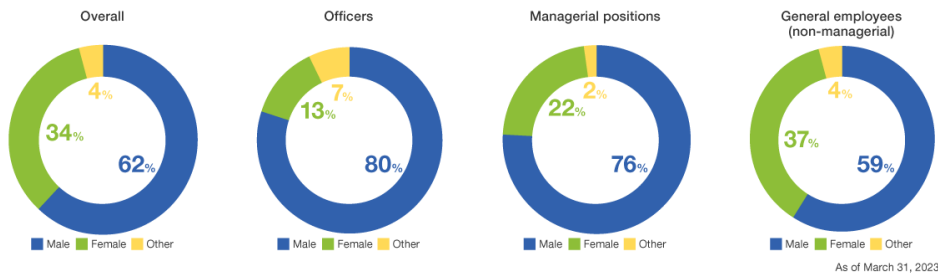
## 4. Promoting Active Participation and Advancement of Diverse Human Resources

### (1) Promoting Active Participation and Advancement of Women in the Workforce

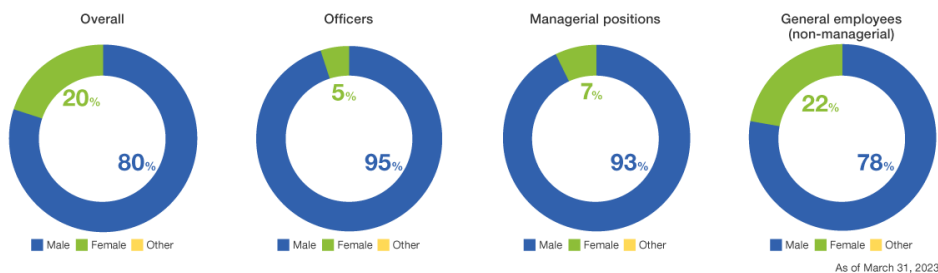
#### (i) Gender Ratio and Targets Set for 2030

The gender composition of JSR Group globally is 34% female and about 62% male. When the percentage of females is viewed in terms of job position, the percentage of females in officer level positions is 13%, and the percentage of females in managerial positions is 22%. The percentages at the non-consolidated level are low, with females accounting for around 20% of JSR, 5% of officers, and 7% of managerial positions. There is a substantial difference in the gender composition of employees and in the upper ranks at JSR Corporation compared to JSR Group on a global basis.

#### Gender Ratio in JSR Group as a Whole



#### Gender Ratio in JSR at the Non-Consolidated Level



Note: "Others" includes employees who did not wish to or have not revealed their gender.

When calculating the overall percentages, officers were not included.

The calculation of gender percentages at JSR does not include seconded employees.

At JSR, we believe that promoting DE&I at the management level, which plays a central role in organizational operations, will lead to an improvement in the overall resilience of the company. We have established a target of 10% for the percentage of women in managerial positions to be achieved by 2030 and are focusing on this as a key management issue (materiality). This initiative is one of our



\* JSR Corporation (non-consolidated), by 2030

efforts to support the success of diverse human resources. However, because women's advancement is a social issue unique to Japan, JSR has made the percentage of women in managerial positions as a result of ensuring fairness of opportunity a KPI and is working on it accordingly.

## (ii) Action Plan and Results for the Act on Promotion of Women's Participation and Advancement in the Workplace

We developed the JSR Action Plan for the Advancement of Women in the Workplace (Fourth Phase, April 1, 2023 to March 31, 2026) and are implementing initiatives based on the Act on the Promotion of Women's Active Engagement in Professional Life (Women's Act).

### Action Plan for the Advancement of Women in the Workplace

1. Period of Plan	April 1, 2023 to March 31, 2026
2. Issues	(1) Low percentage of women in managerial positions (2) Few women hired for career-track technical positions
3. Quantitative Goals	(1) Achieve a percentage of women in managerial positions of 7% during the Fourth Phase. (2) Achieve a female recruitment rate for new graduate career-track hires of 50% in administrative positions and 30% in technical positions.
4. Details of Measures	<ul style="list-style-type: none"> <li>■ Action to raise the female recruitment rate</li> <li>■ Support for career development</li> <li>■ Provision of mentoring and counseling</li> </ul>

> Act on Promotion of Women's Participation and Advancement in the Workplace: JSR Action Plan for the Advancement of Women in the Workplace (PDF:94KB) [PDF](#)

## (iii) Trend in Performance

JSR is actively working to hire female employees. We have set targets for the percentage of female new graduates hired since 2010.

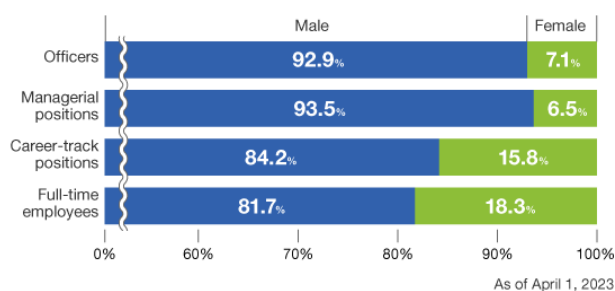
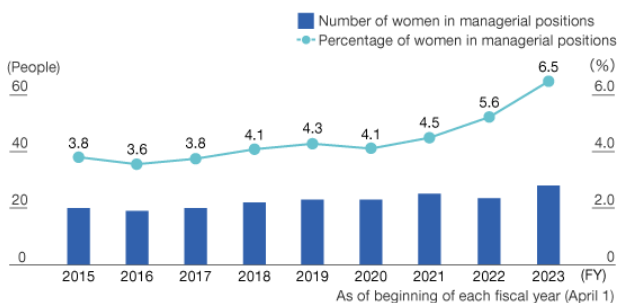
### Targets and Achievements Regarding Active Support of Women in the Workforce

	Target	FY2018	FY2019	FY2020	FY2021	FY2022
Percentage of women hired annually per position	College graduates, engineering positions: 30%*	18%	22%	26%	30%	17%
	College graduates, administrative positions: 50%*	45%	50%	55%	60%	100%
Percentage of women in managerial positions	March 2023: 6%	4.1%	4.3%	4.1%	4.5%	5.6%

\* As of April 1 of each fiscal year

\* Set from the ratio of male and female students

The current percentage of women in managerial positions at JSR is 6.5% (as of April 1, 2023), up around 1% from the previous year. Over the past few years, there has been an increase in the pool of human resources ready for managerial positions, and the number of women taking the managerial exam has been on the rise. The effects of the measures implemented to date are beginning to show. However, we still face a challenge when it comes to achieving the target set in the KPI for FY2030 (10% of managerial positions held by women), so we need to further accelerate our efforts.



## (iv) Initiatives to Promote Advancement of Women

At JSR, we are working to develop working women who play an active role and grow over the long term while striving for self-realization and who can contribute to the growth of the Company.

#### Measures to Promote Advancement of Women

	Female officers	Managerial positions	Females in managerial positions	Female employees	People who have switched to career-track
Training for managerial positions <ul style="list-style-type: none"> <li>■ Diversity management seminar (2010 to 2020)</li> <li>■ Unconscious bias test (2020)</li> <li>■ Unconscious bias training (2021)</li> </ul>		○			
Career development seminar for female managers (2016 to 2019)				○	
Dispatch to external training (2019 onward)	○	○	○	○	
Interviews of female employees / managers (2016 onward)			○ <sup>*</sup>	○ <sup>*</sup>	
Interviews of the superiors of female managers (2016 onward)		○			
Seminar for people who switch to career-track (2010 onward)					○
Lectures by outside role models (2022 onward)	○	○	○	○	○

\* Career counseling is provided as needed

#### — Training for managerial positions

We provide management support training for those in managerial positions to learn the skills to appropriately consider the needs of each female subordinate and empower subordinates. We also provide a seminar for managers to confront their own unconscious biases and encourage them to modify their behavior to avoid microaggression.

#### — Dispatch to external training

We participate in various external training programs, including the Japan Women's Innovative Network (J-Win), an NPO, the Showa Women's University Career College training program, and the Women's Technical Leadership Development Program of the NITech Center for Diversity & Inclusion. We are striving to educate and develop abilities by providing opportunities for mutual refinement of employees as a member of the business community, beyond the boundaries of industry or business model, through such means as supporting networking.

#### — Interviews of female employees

Since FY2016, we have conducted interviews with several dozen female employees a year to ask them about job satisfaction, issues they are experiencing in their work, and what their views of a future career are, among other topics. These interviews include elements of career counseling.

#### — Interviews of the superiors of female managers

Since FY2016, we have interviewed several dozen superiors of female employees each year to ask about the temperament and talents of each female subordinate and confirm plans for development. We also ask about issues in pursuing DE&I. The issues identified through these interviews of female employees and their superiors are analyzed and reported to management, and we adopt approaches that will lead to measures to address the issues.

We also hold seminars on individual themes and provide support as requested, in addition to such initiatives.

#### — Lectures by outside role models

We organize lectures by outside role models as a measure to support employee career development. Lecturers at the forefront of various fields are invited to talk about their work and personal lives as well as their approaches to life to help employees realize things about their own circumstances and learn new values, leading to increased motivation and self-development.

## (2) Providing Support and Promoting Advancement of Employees Who are Caring for Children

Since the beginning of the 2000s, JSR has established various systems to support employees in balancing childcare and work. This is not only aimed at achieving a balance between the two. We are also working to create a workplace that makes it easy for people to work, provides job satisfaction, and enables people to work with enthusiasm and contribute, even in workplaces where people adopt diverse workstyles.

In FY2022, we conducted an internal e-learning program again in response to amendments to the Child Care and Family Care Leave Act in April and October 2022. At the same time, we revised our Guidebook for Providing Support to Balance Work with Child Care and Family Care and are working to increase understanding among our employees.

### (i) Action Plan and Results for the Act on Advancement of Measures to Support Raising Next-Generation Children

We developed the Next Generation Development Action Plan (Ninth Phase, April 1, 2023 to March 31, 2026) and are implementing initiatives based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

#### Next Generation Development Action Plan

1. Plan Period	April 1, 2023 to March 31, 2026
2. Numerical Objectives	(i) Achieve a paternal leave acquisition rate of 80% and an average number of days of leave acquired of at least 20 during the period of the plan. (ii) Maintain an annual paid leave acquisition rate of at least 80% during the period of the plan.
3. Details of Measures	<ul style="list-style-type: none"> <li>■ Raising of awareness of paternal leave and enhancement of content</li> <li>■ Reiteration of leave system and creation of culture where it is easy to take leave</li> </ul>

> Act on Advancement of Measures to Support Raising Next-Generation Children: Next Generation Development Action Plan (PDF:94KB) 

### (ii) Trend in Performance

> Work-Life Management: Systems for Supporting Flexible Work Styles

## (3) Providing Support and Promoting Advancement of Employees Who Are Providing Nursing Care

Japan is facing a super-aging society. Going forward, the number of employees who will be faced with the need to provide nursing care is expected to increase. JSR is preparing a variety of support measures that allow employees to balance that care with their work.

In addition to such support measures, we offer an e-learning course on nursing care to all employees. The purpose of this course is to increase their understanding of the systems and services available to them and prepare them before they confront the need to actually provide nursing care. We also educate those in managerial positions on how to respond and support subordinates when they are working and caring for family members. Through such measures, we are working to create a culture where those in managerial positions understand and accept employees experiencing a diverse range of circumstances and where they can experience job satisfaction and continue to work while they themselves face the need to provide nursing care.

#### Number of People Using Support Systems for Balancing Work and Nursing Care

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of users of shorter working hours system	1	1	2	1	2
Number of users of nursing care leave system	7	11	6	4	7
Number of users of extended nursing care leave system	1	3	0	0	2

> Work-Life Management: Systems for Supporting Flexible Work Styles

## (4) Career Support for Young Employees

JSR has provided mentoring to young employees since FY2021. Behind the introduction of this program was a lack of internal communication among young employees who joined the Company during the COVID-19 pandemic and were forced to work from home for an extended period as well as increased awareness of career development among young employees themselves. Mentoring was started as an initiative to support these employees.

Through mentoring, we have been able to 1) provide young employees (mentees) with the opportunity to create a relationship with a senior employee outside of their own division and create a means for them to consult someone about their work and career, or matters outside of work, and 2) provide senior employees who serve as mentors the opportunity to reflect on themselves and experience in supporting the growth of successors. This initiative not only creates personal connections for and assuages the mentee's concerns about work but has also enabled both the mentor and mentee to experience the benefits of mentoring.

Post-COVID-19, we will continue to recruit applicants and provide support to help employees engage in autonomous career development.

## (5) Expanding Hiring of Mid-Career Employees and Promoting Active Contribution

JSR believes that being chosen by human resources who possess a diverse range of knowledge, skills, and ideas and having them contribute actively within the Company will spur innovation and enable JSR to continue to provide value to society. For that reason, we actively hire human resources from a diverse range of backgrounds as mid-career employees.

### Number of Mid-Career Employees Hired

	FY2018	FY2019	FY2020	FY2021	FY2022
Male	31	25	22	30	44
Female	11	7	3	5	7
Total	42	32	25	35	51

## (6) Promoting the Reactivation of Resigned Employees

JSR established and operates a Career Re-Entry System to enable employees who voluntarily left JSR and the workforce (due to marriage, childbirth, nursing care responsibilities, or the transfer of a spouse, for example) to register for rehire in accordance with company needs and the former employee's desires. The number of employees being stationed overseas is also increasing as globalization progress, and the spouse is also a JSR employee and accompanies him/her overseas, in some cases. Because it is easier to use a system that enables re-entry without retirement when the date of return has been set, we established a system of leave for spouses transferring overseas that enables them to take leave for two years.

### Number of People Using the Career Re-Entry System / Spouse Overseas Transfer Leave System

		FY2018	FY2019	FY2020	FY2021	FY2022
Career Re-Entry System	Number of people registered	5	5	3	1	2
	Number of people employed	2	2	2	0	0
Spouse Overseas Transfer Leave System	Number of using system	-※	-※	0	1	0

\* Implemented in FY2020

## (7) Employment Opportunities Beyond Retirement

In accordance with the Act on Stabilization of Employment of Elderly Persons, JSR has systems in place that enables employees who have reached the mandatory retirement age to stay in JSR's workforce. Prior to retirement, employees complete a survey concerning their desire to continue employment. All of those who wish to continue working are re-employed. We also hold life planning seminars before mandatory retirement to provide information and educate retirees on future life planning and career planning.

### Percentage of Employees of Mandatory Retirement Age Who Re-enter the Workforce

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of people re-employed	38	22	24	18	22
Percentage of people re-employed	81%	81%	86%	69%	85%

## (8) Promoting Active Contribution of Diverse Foreign Nationals

Sixty percent of JSR Group's revenue comes from overseas, and around 70% of its employees are affiliated with overseas businesses. Based on this unique characteristic of JSR, we engage in corporate activity that is founded on the leadership of a CEO who is well acquainted with circumstances in Japan and abroad. Moreover, to secure personnel who can succeed on the global stage, we promote the development of workplace environments where employees of different nationalities, religions, and lifestyles can work together while demonstrating their own unique characteristics.

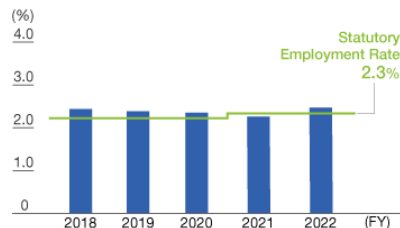
JSR Group has long been working to expand hiring and diversify its human resources as part of promoting the globalization of employees by hiring foreign university students and accepting employees from overseas subsidiaries at JSR. We are strengthening the network of human resources departments in Japan and overseas in JSR Group along with our hiring activities. JSR Group will also consider promoting local human resources to management of overseas subsidiaries and promote exchanges between human resources in Japan and overseas.



## (9) Providing Support and Promoting Advancement of Employees with Disabilities

The employment rate of individuals with disabilities was 2.47% as of the end of FY2022, exceeding the statutory rate of 2.3%.

Employment Rate of Individuals with Disabilities



When we hire people with disabilities, we discuss their strengths and the details of their disability, and then determine the work location and type of that best suits each employee's situation.

Although few employees with disabilities work in areas where hazardous materials are handled, such as manufacturing and research laboratories, we are working on ways to ensure safety while expanding employment opportunities for people with disabilities. In September 2021, we also established a farm (in Saitama Prefecture) mainly operated by people with disabilities to give even more people with disabilities the chance to work as a member of the JSR team and join us in building a society where everyone can work with enthusiasm and contribute actively. This farm began with preparing a vacant lot, and staff worked together to install planters. After consulting members of headquarters and local staff, it was named JSR Nanairo ("Seven Colors") Farm®, and we are telling everyone in the Company about it.

Seeds were planted in December 2021, and the first mesclun greens and radishes were harvested in February 2022. The cultivation skills of the team members working on the farm have gradually increased, and they can now grow a greater variety of vegetables, including komatsuna (mustard greens), garland chrysanthemum, leaf lettuce, spinach, potherb mustard, and cherry tomatoes. When more workers are required, such as at harvest time, employees who work at headquarters join in the harvesting, washing, and shipment work. The harvested vegetables are shipped directly to the JSR Yokkaichi Plant and served at the cafeteria. The employees appreciate the fresh, organic vegetables, and this brings a sense of joy and accomplishment to the team members who work on the farm.



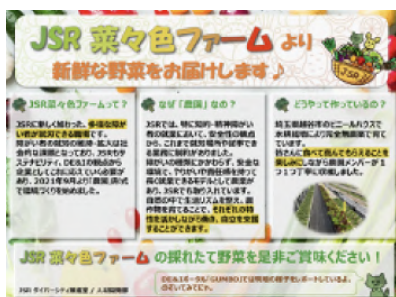
JSR Nanairo Farm®



Employees from headquarters helping with shipment



Menu items provided in the plant cafeteria



Internal poster explaining the farm



Message of appreciation to the local staff

## (10) Support and Promoting Understanding of LGBTQ Individuals

JSR aims to build a workplace in which all people can be accepted for who they are without pretense and work with enthusiasm in their own way. LGBTQ is no exception to this philosophy, and we do not tolerate any exclusive treatment or discriminatory words or behavior.

Along with providing the option of "other" in addition to "male" and "female" in the gender section of the entry form for new employees, we provide an e-learning course for employees and pursue initiatives to think about our vision of diversity. JSR has also endorsed the Business for Marriage Equality campaign to advocate for legalizing same-sex marriages. We want to do our part as one company to advocate for gender equality in society as a whole. While we are still only halfway there at present, we will focus on this more in the future.

## JSR was Recognized as the “Best Workplace,” the Highest Rank in D&I AWARD 2022

JSR was recognized as the “Best Workplace”\* in D&I AWARD 2022 (December 12, 2022, sponsored by JobRainbow), which recognizes companies in Japan that work on diversity and inclusion.

There are many perspectives and issues to think about in order to achieve diversity, equity, and inclusion. This award evaluates companies from the five perspectives of Gender, Childcare/Nursing Care, Disabilities, Coexistence of Diverse Cultures, and LGBT. In FY2021, JSR was recognized as “Advanced,” which is the second highest rank. In FY2022, we were able to secure the highest rank of “Best Workplace.” While we are seeing the effects of our measures and initiatives, we also realize that we continue to have room for improvement from the three perspectives of Coexistence of Diverse Cultures, Disabilities, and LGBT when it comes to work styles, community building, and providing education. We recognize that it is time to go beyond surface-level attributes like gender, which are easily identifiable, and accelerate initiatives focused on the deeper layers of diversity. This includes the diverse attributes, unique characteristics, values, and experience that each person brings. In the future, JSR will make an even greater effort to pursue initiatives aimed at utilizing the unique characteristics of each individual, rather than just accepting the many types of diversity in human resources.

\*“Best Workplace” rank: This is one of the rankings given in the D&I AWARD. It signifies that a company is a trailblazer in the realm of D&I, championing the cause not just within Japan but also on a global stage. This ranking underscores the company’s commitment to nurturing a corporate culture of D&I and the active engagement of each employee in advancing D&I. Furthermore, it means that the principles of D&I permeate every facet of the company, from its services to its business operations and corporate organization, extending the impact beyond the company itself.



# Supply Chain Management



1. Philosophy ▾

2. Purchasing Guidelines and CSR/Sustainable Procurement Policy ▾

3. Supply Chain Management Initiatives ▾

4. Green Procurement and Purchasing ▾

## 1. Philosophy


JSR Group positions the “supply chain” as part of its materiality (priority issues) in terms of “Management Foundation.” An important role of JSR Group is to offer innovative materials and excellent products that meet customer needs and contribute to the making of a better society. Towards that purpose, we are working to build a sustainable supply chain and ensure that we can sustain stable procurement from sound suppliers.

## 2. Purchasing Guidelines and CSR/Sustainable Procurement Policy

JSR Group conducts all purchasing activities in accordance with the JSR Group Purchasing Guidelines. The guidelines clearly state that purchasing will duly consider safety, human rights, legal compliance, resource conservation, environmental protection, biodiversity, and other factors.

Based on the belief that the development of supply chain management will lead to mutual prosperity between our business partners and JSR Group, we have established the JSR Group CSR/Sustainable Procurement Policy and ask our suppliers to comply with 36 items representing six areas.

Furthermore, in FY2021, in order to further share the needs of society and JSR Group's philosophy, we began collecting acknowledgement of receipt from suppliers with regard to the JSR Group's CSR/Sustainable Procurement Policy and Human Rights Policy. We hold briefings for purchasing managers at each of our business sites, including overseas Group companies, and work Groupwide to achieve a 100% collection rate. As of the end of FY2022, the collection rate was 90%. Going forward, we will focus efforts on encouraging responses from overseas Group companies, which have relatively low collection rates.

> [JSR Group CSR/Sustainable Procurement Policy](#) 

## 3. Supply Chain Management Initiatives

### (1) CSR Procurement Survey

JSR Group supports society by supplying materials to various industries. Our ability to deliver products of discernible quality to our customers reliably is very important for JSR Group.

As part of activities supporting this, we have practiced CSR/sustainable procurement since FY2010. Based on the JSR Group Purchasing Guidelines, we conduct surveys of suppliers' social and environmental initiatives with a questionnaire. If we find issues that need to be addressed, employees in charge of procurement visit suppliers in person to find the best solution. By FY2013, we were able to survey the suppliers that represent 99% of the value of our materials purchases. We will continue to conduct the same process as we establish new suppliers in the future.

In addition, due to the increasing risks of forced labor, child labor, environmental destruction, and corruption in supply chains due to globalization in recent years, we significantly revamped and expanded the survey items used in surveys in FY2017. We also conducted a second round of surveys using this revised questionnaire.

### (2) Assessment of Business Partners

JSR Group regularly confirms that our business partners conform to our procurement assessment standards. This happens when starting business with a new partner as well as during ongoing business with existing partners. When assessing potential new business partners, we evaluate their financial status and quality control and conduct onsite audits of safety, environmental, and quality concerns before starting trade. We also reassess as needed business partners with whom we have a continuing business relationship following the same criteria as when starting new trade.

Some raw materials are difficult to procure in an emergency due to poor availability or scarcity. For them, we conduct regular audits, making onsite checks of matters having a bearing on supply continuity, and offering suggestions and guidance for quality reliability.

### (3) Response to Conflict Minerals and Others

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Our stance based on the JSR Group Purchasing Guidelines is to never permit the use of conflict minerals posing a high risk of having negative impacts on human rights in the supply chain (tin, tantalum, tungsten, and gold), either directly or indirectly. We work to continuously verify that we use no conflict minerals.

In FY2015, we conducted an investigation concerning the use of conflict minerals and confirmed that none of the targeted suppliers used them. Since then, we have investigated the use of conflict minerals when adopting new raw materials and when commencing a business relationship with a new supplier and have maintained a system that guarantees we do not use conflict minerals.

On the other hand, in recent years, there has been growing concern about human rights violations associated with cobalt and mica mining in regards to child labor. In light of this, we decided to conduct a survey covering the entire Group to exhaustively investigate whether any problems exist with respect to cobalt and mica (in addition to the conventional conflict minerals) in our operations. This investigation made use of global standard templates provided by the Responsible Minerals Initiative (RMI)—namely, the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). In FY2022, we first held briefings for Group companies in Japan and abroad, and then identified any raw materials that potentially use the minerals of interest. Next, we distributed the templates to suppliers of such materials and collected their responses.

With a target of a 100% collection rate, we received templates from 88% of suppliers in FY2022 and confirmed that they do not use these minerals or if they do, they procure them from refiners that have no problems.

We will continue to encourage suppliers who have not cooperated with the survey to understand the purpose of this initiative and provide their response.

### (4) Education and Training of Employees in Charge of Procurement

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JSR Group educates and trains employees in charge of procurement on the subject of CSR/sustainable procurement and conflict minerals initiatives to make sure we are practicing sound supply chain management.

This includes introductory education to personnel newly assigned to purchasing departments to ensure that they fully understand the JSR Group Purchasing Guidelines. For employees in charge of procurement, we also recommend that they acquire the Japan Management Association-accredited Certified Procurement Professional certification (CPP; a qualification certifying expertise in the purchasing and procurement field) to promote their acquiring of more advanced knowledge. We support them in this endeavor by paying the costs of workshops and examination fees.

### (5) Participation in Initiatives

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JSR Group participates in Global Compact Network Japan's Supply Chain Working Group, where we utilize knowledge obtained through dialogue with stakeholders to strengthen our CSR/sustainable procurement activities. Recently, we have applied this knowledge when formulating the JSR Group CSR/Sustainable Procurement Policy and revising the questions on the questionnaire used to survey business partners.

## 4. Green Procurement and Purchasing

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### (1) Green Procurement of Raw Materials

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JSR aims to manage chemicals throughout the supply chain in order to minimize risks posed to people's health and the environment<sup>\*1</sup>. From the perspective of procuring raw materials, we established green procurement guidelines in 2000 and has practiced green procurement, which is to say, preferentially purchasing goods with minimal environmental impact. In response to the growing industry trend of managing chemicals in the supply chain, JSR Group joined the Joint Article Management Promotion-consortium (JAMP)<sup>\*2</sup> in 2008. We support JAMP MSDSplus and manage chemicals under control. From 2018, we revised our guidelines to comply with chemSHERPA, a new chemical information transfer format established under the leadership of the Ministry of Economy, Trade and Industry. We currently practice green procurement based on the latest list of hazardous substances. We will continue to actively pursue green procurement with an emphasis on information transfer to ensure that there is effective chemical risk management in the supply chain.

\*1 Please refer to "2. Voluntary Initiatives to Systematically Reduce Hazardous Chemicals" for more details about our management of chemicals.

\*2 The Joint Article Management Promotion-consortium (JAMP): JAMP was established as an inter-industry organization in September 2006 to support activities that aim to create and expand specific systems for the proper management of information on chemicals in articles (components, molded goods, and so on) and to facilitate the disclosure and

## (2) Green Purchasing of Office Equipment and Supplies

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JSR defines green purchasing as the purchasing of environmentally friendly office equipment and supplies not directly related to its products or manufacturing. Green purchasing is distinguished from the green procurement of raw materials for products, packaging materials, and manufacturing facilities.

In Japan, the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (commonly referred to as the Green Purchasing Law) was enacted in 2000. Japan's basic policy on the law was announced in 2001, when the law came into effect, and has been revised multiple times since then. Based on the most recent version of this policy, JSR strives to preferentially purchase equipment and supplies with energy-saving features and high recycled content. In FY2022, green purchasing represented 151,856,000 yen out of a total of 161,349,000 yen in purchases at all business sites. This is equivalent to a green purchasing rate of 94%.



# Social Contributions



1. Philosophy ▾

2. Advancement Structure ▾

3. Approaches in FY2022 ▾

## 1. Philosophy

JSR Group established its "Philosophy to Social Contribution" in January 2009. We are currently implementing the initiatives outlined in this philosophy.

### Philosophy on Social Contributions

- 1) Our Corporate Mission dictates that we contribute to society through our business activities. We also actively provide solutions to social requirements and issues as a responsible member of society.
- 2) We are continuously engaged in positive social contribution activities, capitalizing on the chemical and technical knowledge and skills that form the core of JSR business.
- 3) Every employee is a point of contact between the Company and society, and we actively support our employees in their voluntary participation in social contribution activities.

Established in January 2009

In 2010 we also established standards for making donations for disasters in order to stipulate evaluation standards when making donations for natural disasters. This provides greater clarity to standards and allows contributions to be made promptly and fairly.

## 2. Advancement Structure

The JSR Sustainability Planning Committee plans and executes activities that promote JSR Group's standing as a good corporate citizen.

> Sustainability Management and Advancement Structure

## 3. Approaches in FY2022

The following section describes some of our main social contributions for FY2022.

### (1) Young-Generation Education

JSR Group provides support for young-generation development and education opportunities through continued efforts to provide education and internship opportunities to students both in Japan and abroad. We also provide career experience opportunities. As in FY2021, we continued to scale back face-to-face activities to help check the spread of COVID-19.

**Participation in the Human Resources Development Program in Chemistry**



The Human Resources Development Program in Chemistry was created by the Japan Chemical Industry Association (JCIA) in October 2010. It is based on a proposal made in a report prepared in April of the same year by the "Kagaku Bijon Kenkyukai" (chemistry vision study group) of the Ministry of Economy, Trade and Industry. The program informs universities of the chemical industry's human resources needs. The industry then supports the university courses that can meet these needs and their students. The program's purpose is to develop the young people who will serve as the foundation for stronger international competitiveness and industrial promotion in Japan's chemical industry. We use the program to support courses engaged in outstanding initiatives and their students.

### Acceptance of High School Interns

KBI (U.S.) accepts students from Frederick High School in Colorado for six-week internships. Employee volunteers provide the students with practical experience.

### Creation of Educational Opportunities: Participation in Memory Book Bag Donations

Since 2014, with cooperation from JSR Group and JSR Labor Union, has participated in the "School bags (Randoseru) for Children in Afghanistan" drive held by JOICFP, an NGO engaged in international cooperation. Through the event, we donate used school bags to underprivileged children in Afghanistan to assist in their education. The event aims to help give children the knowledge and information they need to keep themselves and their families healthy by attending school and learning to read and write. In 2022, we again donated book bags as well as pencils, notebooks, and other stationery. We will remain involved with this event as a form of social contribution in which individual employees can participate.

> [JOICFP \(external site\)](#) 

### Support for the Non-Profit Organization Supporting Organization for Artists of Tohoku (SOAT)

SOAT is a non-profit organization that carries out support activities for victims of the Great East Japan Earthquake in March 2011 by creating motivation in life through art workshops. JSR agrees with the objective of SOAT's activities and supports these activities.

> [NPO Supporting Organization for Artists of Tohoku \(external site\)](#) 

## (2) Community Contribution

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JSR Group undertakes various activities to build good relationships with local communities and people living nearby. The Group's offices and plants in Japan and abroad continually conduct clean-ups targeting nearby communities, coastlines and rivers, and other areas.

> [Biodiversity Conservation "\(2\) Site-specific Activities"](#)

## (3) Social Welfare and Health

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### Cooperation with Blood Donation Activities

JSR Group has long been an active participant in blood donation activities at both domestic and overseas offices and plants.

### Support for those in Need

JSR Micro N.V. (Belgium) participates in De Warmste Week, a charity event in the Flanders region every year. This is an event supporting various charitable activities in the Flanders region. The money raised this year was donated to those in need.

KBI (U.S.) supports OUR Center, which helps poor households in Colorado. KBI has been a sponsor since 2016 and engages in volunteer activities, such as donating food and preparing and serving meals.

### Toy Donations to Children

Crown Bioscience San Diego Ltd. and Crown Bioscience Inc. in the U.S. worked with the U.S. Marine Corps' annual Toys for Tots drive and donated toys for children.

## Activities to Raise Mental Health Awareness

In May 2023, employee volunteers at Crown Bioscience UK organized and held a bake sale. In addition to raising awareness about the importance of mental health, they sold homemade cakes and sweets and donated the proceeds to MIND, a mental health charity.

## The Table for Two (TFT) Program

JSR Group's Tokyo and Yokkaichi Districts have participated in the TFT program run by the non-profit organization TABLE FOR TWO since February 2010. We donated 12,473 school lunches in 2022.

TFT is an initiative for sharing meals with children in developing countries. When an employee purchases a meal designated by TFT, 20 yen of its price is donated to buy a school meal for a child in a developing country.

## JSR Donations to Help Resolve Global Health Issues

We support activities to prevent illness and donate to the Japan branch of the Médecins Sans Frontières NGO (Doctors Without Borders) programs that provide ongoing treatment for HIV/AIDS and infectious diseases such as cholera and malaria.

## (4) Assistance to Disaster-Stricken Areas

### Support for Earthquake-Stricken Areas in Turkey and Syria

JSR and JSR Group business sites in Japan and overseas donated to help those affected by the earthquake.

JSR Micro N.V. (Belgium) participated in support through a kebab food truck. All money spent by employees was donated to Turkey.



## (5) Support for Social Contribution Activities by Employees

Interested employees actively participate in the social contribution activities carried out by JSR in each region. Activities carried out for communities also help broaden employees' horizons. Employees can take up to five days of paid leave per year as a part of our paid volunteer leave system.

> [ESG Data](#)




# Corporate Governance



It is JSR Group's goal to make steady progress in realizing its corporate mission (Materials Innovation: We create value through materials to enrich society, people and the environment). Corporate governance represents a key issue for this process.

The Group will also continuously strive to create new corporate value through efficient and transparent business management by sustaining sound and healthy business practices, with the hope of becoming an attractive corporation that can earn the trust of and satisfy the interests of all our stakeholders.

Reports detailing our philosophy and operations in corporate governance are available below.

- > [Integrated Report \(JSR Report\)](#) 
- > [JSR's policy, philosophy, governance system, and management system pertaining to corporate governance](#) 
- > [JSR's Corporate Governance Report \(PDF 1,190KB\)](#) 
- > [Corporate Mission and Sustainability Philosophy](#)
- > [Sustainability Management and Advancement Structure](#)

# Compliance



1. Philosophy ▾	2. JSR Group Principles of Corporate Ethics ▾	3. Advancement Structure ▾
4. Corporate Ethics Activities ▾	5. Legal Compliance Measures ▾	6. Protection of Personal Information ▾
7. Initiatives for Bioethics ▾	8. System on the Management and Audit of Public Research Funds and Initiatives to Address Misconduct in Research ▾	

## 1. Philosophy

JSR Group has been endeavoring, by building up and maintaining good relationships with all our stakeholders, to become a trustworthy and indispensable corporate citizen.

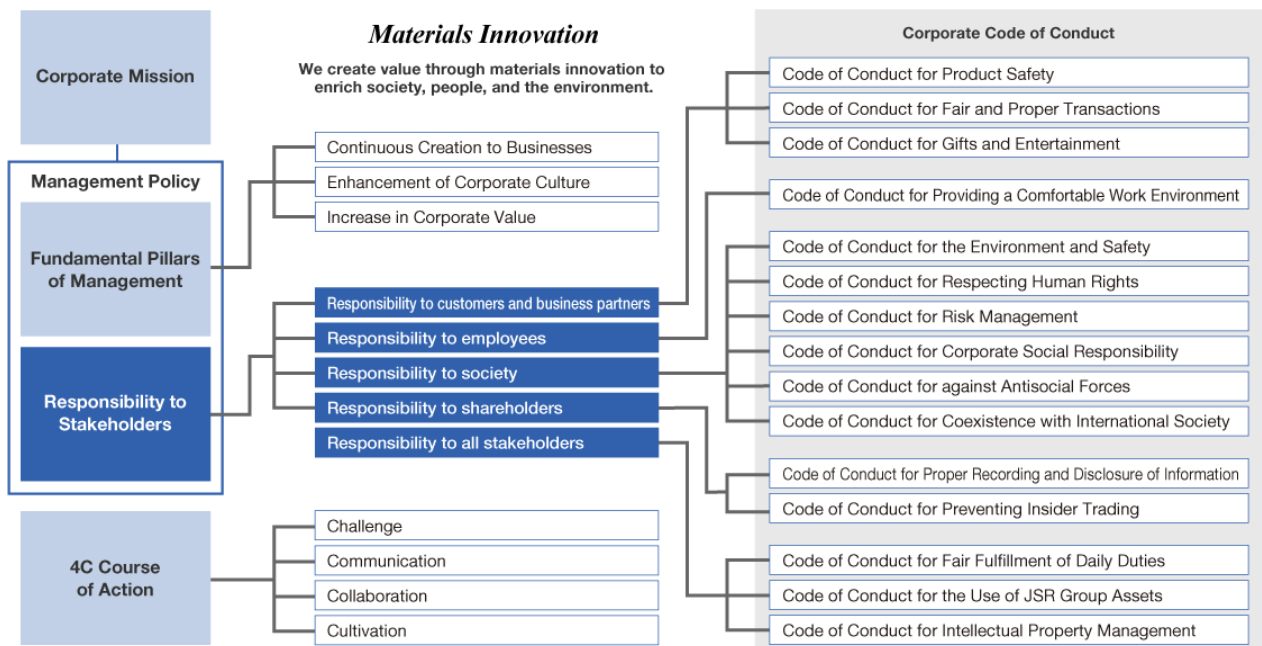
We have been vigorously executing our Code of Conduct in order to fulfill "Our Responsibility to our Stakeholders," an essential part of our Management Policies, as well as to ensure compliance with relevant laws and regulations during the course of our business.

## 2. JSR Group Principles of Corporate Ethics

JSR Group is advancing corporate ethics activities together with all of its Group companies, both in Japan and overseas. To achieve this, we have formulated JSR Group Principles of Corporate Ethics as a concrete and globally-shared guideline that reflects our "Essential Elements".\*

The principles represent a Code of Conduct that all directors and employees (full-time, contract, part-time, and temporary employees as well as employees on short-term contracts) of JSR companies should comply with to develop our corporate activities while fulfilling the management policies spelled out in "Our Responsibility to our Stakeholders." The Group shall never require directors and employees of Group companies to violate this Code of Conduct. Additionally, JSR Group shall not disadvantage any director or employee who refuses to execute an order to violate the Code of Conduct because of that refusal.

\* JSR Group's "Essential Elements": The Essential Elements consist of the Corporate Mission, the Management Policies, and Course of Action: 4C action guidelines.



### 3. Advancement Structure

The Corporate Ethics Committee spearheads compliance activities (corporate ethics activities). The Committee is responsible for monitoring the Group's legal compliance, follow-up, and advancement of respecting human rights.



### 4. Corporate Ethics Activities

JSR Group has been pursuing the following three major corporate ethics activities:

#### (1) Publication and Education of JSR Group Principles of Corporate Ethics

JSR Group formulated JSR Group Principles of Corporate Ethics to serve as a globally-shared Code of Conduct, and we are now working to make these principles known to all. By preparing English, Simplified and Traditional Chinese, Korean and Thai versions in addition to the Japanese version, we are ensuring that directors and employees at all Group companies can access and fully comprehend JSR Group Principles of Corporate Ethics in their native language or in a language in which they are proficient.

Moreover, each year we provide an e-learning program on JSR Group Principles of Corporate Ethics for all employees of JSR Group companies in Japan. We incorporate the themes of confidential information management, prevention of abuse of power, and prevention of data falsification into the program. We also conduct corporate ethics training for each stratum, such as new recruits and newly promoted managers. With regard to harassment education, we conduct management training on bullying and harassment reports and the handling of actual cases for high-ranking and managerial positions.

— **JSR Group Principles of Corporate Ethics (Japanese version: revised on Jan. 1, 2023, version in other languages: revised on Jan. 1, 2021)**

- > Japanese (PDF 3,163KB)
- > English (PDF 1,745KB)
- > Simplified Chinese (PDF 3,142KB)
- > Traditional Chinese (PDF 3,946KB)
- > Korean (PDF 3,038KB)
- > Thai (PDF 3,882KB)

#### (2) Corporate Ethics Awareness Survey

JSR Group works to grasp and improve corporate ethics-related issues by conducting annual surveys on corporate ethics awareness that target the directors and employees of JSR Group companies in Japan and overseas. The results are reported at the Corporate Ethics Committee and then to an Officers Committee. They are subsequently fed back to employees as a post containing a message from the assigned officer summarizing the results and explaining



issues and other matters gleaned from the results. Overseas Group companies also strive to build awareness of corporate ethics and legal compliance among their employees, including their locally hired employees, using methods that are appropriate for the local culture.

### (3) Hotline (Internal Reporting Channels)

JSR Group has introduced a system of internal reporting channels called the Corporate Ethics Hotline. There are three categories of hotlines; namely, an internal hotline operated by the corporate ethics committees of the Company and each Group company, an external hotline operated by an outside law firm or a professional organization, and a business partner hotline. Of these, the external hotline operated by outside professional organizations has staff who speak 16 languages, including Japanese, English, Korean, Chinese, and Thai, making them easily accessible to business offices overseas.

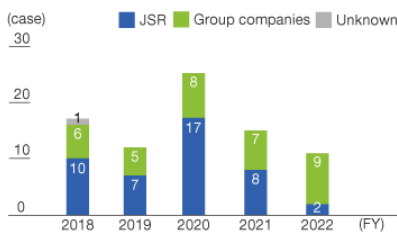
The Corporate Governance Code stipulates that a contact point independent of management should be established as part of developing a whistleblowing system. Accordingly, we have set up the external hotline such that any report that comes through is simultaneously reported to the office of the Corporate Ethics Committee and the standing Audit & Supervisory Board member.

For each report that comes in, the office of the Corporate Ethics Committee in the company concerned requests the relevant department to ascertain the facts. The office then discusses and decides on responses based on the department's findings, implements responses, and later follows up on the results. If the reporter desires feedback, the contact point that initially received the report contacts him/her with the results as well as the responses taken.

We post and display guides for accessing the hotlines on the company intranet and the top page of online internal newsletters to make these hotlines easier to use.

In addition, we also hold yearly meetings between the corporate ethics officers of domestic Group companies and JSR's Corporate Ethics Committee for the purpose of ensuring all Group companies in Japan are on the same page and tackling ethics-related issues.

**State of Use of JSR Group's Hotline (Number of Reports)**



**Internal Report Flow**



Eleven reports were received during FY2022. Of them, six involved abuse of power. We addressed each report in an appropriate manner.

#### JSR Group Business Partner Hotline

In Japan, the revised Whistleblower Protection Act came into effect in June 2022. In light of this, we have expanded the supplier hotline for purchasing partners to make reports to the JSR Group Business Partner Hotline for whistleblowing use by a wider scope of business partners of the Group, not limited to purchasing partners.

The JSR Group Business Partner Hotline receives reports from business partners to quickly discover and resolve violations of the law as well as actual and possible violations of corporate ethics in business transactions. Hotline services are entrusted to the same outside organization employed for the employees' hotline. Efforts are being made toward improving reliability, by thoroughly enforcing strict secrecy of reports and prohibiting handling of reports that would be disadvantageous to those reporting.

In FY2022, there were zero reports made to the JSR Group Business Partner Hotline.

## 5. Legal Compliance Measures

Every JSR Group member defines legal compliance regulations that form the basis of its legal compliance. Each company then uses the regulations to solidify its compliance through regular review and improvement as well as legal training to increase awareness of laws and regulations and instill commitment to compliance. JSR Group establishes specific systems and executes other priority approaches to ensure compliance with laws and regulations that are particularly relevant to the execution of business.

## 1) Approach to Preventing Bribery and Unfair Competition

JSR Group has formulated "Policy for Bribery Prevention," "Rules on Complying with Anti-Corruption Laws" and "Standards for Gift-Giving and Entertaining" that specify necessary items for all executives and employees to comply with the Unfair Competition Prevention Act in Japan, Foreign Corrupt Practices Act in the U.S., Bribery Act in the U.K. and other anti-corruption laws when performing their tasks.

In addition, JSR has also formulated "Rules on Antimonopoly Law" (Japan), "Rules on Complying with U.S. Antitrust Laws," "Rules on Complying with the EU's Antitrust Laws" and "Rules on Complying with Korean Fair Trade Laws" that specify items necessary for complying with each country's antimonopoly (antitrust) laws.

With regard to due diligence of third parties, such as an important proxy, in preventing bribery, JSR has specified "Due Diligence Guideline for Proxies, etc." In line with this, JSR strives to reduce the risk of bribery by conducting surveys through self-checks and external databases.

> JSR "Policy for Bribery Prevention" (PDF 33KB) 

### Participation in Global Incentives

JSR participates in the Corruption Prevention subcommittee of the Global Compact Network Japan (GCNJ), a local network for the UN's "Global Compact." In this subcommittee, various activities are carried out, such as lectures with invited experts, exchange of information related to measures for preventing corruption among participating companies, etc. Through these activities, JSR explores, examines and implements effective and ideal corruption prevention measures that are suitable for JSR Group.

Corruption prevention measures have a strong compliance system advancement aspect of complying with relevant laws of each country. At the same time, the foundation of such measures is closely linked to global social issues related to human rights, labor and the environment. In addition to continuing to implement effective corruption prevention measures, JSR searches for ideal forms of such measures.

In October 2020, JSR Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures. For details of our response to these recommendations, please see below.

> Response to the TCFD Recommendations

## 2) Approach to Taxes (Philosophy)

JSR Group understands that carrying out appropriate tax payments and tax management that follows relevant laws and regulations of each country fulfills an important role in the economic and social development of each country and is linked to supporting and earning the trust of all stakeholders.

JSR Group is engaged in taxes by supporting the following philosophy as provided by the Chief Financial Officer (CFO).

"JSR Group will comply with the taxation laws of each country in which it does business, including regarding transfer pricing and tax havens."

### (1) Reviewing and Improving Legal Compliance

Based on legal compliance regulations, JSR Group designates laws and regulations that are important in the execution of business as Overall Significant Laws and Legal Regulations. Each year, the Group regularly verifies its compliance by self-checking whether the business operations of all Group companies conform with the Overall Significant Laws and Legal Regulations. The regular sharing of information on cases of non-compliance within JSR Group is useful in preventing legal violations and quickly detecting and improving non-compliant situations. It also helps improve awareness of compliance. In FY2022, no serious legal violations were found during the compliance confirmation process.

### (2) Training and Increasing Awareness

#### Compliance Handbook

The Group is thoroughly publicizing important points that demand legal compliance among employees in Japan, South Korea, and China by issuing Japanese, Korean, and Chinese versions of JSR's Compliance Handbook. The Chinese and Korean versions are issued to not only Group companies in China and Korea but also JSR departments and Group companies that sell products, supply samples, or otherwise engage in business dealings with Chinese and Korean enterprises. Through it, we are working to ensure thorough understanding and practice of legal compliance in China and Korea.

Following the revision of the Japanese version of Compliance Handbook in April 2022, we revised and redistributed the Compliance Handbook in Chinese and Korean in October 2022 based on revisions to related laws.



Compliance Handbook

## Seminars and E-Learning

We hold periodic seminars and provide e-learning programs for directors and employees of all JSR Group companies as part of legal education to ensure full organizational knowledge of laws demanding compliance along with related company policies and rules. The main seminars held in FY2022 were as follows.

- June 2022: Seminar on anti-corruption
- September 2022: e-learning on Anti-Monopoly Act, Anti-Corruption Law, And Security Trade Control
- December 2022: e-learning on insider trading prevention
- February 2023: Seminar on Anti-monopoly Act of Japan
- March 2023: Export Control seminar

We also provide e-learning on corporate ethics.

In addition to the above, we provide legal education that has been customized to meet the requirements of individual departments and Group companies. This includes individualized education for employees being sent to new assignments (training on anti-trust laws, anticorruption laws, etc.).

## 6. Protection of Personal Information

JSR Group recognizes the importance of protecting personal information under the circumstances of highly advanced information and communication technologies. We have therefore formulated a Privacy Policy and Rules for Handling Personal Information that sets out our approach to the acquisition, use, and management of personal information based on the Act on the Protection of Personal Information in Japan. At the same time, we have established Rules for Handling Specific Personal Information in response to the introduction of Japan's Individual Number system.

Within these rules, in accordance with relevant laws and our privacy policy, we ensure appropriate handling of specific personal information by defining precautions and security standards necessary to ensure the proper use and protection of this information at each of the stages of acquisition, storage, use, provision, disclosure, correction, suspension of use, and deletion.

Furthermore, for Group companies that handle personal data covered by the EU's General Data Protection Regulation (GDPR), we are providing support for the development and operation of a GDPR compliance system to be applied to the acquisition, processing, and transfer of covered personal data.

## 7. Initiatives for Bioethics

### (1) Initiatives for Medical and Biological Research Involving Human Subjects

JSR Group conducts life science and medical research on human subjects mainly as it relates to the Life Sciences Business. This research fully complies with the laws and regulations of each country where it takes place.

JSR and Medical & Biological Laboratories Co., Ltd. (MBL) are both subject to the Ethical Guidelines for Medical and Biological Research Involving Human Subjects, co-developed by the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, and the Ministry of Economy, Trade and Industry. Both companies have established internal rules required under these guidelines along with an Ethics Review Committee comprised of internal and external members in order to screen research from ethical and social perspectives. Applicable research is carried out following the research plan deliberated on and approved by this committee. Furthermore, we provide training on bioethics to employees involved in this research to ensure they follow proper research practices.

The member register, regulations, and summary of meeting minutes of each companies' Ethics Review Committee is recorded in the Research Ethics Review Committee Reporting System (Japanese only) of the Ministry of Health, Labour and Welfare.

> [Research Ethics Review Committee Reporting System \(Japanese only\)](#) 

### (2) Ethical Considerations for Animal Testing

Animal testing compliant with laws and regulations is necessary during the development process for chemicals, pharmaceuticals, and medical materials to confirm their safety and efficacy on humans. JSR Group conducts appropriate animal testing compliant with the laws and regulations of each country as part of the process to support the development of pharmaceuticals. Each JSR Group company has established internal rules compliant with these laws and regulations and set up an Animal Testing Committee. These committees administer animal testing appropriately based on rigorous screening from the perspectives of science, animal ethics and animal welfare, including the 3Rs of Replacement, Reduction and Refinement. Additionally, we conduct self-

inspections and evaluations of our animal testing at least once a year to ensure compliance with all relevant laws, regulations and guidelines. Furthermore, JSR Group is working to develop technologies that enable alternatives to animal testing.

Moreover, Group company Crown Bioscience International has obtained certification for its sites in the United States and China from AAALAC International, a third-party assessment institution that promotes the humane treatment of animals in science.

### (3) Handling of Genetically Modified Organisms

JSR Group uses genetically modified organisms, adult stem cells, and human-derived samples to engage in contract drug development and manufacturing operations and research on diagnostic agents. JSR Group handles these samples and related applied technologies following the laws and regulations of each country, while also giving consideration to ethical standards.

## 8. System on the Management and Audit of Public Research Funds and Initiatives to Address Misconduct in Research

JSR has established a management accountability structure based upon the Guidelines on the Management and Audit of Public Research Funds at Research Institutions established by the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Health, Labour and Welfare, as well as the Guidelines for Responding to Misuse of Public Research Funds and the Guidelines for Responding to Misconduct in Research established by the Ministry of Economy, Trade and Industry. JSR has also put into place a whistleblowing desk for reports regarding the management and audit of public research funds. Under the following structure, we properly manage and administer public research funds, prevent misconduct by researchers, and engage in fair research activities.

#### Management Accountability Structure

Chief Management Officer	Chief Technology Officer
General Management Officer	General Manager, Research Planning Department II
Compliance Promotion Officer Research Ethics Education Officer	Head of the organization implementing research and development using public research funds

#### Whistleblowing Desk

JSR Corporation  
Corporate Ethics Committee Office  
22F, Shiodome Sumitomo Building  
1-9-2 Higashi Shimbashi, Minato-ku, Tokyo 105-8640

In addition, Group company Medical & Biological Laboratories Co., Ltd. (MBL) has also established a system on the management and audit of public research funds, along with a consultation desk and a whistleblowing desk.

# Risk Management



1. Philosophy ▾

2. Risk Management System ▾

3. Risk Management Measures ▾

4. Information Security Measures ▾

## 1. Philosophy

JSR Group believes that preventing major crises from occurring and minimizing their impacts on business activities is a key part of management. In response to these issues, the Group has formulated Risk Management Policies and established a Risk Management Committee through which it actively pursues risk management activities.


> [Basic Views and Policies Related to JSR's Corporate Governance](#)

## 2. Risk Management System

JSR Group has established a Risk Management Committee under the Sustainability Promotion Committee. We have put into place a system whereby the Risk Management Committee comprehensively manages important risks that have materialized or could potentially materialize within the Group.

The Risk Management Committee advances the Group's risk management by taking the lead in identifying important risks and supporting the formulation of policies for responding to such risks and the planning and execution of risk management plans by related committees or departments in charge. For important risks that were identified, the progress of countermeasures is reported to the Sustainability Promotion Committee and the Board of Directors.

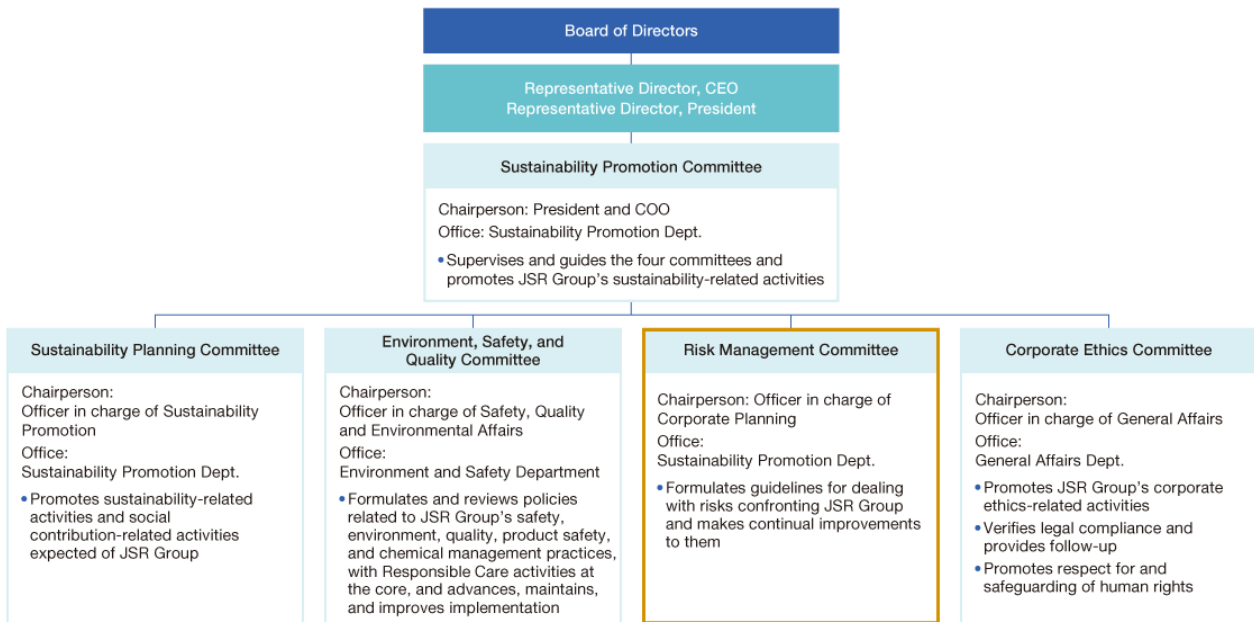
We manage risks related to the individual capital investments of each business, strategic investments such as M&A, and business plans through deliberations and decisions made by the Board of Directors and other committees. Please click on the following link for the roles of each committee and other details.

> [JSR's Corporate Governance Report \(PDF 893KB\)](#) 

For risks related to business operations, we engage in risk management centered on the Risk Management Committee in accordance with Risk Management Policies.

The risk management system forms part of the Group's internal control system. The status of the internal control system's execution is reported regularly to the Board of Directors. JSR's Corporate Audit Department continuously verifies and evaluates the preservation and operation of internal control for the entire JSR Group as required by the Companies Act and Financial Instruments and Exchange Act. It also ensures that risk in existing business does not exceed permissible levels. Furthermore, the department additionally strives to maintain and strengthen internal control levels for the entire Group and conducts internal audits to ensure the appropriate and efficient execution of operations.





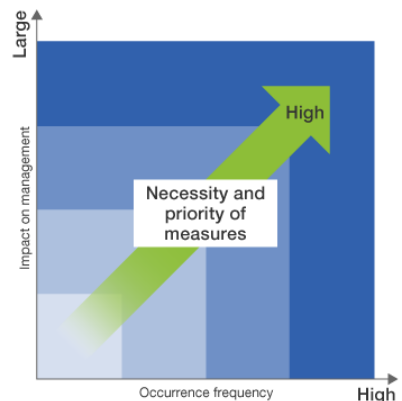
### 3. Risk Management Measures

#### (1) Identifying Risks and Selecting Important Risks

Under the initiative of the Risk Management Committee, each division of JSR Group companies in and outside of Japan identifies risks on a regular basis. In addition, management holistically understands risks related to management strategy and the foundation of business continuity.

Utilizing a risk map that represents level of business impact and frequency of occurrence, we identify risks that could have a significant impact on business continuity and organize them into JSR Group Risk Factors. We build and maintain a system for prevention of latent risks and crisis preparedness by having senior management monitor and regularly review important risks.

Conceptual diagram of risk map



Click on the following link for information on the risks that could impact on JSR Group's business performance, financial standing, cash flow, etc.

> [JSR Group Business and Other Risks \(PDF: 343KB\)](#)

#### (2) BCM (Business Continuity Management)

##### 1) Formulation and Operation of BCM Procedures

JSR has formulated BCM procedures that summarize the BCM/BCP\* systems in place for both peacetime and emergency situations. In addition to defining the BCM organization and the actual BCP, which includes stipulations on target recovery times, and BCP activation and cancellation standards, these procedures also set out the organizational structure that takes effect during activations of the BCP, and corresponding priority businesses and operations.

Moreover, we maintain a stable supply of funds on hand to allow us to manage our businesses flexibly if a major risk arises. We also acquire issuer ratings and commercial paper ratings from rating agencies each year. JSR's ratings are available on rating agencies' websites as well as the JSR website.

\* BCM: Business Continuity Management/BCP: Business Continuity Plan

A BCP defines activities to be conducted in anticipation of emergencies that could threaten a company's survival (such as a large-scale natural disaster, explosion/fire, or terrorist attack), judgment criteria and action guidelines that enable business continuity in the event of such emergencies, and other matters necessary for ensuring the continuity and early restoration of important businesses. BCM is a management system that operates and continuously improves the BCP through the PDCA (plan-do-check-act) cycle.

> [Basic Stock Information](#)

## 2) Major Earthquake Preparations

JSR Group adopted a mid-term business plan in FY1995 concerning preparations for a major earthquake and has been conducting systematic activities to enhance those preparations. After FY2006, we began a seismic retrofitting project focused on high-pressure gas facilities in our plants, and installed an earthquake early-warning system at all JSR business sites. Following the Great East Japan Earthquake, we systematically reinforced the aseismic capabilities of our buildings and implemented safety measures that include tsunami countermeasures. In FY2020, we completed work on these initiatives.

> Occupational Safety, Security and Accident Prevention

## (3) Enhancement of Initial Response to Emergencies

### 1) Crisis Management Training

Once a year since 2004, JSR holds crisis management training with the participation of "headquarters for accident and crisis control" members. In FY2022, we conducted crisis management drills based on the scenario that a Tonankai Earthquake (a large-scale earthquake with an epicenter in the Nankai Trough off the coast of the Enshu Sea and Kumano Sea) occurred and the Yokkaichi Plant, our main plant, suffered damages.

Approximately 50 people, including the President who leads the head office's headquarters for accident and crisis control, participated in the drill and confirmed the actions that the head office should take, such as gathering information and determining response policies, in response to fires, injuries, and other possible events on the day of a disaster.

By conducting drills that anticipate a variety of potential disasters, we will continue to make the preparations needed to ensure safety, control damage, maintain business continuity.

### 2) Disaster Management Training at Each Plant and Laboratory

JSR Group conducts disaster management, evacuation, and notification training and drills on a regular basis. FY2022 was no exception. While implementing measures to combat COVID-19 infections, we held drills that simulate disasters at each of our business bases. We will continue working to minimize the impacts of emergencies and improve our ability to ensure business continuity.

### 3) Safety Confirmation System

In FY2009, JSR introduced a safety verification system that uses employees' mobile phones and smartphones. The system can promptly ascertain the safety of employees in the event of a large-scale earthquake or other disasters. In FY2011, we began expanding the system's coverage to include domestic Group companies and the families of JSR employees.

Training using this system is conducted regularly, and JSR is prepared for large-scale and wide-area disasters.

### 4) Infection Preparedness

We stockpile masks in preparation for an epidemic of influenza or another infectious disease. In addition, before the influenza season, we invite doctors and nurses to JSR's head office and Yokkaichi Plant to provide influenza vaccinations to employees who request one.

Following the spread of the COVID-19 pandemic since FY2020, we continue to maintain our Code of Conduct, enforce the wearing of masks and other protective equipment, implement regulations on outside visitors, share information with our employees around the world, and carry out such measures at each base as working from home in order to sustain the Group's main manufacturing, research and development bases in Japan, Asia and Europe and the United States.

Although the COVID-19 pandemic is gradually easing, we will continue striving to maintain the operation of each of the Group's business sites in light of the situation in each country and region.

### 5) Responses to Legal Risks and Compliance Risks

Click on the following link for information on our responses to legal risks and compliance risks.

> Compliance

### Response to the Situation in Ukraine

In response to the sanctions and stronger regulations in other countries associated with Russia's invasion of Ukraine, in FY2022, we confirmed impacts on customers and on the supply chain in the form of the Group's raw materials procurement and transportation in Japan, Asia, Europe and North America. We also provided support to employees stationed in Europe and their families, increased awareness of cyberattacks among employees, and implemented other measures such as training provided by the HQ response team.

Going forward, we will work on crisis management and business continuity by centrally managing information and taking appropriate actions while respecting the unique culture and autonomy of our bases around the world.

## 4. Information Security Measures

JSR Group endeavors to manage information in an appropriate and secure manner by establishing Information Security Policy and by thoroughly disseminating the policy to its employees.

### Information Security Policy

- JSR Group, by complying with laws and regulations and by observing other social norms relating to the handling of information, will protect information that belong to JSR Group, its customers, business partners and other third parties.
- JSR Group will strive to develop and actively use its information assets for the efficient execution of its business. Officers and employees will only use these information assets for the purposes of their work and within the scope of their authority.
- JSR Group will improve organizations and systems, provide education on information security, thoroughly disseminate this policy and related regulations, and implement measures to ensure information security.
- JSR Group will implement appropriate human, organizational, and technological measures and work to prevent unauthorized access to information assets from outside the company, as well as leaks, falsification, loss, theft and destruction of information assets.
- If an information security-related problem occurs, JSR Group will promptly identify the cause and take measures to minimize damage and prevent recurrences.
- JSR Group will periodically assess and review its information security measures to respond appropriately to changes in external environments.

Established January 2006

Having established an Information Security Policy, JSR Group is working on the appropriate management of information by making this policy known to all employees. In August 2019, we established the Cybersecurity Management Office as the department in charge. We are working alongside outside experts on information security management including Group companies, employee training and education, and strengthening our response capabilities to cyberattacks or other incidents.

In FY2014, we published the Information Security Handbook so as to further increase employee sensitivity toward information leakage risks and to ensure their actions are in compliance with company rules at all times. We make employees aware of this handbook through our company intranet, e-learning, and workplace discussions.

In FY2022, using a ransomware attack as a scenario, we conducted a cyberattack response drill targeting members of HQ emergency response team, including the President.



Information Security Handbook

# Communication with Stakeholders



1. Philosophy ▾

2. Examples of Communication with Stakeholders ▾

## 1. Philosophy

JSR Group understands that fulfilling its responsibility to stakeholders will lead to a sustainable corporate organization, establishment of resilient systems, and value creation for stakeholders.


In our management policy, JSR Group specifies "Responsibilities toward Stakeholders," which expresses our responsibilities as a member of society. We are promoting approaches that contribute to all stakeholders, including customers/business partners, employees, society/environment and shareholders.

As a concrete guideline for fulfilling our responsibilities to stakeholders that is common throughout our global sites, we have established the JSR Group Principles of Corporate Ethics. Each employee is making approaches toward resolving challenges while valuing bi-directional dialogues with stakeholders, based on shared, fundamental values such as a corporate philosophy, management policy, behavioral guideline, etc.

> [The JSR Group's Essential Elements](#)

## 2. Examples of Communication with Stakeholders

Stakeholder	JSR Group's Responsibility	Main Methods / Opportunities for Dialogue
Customers / Business Partners	<ul style="list-style-type: none"> <li>Never cease to challenge changes and evolve, to support the diverse material needs of the ever-changing times.</li> <li>Aim for sustainable improvement of customer satisfaction.</li> <li>Approach all business partners with sincerity, and always continue maintaining fair and equitable business relations.</li> <li>Continue considering the environment and society in supply chains.</li> </ul>	<p><b>Customers</b></p> <ul style="list-style-type: none"> <li>Providing information through SDS (safety data sheet), website, etc.</li> <li>Quality Assurance Support</li> <li>Implementation of customer satisfaction surveys</li> <li>Support of CSR surveys from customers</li> <li>Received letter of appreciation from the Ministry of Health, Labour and Welfare for MBL's efforts to boost production of COVID-19 antigen test kits</li> </ul> <p><b>Business Partners</b></p> <ul style="list-style-type: none"> <li>Communication through purchasing activities such as Partner Awards</li> <li>Support of CSR surveys from business partners</li> <li>Distribution of JSR Group Human Rights Policy and CSR Procurement Policy</li> <li>Supplier hotline</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Evaluate each employee based on fair standards.</li> <li>Provide opportunities for employees to constantly challenge themselves.</li> <li>Continue providing opportunities for employees to mutually recognize each others' personalities and diversity, and to flourish together.</li> </ul>	<ul style="list-style-type: none"> <li>Labor-Management council</li> <li>Work interviews/Self-declaration</li> <li>Commendation system</li> <li>Employee awareness survey and employee engagement survey</li> <li>Various training programs (stratified education, technical training, etc.)</li> <li>Activities to promote sustainability and DE&amp;I</li> </ul> <p>&gt; For details about our health and productivity management initiatives, <a href="#">click here</a>.</p>

Stakeholder	JSR Group's Responsibility	Main Methods / Opportunities for Dialogue
		<ul style="list-style-type: none"> <li>&gt; For details about work-life management at JSR Group, <a href="#">click here</a>.</li> <li>&gt; For details about our human resources management, <a href="#">click here</a>.</li> <li>&gt; For details about our diversity, equity and inclusion initiatives, <a href="#">click here</a>.</li> </ul>
Local / Society	<ul style="list-style-type: none"> <li>■ As a responsible member of local society, continue carrying out business activities that take the environment and safety into consideration (responsible care).</li> <li>■ Continue providing environment-conscious products that support the needs for global environmental conservation, including reduction of local environmental burdens.</li> <li>■ Make efforts to reduce environmental burdens that are generated from the product lifecycle as a whole, and continue making considerations to the environment and safety.</li> <li>■ Continue actively contributing to the preservation of biodiversity through business activities.</li> </ul>	<ul style="list-style-type: none"> <li>■ Community engagement sessions and plant tours</li> <li>■ Volunteer activities in the community</li> <li>■ Increased ratio of eco-friendly products</li> <li>■ Promotion of environmental conservation activities</li> <li>■ Utilization of green spaces at our plants/research centers</li> <li>&gt; For details about our social contribution activities, <a href="#">click here</a>.</li> </ul>
Shareholders / Investors	<ul style="list-style-type: none"> <li>■ Create business opportunities through materials and aim to expand corporate value.</li> <li>■ Constantly improve management efficiency.</li> <li>■ Become a company that is trusted by shareholders, through highly-transparent and robust corporate management.</li> </ul>	<ul style="list-style-type: none"> <li>■ <a href="#">General Meeting of Shareholders</a></li> <li>■ <a href="#">Corporate strategy meeting, financial results briefing, individual meetings with investors and analysts</a></li> <li>■ <a href="#">Publication of JSR Report (Integrated Report)</a></li> <li>■ <a href="#">Provision of information through websites</a></li> <li>&gt; <a href="#">Corporate Governance Report</a> (PDF : 1.19MB) </li> </ul>

# JSR Group's Responsible Care



JSR Group promotes Responsible Care (RC) activities according to a detailed action plan following its corporate mission, management policies and Responsible Care Policy. As a chemical manufacturer with close roots in local communities, we strive to ensure environmental protection and safety in an effort to co-exist with our various stakeholders. Below, we provide an update on our detailed RC activities for FY2022.

## — Management System

- > Responsible Care Management

## — Environmental Conservation

- > Overview of Environmental Initiatives and Environmental Impact
- > Climate Change Mitigation
- > Conservation of Water Resources
- > Waste Reduction
- > Biodiversity Conservation
- > Initiatives to Prevent Pollution
- > Environmental Accounting

## — Occupational Safety, Security and Accident Prevention

## — Logistics

## — Chemical and Product Safety

- > Chemical Management
- > Product Safety

## — Communication with Society

- > Communication with Stakeholders

### What is RC?

RC is an acronym for Responsible Care<sup>®</sup>. In the chemical industry, each company handling chemical substances is responsible for ensuring that safety, health, and environmental issues are addressed throughout the chemical lifecycle, from development and production to distribution, use, as well as end-of-life disposal and recycling, publishing the results of their activities and maintaining dialogue and communication with society - all voluntarily. This initiative is called "Responsible Care."

Started in Canada in 1985, Responsible Care is practiced in the chemical industries of 62 countries and regions of the world (as of 2017). It has attracted considerable international attention as a unique initiative unseen in other industries, and is even encouraged in an action plan (Agenda 21) for implementation by countries and related international organizations to achieve sustainable development in the 21st century that was adopted at the "Earth Summit" (United Nations Conference on Environment and Development) held in Rio de Janeiro, Brazil in June 1992.

- > [Japan Chemical Industry Association Website What Is Responsible Care?](#) 





# Responsible Care Management



1. Responsible Care Policy	2. RC Advancement Structure	3. Environment and Safety Management	4. Stakeholder Engagement	5. Disclosure of Legal and Regulatory Violations
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## 1. Responsible Care Policy

### (1) 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.

> [What is Responsible Care® \(RC\) according to the Japan Chemical Industry Association website](#)

### (2) International Initiatives

#### JSR Signs Declaration Supporting RC Global Charter

The Responsible Care (RC) Global Charter is a voluntary activity policy adopted by the International Council of Chemical Associations (ICCA) and shared by the chemical industry to enhance and reinforce RC activities around the world.

JSR subscribes to this activity policy, and has signed a declaration supporting the RC Global Charter in October 2008. JSR has also signed the revised RC Global Charter in March 2015. By signing this declaration, JSR has committed itself to making even greater contributions to health, safety, and environmental preservation not just in Japan, but around the world.



Declaration of support for RC Global Charter

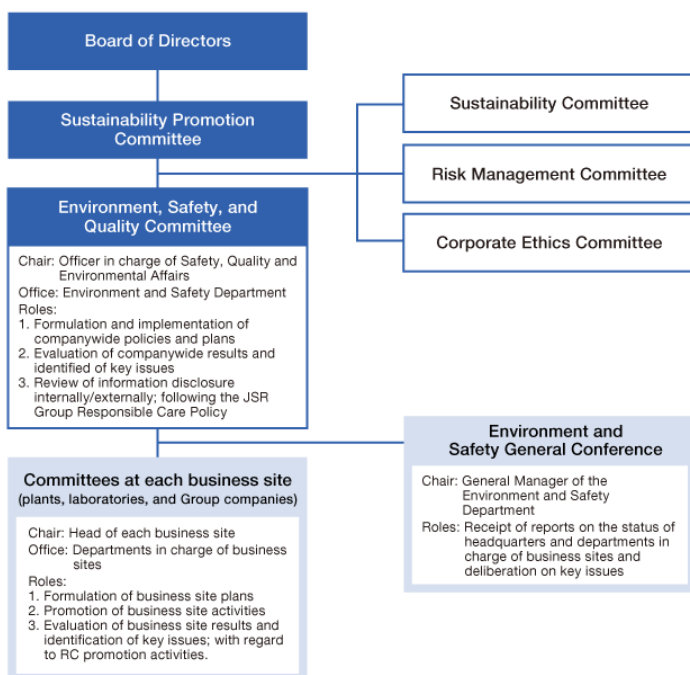
## 2. RC Advancement Structure

Led by the officer in charge of safety, quality and environmental affairs, the Environment, Safety and Quality Committee meets twice a year. During meetings, the Committee formulates companywide activity policies and action plans based on JSR Group's Responsible Care Policy, evaluates the results of activities, and deliberates on information disclosures. Contents deliberated on and approved by the Committee are presented to the Sustainability Promotion

Committee, of which the President serves as the chairperson, for review. Committee members are in charge of promoting RC activities they are in charge of, through establishment of necessary standards and establishment and holding of various meetings and committees.

With regard to matters related to safety, the environment, and chemical management, the Environment and Safety General Conference, chaired by the General Manager of the Environment and Safety Department at JSR headquarters, meets once a year to share policies, activity results, and action plans with the heads of each business site of JSR and Group companies in Japan in attendance. In promoting specific initiatives, we have established various meetings and committees to act in accordance with the plan.

#### Advancement Structure Diagram



> Details of the Sustainability Promotion Committee and Four Committees (Sustainability Management and Advancement Structure)

## 3. Environment and Safety Management

### (1) Compliance

When environmental and safety laws are adopted, enacted, or amended, the Headquarter distributes information to each business site to keep them fully informed. JSR Group identifies laws and regulations requiring compliance based on compliance regulations and conducts annual self-checks to ensure that business departments conform with laws and regulations.

> 5. Disclosure of Legal and Regulatory Violations

### (2) Environmental Management System

By 1999, the three main domestic JSR plants had acquired ISO 14001 certification, an Environment Management System that supports environmental management. We have kept our certifications up to date each year since.

Following the transfer of the Elastomers Business in April 2022, JSR's lone manufacturing site is the Yokkaichi Plant. This plant renewed its certification in February 2022.

JSR Group companies, mainly manufacturing companies, have also obtained ISO 14001 certification, and are promoting environmental conservation activities using a management system that complies with this standard.

#### ISO 14001 Certification (Manufacturing Bases)

(As of March 31, 2023)

JSR (1 location)	Domestic Group companies (5 companies)	Overseas Group companies (5 companies)
Yokkaichi Plant	Emulsion Technology, Co., Ltd. Techno-UMG Co., Ltd. Japan Coloring Co., Ltd.	JSR Micro N.V. EUV Resist Manufacturing & Qualification Center N.V. JSR Micro, Inc.

JSR (1 location)	Domestic Group companies (5 companies)	Overseas Group companies (5 companies)
	UBE JYUSHIKAKOU, LTD. JSR Micro Kyushu Co., Ltd.	JSR Micro Korea Co., Ltd. JSR Micro (Changshu) Co., Ltd.

### (3) Safety Management System

JSR Group strives to minimize risks effectively and efficiently in occupational safety, security and accident prevention by steadily operating the PDCA cycle based on a management system configured according to the circumstances of each business site and company.

To verify the effectiveness of this management system, each business site takes the lead in carrying out internal safety audits and patrols along with management reviews regularly every year in an effort to achieve continuous improvement. We have also compiled a manual that describes appropriate and effective actions should an accident or disaster occur and ways to prevent damages from escalating. With regular training, we have established a system that can take the proper course of action in the event of a contingency occurring.

The following Group companies had obtained ISO 45001 certification, a certification which they have kept up to date.

- JSR Micro Kyushu Corporation
- Ube Plant of Techno-UMG Co., Ltd.
- JSR Micro N.V.
- JSR Micro, Inc.

### (4) Audits

#### Headquarters Environment and Safety Audits

The auditing team comprising members from the Environment and Safety Department of the JSR headquarters conducts annual Headquarters Environment and Safety Audits on JSR Group's plants and laboratories. In these audits, the effectiveness of the management system in each department is verified based on the results of interviews on the status of safety, health, security and accident prevention, environmental conservation, and chemical management of the audited department following the audit plan and check sheet, as well as objective facts (evidence, on-site inspections, etc.).

These audits are also used as a forum for sharing and discussing issues faced by audited departments, and the Group is working as a whole to resolve issues in environmental and safety activities.

In the verification of system effectiveness, we not only point out and provide guidance on areas for improvement, but also highlight strengths. The results are shared with each business site and company as necessary to help increase the safety level of the entire Group.

In audits conducted at JSR, since FY2015, we have been providing opportunities for dialogue between top management and employees to share the thoughts of both management and frontline operations, and to energize environmental and safety activities.

Details of environment and safety audits can be found using the link below.

➤ Occupational Safety, Security and Accident Prevention "3. Activity Record: Security and Accident Prevention (3) RBPS-based Safety Audits"

#### Scope of Headquarters Environment and Safety Audits in 2022

JSR Corporation (3 business sites)	Domestic Group companies (7 companies)
Yokkaichi plant and laboratory Tsukuba laboratory and business site JSR Bioscience and informatics R&D center	Medical & Biological Laboratory (Ina Laboratory and Tsukuba Laboratory) Emulsion Technology Co., Ltd. JSR Micro Kyushu Corporation JSR Life Sciences, LLC JSR ARTON Manufacturing Co., Ltd. Yokkaichi Plant of Techno-UMG Co., Ltd. JAPAN COLORING CO., LTD.

### (5) Environment and Safety Merit Award

#### Environment Merit Award

At JSR, to further encourage environmental protection activities, we created the Environment Merit Award for employees who have made important contributions to environmental protection through a range of activities that include environmental product and technology development, environmental impact reduction, and assisting local communities with environment-related issues. Six employees received this award for two areas of excellence in FY2022.

Business site	Description
JSR BiRD	Reduction of CO <sub>2</sub> emissions from the development of operating conditions for heat pump chillers using geothermal heat
Yokkaichi Plant	Streamlining and expanding industrial waste sorting with the development of a waste search system

### Safety Forum

No results for FY2022 as the Forum was cancelled.

## 4. Stakeholder Engagement

As a responsible member of the local community, JSR Group participates in the Responsible Care Community Dialogue and exchanges opinions with local residents on safety management and the handling of chemical substances.

In FY2022, we participated in the 8th Responsible Care Yokkaichi District Dialogue Meeting held in October 2022.

> [Communication with Stakeholders](#)

## 5. Disclosure of Legal and Regulatory Violations

In FY2022, there were no legal violations by JSR with regard to laws on the environment, safety, quality, product safety and chemicals.

We continue to implement measures to prevent recurrences of past incidents and we strive toward prevention by regularly sharing case studies in legal and regulatory violations including those involving other companies.

# Editorial Policy



1. Editing Concept ▾	2. Positioning of Sustainability Site ▾	3. Referenced Guidelines ▾	4. Reporting Period, Reporting Frequency and Contact Points ▾	5. Reporting Boundary ▾
6. Independent Review ▾	7. Major Organizations and Initiatives We Take Part In ▾	8. Definitions of Terms, Notations ▾		

## 1. Editing Concept

### Where JSR Aims to Go

Under the corporate mission of “Materials Innovation - We create value through materials to enrich society, people and the environment,” JSR Group aims to build and maintain good relations with all of our stakeholders and become a trusted and indispensable corporate citizen. To this end, the Group will contribute to the realization of a sustainable global environment and society by creating value through its corporate activity and based on this corporate mission.

### Progress Report on Sustainability KPIs

Beginning in FY2022, JSR Group started disclosing our sustainability KPIs (“KPIs”) on our sustainability website. We chose to do this to help our stakeholders understand the initiatives we are taking to solve sustainability issues and the progress we are making. This report covers the progress made in FY2022. Furthermore, we will continue to review our KPIs and targets as needed based on companywide policies, business strategy and world trends.

### About this Website

The transfer of the Elastomers Business was completed as planned on April 1, 2022. This made FY2022 the first year of a new JSR built primarily around the Digital Solutions Business and Life Sciences Business. This report contains more information about not only JSR’s initiatives on a non-consolidated basis, but also those of its overseas Group companies.

We expanded and added messages from employees to the feature first began in 2022, entitled “JSR Sustainability at a Glance,” that describes JSR Group’s sustainability initiatives simply for stakeholders, students, and general readers.

At the Board of Directors Meeting held on June 26, 2023, a unanimous resolution was passed in support of the tender offer made by JICC-02 Co., Ltd. and to encourage shareholders, holders of stock acquisition rights and American depositary receipts to accept the tender offer made by JICC-02 Corporation.

JSR will become unlisted upon the completion of the tender offer, but information dissemination on this website will continue unchanged.

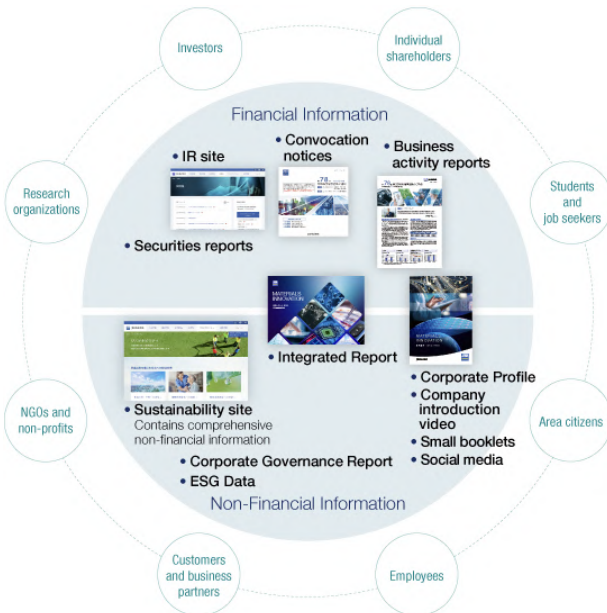
Messages from the Officer in Charge of Sustainability Promotion are posted as they were last year.

We also present related numerical data in the ESG Data section.

## 2. Positioning of Sustainability Site

The sustainability site offers comprehensive non-financial information about JSR Group. The site is provided with the approval of the Sustainability Promotion Committee.

## Information Disclosure System and Target Readers



## 3. Referenced Guidelines

- United Nations Guiding Principles on Business and Human Rights
- Environmental Accounting Guidelines 2005 / Environmental Reporting Guidelines 2012, Ministry of the Environment
- Environmental Accounting Guidelines for Chemical Companies, Japan Chemical Industry Association (JCIA)
- Global Reporting Initiative (GRI) Standards

## 4. Reporting Period, Reporting Frequency and Contact Points

### ● Reporting period

Sustainability website: contains the latest information

Sustainability report (PDF): annual report covering the period from April 1, 2022 to March 31, 2023

Some sections include activities conducted during other periods

### ● Publication: November 2023

### ● Contact points:

- > [Inquiries related to sustainability](#)

## 5. Reporting Boundary

### (1) The Entire Report

#### JSR Group: 65 companies

#### ■ JSR:

Head Office, Yokkaichi Plant, Yokkaichi Research Center, Tsukuba Research Laboratories/Tsukuba Site, JSR-Keio University Medical and Chemical Innovation Center (JKIC), JSR Bioscience and informatics R&D center (JSR BIRD)



- Group Companies:  
19 domestic Group companies, 45 overseas Group companies (Current as of March 31, 2023)

## (2) Data on the Environment and Safety (RC Data)

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### JSR Group: 16 companies

JSR Corporation  
 Emulsion Technology Co., Ltd.  
 Japan Coloring Co., Ltd.  
 JSR Micro Kyushu Co., Ltd.  
 Techno-UMG Co., Ltd.  
 JSR Life Sciences Corporation  
 JSR Logistics & Customer Center Co., Ltd.  
 Medical & Biological Laboratories Co., Ltd.  
 UJK Co., Ltd.  
 JSR ARTON Manufacturing Co., Ltd.  
 JSR Micro N.V.  
 JSR Micro, Inc.  
 JSR Micro Korea Co., Ltd.  
 EUV Resist Manufacturing & Qualification Center N.V.  
 JSR Micro (Changshu) Co., Ltd.  
 KBI Biopharma, Inc.  
 (Current as of March 31, 2023)

## 6. Independent Review

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Due to the transfer of the Elastomer Business in April 2022, we postponed the third-party verification of the sustainability report for FY2022. Taking this opportunity, we decided to proceed with third-party verification based on international standards. In FY2023, we plan to undergo a review of our GHG emissions by a third party.

## 7. Major Organizations and Initiatives We Take Part In

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- United Nations Global Compact
- Japan Chemical Industry Association (JSR's Representative Director serves as a Director of the association)
- Japan Climate Leaders Partnership (JCLP)
- Semiconductor Climate Consortium (SCC) (joined as a founding member)
- TCFD Consortium
- Etc.

## 8. Definitions of Terms, Notations

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- Definitions of business activities, management foundation, corporate activity
  - Business activities: Activities that provide products and services
  - Management foundation: Activities of units involved in manufacturing and company management
  - Corporate activity: Activity that includes both business activities and management foundation
- Definitions of terms  
JSR Group: JSR and its Group companies

JSR: JSR Corporation

■ A note on numerical values

Absolute values and percentages are rounded off. Therefore, the total of individual numbers listed may not exactly equal the total shown.

# Evaluation by Outside Organization



1. Inclusion in ESG Indexes (current as of July 1, 2023) ▾

2. Main Awards, Recognitions and Certifications ▾

## 1. Inclusion in ESG Indexes (current as of July 1, 2023)

JSR Group is highly regarded for its non-financial initiatives, as evidenced by JSR Corporation's inclusion in global socially responsible investment (SRI) indexes. Additionally, JSR Corporation has been selected for inclusion in six ESG indexes that cover Japanese stocks and are used by the Government Pension Investment Fund (GPIF): the FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN), S&P/JPX Carbon Efficient Index, and Morningstar Japan ex-REIT Gender Diversity Tilt Index.

### (1) FTSE Russell

#### — FTSE Blossom Japan Index

#### — FTSE Blossom Japan Sector Relative Index

FTSE Russell selected JSR Corporation as a constituent of the FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index as a Japanese company with excellent ESG initiatives.



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

#### — FTSE4Good

FTSE Russell has selected JSR Corporation as a constituent of the FTSE4Good Index Series every year since 2004.



FTSE4Good

### (2) MSCI

#### — MSCI Japan ESG Select Leaders Index

#### — MSCI ESG Leaders Indexes

JSR Corporation was selected as a constituent of the MSCI Japan ESG Select Leaders Index and MSCI ESG Leaders Indexes as a company with outstanding ESG performance.\*

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX



#### — MSCI Japan Empowering Women Index (WIN)

MSCI selected JSR Corporation as a constituent of the MSCI Japan Empowering Women Index (WIN) as a company with excellent gender diversity.\*

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

\* The inclusion of JSR Corporation in MSCI indexes, as well as the use of the MSCI logo, trademark, service mark and index name, does not constitute support, endorsement, or promotion of MSCI or any MSCI-affiliated company by JSR Corporation. MSCI indexes are the sole property of MSCI. MSCI and all MSCI index names and logos are the trademark or service mark of MSCI and its affiliated companies.

### (3) S&P

#### — S&P/JPX Carbon Efficient Index

The S&P Dow Jones Index selected JSR Corporation as a constituent of the S&P/JPX Carbon Efficient Index.



#### (4) Morningstar

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##### — Morningstar Japan ex-REIT Gender Diversity Tilt Index

Morningstar has selected JSR Corporation as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index.

#### (5) SOMPO Asset Management

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##### — Sompo Sustainability Index

Sompo Asset Management once again selected JSR Corporation as a constituent of the Sompo Sustainability Index as a company with excellent ESG initiatives.



## 2. Main Awards, Recognitions and Certifications

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#### (1) EcoVadis

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JSR was awarded the Gold Medal in EcoVadis' assessment of environmental and social assessment services in the supply chain.



#### (2) Health and Productivity Management Outstanding Organization

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##### — 2023 Certified Health and Productivity Management Outstanding Organization (Large Enterprise Category)

JSR Corporation was named a 2023 Certified Health and Productivity Management Outstanding Organization (Large Enterprise Category) of the Ministry of Economy, Trade and Industry.

##### — 2023 Certified Health and Productivity Management Outstanding Organization (SME Category)

Six JSR Group companies were named 2023 Certified Health and Productivity Management Outstanding Organizations (SME Category) of the Ministry of Economy, Trade and Industry.

- Emulsion Technology Co., Ltd.
- Medical & Biological Laboratories Co., Ltd.
- JSR Health Insurance Society
- JSR Micro Kyushu Co., Ltd.
- JSR Logistics & Customer Center Co., Ltd.
- Japan Coloring Co., Ltd.

#### (3) Green Business Certification

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JSR Micro, Inc. (USA) received Green Business Certification from the City of Sunnyvale. This certification demonstrates the company's commitment to environmental sustainability and responsible business practices.

#### (4) Nikkei New Office Awards

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JSR Bioscience and informatics R&D center (JSR BiRD) received the Kanto New Office Encouragement Award at the 35th Nikkei New Office Awards for FY2022 from Nikkei Inc. and New Office Promotion Association. JSR BiRD was recognized for being a workplace that promotes work styles that enhance

creativity, as a place for intellectual production using IT, and for giving consideration to social aspects such as contributing to the global environment and local communities.

> [Climate Change Mitigation](#)

# Sustainability Report Archive



- 1. JSR Group Sustainability Report
- 2. JSR North America Holdings, Inc. Sustainability Report
- 3. JSR Micro N.V. CSR Report
- 4. JSR Plant Responsible Care Reports

## 1. JSR Group Sustainability Report

The name of the report was changed to Sustainability Report in 2020.

### JSR Group Sustainability Report 2023 (April 1, 2022 - March 31, 2023)



> Website

The sustainability site may be updated after November 2023.

### JSR Group Sustainability Report 2022 (April 1, 2021 - March 31, 2022)

> Website

> PDF version (7.65MB)

The PDF version contains our sustainability site as of October 2022.

### JSR Group Sustainability Report 2021 (April 1, 2020 - March 31, 2021)

> Website

> PDF version (13.9MB)

The PDF version contains our sustainability site as of October 2021.

### JSR Group Sustainability Report 2020 (April 1, 2019 - March 31, 2020)

> Website

### CSR Report 2019 (April 1, 2018 - March 31, 2019)

> Detailed Version Website

> Highlight Version [Two-Page Spread Type] (PDF 4.6MB)

> Highlight Version [A4-Size Page Type] (PDF 4.6MB)

### CSR Report 2018 (April 1, 2017 - March 31, 2018)

> Detailed Version Website

> Highlight Version (PDF 5.7MB)




## CSR Report 2017 (April 1, 2016 - March 31, 2017)

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- > [Online Version](#)
- > [Highlight Version \(PDF 4.8MB\)](#) 

## CSR Report 2016 (April 1, 2015 - March 31, 2016)

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- > [Online Version](#)
- > [Print Version \(PDF 4.6MB\)](#) 

## CSR Report 2015 (April 1, 2014 - March 31, 2015)

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- > [Online Version](#)
- > [Highlight Version \(PDF 6.7MB\)](#) 

## CSR Report 2014 (April 1, 2013 - March 31, 2014)

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- > [Online Version](#)
- > [Print Version \(PDF 11.5MB\)](#) 

## 2. JSR North America Holdings, Inc. Sustainability Report

Since 2020, JSR North America Holdings, Inc. has published a Sustainability report.



- > [JSR North America Holdings, Inc. Sustainability Report 2022 \(Website\)](#)

- > [JSR North America Holdings, Inc. CSR Report 2020 \(PDF 2.6MB\)](#) 
- > [JSR Micro, Inc. CSR Report 2018 \(PDF 2.7MB\)](#) 
- > [JSR Micro, Inc. CSR Report 2016 \(PDF 5.1MB\)](#) 
- > [JSR Micro, Inc. CSR Report 2014 \(PDF 4.5MB\)](#) 

## 3. JSR Micro N.V. CSR Report



- > [JSR Micro N.V. CSR Report 2021 \(PDF 2.9MB\)](#) 

- > [JSR Micro N.V. CSR Report 2019 \(PDF 1.9MB\)](#) 
- > [JSR Micro N.V. CSR Report 2017 \(PDF 0.8MB\)](#) 
- > [JSR Micro N.V. CSR Report 2015 \(PDF 4.3MB\)](#) 

## 4. JSR Plant Responsible Care Reports

Responsible care report of each Plant (Japanese only)

- > Yokkaichi Plant Responsible Care Report
- > Chiba Plant Responsible Care Report

# JSR Group Profile



1. JSR Profile ▾

2. JSR Group's Major Business ▾

3. JSR Group's Major Business Establishments, Plants ▾

4. JSR Group Companies ▾

5. Financial Information ▾

## 1. JSR Profile (as of March 31, 2023)

Company name	JSR Corporation
Established	December 10, 1957
Head office	Shiodome Sumitomo Building, 1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo, Japan
Representative Director, CEO, President	Eric Johnson
Capital	23,370 million yen
Number of employees (consolidated)	7,994

## 2. JSR Group's Major Business (as of April 1, 2023)

The manufacture and sale of the following products

Type of business		Main products
Digital Solutions Business	Semiconductor Materials	Lithography materials (photoresists and multi-layered materials), packaging materials, cleaning solutions, CMP materials.
	Display Materials	Color liquid crystal display (LCD) materials, organic electroluminescence display materials.
	Edge Computing	Heat-resistant transparent resin, functional films, stereolithography, photo molding.
Life Sciences Business		Services to support drug discovery, diagnostic/research reagents and materials, bioprocess materials
Plastics Business		Synthetic resins such as ABS resin, AES resin, AS resin, and ASA resin
Other Businesses		Purchasing and selling of chemicals.

## 3. JSR Group's Major Business Establishments, Plants (as of April 1, 2023)

(1) JSR

Head office		1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo, Japan	
Plants	Yokkaichi Plant	Yokkaichi City, Mie Prefecture	
Research centers and laboratories	Yokkaichi Research Center	Display Solution Research Laboratories	Yokkaichi City, Mie Prefecture
		Fine Electronic Materials Research Laboratories	Yokkaichi City, Mie Prefecture
		Edge Computing Research Laboratories	Yokkaichi City, Mie Prefecture
	Tsukuba Research Laboratories		Tsukuba City, Ibaraki Prefecture
	JSR-Keio University Medical and Chemical Innovation Center		Shinjuku-ku, Tokyo
	JSR-UTokyo Collaboration Hub, CURIE		Bunkyo-ku, Tokyo
	JSR Bioscience and informatics R&D center		Kawasaki City, Kanagawa Prefecture

## (2) Important Subsidiaries and Affiliates

Business division	Company Name	Headquarters
Digital Solutions Business	JSR Micro N.V.	Belgium
	JSR Micro, Inc.	United States
	JSR Micro Korea Co., Ltd.	Korea
	JSR Micro Taiwan Co., Ltd.	Taiwan
	JSR Micro (Changshu) Co., Ltd.	China
Life Sciences Business	JSR North America Holdings, Inc.	United States
	Medical & Biological Laboratories Co., Ltd.	Minato-ku, Tokyo
	KBI Biopharma, Inc.	United States
	Selexis SA	Switzerland
	Crown Bioscience International	United States
	JSR Life Sciences LLC	United States
Plastics Business	Techno-UMG Co., Ltd.	Minato-ku, Tokyo
	Japan Coloring Co., Ltd.	Yokkaichi City, Mie Prefecture

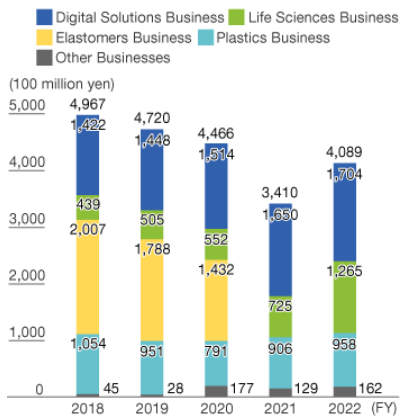
(Note) JSR North America Holdings, Inc. oversees global operations for JSR's Digital Solutions Business and Life Sciences Business in North America, through its wholly owned subsidiaries. JSR Micro N.V. also manufactures and sells Life Sciences products.

## 4. JSR Group Companies (as of March 31, 2023)

Consolidated companies: 56  
 Non-consolidated subsidiaries: 4  
 Equity-method affiliates: 8  
 Scope of RC reporting: 16  
 > JSR Group Companies

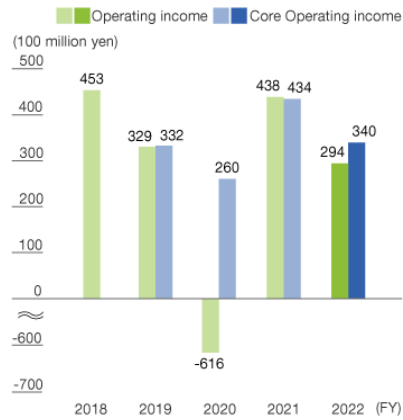
## 5. Financial Information

### Revenue (consolidated)

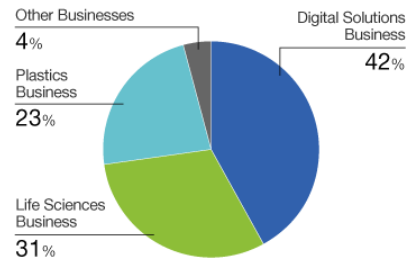


Note: Reporting segment classifications were changed in FY2018.

### Operating Income/Core Operating Income (consolidated)



### FY2022 Revenue (Consolidated) Composition Ratios



# ESG Data



## Environment

## Social

## Governance

- Unless otherwise noted, FY (Fiscal Year) means the year starting April 1st. For example, FY2022 means April 1, 2022 to March 31, 2023.
- For both absolute values and percentages, numerical values that fall below the shown number of digits are rounded off. For this reason, the sums of individual numbers may differ from the sum values provided.
- Numerical values shown **in red indicate** corrections from the previous year.
- The scope of calculations covers companies in JSR Group's RC reporting boundary.  
For companies in this RC reporting boundary, please refer to the link below.  
[> Editorial Policy](#)   [Reporting Boundary](#)
- In FY2023, we plan to obtain third-party assurance for our GHG emissions. We will inform stakeholders when this process is completed.
- In April 2022, JSR transferred the Elastomers Business to ENEOS Corporation.  
Therefore, numerical figures up to FY2021 include the Elastomers Business, and numerical figures may vary significantly from FY2021 to FY2022.

## Input Data

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Raw materials	Consumption (1,000 tons)	JSR Group	1,394	1,267	1,042	1,306	288
Energy	Consumption (Crude oil equivalent, 1,000 kL)	JSR Group	429	400	369	439	98
	Intensity (kL/ton)		0.33	0.33	0.37	0.35	0.33
Water	Consumption (Excluding seawater, 1,000 m <sup>3</sup> )	JSR Group	20,894	20,632	18,734	21,710	3,853
	Industrial water <sup>*1</sup>		14,790	14,309	13,193	14,672	3,344
	Tap water <sup>*1</sup>		172	171	169	186	502
	Groundwater <sup>*1</sup>		313	408	259	275	7
	Seawater (For cooling) <sup>*1</sup>		64,296	56,354	51,319	55,370	6,479
	Intensity (m <sup>3</sup> /ton)		15.8	17.1	18.6	17.3	13.0

\*1. Numerical values up to FY2021 are for JSR Corporation only.

## Output Data

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Products	Total generated (1,000 tons)	JSR Group	1,320	1,205	1,006	1,255	296
Waste	Industrial waste generation (1,000 tons)	JSR Group	72	70	67	66	14



Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
	Intensity (tons/tons)		0.05	0.06	0.07	0.05	0.05
	Recycled waste (1,000 tons)		38	41	34	40	13
	Amount of final offsite landfills (1,000 tons)		0.9	1.9	0.8	1.2	0.005
Greenhouse gas emissions	Scope1 + Scope2 (1,000 tons-CO <sub>2</sub> e)	JSR Group	1,040	973	892	1,013	218
	Intensity (tons/tons)		0.79	0.81	0.89	0.81	0.74
Waste water	Total amount of waste water (1,000 m <sup>3</sup> )	JSR Group	17,587	16,049	14,616	16,258	3,748
	Intensity (m <sup>3</sup> /ton)		13.3	13.3	14.5	13.0	12.7
Water pollutants	COD emissions (tons)	JSR Corporation & Group companies in Japan	580	495	401	486	53
	Total nitrogen emissions (tons)		144	160	112	148	9
	Total phosphorous emissions (tons)		1	1	1	1	< 1
Substances of concern	VOC emissions (tons)	JSR Corporation & Group companies in Japan	575	568	483	607	39
	SO <sub>x</sub> emissions (tons)		JSR Group	13	11	11	11
	NO <sub>x</sub> emissions (tons)	349		342	287	290	32

## Greenhouse Gas Emissions Throughout the Supply Chain

Unit: 1,000 tons-CO<sub>2</sub>e

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Scope1	JSR Group	440	408	399	357	34
Scope2		600	564	493	656	184
Scope3		1,129	1,038	870	1,067	437

[Calculation method]

- GHG emissions are calculated in accordance with the Act on Rationalizing Energy Use and Shifting to Non-Fossil Energy and the Act on Promotion of Global Warming Countermeasures of Japan.
- Emission factors in the "Greenhouse Gas Emissions Calculation, Reporting, and Disclosure System" (published by the Ministry of the Environment of Japan) are applied.
- For the emission factors of electricity purchased from electric utilities in Japan, the latest emission factors (adjusted) for each electric utility published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry are applied. If individual emission factors for electric utilities are not available in other regions, the country-specific emission factors of "Emissions Factors 2022" published by the International Energy Agency (IEA) are applied.
- Calculations are made using emission factors and emissions unit values in the "Greenhouse Gas Emissions Calculation, Reporting, and Disclosure System" (published by the Ministry of the Environment of Japan) based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.5)" (published by the Ministry of the Environment and the Ministry of Economy, Trade, and Industry of Japan) and the "Domestic Emissions Unit Value Databases for Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.3)."

### Breakdown of Scope 3

Unit: 1,000 tons-CO<sub>2</sub>e

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
1 Purchased goods and services	JSR Group	1,034	931	762	968	241
2 Capital goods <sup>*1</sup>		36	51	61	46	130
3 Fuel and energy related activities not included in Scope 1 or 2 <sup>*1</sup>		7	6	7	6	48
4 Transportation and delivery (upstream)	JSR Corporation	13	11	8	9	< 1
5 Waste from business operations	JSR Group	24	25	20	24	14

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
6	Business travel		1	1	1	1	1
7	Employee commuting		3	3	3	3	2
8	Leased assets (upstream)		1	1	1	1	1
9	Transportation and delivery (downstream)	JSR Corporation	11	9	8	9	< 1
10	Processing of sold products	JSR Group	N/A	N/A	N/A	N/A	N/A
11	Use of sold products		N/A	N/A	N/A	N/A	N/A
12	Disposal of sold products		N/A	N/A	N/A	N/A	N/A
13	Leased assets (downstream)		< 1	< 1	< 1	< 1	< 1
14	Franchises		N/A	N/A	N/A	N/A	N/A
15	Investments		N/A	N/A	N/A	N/A	N/A

\*1. Numerical figures up to FY2021 are for JSR Corporation only.

(N/A: Not Applicable)

## Emissions of Chemical Substances (PRTR)

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
PRTR	Amount handled	JSR Corporation & Group companies in Japan	960,932	842,045	697,162	870,093	172,250
	Emissions		145	179	162	161	37
	Atmosphere		134	170	154	153	32
	Water		11	9	8	8	5
	Soil		0	0	0	0	0
	Transported waste		890	897	807	1,060	1,138

Unit: tons

### FY2022 Totals for JSR Corporation (Yokkaichi Plant, Tsukuba Research Laboratories & JSR BiRD)

Ordinance designated number	Substance	Emissions			Transported waste
		Atmosphere	Water	Soil	
53	Ethylbenzene	0.00	0.00	0.00	0.00
86	Cresol	0.00	0.00	0.00	0.00
186	Dichloromethane (Methylene chloride)	0.10	0.00	0.00	1.00
300	Toluene	0.01	0.00	0.00	0.21
392	n-Hexane	0.01	0.00	0.00	6.40
411	Formaldehyde	0.00	0.00	0.00	0.00
	Total	0.12	0.00	0.00	7.61

Unit: tons

## ESG Data

Environment

Social

Governance

- Unless otherwise noted, FY (Fiscal Year) means the year starting April 1st. For example, FY2022 means April 1, 2022 to March 31, 2023.
- For both absolute values and percentages, numerical values that fall below the shown number of digits are rounded off. For this reason, the sums of individual numbers may differ from the sum values provided.
- Numerical values shown in red indicate corrections from the previous year.
- In April 2022, JSR transferred the Elastomers Business to ENEOS Corporation. Therefore, numerical figures up to FY2021 include the Elastomers Business, and numerical figures may vary significantly from FY2021 to FY2022.

### Workplace Accidents (Calendar Year)

Category		Boundary	2018	2019	2020	2021	2022
Number of workplace accidents Lost time injury (4 or more days)	Employees	JSR Corporation	0	1	0	1	1
	Contractors		1	0	2 <sup>*4</sup>	0	0
	Employees	Group companies in Japan	2	3	1	4	2
	Contractors		0	2	1	1	2
	Employees	Group companies outside of Japan	—	—	—	—	1
	Contractors		—	—	—	—	0
Lost time injury JSR Corporation manufacturing plants	Frequency <sup>*1</sup>	JSR Corporation	0.00	0.24	0.00	0.23	0.00
	Severity <sup>*2</sup>		0.00	0.00	0.00	0.00	0.00
	Frequency <sup>*3</sup>	Statistics by JCIA	0.31	0.42	0.28	0.41	0.43

\*1 Frequency = (Deaths or injuries in workplace accidents resulting in absence from work ÷ Total working hours for all employees) x 1 million

\*2 Severity = (Total days of lost work accidents / Total number of actual working hours) x 1000

\*3 Source: JCIA (=Japan Chemical Industry Association) statistical data (occupational safety and health fact-finding results)

\*4 Includes one fatal accident

### Equipment Accidents (Calendar Year)

Category	Boundary	2018	2019	2020	2021	2022
Number of facility accidents	JSR Corporation	2	1	5	0	0
	Group companies in Japan	4	5	1	1	0

Category	Boundary	2018	2019	2020	2021	2022
	Group companies outside of Japan	—	—	—	—	0

\*5. Numerical figures up to 2021 are based on the definition of "Abnormal Event" per the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities

Reporting and evaluation standards were standardized globally in 2022.

Either of the following events that fall under explosion, fire, leakage, or an accident acknowledged by the government.

- Accidents that cause health hazards to employees and local residents
- Accidents in which the estimated amount of damage exceeds 100 million yen
- Accidents in which part of a plant is shut down for more than one month, or the entire plant is shut down for more than one week

## ISO 45001 Certification (Manufacturing Bases) as of March 31, 2023

Company/Site name	Certification number	Certification acquisition date (Updated)	Expiry date
Techno-UMG Co., Ltd. Ube Plant	JQA-OH0037	March 1, 2021	February 29, 2024
JSR Micro Kyushu Co., Ltd.	JQA-OH0319	March 27, 2023	March 26, 2026
JSR Micro N.V. (Belgium)	BE20/819943937	April 21, 2023	April 20, 2026
JSR Micro, Inc. Sunnyvale CA (USA)	OHS13340	March 18, 2022	March 17, 2025
JSR Micro, Inc. Hillsboro OR (USA)	18607	March 3, 2022	March 2, 2025

## Logistics Disaster/Accident

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Number of logistics disasters and accidents	Logistics-related workplace accidents	JSR Corporation	0	0	0	0	0
	Traffic accidents resulting in injury to others		0	0	0	0	0
	Traffic accidents resulting in injury to JSR employee		0	0	0	0	0

## Achieving Modal Shift

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Transport volume <sup>*6</sup> (million tons-km) <sup>*7</sup>	JSR Corporation	514	434	324	377	3
Modal shift rate (%)		85	85	83	85	1

\*6 Transport volumes for products and raw materials transported and delivered from JSR Corporation's own warehouses and contracted outside warehouses to specified destinations in Japan

\*7 tons-km: [Cargo weight (tons)] x [Transport distance (kilometers)]

## ISO 9001 Certification as of June, 2023

Company/Site name	Certification number	Certification acquisition date
JSR Corporation Yokkaichi Plant	JQA-0396	February 9, 1994
JSR Micro Kyushu Co., Ltd.	JQA-3163	March 12, 1999
Emulsion Technology, Co., Ltd.	NQA-22080168A	November 30, 1998
Techno-UMG Co., Ltd. Yokkaichi Plant	JCQA-0700	May 15, 2000
Techno-UMG Co., Ltd. Ube Plant, Otake Plant	JCQA-1508	July 19, 1994
JAPAN COLORING CO., LTD.	NQA-22100028A	March 19, 1996
UBE JYUSHIKAKOU Co.,Ltd.	02843-2016-AQ-KOB-JAS-ANZ	October 17, 2002
JSR Life Sciences Corporation	JP13/062551	November 23, 2010
JSR Logistics & Customer Center Co., Ltd.	JQA-0396	February 9, 1994
JSR Micro, Inc. Sunnyvale CA (USA)	10305	April 17, 1998
JSR Micro, Inc. Hillsboro OR (USA)	21555	March 3, 2022
JSR Micro N.V. (Belgium)	BE91/03002	October 1, 2004
JSR Micro Korea Co., Ltd. (Korea)	FM 88265	October 11, 2004
JSR Micro (Changshu) Co., Ltd. (China)	CN18/20426	April 24, 2018

## ISO 13485\* Certification as of June, 2023

Company/Site name	Certification number	Certification acquisition date
MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. Ina Laboratory	JP06/040213	October 11, 2006

\* ISO13485: Quality management system for medical devices

## Human Resources

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Consolidated number of employees		JSR Group	8,748	9,050	9,383	9,696	7,994
Ratio of non-permanent employees (%) <sup>*8</sup>			2	2	1	2	1
Employee ratios by region (%)	Japan	JSR Group	60	59	57	53	46
	Asia (excluding Japan)		16	20	21	21	19
	United States		20	16	18	20	29
	Europe		4	5	4	6	7
% of female employees		JSR Group <sup>*9</sup>	—	18	17	29	34
Number of employees	Male	JSR Corporation <sup>*11</sup>	2,883	2,933	2,974	2,902	1,761
	Female		494	515	537	531	394
	Total		3,377	3,448	3,511	3,433	2,155

Category			Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Number of hires	New graduates <sup>*10</sup>	Male		74	89	101	42	17
		Female		15	18	29	12	4
		Total		89	107	130	54	21
	Mid-career	Male		31	25	22	30	44
		Female		11	7	3	5	7
		Total		42	32	25	35	51
Average number of years of continuous service	Male	12.9		13.3	13.6	13.8	13.9	
	Female	14.8		14.7	14.7	14.6	14.8	
	Total	13.2		13.5	13.8	13.9	14.1	
Turnover rate for personal reasons (%)				1.4	1.2	1.3	5.4 <sup>*12</sup>	2.5
Turnover rate within three years of joining company (%)				6.4	7.4	6.9	9.3	6.7
Number of layoffs				0	0	0	0	0

As of the end of each fiscal year (March 31)

\*8 Ratio of non-permanent employees = Temporary employees / (Permanent employees + Temporary employees), Temporary employees: Contract and part-time employees employed by JSR Group companies.

\*9 From FY2021, the scope of calculation was changed to applicable consolidated companies.

\*10 As of the beginning of each fiscal year (April 1)

\*11 Including seconded employees

\*12 We provided an early retirement incentive plan in FY2021.

## Annual Total Working Hours/Annual Total Overtime Hours/Average annual salary

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Total working hours per employee (h)	JSR Corporation	1,969	1,950	1,903	1,921	2,049
Total overtime hours per employee (h)		220	214	148	158	185
% of annual paid leave taken	JSR Corporation <sup>*11</sup>	–	85.2	81.0	87.4	88.8
Average annual salary (1,000 JPY) <sup>*13</sup>	JSR Corporation	7,551	7,546	7,360	7,446	8,290
Gender pay gap (%) <sup>*14</sup>		–	–	–	–	71.9

\*11 Including seconded employees

\*13 Average annual salary includes bonuses and non-standard wages.

\*14 Includes all regular and non-regular workers, and counts seconded employees as employees of the dispatching organization.

## Education/Training and Overseas Assignments

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Total training time (h) <sup>*15</sup>	JSR Corporation <sup>*11</sup>	49,671	64,334	43,624	34,591	17,828
Training time per employee (h/person) <sup>*15</sup>		14.7	18.7	12.4	10.1	8.3
Total amount of education and training expenses (1,000 JPY) <sup>*15</sup>		108,189	148,711	115,513	120,628	102,612



Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Education and training expense per employee (JPY/person) <sup>**15</sup>		32,037	43,130	32,900	35,148	47,616
e-learning of Principles of Corporate Ethics (h/person)	JSR Corporation & Group companies in Japan	0.5	0.5	0.5	0.5	0.5
e-learning of anti-monopoly law · anticorruption · subcontract law management (h/person)		0.5	0.5	0.5	0.5	0.5
e-learning of information security (h/person)		0.5	0.5	0.5	0.5	0.5
e-learning of quality compliance (h/person)		1.0	0.5	—	0.5	0.5
e-learning of work style reform law (h/person)		0.5	—	0.5	—	—
e-learning of prevention of insider trading (h/person)		—	—	—	0.5	0.5
Training on business and human rights (e-learning)(h/person)		—	—	—	—	0.5
e-learning of drainage (h/person) <sup>**16</sup>		—	—	—	0.5	—
e-learning of confidential information management (h/person)	JSR Corporation	0.5	0.5	0.5	0.5	0.5
e-learning of safety (h/person)		—	0.5	0.5	0.5	—
Training for basic understanding of family care (e-learning)(h/person)		—	—	—	—	0.5
e-learning of LGBT (h/person)		—	—	—	—	0.5
e-learning of JSR Health Promotion Activity (h/person)		—	—	—	—	0.5
Number of employees utilizing overseas research dispatch system	JSR Corporation <sup>**11</sup>	8	11	6	5	5

\*11 Including seconded employees

\*15 We aggregate technical/skills training and education by level in the organization held by the Personnel Department. Therefore, the hours and expenses for education held by departments other than the Personnel Department, the education unique to each department and education provided by those outside the Company are not included in these training hours and expenses. The hours and expenses for e-learning education are also not included.

\*16 This program is for Yokkaichi area employees.

## Diversity Development

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
% of women hired annually per position <sup>**10</sup>	College graduates, engineering positions	18	22	26	30	17
	College graduates, administrative position	45	50	55	60	100
% of women in managerial positions <sup>**10</sup>	JSR Corporation <sup>**11</sup>	4.1	4.3	4.1	4.5	5.6
	JSR Group	—	—	—	—	22
% of female workers at section chief level	JSR Corporation <sup>**11</sup>	—	8.9	9.4	8.8	12.1
% of female executives	JSR Corporation <sup>**11</sup>	—	6.1	9.1	12.1	4.8
% of female officers	JSR Group	—	—	—	—	13
Career Re-Entry System	Number of people registered	5	5	3	1	2
	Number of people employed	2	2	2	0	0
Number of employees using leave system for when an employee's spouse is transferred overseas <sup>**17</sup>		—	—	0	1	0

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Promotion of activities by employees who have reached retirement age	Number of retirees re-employed		38	22	24	18	22
	% of retirees who are re-employed		81	81	86	69	85
Hiring of foreign nationals			1	3	7	1	0
Employment rate of individuals with disabilities		JSR Corporation <sup>*11</sup>	2.43	2.38	2.34	2.24	2.47
Number of employees with disabilities <sup>*18</sup>		JSR Group	—	—	—	—	111

As of the end of each fiscal year (March 31)

\*10 As of the beginning of each fiscal year (April 1)

\*11 Including seconded employees

\*17 We started providing a leave system for when an employee's spouse is transferred overseas in FY2020.

\*18 Number of people who can be ascertained by self-reporting

## Work-Life Management

Category <sup>*19</sup>		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022	
Fertility treatment	Number of employees using shorter working hours	JSR Corporation <sup>*11</sup>	2	0	0	0	0	
	Number of employees using prenatal & postpartum maternity leave system		24	19	18	19	10	
Childbirth	Number of employees using childcare leave system <sup>*20</sup>	Female	22	14	15	21	13	
		Male	38	61	59	101	87	
		Total	60	75	74	122	100	
	Number of employees using childcare leave system <sup>*20,*21</sup>	Female	JSR Group	—	—	—	—	98
		Male		—	—	—	—	169
		Total		—	—	—	—	267
	Childcare leave system take-up rate (%) <sup>*20</sup>	Female	JSR Corporation <sup>*11</sup>	100	100	100	100	100
		Male		24.5	42.7	50.9	72.7	81.3
	Number of days of childcare leave taken on average	Male		11.9	13.0	19.6	19.2	20.7
	Rate of employees who return to work after taking childcare leave (%)	Female		100	100	100	100	100
		Male		100	100	100	100	100
	Retention rate one year after returning to work from childcare leave (%) <sup>*22,*24</sup>	Female		96	100	95	89	81
		Male		100	97	100	96	59
	Retention rate three years after returning to work from childcare leave (%) <sup>*22,*24</sup>	Female		—	—	96	95	84
Male			—	—	98	92	64	
	Number of employees using extended childcare leave counseling		28	15	17	13	18	
Balancing work and childcare	Number of employees using shorter working hours <sup>*25</sup>		101	113	119	122	103	
Balancing work and nursing care	Number of employees using shorter working hours		1	1	2	1	2	

Category <sup>*19</sup>		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
	Number of employees using nursing care leave		7	11	6	4	7
	Number of employees using extended nursing care leave		1	3	0	0	2
Other	Number of employees using discretionary work system <sup>**10</sup>		111	122	122	169	140
	Number of employees using volunteer leave (The value in parentheses represents the total number of leave days taken)		7 (17)	2 (2)	0 (0)	0 (0)	0 (0)
Number of extended childcare leave allowance users			53	80	75	110	91
Number of post childcare leave reinstatement allowance users			30	28	22	35	32
Number of daycare allowance users			15	18	16	15	10
Number of care worker allowance users			0	2	0	1	0

As of the end of each fiscal year (March 31)

\*10 As of the beginning of each fiscal year (April 1)

\*11 Including seconded employees

\*19 The telecommuting system has been implemented since fiscal 2019 by eliminating the requirements for childcare and nursing care.

\*20 Total number of employees who took childcare leave in that fiscal year

\*21 Since systems differ by country, the number of people who took leave equivalent to childcare leave is listed.

\*22 Percentage of the number of employees who remain with the Company at the end of the fiscal year (n) among the number of employees who return to work from childcare leave in the applicable fiscal year (n-1)

\*23 Percentage of the number of employees who remain with the Company at the end of the fiscal year (n) among the number of employees who return to work from childcare leave in the applicable fiscal year (n-3)

\*24 The decline in the retention rate in FY2022 onwards includes the impact of business transfers.

\*25 Number of employees including users of the system during pregnancy

## Workers' union

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Number of members	JSR Corporation <sup>**11</sup>	2,629	2,709	2,799	2,746	1,653
	JSR Group	3,588	3,739	3,766	3,775	2,022
% of union members <sup>**26</sup>	JSR Corporation <sup>**11</sup>	77.9	78.5	79.7	80.0	76.7
	JSR Group	41.0	41.3	40.1	38.9	25.3

\*11 Including seconded employees

\*26 Percentage of union members among all employees including managers

## Health

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
% of employees with abnormalities in physical examinations	JSR Corporation	—	—	26.4	24.3	24.1
	JSR Group	—	—	—	—	27.6
% of employees who scored as highly stressed on the stress check	JSR Corporation	7.3	8.3	8.2	8.9	7.5
	JSR Group	—	—	—	—	8.8
Monthly average number of employees who work more than 45 hours of overtime a month (long working hours)	JSR Corporation <sup>**11</sup>	90.1	91.7	51.3	64.7	65.1

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
	JSR Group	—	—	—	—	94.6

As of the end of each fiscal year (March 31)

\*11 Including seconded employees

## ESG Data

## Environment

## Social

## Governance

- Unless otherwise noted, FY (Fiscal Year) means the year starting April 1st. For example, FY2022 means April 1, 2022 to March 31, 2023.
- For both absolute values and percentages, numerical values that fall below the shown number of digits are rounded off. For this reason, the sums of individual numbers may differ from the sum values provided.
- Numerical values shown in red indicate corrections from the previous year.
- In April 2022, JSR transferred the Elastomers Business to ENEOS Corporation. Therefore, numerical figures up to FY2021 include the Elastomers Business, and numerical figures may vary significantly from FY2021 to FY2022.

## Compliance

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Amount of corporate income tax paid (million JPY)		JSR Corporation and consolidated subsidiaries in Japan	9,547	9,435	3,266	7,452	20,994
		Consolidated subsidiaries in other countries	1,434	3,338	2,127	4,254	3,011
Political donations/contribution (million JPY)		JSR Corporation	0	0	0	0	0
Number of Sustainability Promotion Committee (Former CSR Committee) meetings held in a year		JSR Corporation	4	5	4	3	5
Violation of each country's anticorruption laws and international standards	Number of violations	JSR Group	0	0	0	0	0
	Penalty (JPY)	JSR Group	0	0	0	0	0
Number of times the JSR Group hotline was used		JSR Corporation	6	3	9	8	2
		Group companies	10	7	17	7	9
		Unknown	1	0	0	0	0
Number of times the supplier hotline was used		JSR Corporation	0	0	0	0	0
		Group companies	0	0	0	1	0

## Research and Development (R&D)

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
R&D expenses (billion JPY)	JSR Group	249	254	246	241	270
	JSR Corporation	191	205	193	204	192

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Number of researchers		JSR Corporation	727	747	766	666	565
Number of patents held	Japan	JSR Corporation	3,258	2,960	2,695	2,570	2,220
	Other than Japan		3,793	3,710	3,446	3,395	2,710
	Total		7,051	6,670	6,141	5,965	4,930

## Board of Directors

Category		Boundary	FY2018	FY2019 <sup>*1</sup>	FY2020	FY2021	FY2022	
Board of Directors	Inside directors (executive directors)	Male	4	5	5	4	4	
		Female	0	0	1	1	1	
		Total	4	5	6	5	5	
	Independent outside directors (non-executive directors)	Male	3	3	3	4	4	
		Female	0	0	0	0	0	
		Total	3	3	3	4	4	
	Total	Male	7	8	8	8	8	
		Female	0	0	1	1	1	
		Total	7	8	9	9	9	
	% of independent outside directors		JSR Corporation	43	38	44	44	44
	% of female director		JSR Corporation	0	0	11	11	11
	% of non-Japanese directors		JSR Corporation	0	11	11	22	22
	Term of office (year/term)		JSR Corporation	1	1	1	1	1
	Maximum age limit for directors		JSR Corporation	None	None	None	None	None
	Number of BOD meetings held in a fiscal year		JSR Corporation	17	17	17	18	17

\*1 Mr. Manabu Miyasaka, a former outside director (term of office from June 18, 2019 to September 5, 2019), is excluded from this table.

## Audit & Supervisory Board

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Audit & Supervisory Board	Inside Audit & Supervisory Board member	Male	1	1	1	1	1
		Female	0	0	0	0	0
		Total	1	1	1	1	1
	Independent outside Audit & Supervisory Board members	Male	1	1	1	0	1
		Female	1	1	1	2	1
		Total	2	2	2	2	2



Category			Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Total	Male	JSR Corporation		2	2	2	1	2
	Female			1	1	1	2	1
	Total			3	3	3	3	3
% of independent outside Audit & Supervisory Board members			JSR Corporation	67	67	67	67	67
% of female Audit & Supervisory Board members			JSR Corporation	33	33	33	67	33
Term of office (year/term)			JSR Corporation	4	4	4	4	4
Number of Audit & Supervisory Board meetings held in a year			JSR Corporation	18	18	18	18	17

## Advisory Committee

Category			Boundary	FY2018	FY2019 <sup>*1</sup>	FY2020	FY2021	FY2022
Nomination Advisory Committee	Chairperson		JSR Corporation	Independent outside directors				
	Committee Member	Independent outside directors		3	3	3	4	4
		Inside directors		2	1	2	2	2
		Total		5	4	5	6	6
Number of Nomination Advisory Committee meetings held in a year				3	3	3	4	7
Remuneration Advisory Committee	Chairperson		JSR Corporation	Independent outside directors				
	Committee Member	Independent outside directors		3	3	3	4	4
		Inside directors		1	1	2	2	2
		Total		4	4	5	6	6
Number of Remuneration Advisory Committee meetings held in a year				4	4	7	7	8

\*1 Mr. Manabu Miyasaka, a former outside director (term of office from June 18, 2019 to September 5, 2019), is excluded from this table.

## Executive officers

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Number of executive officers (Number of concurrent directors)	Male	JSR Corporation	24 (3)	25 (2)	24 (4)	24 (4)	20(4)
	Female		1 (0)	1 (0)	2 (1)	2 (1)	1(1)
	Total		25 (3)	26 (2)	26 (5)	26 (5)	21(5)

Category	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
% of non-Japanese executive officers	JSR Corporation	8	8	8	12	14

## Remuneration for Directors and Audit & Supervisory Board Members

Unit: million JPY

Category			Boundary	FY2018	FY2019	FY2020	FY2021	FY2022		
Remuneration for directors	Inside directors	Basic remuneration (Fixed remuneration)	JSR Corporation	186	264	246	242	308		
		Annual bonuses (Short term performance linked remuneration)		50	64	182	182	95		
		Medium-term performance-based bonus		25	48	(Abolition)	(Abolition)	(Abolition)		
		Performance share unit		–	–	–	120	118		
		Restricted stock shares (Remuneration in share stock)		37	100	124	232	280		
		Sub-total		298	476	552	776	801		
	Outside directors	Basic remuneration (Fixed remuneration)		42	47	43	43	43		
		Sub-total		42	47	43	43	43		
	Total				340	523	595	819	844	
	Remuneration for Audit & Supervisory Board members	Inside Audit & Supervisory Board member		Basic remuneration (Fixed remuneration)		29	28	28	28	29
Sub-total				29	28	28	28	29		
Outside Audit & Supervisory Board members		Basic remuneration (Fixed remuneration)		20	22	22	22	25		
		Sub-total		20	22	22	22	25		
Total				49	50	50	50	54		

### List of Remuneration for Individual Directors Paid in FY2022<sup>2</sup>

Unit: million JPY

Name	Position	Name of company	Description of consolidated remuneration				Total
			Basic remuneration	Annual bonuses	Performance share unit	Restricted stock shares (Remuneration in share stock)	
Eric Johnson	Director	JSR Corporation	73	33	77	229	598
	President	JSR North America Holdings, Inc.	76	33	77	–	

Name	Position	Name of company	Description of consolidated remuneration				
			Basic remuneration	Annual bonuses	Performance share unit	Restricted stock shares (Remuneration in share stock)	Total
Nobuo Kawahashi	Director	JSR Corporation	80	13	24	30	147

\*2 The above list is limited to directors whose annual consolidated remuneration is 100 million yen or more.

## Remuneration to Accounting Auditors

Category		Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Amount of remuneration for accounting auditors	Remuneration for services relating to auditing or certifying the financial documents	JSR Corporation and consolidated subsidiaries	87	116	112	115	116
	Remuneration for non-auditing services		0	0	2	0	2
Excludes remuneration for the same network (KPMG) as certified public accountants, etc.	Remuneration for services relating to auditing or certifying the financial documents	JSR Corporation and consolidated subsidiaries	39	72	96	118	139
	Remuneration for non-auditing services		42	28	42	23	37

Unit: million JPY

## Activities of Directors and Audit & Supervisory Board Members in FY2022

Name, Gender, Nationality	Position <sup>*3</sup>	Age <sub>3</sub>	Tenure <sub>3</sub>	Activities	Attendance to the meetings in fiscal year ending in March 2022		
					BOD		
Eric Johnson, Male, U.S.A.	Representative Director and CEO	61	4 years	Since assuming the position of Representative Director and CEO in 2019, Eric Johnson has driven the expansion of our life science business as the officer in charge of supervising our North American business. In addition, he utilizes his global management experience to lead the management of the Group and has strived to realize a company which is trusted by all our stakeholders and which gives them satisfaction. He utilized his extensive work experience and insights in making important decisions and overseeing the execution of duties by the Board of Directors to contribute to a continuous improvement in the corporate value of the Group.	BOD	17 / 17	100%
					Nomination Advisory Committee	7 / 7	100%
					Remuneration Advisory Committee	8 / 8	100%
Nobuo Kawahashi, Male, Japan	Representative Director and President, COO	66	7 years	Since assuming the position of Representative Director and President, COO in 2019, Nobuo Kawahashi has assisted the CEO to grow our digital solutions business and life science business as core businesses based on our management policies and strategies. He utilized his extensive work experience and insights in making important decisions and overseeing the execution of duties by the Board of Directors to contribute to a continuous improvement in the corporate value of the Group.	BOD	17 / 17	100%
					Nomination Advisory Committee	7 / 7	100%
					Remuneration Advisory Committee	8 / 8	100%

Name, Gender, Nationality	Position *3	Age *3	Tenure *3	Activities	Attendance to the meetings in fiscal year ending in March 2022		
Seiji Takahashi, Male, Japan	Director and Managing Officer	59	1 year	Mr. Takahashi contributes to the growth of the Group's businesses in his capacity in charge of production and technology, procurement, and logistics. By utilizing his extensive work experience and knowledge in important decision-making at meetings of the Board of Directors and supervising the execution of duties, he has contributed to the continuous enhancement of the Group's corporate value.	BOD	13 / 13	100%
Ichiko Tachibana, Female, Japan	Director and Senior Managing Officer	54	1 year	Ms. Tachibana contributes to the enhancement of the Group's corporate value in her capacity in charge of promoting sustainability and diversity & inclusion. By utilizing her extensive work experience and knowledge in important decision-making at meetings of the Board of Directors and supervising the execution of duties, she contributed to the continuous enhancement of the Group's corporate value.	BOD	13 / 13	100%
Kenichi Emoto, Male, Japan	Director and Officer	49	1 year	Mr. Emoto contributes to the enhancement of the Group's corporate value in his capacity in charge of accounting, finance, and public relations. By utilizing his extensive work experience and knowledge in important decision-making at meetings of the Board of Directors and supervising the execution of duties, he contributed to the enhancement of the Group's corporate value.	BOD	13 / 13	100%
Tadayuki Seki, Male, Japan	Independent Outside Director	73	6 years	Attending 17 of the 17 meetings of the Board of Directors held during the fiscal year, Mr. Seki contributed to the continuous improvement of corporate value by ensuring the rationality of management decisions and the transparency and soundness of management as well as providing necessary comments during deliberations on agenda items. He did so by making use of his management experience with a company that conducts international business as a general trading company, his abundant experience in finance and accounting as a CFO, and his outside perspective independent of the company. In addition, as chair of the Remuneration Advisory Committee, he worked to ensure the rationality and transparency of the officer remuneration system, and as chair of the Nomination Advisory Committee, he examined the succession plan of the Group's management structure from an objective and long-term perspective.	BOD	17 / 17	100%
					Nomination Advisory Committee	7 / 7	100%
					Remuneration Advisory Committee	8 / 8	100%
David Robert Hale, Male, U.S.A.	Independent Outside Director	38	2 years	Attending 17 of the 17 meetings of the Board of Directors held during the fiscal year, Mr. Hale contributed to the continuous enhancement of the Group's corporate value through rational management judgement and ensuring the transparency and soundness of management. He did so by utilizing his abundant experience in business management, transformation, and expansion globally as a partner of an investment company that makes long-term investments and as a director of an investee company, as well as his international and external perspectives to supervise important decision-making at meetings of the Board of Directors and the execution of duties, and to strengthen corporate governance. In addition, he served as a member of the Remuneration Advisory Committee and worked to ensure the rationality and transparency of the officer remuneration system, and as a member of the Nomination Advisory Committee, he examined the succession plan of the Group's management structure from an objective and long-term perspective.	BOD	17 / 17	100%
					Nomination Advisory Committee	7 / 7	100%
					Remuneration Advisory Committee	8 / 8	100%

Name, Gender, Nationality	Position <sup>*3</sup>	Age <sup>*3</sup>	Tenure <sup>*3</sup>	Activities	Attendance to the meetings in fiscal year ending in March 2022		
Masato Iwasaki, Male, Japan	Independent Outside Director	64	1 year	Attending 13 of the 13 meetings of the Board of Directors held after his appointment as a director, Mr. Iwasaki contributed to the continuous enhancement of the Group's corporate value by ensuring the rationality of management decisions as well as management transparency and soundness. He did so by utilizing his extensive experience through the management of a company engaged in the international prescription drug business and independent perspectives outside of the company to supervise important decision-making at meetings of the Board of Directors and the execution of duties and to strengthen corporate governance. In addition, he served as a member of the Remuneration Advisory Committee and worked to ensure the rationality and transparency of the officer remuneration system, and as a member of the Nomination Advisory Committee, he examined the succession plan of the Group's management structure from an objective and long-term perspective.	BOD	13 / 13	100%
					Nomination Advisory Committee	5 / 5	100%
					Remuneration Advisory Committee	6 / 6	100%
Kazuo Ushida, Male, Japan	Independent Outside Director	69	1 year	Attending 13 of the 13 meetings of the Board of Directors held after his appointment as a director, Mr. Ushida contributed to the continuous enhancement of the Group's corporate value by ensuring the rationality of management decisions as well as management transparency and soundness. He did so by utilizing his extensive experience through the management of companies engaged in the international video products and precision machinery businesses and independent perspectives outside of the company to supervise important decision-making at meetings of the Board of Directors and the execution of duties and to strengthen corporate governance. In addition, he served as a member of the Remuneration Advisory Committee and worked to ensure the rationality and transparency of the officer remuneration system, and as a member of the Nomination Advisory Committee, he examined the succession plan of the Group's management structure from an objective and long-term perspective.	BOD	13 / 13	100%
					Nomination Advisory Committee	5 / 5	100%
					Remuneration Advisory Committee	6 / 6	100%
Tomoaki Iwabuchi, Male, Japan	Full-time Audit & Supervisory Board Member	65	3 years	Tomoaki Iwabuchi utilizes his extensive experience, insights and expertise in the Company as a full-time Audit & Supervisory Board member. He also shares his experience, insights and expertise with other outside Audit & Supervisory Board members and utilizes it in overseeing the decision-making and execution of business by directors to contribute to ensuring the rationality of management decisions and the transparency and soundness of management by the Company.	BOD	17 / 17	100%
					Audit & Supervisory Board	17 / 17	100%
Junko Kai, Female, Japan	Independent Outside Audit & Supervisory Board Member	55	2 years	Attending 17 of the 17 meetings of the Board of Directors and 17 of the 17 meetings of the Audit & Supervisory Board during the fiscal year, Ms. Kai contributed to ensuring the rationality of management decisions and the transparency and soundness of management. She did so by utilizing her extensive legal expertise, abundant experience, and external perspective independent of the company as an attorney-at-law in the Company's audits, and making necessary remarks regarding the deliberation of agenda items at meetings of the Board of Directors, as appropriate.	BOD	17 / 17	100%
					Audit & Supervisory Board	17 / 17	100%
Takaaki Tokuhira, Male, Japan	Independent Outside Audit & Supervisory Board Member	64	1 year	Attending 13 of the 13 meetings of the Board of Directors and 12 of the 12 meetings of the Audit & Supervisory Board held after his appointment as an Audit & Supervisory Board Member, Mr. Tokuhira contributed to ensuring the rationality of management decisions and the transparency and soundness of management. He did so by utilizing his extensive expertise in finance and accounting, abundant experience, and external perspective independent of	BOD	13 / 13	100%
					Audit & Supervisory Board	12 / 12	100%

Name, Gender, Nationality	Position <sup>*3</sup>	Age <sub>'3</sub>	Tenure <sub>'3</sub>	Activities	Attendance to the meetings in fiscal year ending in March 2022		
				the company as a certified public accountant in the Company's audits, and making necessary remarks regarding the deliberation of agenda items at meetings of the Board of Directors, as appropriate.			

\*3 As of June 16, 2023 (at the close of the 78th AGM of the Company)



# Policy, Guideline, Principle



Corporate Mission, Management Policies

Environment

Social

Governance

## Corporate Mission

### Materials Innovation

We create value through materials to enrich society, people and the environment.

The corporate mission of JSR Group clearly identifies the company's raison d'etre. By supplying materials that are indispensable to human societies, JSR aims to be trusted.

## Management Policies - JSR's Fundamental Pillars of Management

### Continuous creation of businesses

As society evolves, so does the demand for specialized materials and advanced products. JSR continuously evolves to anticipate and responds to changing marketing needs and, in doing so, achieve dynamic growth.

### Enhancement of corporate culture

As society evolves, so will our organization. JSR will build on its existing positive corporate culture to create an organization and management style with the vitality to keep evolving.

### Increase in corporate value

JSR will position itself to increase our overall corporate value by creating businesses through materials with focuses on customer satisfaction and the fulfillment of employees.

## Management Policies - Responsibility to Our Stakeholders

### Responsibility to our customers / business partners

When interacting with our business partners and customers, the JSR Group will:

- Constantly evolve to meet the demand for new materials
- Always strive to increase customer satisfaction
- Act in good faith and maintain fair and equitable business relations

- Continue to be socially and environmentally conscious throughout the supply chain

## Responsibility to our employees

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All employees should expect:

- To be evaluated and rewarded based on fair standards
- Continuous opportunities to grow by challenging themselves
- Acceptance of the diversity of fellow colleagues and to be provided a place where all employees can work together as a team

## Responsibility to society

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All members of the JSR Group will honor our responsibility to both the local and global communities through:

- Responsible and respectful business practices (Responsible Care) that consider the environment and safety
- Support of environmental conservation by providing eco-friendly products
- Reduction of our environmental impact throughout the entire
- Active contribution to conserving biodiversity throughout its business activities and the entire product lifecycle

## Responsibility to shareholders

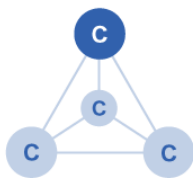
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Group will maintain its responsibility to its shareholders by:

- Aiming to increase corporate value by creating business opportunities through materials
- Constantly enhancing its management efficiencies
- Inspiring trust by being highly transparent and conducting sound corporate management practices

## Course of Action : 4C

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**CHALLENGE  
COMMUNICATION  
COLLABORATION  
CULTIVATION**

### — Challenge

All employees of JSR Group should share a common, global focus and desire to succeed. Employees should feel confident to autonomously take on new challenges, learning from successes while viewing setbacks as opportunities to learn, grow and improve.

### — Communication

All employees should feel comfortable and confident maintaining open lines of bi-directional communication at all levels within the JSR Group. Employees should strive for organizational transparency through direct conversations as the best means to share value and achieve common goals, especially in the face of growth and diversification.

### — Collaboration

Employees will work together in the spirit of cooperation valuing common, corporate goals over internal or departmental barriers. Employees will also be encouraged to actively collaborate with external resources and not be bound to conventional ideas.

### — Cultivation

All employees will cultivate an environment that supports bi-directional communication between managers and subordinates and provides opportunities to develop together as individuals and as members of productive, supportive teams.

# Policy, Guideline, Principle



Corporate Mission, Management  
Policies

Environment

Social

Governance

## Responsible Care

### Responsible Care Policy

Seeing industrial safety 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 will 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 will 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 will strive to ensure the safety of our products by developing products with consideration for safety, health, and the environment and providing information about them.

## Environment

### Philosophy concerning Environmental Initiatives

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.

### Philosophy concerning Climate Change

As a company that manufactures chemical products, JSR Group considers response to climate change issues faced by the society as one of its top priority issues, and that it is the Group's responsibility to contribute to the realization of a decarbonized society.

Chemical products are ultimately used in various products. Therefore, we believe it is necessary to work to reduce greenhouse gas (GHG) emissions throughout the lifecycle of our products. To this end, we are calculating and keeping track of GHG emissions from our own business activities (Scopes 1 and 2), as well as GHG emissions by the suppliers (Scope 3).

We will continue to calculate and ascertain our GHG emissions on a global basis to contribute to reducing GHG emissions throughout society through initiatives including reducing energy consumption in various processes from product manufacturing to supply.

In addition to this, we participate in organizations including the Japan Chemical Industry Association, the TCFD Consortium, the Semiconductor Climate Consortium (SCC), and the Japan Climate Leaders' Partnership (JCLP) to collect information and improve our awareness that climate change will bring about both risks and opportunities for JSR Group. Accordingly, we formulate and implement strategies based on scenario analysis.

## Philosophy concerning Water Resources

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Water is an essential resource for living beings. Globally, freshwater, in particular, is an extremely valuable resources. Since water resources are being affected by natural disasters caused by abnormal weather events resulting from climate change, we recognize that our mission as a manufacturer of chemical products is to conserve and preserve 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. Therefore, we strive to recycle water in our processes. At the same time, we purify and check the quality of the water when discharging it outside of our plants. In this way, we work to conserve water resources through appropriate management and treatment.

## Philosophy concerning Industrial Waste Reduction

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As a manufacturer of chemical products, JSR Group understands that addressing the problem of marine plastic litter facing society is one of our most important issues. We recognize that it is our duty to contribute to the realization of a recycling-based society.

In addition to initiatives related to the 3Rs (Reduce, Reuse, and Recycle) of waste, we advance the efficient use of resources (circular economy) throughout the life cycle from raw materials procurement to product manufacturing, while also contributing to the customers through business activities and the achievement of related SDGs.

## Philosophy concerning Biodiversity Conservation

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At JSR Group, our management policy is to proactively contribute to the conservation of biodiversity through our business activities. As a company that handles chemical substances, it is our duty to contribute to the realization of a sustainable global environment and society. Therefore, we consider reducing the environmental impacts arising from our business activities and appropriately managing chemical substances to be priority issues. Accordingly, we are taking actions in areas such as climate change mitigation, conservation of water resources, waste reduction, initiatives to prevent pollution, and chemical management, which we believe will help achieve biodiversity conservation.

## Philosophy concerning Chemical Management

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Under its sustainability promotion structure, JSR Group's Environment, Safety and Quality Committee formulates items that should be promoted in relation to chemical management and concrete actions plans based on those and then promotes those efforts.

In light of recent global trends in chemical management, JSR has established the following three policies in its environment and safety management organization by which chemical management is implemented.

- 1) Instead of hazard-based management,<sup>\*1</sup> we will endeavor to implement risk-based management.<sup>\*2</sup>
- 2) We will strive to manage our entire supply chain by utilizing a globally standardized method.
- 3) We will strive to comply with regulations and promote self-motivated initiatives to ensure the safety of our products.

\*1 Management based solely on the hazardous properties of substances

\*2 Management based on exposure to the hazardous properties of substances

# Policy, Guideline, Principle



Corporate Mission, Management  
Policies

Environment

Social

Governance

## Security

### Philosophy and Course of Action for Occupational Health and Safety, Policy for Security Management

#### Providing a Workplace That is Healthy, Safe and Offers Peace of Mind

At JSR, safety forms the very foundation of business continuity. We are addressing safety as an important management issue necessary for the growth of the company.

Based on our philosophy, basic policy, and courses of action for safety that set forth important actions for achieving both, we are committed to being a company where all employees feel safe and happy at work and carrying out business activities that take the environment and safety into consideration as a responsible member of the local community.

We also support safety activities at Group companies in Japan and overseas based on these principles, as the entire JSR Group is working to ensure safety.

#### Philosophy for Safety

At JSR Corporation, safety is our highest priority and the foundation of all of our activities.

Accordingly, we will create safe worksites and strive to maintain physical and mental health, with the goal of ensuring a safe return home at the end of each workday.

#### Policy for Security

##### ■ Extremely Safe Behavior

The Philosophy for Occupational Health and Safety has penetrated through the organization, the Courses of Action are established as applying to everyone, and safety competency is improving through independent safety activities.

##### ■ Enhanced Human Resources and Organizational Strength

High personal skills, organizational ability, and a healthy organizational culture are being maintained with the establishment and execution of the education and training programs needed for organizational management.

##### ■ Optimal Risk Management and Security Measures

Security measures corresponding to risk importance are being efficiently and effectively implemented using new technologies.

#### Courses of Action of Philosophy for Occupational Health and Safety

- No matter the situation, we will act with safety foremost in mind.
- We will comply with established rules and never fail to act in accordance with safety basics.
- We will maintain safety by identifying and eliminating both actual and potential hazards.
- We will strive to create comfortable work environments and promote physical and mental health.
- Through communication and ingenuity, we will aim to achieve 100% employee participation in all safety activities.

## Human Rights



## JSR Group's Human Rights Policy

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This policy explains in concrete terms JSR Group's thinking with respect to human rights and presents our pledge to make efforts in line with that thinking. It is based on JSR Group's "Code of Conduct for Respecting Human Rights," which is established in the "JSR Group Principles of Corporate Ethics." We position it as the prevailing policy of all documents and norms associated with actions concerning respect for human rights in JSR Group's business activities.

### 1. Philosophy

JSR Group recognizes the importance of such international norms as the Universal Declaration of Human Rights, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. We agree with the thinking they represent and will respect human rights accordingly. We also understand that we must fulfill our responsibility to respect human rights in all of our business activities.

### 2. Respect for human rights

JSR Group respects the dignity and human rights of all people. We pledge to comply with all international norms and local laws and regulations that concern respect for human rights in the countries and territories where we do business. When a local law or regulation is inconsistent with international norms, we will do our best to find ways of respecting international norms for human rights to the greatest extent possible. Moreover, we will not discriminate on the basis of gender, age, nationality, race, ethnic group, origin, religion, beliefs, social status, physical disability, or sexual orientation for any reason. Nor will we accept any type of harassment that degrades an individual's dignity.

### 3. Avoidance of complicity in violating human rights

We apply this policy to all JSR Group corporate officers and employees, and thereby demand that they respect human rights and not infringe upon rights or engage in unfair discrimination. We also strive to ensure that they do not become complicit in human rights violations, even indirectly. Moreover, we endeavor to prevent or lessen negative effects on human rights that are directly tied to JSR Group's businesses, products, and services, and continually urge our business partners and suppliers to support our policy and to adopt a similar policy.

### 4. Employment and labor

#### — Prohibition of child labor and forced labor

JSR Group prohibits forced labor as well as labor by children who have not reached the employment age stipulated in the laws of the nations and regions in which we do business. We also demand that our business partners and suppliers do the same.

#### — Respect for basic labor rights

JSR Group complies with the labor laws of the nations and regions where we operate. We also respect employees' right to organize and right to collective bargaining, in accordance with the applicable local laws and regulations.

#### — Elimination of discrimination

JSR Group respects every individual's diversity, identity and human rights and strives to ensure equal opportunity without discrimination in every aspect of its dealings with employees, including recruitment, placement, promotion, and skills development.

### 5. Response when problems occur

If a business activity by JSR Group has a negative consequence on human rights, we will respond swiftly and appropriately to provide relief and rectification. Moreover, if a negative consequence on human rights is caused by a business partner or a supplier, we will utilize our influence on that partner or supplier to encourage them to make an appropriate response.

### 6. Prevention of human rights violations

JSR Group works to prevent human rights violations by acting in accordance with the "human rights due diligence" mechanism. We also provide appropriate education and training to all employees to ensure the dissemination of this policy throughout the Group.

Date of establishment : September 1, 2021

Eric Johnson

Representative Director, CEO JSR Corporation

## Philosophy concerning Respecting Human Rights

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JSR Group's Principles of Corporate Ethics establish its philosophy concerning human rights.

### Code of Conduct for Respecting Human Rights

- 1) We will respect and uphold basic human rights declared internationally in the United Nations "The Universal Declaration of Human Rights" and other agreements as well as protected under constitution and legal precedents of respective countries, and will not infringe basic human rights.



### **Code of Conduct for Fair and Proper Transactions**

4) With regard to purchase transactions, we shall conduct transactions that are fair, transparent, and based on economic rationality, as well as consider our responsibility to society, such as compliance with laws and ordinances, protection of resources, environmental conservation, safety and human rights.

### **Code of Conduct for Providing a Comfortable Work Environment**

7) In the event that a staff member reports the violation or possible violation of the law and/or the Principles of Corporate Ethics to his/her superiors and/or internal/external hotline, we shall fully protect the said staff member's identity and protect him or her from unfavorable treatment.

The JSR Group Principles of Corporate Ethics, revised in January, 2023.

## **Philosophy concerning Inhumane Acts (Harassment)**

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JSR Group's Principles of Corporate Ethics establish its philosophy concerning inhumane acts (harassment).

### **Code of Conduct for Providing a Comfortable Work Environment**

5) We shall provide a workplace free from sexual harassment and any harassment arising from positions of power. In addition, we will not engage in or make verbal comments with sexual connotations that will make counterparts feel uncomfortable.

The JSR Group Principles of Corporate Ethics, revised in January, 2023.

## **Philosophy concerning Prevention of Discrimination**

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JSR Group's Principles of Corporate Ethics establish its philosophy concerning prevention of discrimination.

### **Code of Conduct for Providing a Comfortable Work Environment**

- 1) We shall ensure the fair treatment of employees, based on each person's tasks, roles, and level of commitment.
- 3) We shall not discriminate against gender, age, nationality, race, ethnic group, origin, religion, beliefs, social status, physical disability, sexual identity, sexual orientation, or other relevant conditions when determining employment status and/or working conditions.
- 4) We shall not force religion and/or belief on others.

The JSR Group Principles of Corporate Ethics, revised in January, 2023.

## **Philosophy concerning Child Labor and Forced Labor**

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JSR Group's Principles of Corporate Ethics establish its philosophy concerning child labor and forced labor.

### **Code of Conduct for Respecting Human Rights**

3) We shall never allow child labor or forced compulsory labor, whether at the JSR Group or in the workplaces of business partners and collaborating companies.

The JSR Group Principles of Corporate Ethics, revised in January, 2023.

## **Philosophy concerning Collective Bargaining**

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JSR Group enters into labor agreements with labor unions based on its Principles of Corporate Ethics, which establish its philosophy concerning collective bargaining.

### **Code of Conduct for Respecting Human Rights**

2) We will abide by national and international labor codes and respect workers' right of association and right for collective negotiation in the realm of basic labor rights.

The JSR Group Principles of Corporate Ethics, revised in January, 2023.

## Philosophy concerning Customers

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JSR Group's Management Policies establish its philosophy concerning its customers.

### Management Policies

Responsibility to Our Stakeholders

Responsibility to Our Customers / Business Partners

- Constantly evolve to meet the demand for new materials
- Always strive to increase customer satisfaction
- Act in good faith and maintain fair and equitable business relations
- Continue to be socially and environmentally conscious throughout the supply chain

## Social Contribution

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### Philosophy concerning Social Contribution

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JSR Group has been involved in various social contribution programs with a focus on community activities. In January 2009 we established our "Basic Approach to Social Contribution" as a philosophy aimed at further strengthening our activities. We are currently implementing the initiatives outlined in this philosophy.

#### Basic Philosophy concerning Social Contribution

- 1) Our Corporate Mission dictates that we contribute to society through our business activities. Further, we are actively engaged in providing solutions to social requirements and issues as a responsible member of society.
- 2) We are continuously engaged in positive social contribution activities, capitalizing on the chemical and technical knowledge and skills that form the core of JSR business.
- 3) Every employee is a point of contact between the Company and society, and we actively support our employees in their voluntary participation in social contribution activities.

Basic Approach to Social Contribution, established in January 2009

## Human Resource

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### Policy on Human Resource Strategy

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The JSR Group has formulated the following policy on human resource strategy that it uses to advance various personnel measures.

By maintaining a global perspective and strengthening dynamic and diverse human resources and organizational capabilities according to the characteristics of each country, region, and business, we will maximize value (provision) to customers and markets in order to improve the efficiency of corporate activities, strengthen business competitiveness, and create innovation./p>

### Human Resource Development Philosophy

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JSR stipulates the basic concept of human resource development in its employee education guidelines.

#### 1. Purpose of human resource development

Establish a mechanism and corporate culture in which the company and individuals grow together, and develop human resources who will realize the corporate mission "Materials Innovation."

## 2. Corporate culture

- Ensure that all employees maximize their abilities by respecting diversity, equity and inclusion and empowering the autonomous career development.
- Continue to improve employee engagement by trusting and growing together between employees and the company, and create innovation.

## 3. Desirable human resources

- Human resources who can take on the challenge of creating new value by utilizing all their experience without being bound by conventional methods
- Human resources who can think about everything from a global perspective
- Human resources who can actively cooperate and collaborate internally and externally, and grow together while emphasizing two-way dialogue
- Human resources who can accept each other's existence and way of thinking beyond differences in gender, culture, generation, age, etc.
- Human resources who have their own career vision, take proactive action to realize it, and aim for self-actualization while contributing to the company and society

## 4. Human Resource Development Policy

Employee growth is the foundation of the company. In order to develop human resources that are consistent with the company's corporate mission and medium- to long-term management goals, increase the value of each employee by promoting career autonomy\*, and maximize it, the following items form our human resource development policy.

- (1) Support each employee to autonomously plan and realize their career vision through "work," which provides opportunities for superiors, subordinates, and those around them to grow together.
- (2) Provide systematic and continuous education and learning opportunities that complement growth through work in accordance with each employee's career vision.

\* Career autonomy equals proactive career vision plus the sustained action to realize it.

To develop a personal work-life career vision for the betterment of one's life, and to grow and increase one's value through sustained action to realize it and all the experiences gained from it.

## Work-Life Management Philosophy

At JSR, we think that fostering diversity, equity, and inclusion (DE&I) and the two pillars built on that are essential in improving the competitiveness of the organization and employees to achieve sustainable growth and a resilient organization. Those two pillars are 1) establishing a work environment, various systems, and IT infrastructure to make flexible work styles possible, and 2) work-style innovation (WSI) that maximizes results by accepting many flexible work styles at each workplace, mutually supporting them, and transforming them into organizational strengths.

To explain in more detail, employees use the various systems and infrastructure appropriately, as needed, proactively practice work-life management, and implement a workstyle that allows them to work in health and with vigor. Each workplace is aiming to realize the vision for their own division by employing business management, people management, and using team building to create psychological safety as they make active use of the latest digital technologies and other means to dramatically improve productivity.

Such environments increase employee engagement and create workplaces that make it easy to work and provide job satisfaction. This generates innovation and competitiveness and will lead to sustained growth.

The Human Resources Development Department establishes work environments and formulates, designs, and implements policies on various systems. The Diversity Development Office takes the lead on formulating the policy on work style innovation and planning and implementing measures. Based on the medium-term human resources strategy, the two organizations work closely together to report the details of initiatives to management as needed and use the intranet to make employees aware of these initiatives.



## Philosophy concerning Employees' Mental and Physical Health

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JSR Group feels that a healthy mind and body are extremely important for employees and their families to live happy lives. We also feel that they are imperative in the creation of a productive and vibrant workplace. Because of this, we have adopted various measures to help our employees work in good health, both mentally and physically.

JSR and some locations make a Health Declaration, which describes the policy on active initiatives to create health. The Mie National Health Insurance Organization, which is part of the National Federation of Health Insurance Societies, has designated JSR and these locations as business establishments that promote health.

## Philosophy concerning JSR Workers' Union's activities

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We strive to maintain a relationship with JSR Workers' Union that allows us to routinely engage in constructive dialogue through regular labor-management councils, meetings concerning the revision of labor agreements, and other opportunities. We are also working to build better workplace environments with attention to union concerns—namely, wage policy, labor environment policy, welfare policy, leisure time, public relations and volunteerism policy, and organizational policy.

## Supply Chain

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### JSR Group CSR / Sustainable Procurement Policy

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JSR Group's Corporate Mission is "Materials Innovation - We create value through materials to enrich society, people and the environment."

Based on this, we make CSR activities a core part of our everyday operations. Our commitment to CSR includes establishing "The JSR Group Principles of Corporate Ethics" and consolidating our responsibilities to our customers/business partners, to our employees, to society, and to shareholders under management policies we call "Responsibility to Our Stakeholders."

At JSR Group, we believe that developing CSR supply chain management will lead to mutual prosperity for both the Group and our business partners. It was with this in mind that we established this JSR Group CSR/Sustainable Procurement Policy.

Below are listed 36 items in six areas that we ask our business partners to strictly observe. We call on our partners to accept them and put them into practice, keeping in mind the intent described above and fully understanding their content.

It should be understood that this policy may undergo review and revision as required in response to changes in society's demands on us.

#### **I. Establishing and Maintaining a CSR Advancement Structure**

Companies must of course comply with the laws and regulations of each country in which they do business. But they also have a responsibility to abide by social norms and meet society's expectations. For the following Areas II to VI (fair corporate activity, human rights and labor, environmental conservation, health and safety, and information security), companies that do business with JSR Group must establish CSR mechanisms to ensure that their business activities do not negatively affect society and the environment and, if negative effects do occur, to deal with them immediately.

The following actions are required:

1. Incorporate CSR mechanisms into the company's policies and code of conduct, make them known among employees, and establish a department with the responsibility of executing them.
2. Have raw material suppliers and other business partners also understand and execute the CSR mechanisms.
3. Voluntarily announce the status of their initiatives through environmental reports, CSR reports, websites, and other media to the public.

#### **II. Fair Corporate Activity**

In the processes of producing products and services, companies must engage in business activities that are based on fair, transparent, and free competition.

The following actions are required:

1. Prohibition of corruption and bribery
2. Prohibition of giving or receiving inappropriate favors or payoffs
3. Prohibition of abuse of superior position
4. Prohibition of anti-competitive conduct
5. Provision of accurate product and service information
6. Respect for others' intellectual property rights
7. Proper import/export management
8. Proper tax payment according to the laws and regulations of each country
9. Prevention and early detection of improper behavior by maintaining an internal reporting system

### III. Human Rights and Labor

Companies must act in accordance with the laws of each country and international standards, respect basic human rights, and give attention to the following items to ensure that their business activities do not violate human rights, either directly or indirectly.

The following actions are required:

1. Prohibition of forced labor
2. Prohibition of child labor and protection of young workers
3. Prohibition of inhumane treatment
4. Prohibition of discrimination in terms of employment, promotion opportunities, treatment, etc.
5. Payment of fair wages exceeding the minimum wage amount
6. Reduction of excessive working hours by proper management of working hours and non-work days
7. Respect for employees' freedom of association and right to collective bargaining

### IV. Environmental Conservation

Companies have a responsibility to comply with the laws and standards of each country concerning environmental conservation, to specify and manage factors that impact on the environment by building a management system, and to work toward preserving the environment in their processes of producing products and services.

The following actions are required:

1. Establishment and operation of an environmental management system
2. Management of chemical substances and prevention of pollution
3. Reduction of environmental burden
4. Reduction of energy consumption and greenhouse gas (GHG) emissions
5. Resource conservation, resource recycling, and proper waste disposal
6. Conservation of water resources and reduction of water consumption
7. Preservation of biodiversity and reduction of negative impact
8. Disclosure of the status of environmental conservation initiatives

### V. Health and Safety

Companies must comply with the laws and standards of each country concerning occupational health and safety and establish management systems and mechanisms to prevent workplace accidents, promote the health and safety of employees, and create comfortable workplace environments.

The following actions are required:

1. Safety measures for machinery and equipment
2. Maintenance of workplace safety
3. Maintenance of workplace health
4. Employee health management
5. Pre-emergency preparedness measures

### VI. Information Security

Companies must properly manage and protect the information they obtain through business activities, take protective measures against threats to their computer networks, and manage the confidential information of customers and third parties in a manner that prevents leaks.

The following actions are required:

1. Compliance with the laws and regulations of each country concerning information security
2. Protection against threats to computer networks
3. Prevention of personal information leaks
4. Prevention of leaks of confidential information pertaining to customers and third parties

Enacted on December 10, 2018  
JSR Corporation

# Policy, Guideline, Principle



Corporate Mission, Management  
Policies


Environment

Social

Governance

## Governance

Please refer to JSR's Corporate Governance Report by clicking the URL shown below. The following are the gist of the report.

> JSR's Corporate Governance Report(PDF: 1,255KB) 

### Basic Views on Corporate Governance

It is the JSR Group's goal to make steady progress in realizing its corporate mission (Materials Innovation: We create value through materials to enrich society, people and the environment). This shall be done through efficient and transparent business management, by sustaining sound and healthy business practices. The Group will also continuously strive to create new corporate value with the hope of becoming an attractive corporation that can earn the trust of and satisfy the interests of all our stakeholders.

The Company therefore has been and will continue focusing on the enhancement of corporate governance as an important management challenge.

### Corporate governance structure

As a company with audit & supervisory board members (formerly known as statutory auditors), JSR principally monitors and oversees the execution of duties by directors and the management through its Board of Directors and audit & supervisory board members.

JSR has continuously strengthened the function of management supervision, improved efficiency in decision making and execution of business duties, and enhanced the transparency and soundness of business management through the introduction of an officer system and the appointment of outside directors and audit & supervisory board members, who are independent from the Company and have extensive business experience and a high level of expertise.

### Composition of Board of Directors

The current Board of Directors consists of nine (9) directors (four (4) of whom are independent outside directors with independence and abundant experience and extensive expertise in the management of corporations and businesses). Seiji Takahashi, who is a Director but not a CEO or COO, serves as the board's chairperson. In principle, the Board of Directors meets once monthly to establish the direction of management strategies, make important decisions, and supervise the execution of duties by Directors and Officers.

### Composition of Audit & Supervisory Board (formerly known as Statutory Auditors Board)

The current Audit & Supervisory Board consists of three (3) audit & supervisory board members, two (2) of whom are independent outside audit & supervisory board members with extensive and sophisticated expertise (one is a lawyer and the other is a certified public accountant qualified). In the future, the Company will elect two independent outside audit & supervisory board members with vast experience and extensive and sophisticated expertise in such fields as law, accounting, and etc., to effectively audit the execution of duties by directors and the management.

### Policies on Remuneration for Directors and framework for determining the remuneration

#### Remuneration Advisory Committee

JSR established the Remuneration Advisory Committee of which majority members are independent outside directors and the chair of which is an independent outside director in order to ensure the objectivity and transparency of its directors' remuneration scheme. The committee deliberates the basic



policy of remuneration, the remuneration structure, the mechanism of a performance-based remuneration, the setting of targets, and assessment of performance, and submits its findings to the Board of Directors.

### Policies on Remuneration for Directors

JSR establishes basic policies on remuneration with the objectives of training and recruiting highly globally-minded and diverse management personnel to ensure the corporate group's competitive advantage as a global company; setting short-term, medium-term, and long-term incentives for executives for the sharing of profits with shareholders; and ensuring the unfailing execution of management strategy and business strategy while maintaining transparency.

- (1) The remuneration system shall be one that can attract, retain, and reward diverse and highly talented human resources, regardless of nationality, to build and improve competitive advantage and further advance global management.
- (2) The system shall provide managers with a healthy entrepreneurial spirit oriented toward achieving operational objectives in management strategy for the Company's sustained development in order to motivate them to achieve those objectives.
- (3) The remuneration system shall improve medium- and long-term corporate value based on the active sharing of profits by JSR directors with shareholders through stronger stock-holding during their time as directors.

JSR's executive remuneration consists of basic remuneration as fixed remuneration; annual bonuses linked to the level of performance achievement company-wide in a single fiscal year; post-allocation performance-linked stock remuneration (performance share units) aimed at achieving the Medium-Term Management Plan ending in FY2024 and steady business structure reforms; and transfer-restricted shares (non-monetary remuneration) aimed at promoting the continuous improvement in corporate value and the sharing of value with shareholders.

Remuneration for outside directors and Audit & Supervisory Board members is only basic remuneration in light of their roles.

## Policies and procedures for nominating candidates for Directors and Audit & Supervisory Board members

### Nomination Advisory Committee

- 1) JSR established the Nomination Advisory Committee of which majority members are independent outside directors and the chair of which is an independent outside director to ensure the transparency of the policy and procedures of nominating candidates for directors, audit & supervisory board member and officers with directorship status (including senior officers). At the committee, any of the members is not eligible for voting in the agenda in which such member has special interest.
- 2) The committee deliberates the standard for the diversity in breadth of knowledge, experience, and capability necessary for the Board of Directors, criteria and procedures for the nomination, and candidates for future appointment as president, directors, officers with directorship status (including senior officers), and audit & supervisory board members, and submits its findings to the Board of Directors. In order to ensure transparency of the deliberation, the committee takes necessary measures as deliberation solely among outside independent directors for the agenda relating to appointment/reappointment or dismissal of CEO and/or President.
- 3) The committee systematically develops and selects candidates for the successor to CEO and/or President in an objective and transparent manner by providing the pool of candidates with necessary training and coaching to enhance skills and leadership and by actively participating in selection process through interviews etc.

### Criteria for nominating candidates for Directors

- 1) When nominating candidates for director, JSR's basic policy is to ensure the Board of Directors has the required knowledge, experience and abilities, diversity, and size (number of members), and a balance of those elements to appropriately and flexibly make important management decisions and to oversee the execution of business. We appoint persons who are mentally and physically healthy, and who have an exceptional character and reputation, and advanced insights and ethical standards. We identify the specific elements in terms of the knowledge, experience and abilities required by the Board of Directors based on medium- and long-term management policies and strategies. We disclose those elements in a skills matrix. Please refer to "[Supplemental Principle 4-11-1] Concept of balance of knowledge/experience/capability, diversity and size of the Board of Directors as a whole" for the skills matrix.
- 2) The Nomination Advisory Committee deliberates and reports its findings to the Board of Directors in a timely fashion when it judges that a reason has arisen which necessitates the dismissal of a director including the CEO. The committee ensures transparency in its deliberations when deliberating the dismissal of the CEO or President such as by establishing opportunities for discussions only by outside directors.

### Criteria for nominating candidates for audit & supervisory board member

- 1) From the perspective of ensuring the transparency and soundness of business management through auditing the process of directors' decision making and execution of duties in accordance with laws and regulations, such as the Companies Act, the articles of incorporation and internal rules, JSR nominates persons with vast experience and extensive and sophisticated expertise necessary for audit (including one person with sufficient knowledge of finance and accounting) among those who are mentally and physically sound and have an exceptional personality and popularity, and high principles and ethical view./li>

- 2) Regarding candidates for outside audit & supervisory board members, in particular, JSR nominates persons who have independence and extensive experience and knowledge of laws and accounting.

### Views on capability and diversity of the Board of Directors as a whole

- 1) JSR believes it is important to ensure the Board of Directors has the required skills and size (number of members) and a balance of those elements at any given time by the Board of Directors as a whole making maximum use of the extensive knowledge, experience, abilities and other skills possessed by internal and outside directors in fields including corporate management and business management; research and development; manufacturing; manufacturing technologies; intellectual properties; personnel; finance and accounting; governance; and legal affairs, compliance and risk management. We see this as important so that the Board of Directors can appropriately and flexibly make important management decisions and oversee the execution of business to improve our corporate value in the medium- to long-term.
- 2) The Company believes that its Board of Directors has acquired necessary diversities so that the Board is functioning effectively at present. JSR will continue to ensure the sufficient diversity in knowledge, experience, and capability that are essential for the Board of Directors and maintain its optimum size but not exceeding 12 people in accordance with the deliberation to be made by the Nomination Advisory Committee and with its business strategies in the future.

## Securing equitable Shareholders' rights

JSR has continued to develop an environment where shareholders can appropriately exercise their voting rights at the ordinary general meeting of shareholders. JSR will continue to implement the following measures: holding an ordinary general meeting of shareholders earlier than other companies (in the middle of June each year); early disclosure on the website before sending the notice of convocation (start of electronic provision measures); introducing an electronic voting platform via the Internet, etc.; participating in the electronic voting platform for institutional investors; enhancing contents of the convocation notice; and translating the convocation notice into English, etc.

## Reduction of cross-shareholdings

JSR holds listed shares as cross-shareholdings\* only after comprehensively reviewing the rationality of holding such shares in the light of business management strategies and economics of such shareholdings while it has been reducing cross-shareholdings when holding such shares has become irrational. The Board of Directors periodically reviews the status and the policies for holding individual cross-shareholdings by taking such factors into consideration as the purpose of holding, potential risk and expected return, and cost of capital required for holding such individual shares. When exercising voting rights of cross-shareholdings, JSR comprehensively determines to vote for or against their proposals after reviewing whether or not their corporate governance system and proposals will contribute to the improvement of their corporate value over the medium and long-term.

## Ways to avoid conflict of interest transactions arising from the act of Directors

- 1) In accordance with the Companies Act and JSR's "Regulations of the Board of Directors", JSR has obtained the Board of Directors' prior approval for competitive and conflict-of-interest transactions and reported important facts regarding such transactions to the Board of Directors after completion.
- 2) In accordance with applicable laws and regulations, JSR has disclosed the outline of transactions with related parties in notes to consolidated financial statements of the Securities Report and notes to non-consolidated financial statements of the ordinary general meeting of shareholders.
- 3) JSR has been determining the terms and conditions for the transactions with major shareholders by negotiating prices considering market conditions in the same way as it deals with third parties.

# Compliance

## Code of Conduct and Corporate Ethics

JSR Group has established a Code of Conduct as the rules that all JSR Group companies, their directors and employees (full-time, contract, part-time, and temporary employees as well as employees on short-term contracts) should comply with, in order to execute the management policies "Our Responsibility to our Stakeholders" in engaging in business activities. JSR Group shall not require its directors or employees to act in violation of the Code of Conduct. Additionally, JSR Group shall not disadvantage any director or employee who refuses to execute an order to perform an act that is in violation of the Code of Conduct for the reason of said refusal.

Please click on the following link for the English version of "The Group Principles of Corporate Ethics"

> [The Group Principles of Corporate Ethics \(PDF: 1.66MB\)](#) 

## Code of Conduct for anti-bribery and anti-corruption

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The JSR Group established "Standards on Providing and Accepting Gifts and Entertainment" and "Regulations for Compliance with Anticorruption Laws" based on the principles of anti-bribery and anti-corruption established in "The JSR Group Principles of Corporate Ethics".

### Code of Conduct for Gifts and Entertainment

- 1) Whether inside or outside the country, we shall not give gifts to and/or entertain politicians, government officials or other relevant parties in a manner that may generate profits through illegal means or violate bribery regulations.
- 2) When making contributions to political figures/parties or other organizations, we shall do so in a proper manner and observe all applicable laws and regulations, such as the Political Funds Control Law.
- 3) We shall not give or receive gifts and provide or receive entertainment to or from customers, suppliers and other stakeholders, which may be regarded as bribery or unfair acts. We shall not be involved in the exchange of gifts or entertainment that may go beyond the accepted social norms.
- 4) Within the JSR Group, we shall not give and/or receive gifts and/or provide entertainment.

The JSR Group Principles of Corporate Ethics, revised in January 2021.

## Policy for Bribery Prevention

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### 1. Prevention of bribery

JSR will not seek to gain profit or benefit, directly or indirectly, from any person who is subject to the regulations of anti-corruption laws, including commercial bribery regulations, by wrongfully influencing said person's professional conduct, nor provide benefit or promise to provide benefit<sup>1)</sup> to said person, either in Japan or abroad.

### 2. Anti-bribery system

JSR will ensure that all officers, employees, etc., comply with this policy.

If an act by an officer, employee, etc., that violates, or may violate, this policy is discovered, JSR will have the discovering person report the act using the internal reporting system or another channel and will not engage in retribution against said reporting person.

### 3. Audits and system reviews

JSR will conduct periodic internal audits and also evaluate and review its anti-bribery system to maintain a continuous and effective bribery and corruption prevention system.

### 4. Education

JSR will conduct appropriate education to officers, employees, etc., to ensure their compliance with this policy.

### 5. Recording and retaining transaction details

JSR will accurately and appropriately prepare accounting records concerning all transactions and disposals of assets and retain those records.

### 6. Punishment

If an officer, employee, etc., violates this policy, JSR will strictly punish the violating officer, employee, etc., based on the employment regulations and other regulations.

\* Provide benefit or promise to provide benefit refers to the provision or promise to provide money or goods as well as any other tangible or intangible benefit (such as invitation to an eating or drinking establishment, provision of entertainment, coverage of travel expenses, donation, and participation in an outside organization) and includes the provision of said benefit done directly or indirectly through a third party, such as an agent.

Established: August 2020

## Policies Protection of Whistleblowers

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The JSR Group specifies its policies on protection of whistleblower in its "JSR Group's Principles of Corporate Ethics" as below;

### Code of Conduct for Providing a Comfortable Work Environment

- 7) In the event that a staff member reports the violation or possible violation of the law and/or the Principles of Corporate Ethics to his/her superiors and/or internal/external hotline, we shall fully protect the said staff member's identity and protect him or her from unfavorable treatment.

The JSR Group Principles of Corporate Ethics, revised in January, 2021.

## Policies against Antisocial Forces

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The JSR Group expresses its principles against antisocial forces in "The JSR Group Principles of Corporate Ethics".

### Code of Conduct against Antisocial Forces

Our basic policy, upheld by our top executive and company as a whole, is to reject any relation with antisocial forces including any business transactions, and firmly reject any demand with collaboration from police and external organizations specialized in security issues.

The JSR Group Principles of Corporate Ethics, revised in January, 2021.

## Information Security Policy

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JSR Group endeavors to manage information in an appropriate and secure manner by establishing Information Security Policy and by thoroughly disseminating the policy to its employees.

### Information Security Policy

- 1) The JSR Group, by complying with laws and regulations and by observing other social norms relating to the handling of information, will protect information that belong to the JSR Group, its customers, business partners and other third parties.
- 2) The JSR Group will strive to develop and actively use its information assets for the efficient execution of its business. The Group's officers and employees will only use these information assets for the purposes of their work and within the scope of their authority.
- 3) The JSR Group will improve organizations and systems, provide education on information security, thoroughly disseminate this policy and related regulations, and implement measures to ensure information security.
- 4) The JSR Group will implement appropriate human, organizational, and technological measures and work to prevent unauthorized access to information assets from outside the company, as well as leaks, falsification, loss, theft and destruction of information assets.
- 5) If an information security-related problem occurs, the JSR Group will promptly identify the cause and take measures to minimize damage and prevent recurrences.
- 6) The JSR Group will periodically assess and review its information security measures to respond appropriately to changes in external environments.

Established in January 2006

## GRI Standards Implementation

Statement of use	JSR Corporation refers to the GRI Standard and reports the information contained in the Content Index for the period April 1, 2022 to March 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standards	Index	Location(Title)	ISO26000 Core Subject	UN Global Compact Principle	
<b>General Disclosure</b>					
GRI 2 : General Disclosures 2021	<b>1.The organization and its reporting practices</b>				
	2-1	Organizational details	JSR Corporation Shiodome Sumitomo Building, 1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo, Japan <a href="#">JSR Report (Integrated Report)</a> <a href="#">JSR Group Profile</a> <a href="#">Editorial Policy</a>	— — — —	— — — —
	2-2	Entities included in the organization’s sustainability reporting	<a href="#">JSR Report (Integrated Report)</a>	—	—
	2-3	Reporting period, frequency and contact point	April 1, 2022 to March 31, 2023 annual same period as the financial report Published in November 2023 <a href="#">Contact Us</a>	— — —	— — —
	2-4	Restatements of information	April 2022 Figures revised due to transfer of elastomer business	—	—
	2-5	External assurance	<a href="#">Editorial Policy</a> <a href="#">Sustainability site</a> Published in November 2023 <a href="#">Contact Us</a>	— — — —	— — — —
	<b>2.Activities and workers</b>				
	2-6	Activities, value chain and other business relationships	ICB 1357,1353 <a href="#">JSR Report (Integrated Report)</a> April 2022 Transfer of Elastomer Business	—	—
	2-7	Employees	<a href="#">ESG Data</a> <a href="#">Diversity, Equity, and Inclusion</a> April 2022 Transfer of Elastomer Business	—	—
	2-8	Workers who are not employees	—	—	—
	<b>3.Governance</b>				
	2-9	Governance structure and composition	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a> <a href="#">Corporate Governance</a> <a href="#">Sustainability Management and Advancement Structure</a>	6.2	—
	2-10	Nomination and selection of the highest governance body	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a> <a href="#">Corporate Governance</a>	6.2	—
	2-11	Chair of the highest governance body	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a>	6.2	—
	2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Corporate Governance</a> <a href="#">Corporate Governance Report</a> <a href="#">JSR Group’s Materiality (Priority Issues)</a> <a href="#">Sustainability Management and Advancement Structure</a> <a href="#">Communication with Stakeholders</a>	6.2	—

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standards	Index	Location(Title)	ISO26000 Core Subject	UN Global Compact Principle
	2-13	Delegation of responsibility for managing impacts	<a href="#">JSR Group's Materiality (Priority Issues)</a> <a href="#">Sustainability Management and Advancement Structure</a>	6.2 —
	2-14	Role of the highest governance body in sustainability reporting	<a href="#">Editorial Policy</a>	6.2 —
	2-15	Conflicts of interest	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a>	6.6 10
	2-16	Communication of critical concerns	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a> <a href="#">Risk Management</a>	6.6 —
	2-17	Collective knowledge of the highest governance body	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a>	— —
	2-18	Evaluation of the performance of the highest governance body	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a>	6.2 —
	2-19	Remuneration policies	<a href="#">Corporate Governance Report</a>	6.2 —
	2-20	Process to determine remuneration	<a href="#">Corporate Governance Report</a> <a href="#">JSR Report (Integrated Report)</a>	6.2 —
	2-21	Annual total compensation ratio	—	— —
<b>4.Strategy, policies and practices</b>				
	2-22	Statement on sustainable development strategy	<a href="#">Message from Our Chief Sustainability Officer</a>	6.2 —
	2-23	Policy commitments	<a href="#">Human Rights</a>	6.2 1,2 6.3
	2-24	Embedding policy commitments	<a href="#">Sustainability Management and Advancement Structure</a> <a href="#">JSR Group's Materiality (Priority Issues)</a> <a href="#">Supply Chain Management</a>	6.2 —
	2-25	Processes to remediate negative impacts	<a href="#">Compliance</a>	6.2 —
	2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Compliance</a>	6.2 —
	2-27	Compliance with laws and regulations	<a href="#">ESG Data</a>	6.2 —
	2-28	Membership associations	<a href="#">Editorial Policy</a>	— —
<b>5.Stakeholder engagement</b>				
	2-29	Approach to stakeholder engagement	<a href="#">JSR Report (Integrated Report)</a> <a href="#">Communication with Stakeholders</a>	6.8 —
	2-30	Collective bargaining agreements	<a href="#">Work-Life Management</a> <a href="#">ESG Data</a> <a href="#">Human Resource Management</a>	6.4 3,4,5,6
<b>Material Topics</b>				
GRI 3 : Material Topics 2021	3-1	Process to determine material topics	<a href="#">JSR Group's Materiality (Priority Issues)</a>	6.2 —
	3-2	List of material topics	<a href="#">JSR Group's Materiality (Priority Issues)</a>	6.2 —
	3-3	Management of material topics	<a href="#">JSR Group's Materiality (Priority Issues)</a> <a href="#">Climate Change Mitigation</a> <a href="#">Waste Reduction</a> <a href="#">Diversity, Equity, and Inclusion</a> <a href="#">Occupational Safety, Security and Accident</a> <a href="#">JSR Health Promotion (Initiatives in Health)</a> <a href="#">Human Rights</a> <a href="#">Supply Chain Management</a>	6.2 1~9



## Economy

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Economic Performance 2016</b>				
201-1	Direct economic value generated and distributed	<a href="#">JSR Report (Integrated Report)</a>	6.8 6.8.3  6.8.7 6.8.9	—
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Response to the TCFD Recommendations</a>	6.5.5	—
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">JSR Report (Integrated Report)</a>	—	—
201-4	Financial assistance received from government	<a href="#">JSR Report (Integrated Report)</a>	—	—
<b>Market Presence 2016</b>				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—	6.4.4 6.8	—
202-2	Proportion of senior management hired from the local community	<a href="#">Diversity, Equity, and Inclusion</a>  JSRs operate in a variety of countries, regions, and industries, and it is difficult to define "regions and localities" in a unified group.	6.8 6.8.5 6.8.7	—
<b>Indirect Economic Impacts 2016</b>				
203-1	Infrastructure investments and services supported	<a href="#">Social Contributions</a> <a href="#">Biodiversity Conservation</a>	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9	8,9
203-2	Significant indirect economic impacts	—	6.3.9 6.6.6 6.6.7 6.7.8 6.8 6.8.5 6.8.6 6.8.7 6.8.9	—
<b>Procurement Practices 2016</b>				
204-1	Proportion of spending on local suppliers	—  JSRs operate in a variety of countries, regions, and industries, and it is difficult to define "regions and localities" in a unified group.	6.6.6 6.8 6.8.5 6.8.7	—

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Anti-Corruption 2016</b>				
205-1	Operations assessed for risks related to corruption	N/A	6.6 6.6.3	10
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Compliance</a>	6.6 6.6.3	10
205-3	Confirmed incidents of corruption and actions taken	<a href="#">ESG Data</a>	6.6 6.6.3	10
<b>Anti-Competitive Behavior 2016</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	6.6 6.6.5 6.6.7	–
<b>Tax 2019</b>				
207-1	Approach to tax	<a href="#">Compliance</a>	6.6	10
207-2	Tax governance, control, and risk management	<a href="#">Risk Management</a>	6.6	10
207-3	Stakeholder engagement and management of concerns related to tax	–	6.6	10
207-4	Country-by-country reporting	–	6.6	10

## Environment

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Materials 2016</b>				
301-1	Materials used by weight or volume	<a href="#">Overview of Environmental Initiatives and Environmental Impact</a> <a href="#">ESG Data</a>	6.5.4	7,8
301-2	Recycled input materials used	<a href="#">Waste Reduction</a>	6.5.4	7,8
301-3	Reclaimed products and their packaging materials	<a href="#">Waste Reduction</a>	6.5.4 6.7.5	7,8
<b>Energy 2016</b>				
302-1	Energy consumption within the organization	<a href="#">Overview of Environmental Initiatives and Environmental Impact</a> <a href="#">ESG Data</a>	6.5.4	7,8
302-2	Energy consumption outside of the organization	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a> <a href="#">Overview of Environmental Initiatives and Environmental Impact</a>	6.5.4	7,8
302-3	Energy intensity	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a>	6.5.4	7,8
302-4	Reduction of energy consumption	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a>	6.5.4 6.5.5	7,8
302-5	Reductions in energy requirements of products and services	<a href="#">Climate Change Mitigation</a>	6.5.4 6.5.5	7,8
<b>Water and Effluents 2018</b>				
303-1	Interaction with water as a shared resource	<a href="#">Conservation of Water Resources</a> <a href="#">ESG Data</a>	6.5.4 6.5.6	7,8
303-2	Management of water discharge-related impacts	<a href="#">Conservation of Water Resources</a> <a href="#">ESG Data</a>	6.5.3 6.5.4 6.5.6	7,8
303-3	Water withdrawal	<a href="#">Conservation of Water Resources</a>	6.5.4 6.5.6	7,8
303-4	Water discharge	<a href="#">Conservation of Water Resources</a> <a href="#">ESG Data</a>	6.5.3 6.5.4 6.5.6	7,8
303-5	Water consumption	<a href="#">Conservation of Water Resources</a> <a href="#">ESG Data</a>	6.5.4 6.5.6	7,8
<b>Biodiversity 2016</b>				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Biodiversity Conservation</a>	6.5.6	7,8
304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">Biodiversity Conservation</a> <a href="#">Initiatives to Prevent Pollution</a> <a href="#">Waste Reduction</a>	6.5.6	7,8
304-3	Habitats protected or restored	—	6.5.6	7,8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	6.5.6	7,8

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a>	6.5.5	7,8
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a>	6.5.5	7,8
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a> <a href="#">Overview of Environmental Initiatives and Environmental Impact</a>	6.5.5	7,8
305-4	GHG emissions intensity	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a>	6.5.5	7,8
305-5	Reduction of GHG emissions	<a href="#">Climate Change Mitigation</a> <a href="#">ESG Data</a>	6.5.5	7,8
305-6	Emissions of ozone-depleting substances (ODS)	<a href="#">Initiatives to Prevent Pollution</a>	6.5.3 6.5.5	7,8
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">Initiatives to Prevent Pollution</a>  <a href="#">ESG Data</a>	6.5.3	7,8
<b>Waste 2020</b>				
306-1	Waste generation and significant waste-related impacts	<a href="#">Waste Reduction</a> <a href="#">ESG Data</a>	6.5.3	7,8
306-2	Management of significant waste-related impacts	<a href="#">Waste Reduction</a> <a href="#">ESG Data</a>	6.5.3	7,8
306-3	Waste generated	<a href="#">Waste Reduction</a> <a href="#">ESG Data</a>	6.5.3	7,8
306-4	Waste diverted from disposal	<a href="#">Waste Reduction</a> <a href="#">ESG Data</a>	6.5.3	7,8
306-5	Waste directed to disposal	<a href="#">Waste Reduction</a> <a href="#">ESG Data</a>	6.5.3	7,8
<b>Environmental Compliance 2016</b>				
307-1	Non-compliance with environmental laws and regulations	<a href="#">Responsible Care Management</a>	4.6	7,8
<b>Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	—	6.3.5 6.6.6 7.3.1	7,8
308-2	Negative environmental impacts in the supply chain and actions taken	—	6.3.5 6.6.6 7.3.1	7,8

**Social**

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Employment 2016</b>				
401-1	New employee hires and employee turnover	<a href="#">ESG Data</a> <a href="#">Diversity, Equity, and Inclusion</a>	6.4 6.4.3	—
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	6.4 6.4.3 6.4.4	—
401-3	Parental leave	<a href="#">ESG Data</a> <a href="#">Work-Life Management</a>	6.4 6.4.3	6
<b>Labor/Management Relations 2016</b>				
402-1	Minimum notice periods regarding operational changes	<a href="#">Work-Life Management</a>	6.4 6.4.3 6.4.4 6.4.5	—
<b>Occupational Health and Safety 2018</b>				
403-1	Occupational health and safety management system	<a href="#">Occupational Safety, Security and Accident Prevention</a>	6.4.6	—
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Occupational Safety, Security and Accident Prevention</a>	6.4.6	—
403-3	Occupational health services	<a href="#">Occupational Safety, Security and Accident Prevention</a>	6.4.4	—
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Occupational Safety, Security and Accident Prevention</a>	6.4.7	1
403-5	Worker training on occupational health and safety	<a href="#">Occupational Safety, Security and Accident Prevention</a> <a href="#">Human Resource Management</a>	6.4.7	—
403-6	Promotion of worker health	<a href="#">JSR Health Promotion (Initiatives in Health and Productivity Management)</a>	6.4.4	—
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Chemical Management</a> <a href="#">Product Safety</a> <a href="#">Compliance</a>	6.4.6	—
403-8	Workers covered by an occupational health and safety management system	※The offices with major facilities and the number of employees are shown below. However, this is not the number of employees covered by the system. <a href="#">JSR Report (Integrated Report)</a> ※The departments audited in the head office environmental and safety audits and group company audits, headed by the president, are listed below. However, this is not the number of employees covered by the internally audited systems. <a href="#">Occupational Safety, Security and Accident Prevention</a>	6.4.3 6.4.6	—

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
403-9	Work-related injuries	<a href="#">ESG Data</a> <a href="#">Occupational Safety, Security and Accident Prevention</a>	6.4.3 6.4.4 6.4.6	1
403-10	Work-related ill health	—	6.4.3 6.4.4	1
<b>Training and Education 2016</b>				
404-1	Average hours of training per year per employee	<a href="#">ESG Data</a> <a href="#">Human Resource Management</a>	6.4 6.4.7	—
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Diversity, Equity, and Inclusion</a> <a href="#">Human Resource Management</a>	6.4 6.4.7 6.8.5	6
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Human Resource Management</a>	6.4 6.4.7	—
<b>Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	<a href="#">ESG Data</a> <a href="#">Diversity, Equity, and Inclusion</a>	6.3.7 6.3.10 6.4 6.4.3	1,6
405-2	Ratio of basic salary and remuneration of women to	<a href="#">Human Resource Management</a> Collective knowledge of the highest governance body	6.3.7 6.3.10 6.4 6.4.3 6.4.4	—
<b>Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	<a href="#">Compliance</a>	6.3 6.3.6 6.3.7 6.3.10 6.4.3	—
<b>Freedom of Association and Collective Bargaining 2016</b>				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Supply Chain Management</a> <a href="#">Human Rights</a>	6.3 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.3 6.4.5	—
<b>Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Supply Chain Management</a> <a href="#">Human Rights</a>	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	—



Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Forced or Compulsory Labor 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Supply Chain Management</a> <a href="#">Human Rights</a>	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	—
<b>Security Practices 2016</b>				
410-1	Security personnel trained in human rights policies or procedures	<a href="#">Compliance</a> <a href="#">Human Rights</a>	6.3 6.3.5 6.4.3 6.6.6	—
<b>Rights of Indigenous Peoples 2016</b>				
411-1	Incidents of violations involving rights of indigenous peoples	N/A	6.3 6.3.6 6.3.7 6.3.8 6.6.7	—
<b>Human Rights Assessment 2016</b>				
412-1	Operations that have been subject to human rights reviews or impact assessments	—	6.3 6.3.3 6.3.4 6.3.5	—
412-2	Employee training on human rights policies or procedures	<a href="#">Compliance</a> <a href="#">Human Rights</a>	6.3 6.3.5	1
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	6.3 6.3.3 6.3.5 6.6.6	—
<b>Local Communities 2016</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Social Contributions</a>	6.3.9 6.6.7 6.8 6.8.5 6.8.7	8
413-2	Operations with significant actual and potential negative impacts on local communities	—	6.3.9 6.5.3 6.5.6 6.8.9	7.8
<b>Supplier Social Assessment 2016</b>				
414-1	New suppliers that were screened using social criteria	<a href="#">Supply Chain Management</a>	—	—
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Supply Chain Management</a> <a href="#">Human Rights</a>	—	—
<b>Public Policy 2016</b>				
415-1	Political contributions	<a href="#">ESG Data</a>	—	—

Explanation of locations (titles) —: No data available N/A: No applicable items

GRI Standard Reporting Requirement		Location (Title)	ISO26000 Core Subject	UN Global Compact
<b>Customer Health and Safety 2016</b>				
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Chemical Management</a> <a href="#">Product Safety</a>	6.3.9 6.6.6 6.7 6.7.4 6.7.5	9
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Responsible Care Management</a>	6.3.9 6.6.6 6.7 6.7.4 6.7.5	—
<b>Marketing and Labeling 2016</b>				
417-1	Requirements for product and service information and labeling	<a href="#">Chemical Management</a>	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	—
417-2	Incidents of non-compliance concerning product and service information and labeling	<a href="#">Chemical Management</a>	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	—
417-3	Incidents of non-compliance concerning marketing communications	N/A	6.7 6.7.3 6.7.6 6.7.9	—
<b>Customer Privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	6.7 6.7.7	—
<b>Socioeconomic Compliance 2016</b>				
419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">ESG Data</a>	6.6 6.6.3 6.6.7 6.6.7	—