

# Environmental Management

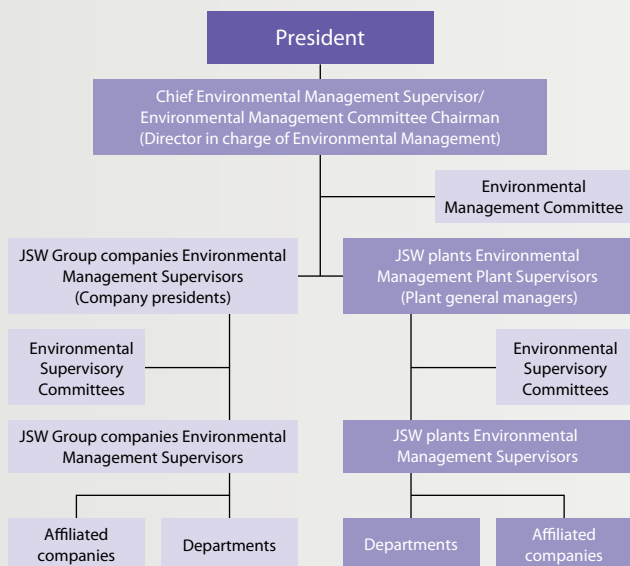
As a responsible member of society, JSW regards operating in harmony with the environment as an important corporate responsibility. In our pursuit of production activities and environmental technologies that respect environmental integrity, we engage in business activities that contribute to the ecologically sustainable development of society.

## Action Plan

1. We aim to carry out environmental tasks in an organized way, and to implement environmental preservation activities continuously.
  2. We will set appropriate objectives and targets for reducing the burden our activities impose on the environment with conserving biodiversity.
  3. We aim to provide society with products and services that contribute to the preservation of the environment.
- (1) We endeavor to increase the social value of our products in terms of environmental protection, safety and hygiene.
  - (2) We will provide products and services that reduce environmental loads by obtaining a clear grasp of environmental needs and developing technologies.

## Environmental Management Structure

The Environmental Management Committee, headed by the director in charge of environmental management, determines matters such as annual environmental management policies and programs of environmental activities for the whole company. Each plant has its own Environmental Supervisory Committee, which promotes environmental management activities and works hand in hand with other Group companies including affiliates to reduce the environmental impact of the Company's activities.



## ISO 14001 Certification Progress

The Company's Muroran, Hiroshima, and Yokohama plants and its Group companies, Meiki Co., Ltd., Fine Crystal Precision (S.Z.) Co., Ltd., and NIKKO-YPK SHOJI CO., LTD., have obtained certification under ISO 14001, an international standard for environmental management systems.

We leverage third-party certification bodies and internal inspections to conduct checks at least once annually to ensure that ISO 14001-certified business sites are endeavoring to maintain and improve their environmental management systems.

The Company and Group companies have adhered strictly to laws and ordinances, and there were again no violations in fiscal 2016.

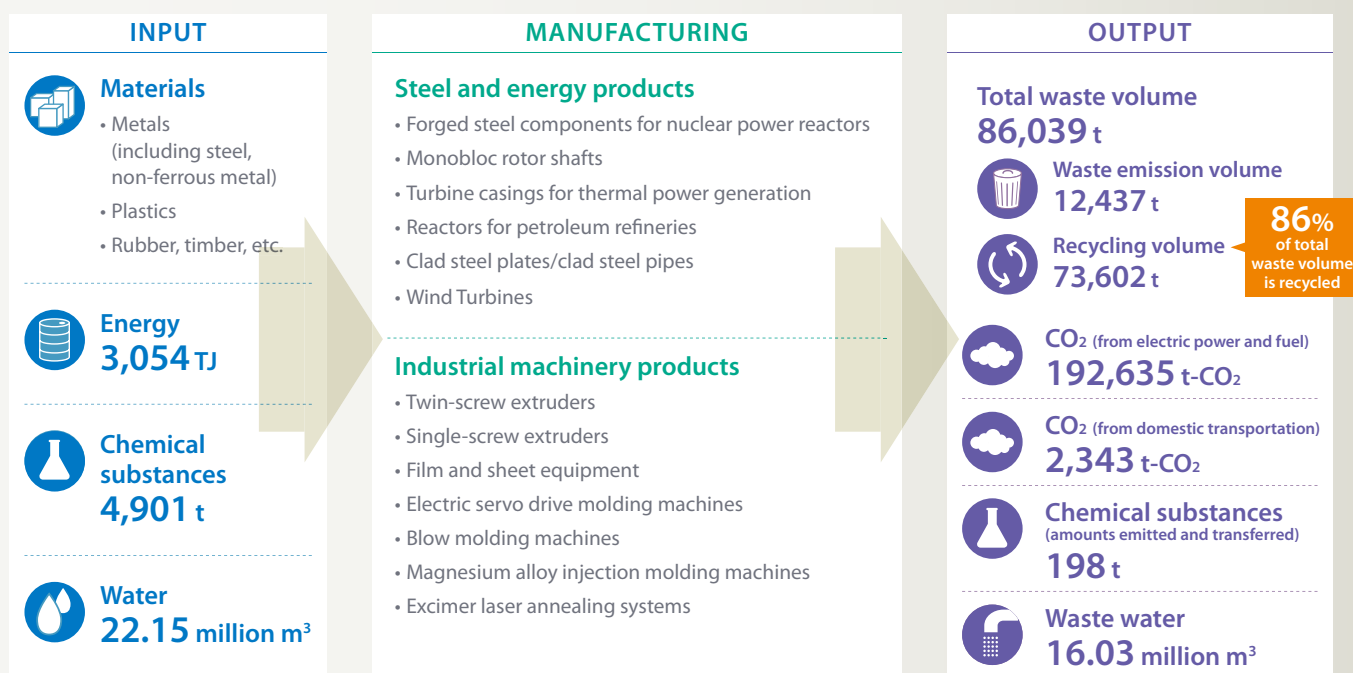
## ISO 14001 Certifications of Business Sites

Business Site	Certification Date	Current Certification Body
Muroran Plant	December 18, 1998	Lloyd's Register Quality Assurance
Hiroshima Plant	December 18, 1998	Japan Quality Assurance Organization
Yokohama Plant	September 4, 2006	Lloyd's Register Quality Assurance
Meiki Co., Ltd.	March 4, 2005	ASR International Corporation
Fine Crystal Precision (S.Z.) Co., Ltd.	March 7, 2007	Intertek
NIKKO-YPK SHOJI CO., LTD.	February 7, 2005	Japan Value-Added Certification Co., Ltd.

## Business activities and environmental impact

In the process of manufacturing activities related to our core business sectors, steel and energy products business and industrial machinery products business, the environmental impact status is shown below.

We measure both inputs (consumption of energy, water, and the like) and outputs (such as waste, carbon dioxide, and water resulting from manufacturing processes), and use the data in our environmental improvement activities.



### Steel pressure vessel for hydrogen stations (eco-car-related)

Fuel cells that generate electricity by causing hydrogen and oxygen to react chemically are attracting attention as an environmentally friendly energy source. Vehicles equipped with fuel cells allow significant reductions in carbon dioxide and harmful gas emissions, making the ultimate "eco car," the vehicle leveraging environmentally friendly energy. Since sales of fuel cell vehicles to the general public began in 2014, we have seen the establishment of hydrogen stations, which supply hydrogen for fuel cell vehicles, in various locations. With a history of hydrogen-related research and development covering more than 40 years, we have developed a steel pressure vessel for hydrogen storage, which plays a central role in the operation of hydrogen stations.

#### What is a steel pressure vessel?

Hydrogen to be stored in fuel cell vehicles must be supplied at high pressure to enable long-distance trips with one filling. Therefore, in order to completely fill the tank with hydrogen in a short time period, the hydrogen station must use a steel pressure vessel to store hydrogen at high pressure beforehand. Deploying our technological expertise related to steel, we developed a highly durable and reliable steel pressure vessel for hydrogen storage. It can be used safely for long time periods, and even permits highly accurate safety inspections during operation.

