

Management Compliance

CSR Report 2016

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Print Version of the CSR Report

FY : Fiscal Year means the year ending March 31.
For example, FY2016 means April 1, 2015 - March 31, 2016

1. Basic Philosophy

The JSR Group has been endeavoring, by building up and maintaining good relationship with all our stakeholders, to become a trustworthy and indispensable corporate citizen.

We have been vigorously performing our Code of Conduct in order to materialize "Our Responsibility to our Stakeholders", an essential part of our Management Policies, as well as to ensure compliance with the relevant laws and regulations during the course of our business.

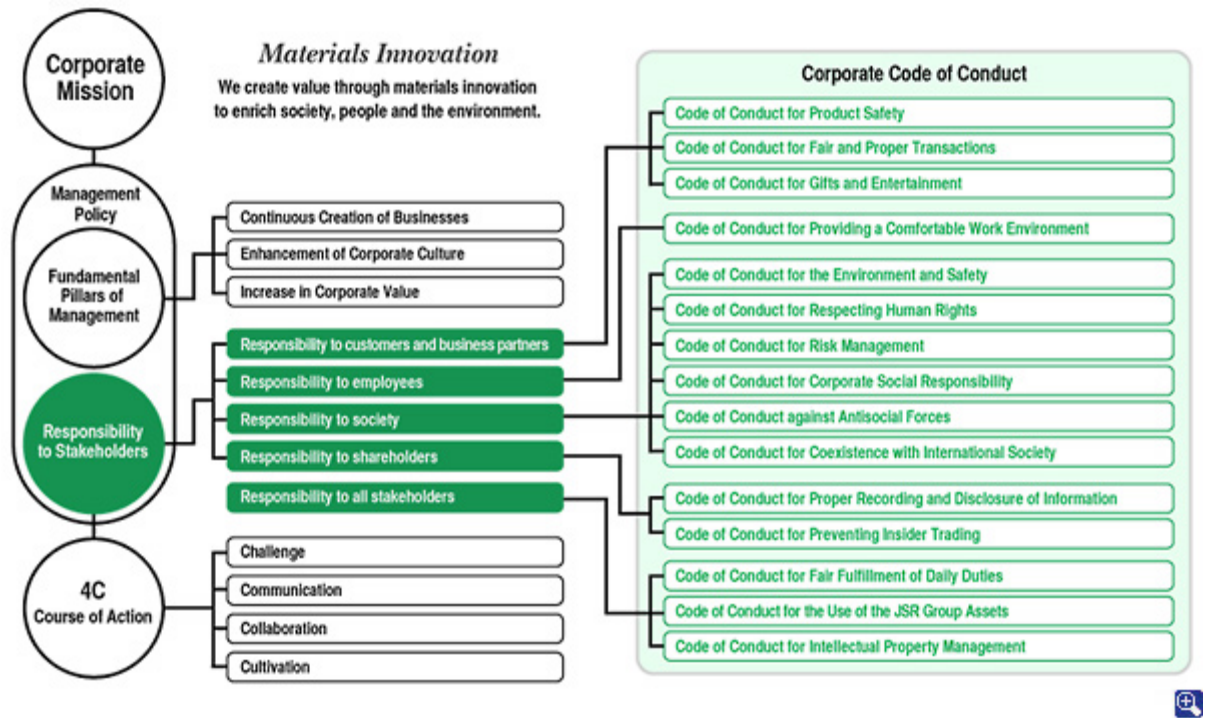
2. The JSR Group Principles of Corporate Ethics

The JSR Group has established its Code of Conduct outlined in the JSR Group Principles of Corporate Ethics, which we revised in July 2011 to reflect our newly defined "Essential Elements".

Recognizing the new Code of Conduct as a common global rules for the entire JSR Group, we have been promoting corporate ethics activities at all our Group companies both at home and abroad.

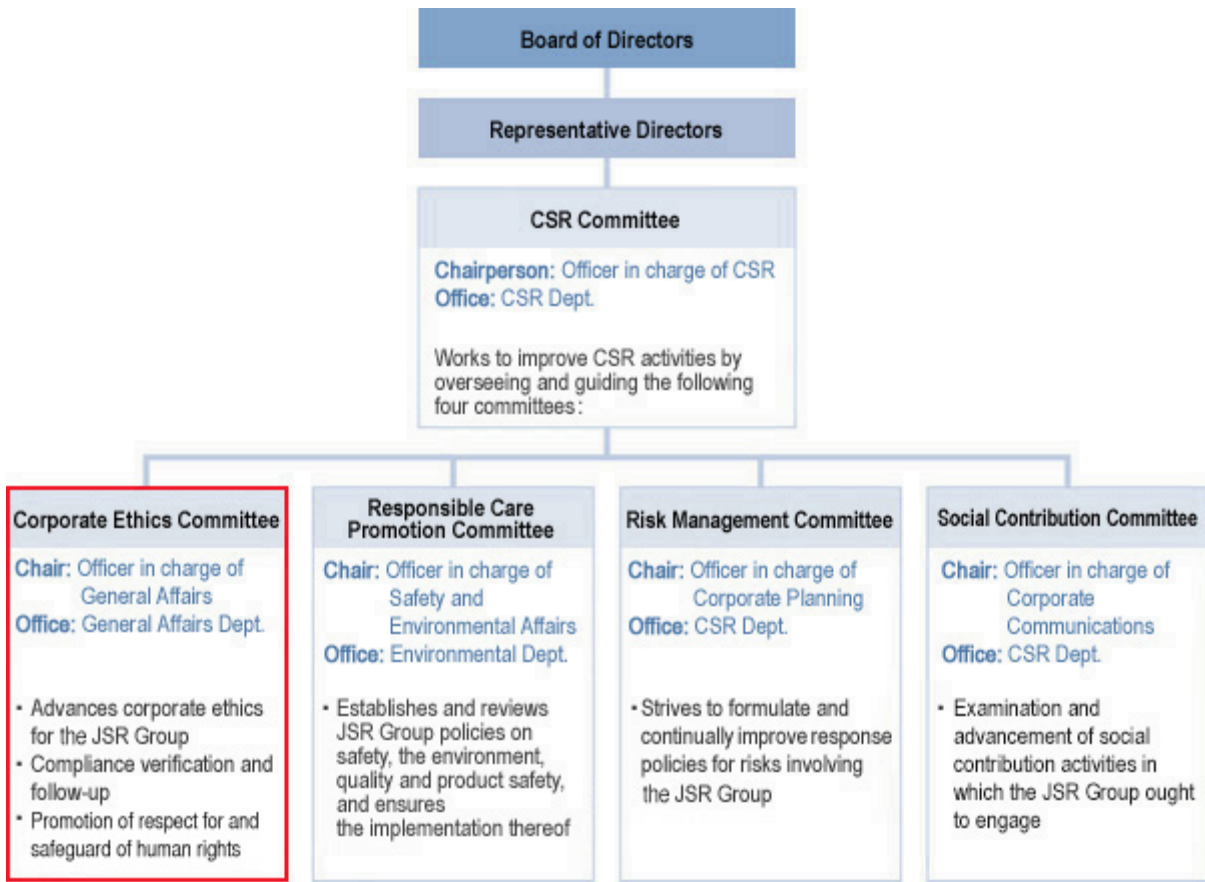
We have established this Code of Conduct as the basic rules that all JSR Group companies, their directors and employees (full-time, contract, part-time, and temporary employees as well as employees on short-term contracts) should comply with, in order to execute the management policies "Our Responsibility to our Stakeholders" in engaging in business activities.

The JSR Group shall not require our directors and employees to act in violation of the Code of Conduct. Additionally, we shall not disadvantage any director or employee as a result of their refusal to act in violation of the Code of Conduct.



3. Structure

Corporate Ethics Committee of JSR is responsible for advancing the Group wide activities such as promotion of corporate ethics activities, monitoring and enhancing legal compliance, and promotion of respecting and safeguarding human rights.



4. Corporate Ethics Activities

The JSR Group has been pursuing the following 3 major corporate ethics activities;

(1) Education on the JSR Group Principles of Corporate Ethics

The JSR Group has produced English, Simplified and Traditional Chinese, Korean and Thai versions of the JSR Group Principles of Corporate Ethics in addition to the Japanese version and distributed them to Group employees. We have thus ensured that employees at all Group companies worldwide can become acquainted with the JSR Group Principles of Corporate Ethics in their native language or in a language in which they are proficient.

As an education-related measure, we have provided an e-learning program based on the Principles of Corporate Ethics for all employees of JSR Group companies in Japan. We also conduct corporate ethics training for new recruits and newly promoted managers.

JSR Group Principles of Corporate Ethics

- Japanese ([PDF 3.242kb](#))
- English ([PDF 2.784kb](#))
- Simplified Chinese ([PDF 1.971KB](#))
- Traditional Chinese ([PDF 2.031KB](#))
- Korean ([PDF 2.233kb](#))
- Thai ([PDF 10.433kb](#))

(2) Corporate Ethics Awareness Survey

The JSR Group surveys all of our employees on their awareness of corporate ethics in order to identify issues to be addressed for improvement in areas related to corporate ethics. We have been annually conducting the survey since FY2012. In FY2016, JSR Trading Bangkok Co., Ltd. (Thailand) provided internal training on corporate ethics through internal checks and legal compliance. Techno Polymer (Thailand) Co., Ltd. (Thailand) conducts individual interviews with local employees once every six months to raise awareness of corporate ethics and legal compliance.

Send Opinions on the CSR Report

Evaluation by Outside Organizations



(3) Hotline (Internal Reporting Channels)

• Hotline for Employees

The JSR Group has introduced internal reporting channels called the "Corporate Ethics Hotline" in order to timely identify and rectify actual or potential violation of or questionable acts against the relevant laws or Code of Conduct during the course of business. The hotline consists of an internal hotline connected to the contacts in the Corporate Ethics Committee of either JSR or each of the group companies and an external hotline connected to the designated independent attorney. In addition, in order to ensure easier access to the hotlines by personnel at both our domestic and overseas business establishments, we have set up another external hotline connected to an independent and specialized outside organization capable of providing us with the support for the communication in Japanese, English, Chinese, Korean, and Thai languages. We have been encouraging our employees to use these hotlines through promotions via internal newsletters and/or posters and have been striving to build up trust in the hotlines by ensuring confidentiality and prohibiting unfair treatment of hotline users.

Number of Reports to the Hotline

FY	2012	2013	2014	2015	2016
JSR	10	11	4	8	5
Group companies	8	7	8	6	11
Total	18	18	12	14	16

• Hotline for Business Partners

On April 1, 2014, JSR Corporation introduced at its Procurement Department a "Suppliers' Hotline", an external reporting channel for business partners, namely suppliers and services providers, with which the company has regular business. The Suppliers' Hotline is provided by the same outside organization as used for the hotline for employees and is designed for the similar purpose as well. The scope of the Supplier Hotline has expanded from business partners of Procurement Department of JSR Corporation to those of the JSR of Group Companies in Japan.

FY	2015	2016
JSR	0	0
Group companies	0	0
Total	0	0

5. Legal Compliance Measures

Each JSR Group company defines legal compliance regulations that form the basis of the organization's legal compliance. Each company utilizes these regulations to review and improve legal compliance regularly. Each company also provides legal training to increase awareness of laws and regulations and improve commitment to compliance. Laws and regulations that are particularly relevant to the execution of business are identified as Overall Significant Laws and Legal regulations. We also concentrate on establishing individual systems to ensure compliance with these critical laws and regulations.

(1) Reviewing and Improving Legal Compliance

The JSR Group identifies the laws and regulations that require compliance in each country, and confirms on a yearly basis that group business activities conform thereto. The periodic review of our business activities ensures continued

improvement of our compliance awareness. Sharing information on non-compliance case studies throughout the group also helps improve our ability to preemptively prevent and detect violations.

(2) Training and Increasing Awareness

1. Compliance Handbook

The JSR Group issued the Japanese version of the Compliance Handbook in FY2013. This handbook has also been distributed to domestic Group companies to help improve the awareness and commitment of all JSR Group management and other employees to legal compliance regarding business operations. A South Korean version of the Compliance Handbook prepared in accordance with South Korean law was issued in FY2016. This handbook has been distributed to all South Korean group companies to increase awareness and commitment to compliance in South Korea.



Compliance Handbook

2. Seminars and e-Learning

We regularly hold seminars and offer e-learning programs to all JSR Group management and other employees to increase awareness and commitment to legal compliance. We also prepare and provide customized legal training for specific departments and companies.

6. Protection of Personal Information

The JSR Group, recognizing the importance of protecting personal information under the circumstances of highly advanced information and communication technologies and in accordance with the Act on the Protection of Personal Information, we have formulated and implemented a Privacy Policy and Rules for Handling Personal Information that sets out our basic approach to the acquisition, use and management of personal information.

In response to the introduction of Individual Number system in Japan, we renewed and upgraded our Rules for Handling Personal Information in FY2016 in order to, based on relevant laws and our privacy policy, define the precautions and security standards necessary to ensure proper use and protection of specific personal information at each step of information handling process such as acquisition, storage, use, provision, disclosure, correction, suspension of use, and deletion.

7. Human Rights

The JSR Group Principles of Corporate Ethics expressly states Code of Conduct for Respecting Human Rights, which covers respect for basic human rights, respect for workers' rights in and outside of Japan, and denial of child and/or forced labor not only by our group but also by our business partners and subcontractors.

We signed the Global Compact proposed by the UN and has been endeavoring to act responsibly as a global enterprise in international society.