

## Compliance

### 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.

### 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.

### Corporate Ethics Activities

#### ■ 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.

#### ■ 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



Please refer to the JSR Sustainability Site for more details.

[https://www.jsr.co.jp/jsr\\_e/sustainability/governance/compliance.shtml](https://www.jsr.co.jp/jsr_e/sustainability/governance/compliance.shtml)

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.

### 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.

### 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.

### 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.

### 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.

### Initiatives for Bioethics

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.

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. 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.