

# Compliance

To remain a company that is trusted by stakeholders and needed by society, it is more important than ever that directors, officers, and employees (hereinafter referred to as “employees”) comply completely with laws in their daily conduct and undertake fair and proper business operations with integrity. Accordingly, the Shinko Group practices thorough compliance based on the Code of Conduct of the Shinko Way.

## Compliance Promotion System

Each division in Shinko and each Group company in Japan promotes compliance in the division or company, having appointed persons responsible for compliance.

At Group companies outside Japan, we are making efforts to promote compliance, having first prepared a promotion system for each company. In this way, we are strengthening compliance throughout the Shinko Group.

## Spreading Knowledge and Practice of the Shinko Way

We have taken a variety of measures to further instill the Shinko Way and ensure that employees can always act in awareness of it. These measures have included distributing pamphlets on the Shinko Way and wallet-sized cards containing its main points to all employees, putting up posters in workplaces, and adding reminders on the Shinko Way in annual training and messages from top management given to all employees.

## Utilization of the Global Business Standards

The Global Business Standards (GBS)<sup>1</sup> are compliance standards shared within the Fujitsu Group. The GBS give concrete shape to the Shinko Way Code of Conduct, which stipulates rules and guidelines that employees are to follow.

The GBS are produced for uniform application in countries and regions around the world with different cultures, common sense, and legal systems. They provide standards, explained in the local language, of behavior that each and every employee is to follow, organized by specific issues. They serve as a guidebook in daily business activities by explaining in detail wide-ranging compliance matters, including prevention of bribery and corrupt practices as well as compliance with competition law.

<sup>1</sup> Global Business Standards (GBS)

[https://www.shinko.co.jp/english/assets/pdf/gbs\\_en.pdf](https://www.shinko.co.jp/english/assets/pdf/gbs_en.pdf)

### Global Business Standards (GBS) contents

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| <ol style="list-style-type: none"> <li>1. We respect human rights               <ol style="list-style-type: none"> <li>1.1 Respect for human rights</li> <li>1.2 Discrimination or harassment</li> <li>1.3 Creating a work environment that promotes trust and respect</li> </ol> </li> <li>2. We comply with all laws and regulations               <ol style="list-style-type: none"> <li>2.1 Respect and observance of laws and regulations</li> <li>2.2 Financial Reporting and Company Records</li> <li>2.3 Environment and Products</li> <li>2.4 Health and Safety</li> <li>2.5 International Trade</li> <li>2.6 Money Laundering</li> </ol> </li> <li>3. We act with fairness in our business dealings               <ol style="list-style-type: none"> <li>3.1 Fair Competition</li> <li>3.2 Bribery</li> <li>3.3 Dealing with Governments</li> <li>3.4 Fair and Ethical Purchasing</li> <li>3.5 Marketing and Advertising</li> <li>3.6 Political and Media Activity</li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>4. We protect and respect Intellectual Property               <ol style="list-style-type: none"> <li>4.1 Protecting IP</li> <li>4.2 Respect for Third Party IP</li> </ol> </li> <li>5. We maintain confidentiality               <ol style="list-style-type: none"> <li>5.1 General Principles</li> <li>5.2 Protecting confidential Company information</li> <li>5.3 Protecting confidential Customer or Third Party information</li> <li>5.4 Handling personal data</li> </ol> </li> <li>6. We do not use our position in our organization for personal gain               <ol style="list-style-type: none"> <li>6.1 General Principle</li> <li>6.2 Conflicts of Interest</li> <li>6.3 Gifts and Entertainment</li> <li>6.4 Insider Dealing</li> <li>6.5 Protecting Company Assets</li> </ol> </li> </ol> |
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## Development of Regulations and Guidelines

The Shinko Group practices thorough compliance based on the Shinko Way Code of Conduct and Global Business Standards (GBS). To ensure compliance throughout the Shinko Group, we established Compliance Regulations that stipulates basic matters on compliance. Moreover, we developed bylaws and guidelines in areas that have an especially large impact on business, such as compliance with anti-monopoly and competition laws, anti-bribery and anti-corruption, and responses to antisocial forces.

In light of changes in the external environment, including the establishment and amendment of law systems in and outside Japan and growing risks, we establish and revise regulations, bylaws and guidelines as appropriate. In FY2022, we established the Conflict of Interest Regulations.

## Compliance Training

We systematically provide ongoing training to increase the awareness of compliance among all employees. In particular, in areas where business risks are high, such as bribery, corruption, and competition law violations, we conduct regular and repeated training for all parties involved in the Shinko Group to reduce risks.

In FY2022, for employees in Japan we provided e-Learning on compliance in general, such as the prevention of cartels and bid rigging, anti-bribery, and security trade control. We also continued to provide training on quality compliance as in the previous fiscal year. For overseas employees, we also provided e-Learning and group training on compliance at all sites.

### FY2022 Compliance Training Results (Shinko Group)

	Participants
For employees in Japan <sup>2</sup>	5,662
For employees in Overseas <sup>3</sup>	767

<sup>2</sup> Including a Group company in Japan <sup>3</sup> Group companies outside Japan

In the years ahead, we will continue to implement various training programs in an effort to foster compliance awareness and reduce risk throughout the Shinko Group.

## Internal Whistle-Blowing System

The Shinko Group has established a corporate ethics helpline in Japan, with points of contact in and outside the Company, so that all employees can make whistleblowing reports or seek consultation on compliance. We have also developed an environment outside Japan that gives access to a whistle-blowing system operated by outside organizations.

We inform all employees about this system through compliance training, our intranet, posters, and distribution of wallet-sized cards printed with the contact information.

### 企業倫理ヘルプライン（内部通報 / 相談窓口）

#### 企業倫理ヘルプラインとは

企業倫理ヘルプラインは、法令違反行為、社内規程違反行為はもとより、人権の尊重等 [SHINKO Way](#) の「行動規範」に定められた、個々の従業員がいかに行動すべきかという基本ルールに関して、業務を通じて判断に迷うようなことがあった場合に、安心して相談していただくための窓口です。

万一問題が発生した場合に、会社だけでなく個人にも大きな影響を及ぼす可能性が高い各国の競争法や贈収賄等の法令違反行為、および品質不正等についても、本窓口にて通報・相談を受け付けています。通報・相談したことや、通報・相談内容等に関する調査に協力したことを理由として、通報者・相談者および調査に協力した者に対して不利益な取扱いをすることは、[内部通報規程](#)により禁止されています。また、通報内容については秘密保持を徹底し、情報の取扱いには細心の注意を払っています。

Spreading awareness of the system via our intranet

Furthermore, we have set up a Supplier Compliance Hotline to take whistle-blowing reports from suppliers. We also accept anonymous reports and requests for consultation through this system. We do not allow whistle-blowers to be treated unfavorably because they used the whistle-blowing system to make a report or seek consultation, and we take great care in handling information so that whistleblowers are not identified. When a whistle-blowing report has been made, we conduct an appropriate investigation. If the investigation finds a problem in light of the Code of Conduct and the GBS, we implement corrections (including disciplinary action) and take measures to prevent a recurrence. Going forward, we will make sure everyone is informed about the internal whistle-blowing system, strive to encourage its use, and aim to foster an open organizational culture so as to prevent compliance violations and detect them early, should any occur.

### ● RBA Code of Conduct Initiative ●

The Shinko Group has a high regard for the code of conduct of the Responsible Business Alliance (RBA). To improve compatibility with the standards stipulated by the code of conduct in the following four sections—labor, health and safety, the environment, and business ethics—we are working to enhance our management system and practice the processes stipulated by this code of conduct. Specifically, we perform risk assessments of each section and checks on the extent of adherence to regulatory compliance and customer requests. Based on the results, a yearly target and an implementation plan are drawn up, and after review by top management, a range of measures are implemented. Adherence to the management system and regulatory compliance, compatibility with standards and the state of implementation of the plan are audited, and adjustments are made to correct the system as necessary. These annual activities and the audit outcome are reported to and reviewed by top management, and their opinions are reflected in the following year's activities. Furthermore, we ask our suppliers for their understanding with regard to the RBA Code of Conduct, and we are working on initiatives to promote the code of conduct throughout the supply chain as a whole by encouraging them to base their activities on the code. In addition, we conduct a Self-Assessment Questionnaire (SAQ) on the status of activities in the RBA Code of Conduct, report the results to the RBA, and share them with our customers who are RBA members. This activity is carried out not only in Japan but also at our overseas production sites. RBA also has a Validated Assessment Program (VAP), a third-party assessment program to evaluate compliance with the RBA Code of Conduct. We received an assessment in FY2020 in response to requests from customers who are RBA members. Based on the assessment results, we improved the compatibility with the standards. Going forward, we will continue to strengthen our efforts in each section according to the RBA Code of Conduct.

