

2. Compliance

(1) Basic Approach

To foster a deeper understanding of compliance, the Company has prepared and distributed the CSR Guidebook to all officers and employees of the Hitachi Metals Group, and provides compliance education in online and e-learning formats on a regular basis. In addition, the Company has set October of each year as Hitachi Metals Group Corporate Ethics Month, and holds compliance lectures delivered by outside instructors, primarily for employees in management-level positions, as well as providing various other programs to cultivate an awareness of compliance.

(2) Compliance Education Activities

(a) Hitachi Metals Group Corporate Ethics Month

To thoroughly instill compliance, we designated October as the Hitachi Metals Group Corporate Ethics Month, as in past years, and carried out the following measures, in addition to conducting compliance training.

- i) The “President’s Message for the Hitachi Metals Group Corporate Ethics Month,” prepared in his own words to call for adherence to compliance, was distributed online and by other methods to officers and employees in the Group.
- ii) We held compliance lectures (led by outside instructors) for those in management-level positions. (Targets were executive officers and other management executives, and general managers at the head office or regional offices.)
- iii) We distributed workplace compliance education materials for use in the workplace during morning assemblies and departmental meetings.

(b) Compliance Training

Each year, the Compliance Department conducts compliance training for officers and employees of the Hitachi Metals Group. This training covers compliance with the Codes of Conduct and competition laws and regulations, prevention of acts of bribery, prevention of transactions with antisocial forces, and the whistleblowing system.

Training related to compliance was included in the curriculum for new employees and in education for specific levels and positions, etc.

No.	Type	Substance	Target employees
1	Education for all members	Compliance training	Hitachi Metals Group employees
2		Compliance lectures for employees in management-level positions (led by outside instructors)	Executive officers and general managers at the head office or regional offices
3		Hitachi Group Compliance e-learning	Back-office workers
4	Education for new hires	Training for new hires	New hires
5	Education for midcareer hires	Training for midcareer hires	Midcareer hires
6	Education for specific levels and positions	Training for newly promoted managers	Newly promoted line managers
7		Training for employees on overseas assignments	Employees on overseas assignments

(3) Compliance Audits

The Internal Auditing Office conducted internal audits of all of offices. The Compliance Department joins this audit activity in order to conduct compliance audits to check whether there is any suspicion of practices that violate either laws or company rules.

Also, the Group companies conducted self-audits of their compliance.

(4) Export Controls

In its Codes of Conduct, Hitachi Metals sets “Obey the law and walk the path of virtue” as the basis of its actions. Accordingly, our basic policy on export controls is to “Strictly observe export-related laws and contribute to the maintenance of international peace and security,” and under this policy, we formulated and resolutely apply a compliance program that includes Rules on Security Export Controls. Specifically, we scrutinize the destination countries and regions, applications, and customers of all exported goods and technologies as we perform procedures on the basis of relevant laws. We guide global Group companies in enacting export control rules and establishing systems to ensure that they control exports appropriately, in line with the policy. We also provide educational assistance and perform internal audits.

Hitachi Metals will make exhaustive efforts to carry out our social responsibility for the maintenance of international peace and security in the future.

In fiscal 2020, the Hitachi Metals Group committed no major violations of export controls.