

## Compliance

MHI Group attaches importance to complying with applicable laws and social norms and is promoting fair and honest business practices. For the promotion of such practices, MHI Group established the Compliance Committee, which is chaired by the General Counsel (executive vice president). The Compliance Committee draws up and implements Groupwide compliance promotion plans and confirms their progress. In addition, the Committee works to strengthen compliance on a continuous basis through such means as sharing compliance-related initiatives and cases within the Group.

In addition, MHI Group has also set up whistleblowing hotlines in Japan and overseas in an effort to swiftly respond to various compliance-related risks, including compliance violations or actions that run the risk of becoming compliance violations.

As a global organization, MHI Group employs thousands of individuals from different backgrounds, nationalities, and cultures. This diversity of talent and perspectives is one of our greatest assets. Having diverse backgrounds, it is important to work together and promote our business under a common corporate culture. To that end, MHI Group has formulated the "MHI Group Global Code of Conduct." Through such efforts as e-learning and the distribution of booklets, we strive to disseminate this code of conduct among MHI Group employees around the world. At the same time, we have formulated the "Compliance Promotion Global Policy," clarifying basic matters and rules for promoting compliance, such as the organizational framework, roles, and administration standards.

To increase awareness of compliance among individual employees, we conduct discussion-based training every year that focuses on various compliance-related themes. We also conduct e-learning and training programs for Group employees on antitrust, anti-bribery, and export-related laws and regulations. In addition, we are striving to further enhance compliance awareness through the compliance guidebook, which targets employees engaging in technical work on the frontlines of manufacturing.

With an even greater focus on ensuring compliance in overseas, MHI Group appointed Regional Audit & Compliance Officers (RAO) in each of the four regions of the Americas, Europe, Asia Pacific, and China, to promote the Compliance activities for the MHI Group in the relevant region, as well as carry out internal audit functions. Through compliance liaison conferences, compliance monitoring and other activities, which are organized mainly by the RAO, in each country and region, we are making efforts to reinforce compliance promotion at overseas Group companies.

Number of participants in compliance training (e-learning)

Approximately **88,100** (FY2019)

|  | FY/cases   |            |            |            |
|--|------------|------------|------------|------------|
| Number of whistleblowing cases, by type    | 2016       | 2017       | 2018       | 2019       |
| Labor and the work environment             | 42         | 49         | 81         | 69         |
| Overall discipline and breaches of manners | 28         | 17         | 13         | 13         |
| Transaction-related laws                   | 11         | 11         | 15         | 12         |
| Consultations and opinions                 | 3          | 0          | 1          | 2          |
| Other                                      | 34         | 36         | 32         | 44         |
| <b>Total</b>                               | <b>118</b> | <b>113</b> | <b>142</b> | <b>140</b> |
| (number of corrections and improvements)   | (64)       | (59)       | (59)       | (66)       |

### ► Compliance Promotion System

(as of April 1, 2020)

