

Compliance

We, the Sanyo Chemical Group, declared in our Code of Corporate Ethics that it is essential corporate behavior to ensure legal compliance and to fulfill corporate social responsibility, which has been implemented to take the lead in the realization of a sustainable society. With good sense and integrity, we are committed to improving our society and are following our company mission, “Establish a better society through our corporate activities.”

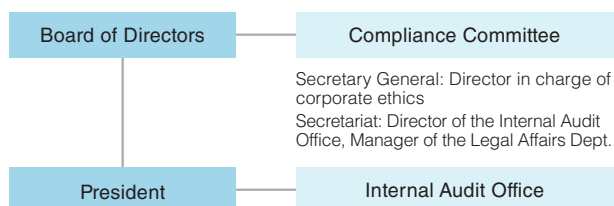
Internal compliance system

We have appointed a Director in charge of corporate ethics and established the Compliance Committee, which is under the direct control of the Board of Directors.

The Compliance Committee is a deliberative and decision-making body on the basic policy and measures regarding compliance. The committee holds regular meetings. In FY2023, the committee studied the content to be learned by employees at corporate ethics study meetings, which are held on a company-wide basis, identified important risks that can be reduced through compliance activities, and formulated countermeasures.

We have also set up the Internal Audit Office under the direct control of the President, so as to strengthen our internal auditing function.

Structure



Internal auditing

The Internal Audit Office conducts internal auditing. It objectively verifies and evaluates the business management and operation systems and the business performance status in terms of legitimacy, effectiveness, and efficiency. Based on the results, it makes proposals for improvement or corrective recommendations to facilitate the company’s sound management and sustainable development.

Whistleblowing system

When an employee is aware of a compliance issue, the basic rule is to discuss it with their supervisor or the personnel concerned. If the issue cannot be resolved, the employee can use whistleblowing contact points (such as the compliance hotline) that conform with the Whistleblower Protection Act. The internal contact point is the Director of the Internal Audit Office, who serves as the Compliance Committee Secretariat, while an external

contact point is a corporate lawyer. We operate the regulation requiring that the whistleblowers’ confidentiality be carefully protected to prevent their identification.

In April 2023, we opened a consultation desk for harassment in addition to the whistleblowing contact points, working to create a system that makes it easier for whistleblowers (consultants) to use these services.

Harassment whistleblowing/consultation services (internal/external)

Compliance Hotline	Whistleblowing	Internal	Director of the Internal Audit Office
		External	Corporate lawyer
Internal consultation desk for sexual harassment, maternity harassment, and LGBTQ (harassment)	Consultation	Internal	Personnel Dept.
Harassment consultation desk LGBTQ consultation desk	Consultation	External	Outside specialized institutions

We investigate facts with the utmost care to ensure that whistleblowers are not penalized. If a problem is confirmed, we provide guidance, disciplinary action, and education to those involved. We also report the operation of the whistleblowing service to the Compliance Committee.

Education and awareness-raising activities

The Sanyo Chemical Group annually holds corporate ethics study sessions in all departments to prevent the occurrence of corporate misconduct. Recently, these sessions have placed particular focus on the kind of corporate culture behind corporate misconduct to learn how corporate culture reform leads to improved compliance.

Taking seriously the fact that four cases of harassment occurred within the Group in FY2022, we held study sessions on harassment in FY2023. The sessions consisted of three parts: online training to learn about harassment, a questionnaire survey to understand the actual situation, and group discussions. A total of 1,528 people participated. After each session, check the questionnaire survey was conducted to evaluate the Group’s overall compliance activities, with a view to reflecting the results in education activities in the following fiscal years.