

# Keeping legal compliance at the foundation of our management.

The Group has positioned compliance with all pertinent laws and regulations as a key management priority. We are deploying compliance activities resting on universal participation by combining the "shower-type" approach from the top downward with the "fountain-type" one from the bottom up, i.e., resting on action by each and every employee on his or her own initiative.

## Activities for legal compliance based on our original compliance system

### Compliance system

The Group system for having compliance practices take firm root based on the repeated PDC cycle consisting of the following three tasks: 1) determination of guidelines (policies) for management of compliance (plan), 2) activities to make sure that all employees know of these guidelines in order to implement them (do), and 3) monitoring to confirm proper implementation (check).



Diagram of the compliance system

**① Establishment of guidelines for compliance management**

We have established our own action standards and medium-term management policy guidelines, and take action in accordance with them.

**② Execution of publicity campaigns**

We conduct publicity campaigns to deepen understanding and reaffirm the importance of compliance in the minds of all employees

**③ Monitoring**

We engage in monitoring to absorb the specific views and wishes of employees on the business front, and make use of them as valuable information.

#### ■ Group action standards

The standards present a code for action and conduct for all Group employees.

#### ■ Group action standards handbook

The handbook describes the action standards with text in simple language and illustrations.

#### ■ Manuals of Group company action codes (standards)

The compliance committees instituted by each member of the Group prepare their own manuals by adapting the Group action standards to their own business and industry.



Nippon Ham Group action standards (left) and Nippon Ham Group action standards handbook

#### ■ Compliance training

For the further diffusion of compliance awareness, we hold compliance training seminars for each layer of the organization, including acquisition of knowledge and group discussions based on case studies.



Compliance training (for managers)

#### ■ Compliance activities

We also hold small-group activities in workplace units, as exemplified by compliance meetings and office study groups, for presentation and sharing of results.



Compliance meeting

#### ■ Employee compliance survey

Each year, we carry out a questionnaire survey with all employees to learn about their views on compliance. The survey enables us to express the relationship between the organizational culture and compliance violations in terms of numerical values, for use in specific activities.



Questionnaire survey form

#### ■ Provisions for consultation

We have instated provisions to give all Group employees access to consulting services regarding compliance-minded management and actual circumstances in the workplace. More specifically, we have set up one internal contact and two external contacts for free notification and consultation, without any departmental constraints.

#### ■ Scheme for notification of important information

This scheme is for notification of extraordinary events (such as natural disasters and accidents) occurring in the Group. This sharing of risk information assists prompt response to accidents and troubles.



Compliance card

## Group setup for legal compliance

In the interest of promoting compliance-aware management, the Group has taken a fair and neutral stance marked by avoidance of bias toward specific positions and opinions. The roles of the Compliance Committee, compliance promotion committees, and Compliance Leader Conference shown in the table below are as follows.

### Compliance Committee

The Compliance Committee makes comprehensive examinations on matters such as the status of compliance in the entire Group, arrangements to promote it and establishment of guidelines. It drafts measures related to the diffusion of compliance practices and advises the Board of Directors and other management conferences.

### Compliance promotion committees

Compliance promotion committees chaired by the president or general manager are instituted in each Group company and division for the diffusion of compliance practices in each business. These committees prepare concrete initiatives and take organized action to ensure compliance.

### Compliance Leader Conference

Regularly bringing together compliance leaders\*\* from across the country, the Compliance Leader Conference is a venue not only for mutual discussion of activities but also sharing of information that is put to extensive use by the various compliance promotion committees.

\*\*Compliance leaders: Each compliance promotion committee appoints one of its members to be a compliance leader. Besides activity as members of their respective committees, these leaders participate in the Conference.



Compliance Committee



Compliance Leader Conference

## Diagram of the Group compliance organization

