

Internal Control

The NH Foods Group is committed to strengthening internal controls at our offices and at Group companies, in recognition of the importance of not only the management framework, but also cumulative efforts in the workplace to fulfill responsibilities to all stakeholders and enhance the effectiveness of compliance and risk management.

COMPLIANCE PROMOTION FRAMEWORK

Compliance Committee

Chaired by the president of NH Foods Ltd., the Compliance Committee comprehensively evaluates issues such as verification of compliance status, development of a compliance promotion framework, and the formulation of compliance policies for the entire NH Foods Group. It also plans measures to promote compliance awareness and proposes them to the Board of Directors and other management committees.

Compliance Promotion Committees

The Compliance Promotion Committees, which have been established within individual Group companies and business divisions, discuss compliance and proactively develop compliance awareness activities.

Compliance Leader Conference



Compliance Leader Conference for fiscal 2018
Chairperson
Vice chairpersons

The Compliance Leader Conference comprises representatives of the Compliance Promotion Committees and plans specific activities for

ensuring compliance awareness for the entire NH Foods Group. In fiscal 2017, we worked to eliminate harassment and improve communication between employees under the theme “We all are partners of each other; let’s create and coordinate workplaces we can be proud of.” In fiscal 2018, we will continue this theme, and hold ongoing discussions to promote independent compliance activities by each company in the Group.

Establishment of clear guidelines for compliance

- NH Foods Group’s action standards
- Manuals for Group company action standards



Execution of publicity campaigns

- Compliance training
- Compliance meetings
- Office study groups



Compliance training

Monitoring

- Internal and external consultation desks
- Manage information on material facts from the Group and prevent recurrence, in accordance with the Company’s rules for information processing and management
- Confirm workplace conditions through compliance site visits

RISK MANAGEMENT

The Compliance Department has comprehensively managed the risks within the NH Foods Group. Through close cooperation with the relevant departments, the Compliance Department—acting in line with risk management guidelines—has put systems in place for conveying information promptly and

accurately and for establishing a quick response in the event that any of the anticipated risks should materialize. The Risk Management Committee is responsible for discussing and deciding on issues and countermeasures pertaining to the promotion of risk management throughout the Group.