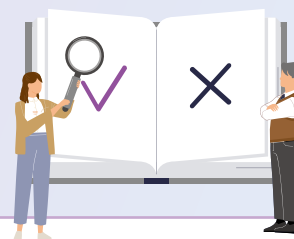


Compliance



Basic Philosophy

To meet public expectations, the Sanki Engineering Group strives to maintain legally compliant behavior based on corporate ethics across all aspects of its operations by upholding the Sanki Engineering Group Compliance Declaration, the Sanki Engineering Group Code of Conduct and Action Guidelines, and the Sanki Engineering Group Conduct Standards.



Sanki Engineering Group Compliance Declaration, Sanki Engineering Group Conduct Standards
<https://www.sanki.co.jp/en/csr/policy/compliance.html#etc02>



Sanki Engineering Group Code of Conduct and Action Guidelines
<https://www.sanki.co.jp/en/csr/policy/conduct-code.html>

Compliance Promotion System

We have established a Corporate Ethics Committee, chaired by the president, who nominates officers responsible for corporate ethics to oversee the committee's activities. The committee reviews, monitors, and provides guidance with respect to compliance guidelines and action plans for the entire Group, and the Board of Directors regularly verifies the effectiveness of its activities.

Compliance Audit

The Internal Audit Office monitors compliance by providing guidance on audits. In fiscal 2023, internal audits were carried out at 21 worksites, including 17 in Japan and 4 subsidiaries in Japan and overseas. In addition, we conducted hearings with onsite staff by visiting Company sites and via web conferencing to foster compliance awareness.

Whistleblowing System

We set up the Fair Trade Hotline for reporting on violations of the Anti-Monopoly Act, the Corporate Ethics Hotline for reporting on compliance-related issues, the Women's Hotline for accepting consultations from women, and the Consulting Office for Harassment and Other Concerns. All hotlines are open to everyone who works at the Sanki Engineering Group, including those who are not employees, and information is also posted on the corporate website. In addition, the SANKI Secure Hotline for Women was established for female employees of the Group and began operations in fiscal 2024. Since the Women's Hotline offered only an internal contact point, an external contact point was set up in response to employee requests for a women's hotline that could be accessed more easily. All of these contact points are available to every individual working for the Group including non-employees. We also set up a reporting and consultation hotline for subcontractors on our corporate website for establishing more open relationships.

With regard to each hotline, we act swiftly to resolve the issues that are reported, with due consideration for the protection of anyone seeking consultation or providing information in accordance with the Corporate Ethics Regulations. All reported information and content of consultations are presented to corporate ethics officers, and important cases are reported to the Board of Directors. At the Corporate Ethics Hotline, the reporter's name is handled in secrecy by corporate ethics officers and will not be disclosed to others without the reporter's prior consent. The reporter will not be placed at a disadvantage for consulting or reporting to the hotline.

In fiscal 2023, there were 22 reported incidents (17 internally and 5 externally), and all incidents were handled appropriately.



P. 87 Corporate Governance System



電話 03-5565-5410
 E-mail hotline@eng.sanki.co.jp
 文書 〒104-8506
 東京都中央区明石町8-1 聖路加タワー
 三井工業株式会社
 サステナビリティ推進室内
 「通報・相談窓口」行



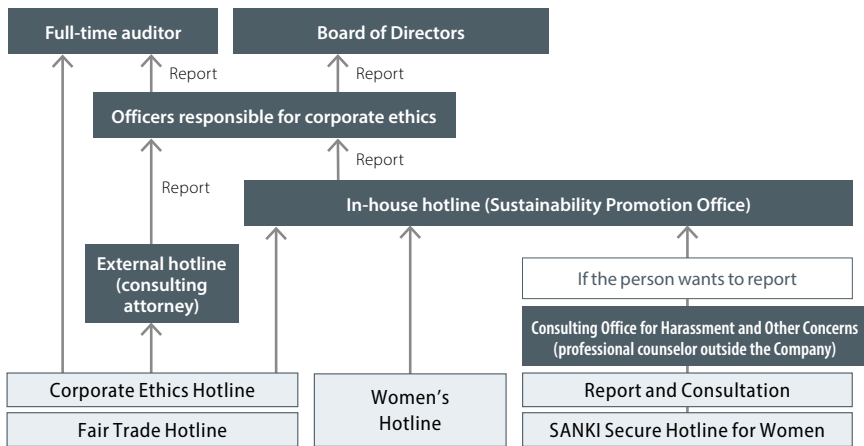
Reporting and Consulting Channels

<https://www.sanki.co.jp/en/csr/governance/hotline/>

Number of Reports and Consultations in Fiscal 2023

| | Number of Reports |
|---|-------------------|
| Corporate Ethics Hotline | 17 |
| Fair Trade Hotline | 0 |
| Women's Hotline | 0 |
| Consulting Office for Harassment and Other Concerns | 5 |
| Consultations | 4 |

Whistleblowing System



Compliance Promotion Activities

Compliance Confirmation Sheets from All Executives and Employees

In order for all Group executives and employees to refresh their awareness of the responsibilities they must fulfill in their respective positions and roles, compliance confirmation sheets covering items such as observance of the Code of Conduct and Action Guidelines, and eliminating antisocial forces, are submitted at the beginning of each fiscal year.

Number of People Submitting Compliance Confirmation Sheets (Fiscal 2024)

| | Sanki Engineering (Target Employees) | Group Companies (Target Employees) |
|---|---|---------------------------------------|
| Compliance confirmation sheets concerning performance of duties*1 | 41 (41) | 34 (34) |
| Compliance confirmation sheets*2 | 2,112 (2,154) | 756 (761) |

Response to Antisocial Forces

The basic agreements we conclude with our partners clearly state that severing relationships with antisocial forces is a condition for doing business.

Training and Handbook for Ensuring Thorough Compliance

Sanki Engineering conducts training for all executives and employees on a regular basis in order to ensure thorough dissemination of and compliance with the Code of Conduct and Action Guidelines. Separate special training is provided for mid-career hires when they join the Company and for new sales representatives when they start their position to encourage their acquisition of knowledge.



Poster promoting the reporting and consultation hotlines

*1 Directors and executive officers submit compliance confirmation sheets related to the execution of operations.
*2 Individuals who did not submit compliance confirmation sheets were unable to do so due to reasons such as maternity leave and medical treatment.

The corporate ethics training sessions in fiscal 2023 addressed human rights issues to deepen understanding of the Sanki Engineering Group's human rights risks. With regard to harassment as one such risk, we designed our training to effectively raise awareness, since anyone can be a party to harassment.

We also distribute the Sanki Engineering Group Sustainability Handbook to all Group executives and employees for use as a reference on policies related to compliance and sustainability, including specific explanations for practical situations and information on hotlines for reporting and consultation.

Compliance-Related Training (FY2023)

| Theme | Target | Frequency and Participation (Attendance Rate) |
|--|--|--|
| Compliance topics including the Code of Conduct and Action Guidelines, Anti-Monopoly Act, human rights, and preventing bribery | All Group executive officers and employees | 10 sessions 2,685 employees (97.4%)* |
| | Mid-career hires | 38 employees (100%) |
| Compliance with the Anti-Monopoly Act | Newly assigned sales staff | 23 employees (100%) |

Survey on Status of Compliance and Human Rights in the Workplace

We conduct a survey every fiscal year on the status of compliance and human rights in the workplace, targeting all Group executive officers and employees to monitor the situation while also incorporating employee voices. The survey includes questions on compliance and human rights risks, including about issues related to harassment in the workplace, by customers and business partners.

In fiscal 2023, we increased the frequency of surveys from once to twice a year, at the beginning and end of each fiscal year, to further improve compliance. Survey results are shared with the head of each division to encourage improvements in the workplace environment within the division and are disclosed to all Group executives and employees.

Initiatives for Preventing Bribery

We are working to prevent corrupt practices under the Sanki Engineering Group Action Guidelines, which prohibits bribing public officials and providing benefits such as excessive business entertainment. In addition to establishing a program specifically related to bribery as part of our corporate ethics training, we provide e-learning for all employees. Points to consider when making practical business decisions and points to keep in mind outside Japan are also explained in the Sanki Engineering Group Sustainability Handbook.

Reinforcing Compliance with the Anti-Monopoly Act

Thorough Measures for Recurrence Prevention

As a rigorous measure to prevent a recurrence of Anti-Monopoly Act violations, we refer to the Anti-Monopoly Act Compliance Manual and conduct compliance-related training. This ensures that all employees remain mindful of adhering to our policy of conducting business activities in accordance with laws, regulations, and corporate ethics.



Sustainability Handbook

*1 Individuals who did not participate in training were unable to do so due to reasons such as maternity leave and medical treatment.

FY2023 Survey on Compliance in the Workplace

Survey period: February 2024
Participants: all Group executive officers and employees

Do you think that compliance-conscious behavior has permeated our Group?

| | |
|---------------------------------|-----|
| • Yes. | 33% |
| • Somewhat. | 58% |
| • I'm leaning toward "no" here. | 5% |
| • No. | 2% |

Please choose all of the following statements that apply to your current working environment. (Multiple answers are allowed.)

| | |
|---|-----|
| • I think that personal relationships in the workplace are relatively good. | 66% |
| • It seems easy to take various kinds of leave. | 57% |
| • Your supervisor is willing to listen to your opinions and suggestions. | 42% |

What do you think is important for creating a workplace that is less prone to compliance violations? (Multiple answers are allowed.)

| | |
|---|-----|
| • Improving personal morals and awareness | 73% |
| • Improving communication in the workplace | 50% |
| • Eliminating work overload and understaffing | 45% |