



Respect for Human Rights, Basics and Ethics

We respect human rights, observe laws and ethics, and establish a clean corporate culture that is admired by society.

Respect for Human Rights

The Company upholds respect for human rights in the KOKUSAI ELECTRIC Way and commits to “conduct business that respects the human rights of all persons,” in the Guidelines and Commitments. We also specify the details of this promise in the KOKUSAI ELECTRIC Group Human Rights Policy and ensure all Group members are made well aware of the policy.

Giving Consideration to Human Rights in the Expansion of Business

When acquiring a company or establishing a new one, we have a system in place to share the KOKUSAI ELECTRIC Way and Guidelines and Commitments, which include our policy to respect human rights, as well as the KOKUSAI ELECTRIC Group Human Rights Policy with local executives of the acquired/new company and evaluate/handle the related risks.

Training to Increase Awareness around Human Rights

We conduct activities to make employees more aware of human rights and prevent discrimination based on race, nationality, gender and others. We also triennially provide all Group employees, including those outside Japan, with training to encourage them to respect the human rights of all people

in relation to the Group’s business activities, products and services.

Respect of Basic Rights at Work

Considering the laws and regulations and labor practices in each nation and region, respecting the basic rights of employees presented as the principles of the United Nations Global Compact, our Group will strive to have employees and managers better understand each other’s problems and resolve issues jointly through genuine and constructive dialog.

Human Rights Consideration of Personnel Assuring Security and Safety

Personnel of a company in charge of guarding property, security control, loss prevention, and escorting persons, goods and valuables have chance to face risks that arise from inappropriate actions or approaches unintentionally affecting human rights. Since the corporate administration departments are in charge of these in our Group, all the personnel of our Company’s Human Resources and Corporate Administration Department and our Group’s corporate administration departments in Japan have received business training including human rights consideration and thoroughly learned to adopt appropriate manners.

KOKUSAI ELECTRIC Group Human Rights Policy

The KOKUSAI ELECTRIC Group strives to create value through technology and dialogue to realize a sustainable society that is safe, comfortable and vibrant now and in future. Based on this statement, we will support the creation of a society where human rights are respected. As a prerequisite to this, KOKUSAI ELECTRIC (including its Group companies; the same hereafter in this policy statement) seeks to meet its responsibility to respect human rights.

The Responsibility to Respect Human rights

KOKUSAI ELECTRIC strives to meet its responsibility to respect human rights by not infringing on human rights and addressing negative human rights impacts with which KOKUSAI ELECTRIC may be involved through its operations and businesses relationships. KOKUSAI ELECTRIC understands human rights to be, at a minimum, those outlined in the International Bill of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. The responsibility to respect applies to all officers and employees of KOKUSAI ELECTRIC CORPORATION and its consolidated group companies.

KOKUSAI ELECTRIC expects its business partners and other parties whose own impacts may be directly linked to KOKUSAI ELECTRIC’s operations, products or services to respect and not infringe upon human rights, and will respond appropriately where they are not respecting human rights.

Relationship to KOKUSAI ELECTRIC’s Values and Policies

KOKUSAI ELECTRIC is aware that as a business enterprise it is a member of society and can contribute to creating an environment

in which human rights are respected. Meeting the responsibility to respect human rights is key to operating as a responsible business, and is accepted to be a baseline expectation for all companies. This human rights policy is an expression of our commitment to fulfilling these responsibilities based on KOKUSAI ELECTRIC’s Corporate Statement, KOKUSAI ELECTRIC Way, and Guidelines and Commitments.

Implementing the Responsibility to Respect Human Rights

KOKUSAI ELECTRIC is committed to meeting the responsibility to respect human rights through implementing the United Nations Guiding Principles on Business and Human Rights.

KOKUSAI ELECTRIC will identify and assess potential and actual impacts on human rights and take appropriate measures to prevent or mitigate risks.

Where KOKUSAI ELECTRIC identifies that it has caused or contributed to a negative human rights impact, it will provide for cooperate in legitimate processes to provide remediation.

KOKUSAI ELECTRIC adheres to national law and regulation in each market in which it operates. Where KOKUSAI ELECTRIC faces conflicts between internationally recognized human rights and national laws, KOKUSAI ELECTRIC will follow processes that seek ways to honour the principles of international human rights.

KOKUSAI ELECTRIC will provide appropriate training and capacity building in order to embed this policy commitment throughout KOKUSAI ELECTRIC CORPORATION and all its consolidated Group companies.

KOKUSAI ELECTRIC is committed to engaging in dialogue with and consulting relevant external stakeholders about addressing potential and actual human rights impacts.

Promoting Compliance

The Company formulated the Corporate Statement, the KOKUSAI ELECTRIC Way and the Guidelines and Commitments as the basis for the Group's business activities. We are implementing these basic principles and ensuring that all directors and employees share the values and fulfill their duties in compliance with related laws, regulations and rules. We have an executive officer who serves as compliance man-

ager in order to prevent and detect at an early stage any non-compliance with related laws and regulations or the articles of incorporation. We also have a compliance reporting system to enable Group employees to report directly to external lawyers about noncompliance issues. In our internal rules we prohibit the disadvantageous treatment of employees who have made a report through the system.

Corporate Governance

Board of Directors and Directors

The Company has a Board of Directors composed of five directors: two who execute business and three who are outside directors. The Board makes decisions on items that are designated by related laws and regulations, the articles of incorporation and the rules on the Board as those to be decided by the Board. Members of the Board carefully deliberate these items before making decisions on them.

The Board meets once a month and also meets as necessary when an important managerial issue requires a prompt response.

Management Meeting and Executive Officers

The Company adopts the executive officer system. Executive officers selected by the Board of Directors engage in business operations to fulfill their respective roles for the Company under the leadership of the president and CEO.

Attended by executive officers, the Management Meeting is held to examine important items that have impacts on the Company and its subsidiaries in a multifaceted manner and to carefully make decisions on the items.

Corporate Auditor

The Company has a corporate auditor, who attends the Board

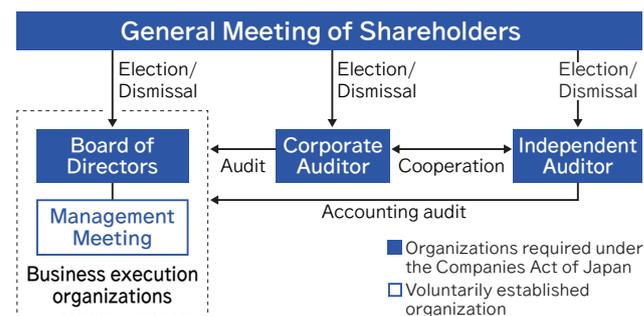
of Directors meetings, Management Meeting and other important meetings to monitor the resolutions and reports made on important items and to express their opinions as necessary.

In order to increase the effectiveness of the auditing activities, the corporate auditor cooperates and regularly exchanges opinions with the auditing firm.

Internal Control

The Board of Directors has established an internal control system by setting the internal control rules to ensure the appropriateness of the Group's business activities and monitors the operation of the system.

Corporate Governance Structure (As of April 1, 2019)



Collaboration with Stakeholders

The Group promotes positive dialogue with all stakeholders, including customers, builds relationships based on mutual trust, and engages them in value creation.

Our commitment to stakeholders		Examples of dialogue	Response departments
Customers	Create value to contribute to the resolution of social issues jointly with customers	Customer visits by sales personnel, business negotiations at exhibitions, response to inquiries, and consultations from customers	Sales and quality assurance departments
Employees	Give opportunities for further training and growth and provide a mentally and physically rewarding, safe and healthy work environment	Labor-management conference, small-group suggestion activities/presentation sessions, sharing of employee survey results and follow-up activities, use of intranet	Human Resources & Corporate Administration Department
Business partners	Engage in fair and free competition, appropriate business transactions and responsible procurement activities	Business partner meetings, individual material purchasing negotiations, CSR survey of business partners	Procurement Department
Communities	Engage in community proactively to contribute to its development	Participation in local activities, joint disaster drills with local fire stations	Human Resources & Corporate Administration Department
Shareholders/ investors	Engage in constructive dialogue with a range of stakeholders for the creation and expansion of corporate value	General Meeting of Shareholders, meetings of the Board of Directors, and meetings on structural reforms	Business Operation Planning Department, Legal Department, and Finance & Accounting Department