

# Governance — Anti-Corruption

## Policy KWE Group Compliance Policy

KWE Group governs itself with great accountability and high ethical standards. We conduct our corporate activities to the greatest degree of legitimacy to maintain trust and credibility.

1. All Board Members, Officers, and employees sincerely and sensibly comply with all applicable laws and regulations, including but not limited to internal regulations.
2. In the course of making business decisions, conducting business transactions, and while managing daily operations, we are mindful of any and all applicable laws and regulations governing those activities, and we make compliance with those laws and regulations a priority.
3. We take immediate and strict disciplinary action against any individual reported to be in violation of this policy. Once a potential violation has been reported, we implement necessary corrective and preventive measures.

## Compliance Framework

The KWE Group compliance framework operates as part of the overall risk management framework.

- The Chief Risk Officer has overall responsibility for ensuring compliance within the KWE Group and for addressing any instances of non-compliance.
- General managers of regional headquarters control the compliance frameworks of the subsidiaries under their regional headquarters and are responsible for ensuring compliance in the regional headquarters and for addressing any instances of non-compliance.
- General managers and the presidents of affiliated companies report to the Chief Risk Officer and follow their instructions in these cases:
  - (1) When a significant instance of non-compliance related to company business is discovered or suspected.
  - (2) When a question of compliance cannot be determined for a matter for approval.
- The president of an affiliated company promotes appropriate corporate conduct based on the guidance of the general manager of their regional headquarters, and in accordance with the KWE Code of Conduct and the KWE Group Compliance Policy.

There are increasingly complex and diverse legal and regulatory requirements in our global business, including widespread extraterritorial application and higher financial penalties, increasing complexity and diversity in compliance awareness in the supply chain, and the globalization of compliance risk. In light of these complexities, we appointed a Group General Counsel, a qualified attorney, in April 2021 and a Head of Group Compliance in April 2023. In April 2024, we established the KWE Group Ethics and Compliance Committee, which is overseen by two governing bodies: the KWE Group Ethics and Compliance Executive Committee, consisting of three full-time directors and one executive officer, and the KWE Group Ethics and Compliance General Committee, consisting of one full-time director and four executive officers. As a rule, the committee meets twice a year.

Through these initiatives, we are improving compliance, risk management, and governance across the entire KWE Group. For more information about the KWE Group risk management framework, see: <https://www.kwe.com/sustainability/risk/>

## Close Coordination Between the General Counsel and Corporate Departments Ensuring Compliance at the Group Level

Under close coordination with the General Counsel, the Head of Group Compliance provides advice on compliance and ethics, develops Group-wide policies, conducts training, and investigates reported compliance violations.

### KWE Group Compliance Training Program (e-learning)

	Schedule	Course
2022	April – June	Ethics and code of conduct
	July – September	Antitrust and competition law (basic)
	October – December	1. Workplace harassment (for employees) 2. Diversity, equity, and inclusion (for managers)
2023	January – March	Global anti-bribery and corruption (basic)
	April – June	Workplace violence and bullying
	July – September	Conflicts of interest
	October – December	Global workplace harassment (for employees)
2024	January – March	Antitrust and competition law (advanced)
	April – June	Global anti-bribery and corruption (advanced)
	July – September	Financial integrity
	October – December	Diversity, equity, and inclusion

## Improved Internal Hotline Operations

Our global whistleblowing hotline started in May 2023 to provide a more appropriate way for employees to report problems under a unified group-wide framework accessible to all employees worldwide, enabling reporting of actual or potential non-compliance with law and group policy. The hotline accepts anonymous reports in different languages via a web site, phone, email, or fax, making it easy to share concerns and encouraging early detection and addressing of potential problems. Employee awareness of the importance of compliance is also being encouraged.

In FY2023 we moved forward on unifying existing local company hotlines with the global whistleblower hotline, with the cooperation of the regional headquarters, in order to assure uniform treatment of reports and to visualize compliance issues at the group level. Building on this, in FY2024 we made the global hotline fully operational, starting with internal awareness and promotional activities.

## Compliance Training

Employee knowledge and awareness is critical for ensuring that internal controls function properly and effectively. That is why we have been conducting group-wide compliance training since April 2022. We will continue working to create additional training programs and increase employee understanding of compliance issues and the internal hotline system throughout the group.

Based on the unified global compliance training program, group companies may add their own programs tailored to that company's specific legal and regulatory environment in order to improve the effectiveness of the training overall, for example, Kintetsu World Express in Japan's tiered training program and APLL's global anti-corruption interactive webinar program.

## No Incidents of Non-compliance

In FY2024, there were no cases of legal action for anti-competitive practices or infringement of antitrust or antimonopoly law.

## Leader's Voice

### Improved Compliance and Risk Management

Under the KWE Group Compliance Basic Policy and Management Plan 2027, we are focusing on globally unified compliance initiatives to support sustainability, enhance corporate value, and maintain the trust of society and our stakeholders.

As part of this, the KWE Group Ethics and Compliance Executive Committee established under the KWE Group Ethics and Compliance Committee, monitors and investigates violations (including whistleblower reports) and issues directives for corrective action. Meanwhile, the KWE Group Ethics and Compliance General Committee develops and implements compliance policies and regulations, establishes reporting processes for violations, monitors and investigates violations (including whistleblower reports), directs corrective action, and reports to the Executive Committee.

While managing these councils—handling the necessary investigations, coordinating with global locations, and running compliance training programs—I have observed that, alongside the KWE Group's business expansion and increasing number of stakeholders, the scope and diversity of compliance requirements continue to grow.

In response, from 2024 we added "Financial Soundness" to our compliance training program, offering sessions to help participants understand why financial soundness is important for all organizations, why accurate financial information matters and how to ensure it, and the requirements for coordination with auditors.

Going forward, I will continue contributing to the KWE Group's sustainable growth and enhancement of corporate value through broad global compliance activities.



Head of Group Compliance  
**Stephen Walton**