



Governance

# Establishment of Compliance

## Stance on Social issues

Corporate social responsibility is being called into question, and efforts toward compliance are becoming increasingly important. Compliance violations can damage the company's credibility, reduce corporate value, and cause significant losses to stakeholders. We believe it important to state that companies are obliged to not commit compliance violations, and should conform to social demands by always reconfirming the true meaning of sound and sincere corporate behavior. Anritsu believes the continued conduct of our business with high ethical standards requires us to continually strive to establish and improve compliance throughout the Group.

## Policy

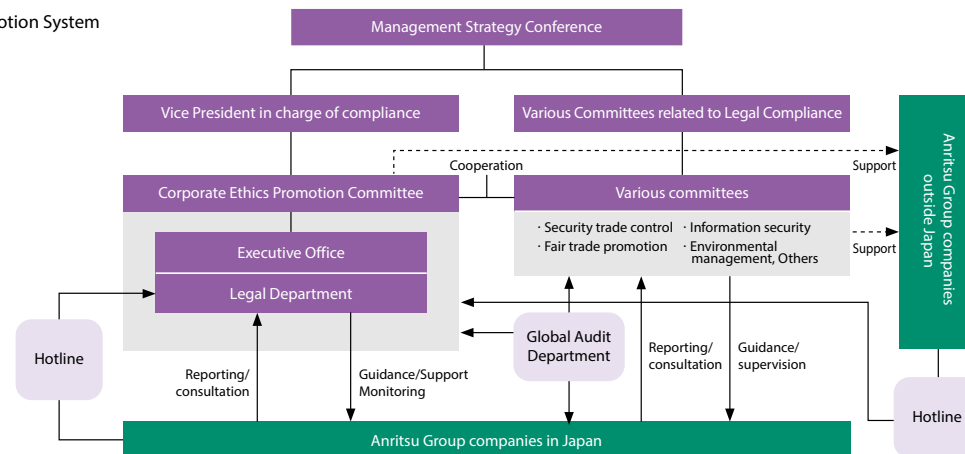
Everyone working in the Anritsu Group is required be deeply aware of corporate social responsibility, comply with relevant laws and regulations in all their corporate activities, and behave in a manner that conforms to the demands of society. With the goal of maintaining Anritsu as an ethical corporate group, the Company established the Anritsu Group Code of Conduct as a guideline for all employees in the conduct of their day-to-day business activities.

**WEB** [Anritsu Group Code of Conduct](#)

## Structure

Promotion of compliance at the Domestic Anritsu Group is led by the Group CEO, who takes the role as the chairman of the Management Strategy Conference. Under this conference, we have set up a Corporate Ethics Promotion Committee, chaired by the executive officer in charge of compliance and participated by employees of the Domestic Anritsu Group companies, which oversees activities related to compliance promotion. The Corporate Ethics Promotion Committee discusses and conducts establishment of the basic policy on corporate ethics of the Group, revisions

### Compliance Promotion System





of the Code of Conduct, planning for intracompany monitoring with a corporate ethics survey and its analysis and improvement, and planning other promotional activities related to ethics and compliance. It also reports annually on the status of ethics and compliance across the Anritsu Group to the Board of the Directors.

The Corporate Ethics Promotion Committee and the Legal Department, which serves as secretariat to the former, work with committees dealing with legal matters to provide guidance and necessary support to Anritsu Group companies outside Japan in complying with the ethics and laws of the country or region in which they operate, giving due respect to the legal systems, cultures, and customs of those areas. The Legal Department also works with compliance officers at each overseas company in line with the goal of establishing a global compliance system.

The Internal Audit Department conducts an audit of the system to ensure that it is functioning appropriately and offers recommendations and requests for improvement as needed.

### Goals

The Anritsu Group maintains its target of zero serious compliance violations. In an examination of the analytical results from the corporate ethics questionnaire and a comparison of our risk awareness with that of other companies, including in regard to revised laws, we identified issues to focus on in fiscal 2019.

- Anti-bribery and corruption outside Japan
- Creating harassment and constraints free workplace environment
- Making sure to manage over time work

**P.053** Work-Style Reform for Employee Wellbeing

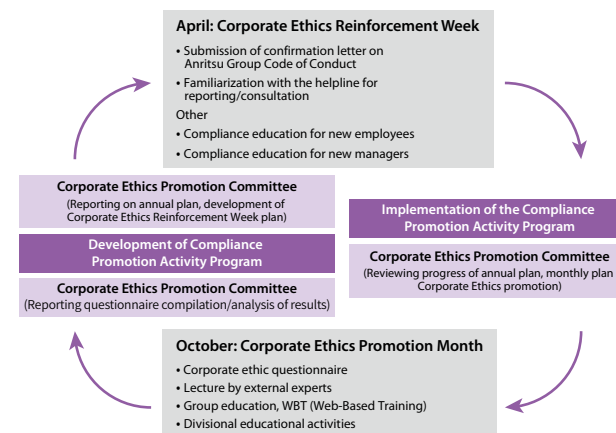
## Activities / Achievements

### Establishment and Improvement of Compliance

The Domestic Anritsu Group shares the Anritsu Group Charter of Corporate Behavior (revised in April 2018) as the common principles of corporate behavior, and the Anritsu Group Code of Conduct, which guides all employees in the implementation of the Charter of Corporate Behavior in their daily activities. Moreover, the Guidelines and Insights for All Members of the Anritsu Group, which excerpts key parts of the Anritsu Group Charter of Corporate Behavior and Anritsu Group Code of Conduct, has been distributed to all employees to guide them in their actions at all times. Overseas Group companies have created their own codes of conduct based on the Anritsu Group Code of Conduct and customize them to reflect the respective legal systems, cultures, and customs of each country and region.

Compliance promotion events and various types of educational activities are conducted throughout the Domestic Anritsu Group.

### Compliance Promotion Activity Cycle



### Anti-bribery and Corruption

With a high ratio of overseas sales, the Anritsu Group recognizes bribery prevention as the most important issue. We therefore began enforcing the Anritsu Group Anti-Bribery and Corruption Rules, which were updated in line with global standards on April 1, 2016, from the Anritsu Group Anti-Bribery Policy established in April 2012, and we outlined the company's specific policies and procedures. These rules specifically focus on the high risk issues of seeking prior approval for entertaining and presenting gifts, as well as due diligence\* prior to signing new contracts with a third party, including sales agents. Our educational efforts include Web-Based Training for 1,450 domestic and overseas employees and in-person training for domestic and overseas Group companies.



Initiatives in fiscal 2018 included country manager-led self-assessments at overseas locations, which were later analyzed and evaluated at the head office. Furthermore, in fiscal 2019, training through lectures in local languages, whether directly in English or through interpreters, was conducted for executives and employees in sales departments, especially at locations with high risk or local sales bases responsible for high-risk locations (China, South Korea, Thailand, and Singapore). These activities are reported to the Board of Directors and during the Management Strategy Conference.

\*Due diligence here refers to investigating and analyzing the management environment, legal problems, risks, etc., of counterparty companies.

**WEB** Anritsu Group Anti-bribery and Corruption Policy

### Bribery-related Violations

Based on the results of the fiscal 2019 self-assessments, the Anritsu Group moved to deepen understanding of the Company's policies and rules in regard to bribery, and in the same year saw no instances of bribery-related violations.

### Initiatives to Protect Personal Information

Over recent years, there have been moves to legislate the strengthening of personal information protection and appropriate handling of information in countries around the world. The Anritsu Group has established a range of information protection measures, including personal information protection policy and personal information protection rules, and we strictly manage personal information of stakeholders including employees. In addition, the Anritsu Group acquired TRUSTe certification issued by TrustArc, a third-party certification organization in the United States.

It has also prepared education and regulations associated with the certification and publicized those in order to ensure compliance with the EU General Data Protection Regulations (GDPR), which came into effect on May 25, 2018.

**WEB** Anritsu Web Privacy Statement

**WEB** GDPR Statement

### Promotion of Fair Trade in Relation to Sales Activities

The Domestic Anritsu Group established the Committee for Promoting Fair Trade for Sales Activities. The committee's activities include conducting an internal audit annually and in compliance with the Anti-Monopoly Act and related laws and regulations for all sales departments of Anritsu Corporation. Internal audits are conducted through hearings based on the self-check, and verification of evidence and suggestions for improvement. Conducted in tandem with internal audits, the Anritsu Group also provides group training in areas such as the Anti-Monopoly Act and related regulations, striving to raise compliance awareness and an appreciation of risk among its employees. In addition, with the aim of auditing risks such as bid rigging, the Legal Department conducts secondary audits of internal audits for the sales departments participating in bids for public projects. In fiscal 2019, the audits did not uncover any incidents or problems that would conflict with the Anti-Monopoly Act or related regulations.

### Formulation of Social Media Policy

The recent widespread use of social media has enabled individuals to easily transmit information via websites. Anritsu formulated the Anritsu Group Social Media Policy in April 2020, and strives to disseminate that fully in order to ensure appropriate use of social media while also ensuring legal compliance and the accuracy of transmitted information, as well as other considerations, and respecting the freedom of individual expression.

### Tax Compliance

The Anritsu Group stipulates the following provisions in the Code of Conduct of the Anritsu Group, which also applies to overseas subsidiaries, and has adopted the same stance in regard to tax-related operations.

- Perform proper accounting abiding by relevant laws and company regulations in the course of operation
- Accurately prepare and properly save all the various records of finance and accounting, and not perform improper accounting or any other means which would cause damage to the company

Specifically, Anritsu complies with all tax-related laws and regulations in the countries and regions in which it does business and does not intentionally avoid taxes through the use of tax havens or seek to reduce taxes through the use of tax law interpretations that differ from the spirit of the law or regulations.

In the course of overseas trade, arm's length prices are calculated based on the OECD Transfer Price Guidelines, and documents for the transfer prices are prepared in accordance with the respective laws and regulations of each country. The Anritsu Group will make use of tax incentives available in the normal course of its business to ensure that it is carrying an appropriate tax burden. It is also working to reduce uncertainty in taxes by consulting with tax officials in advance and making relevant information disclosures.



**Transparency in Political Donations**

The Anritsu Group does not make political contributions, including to political parties, organizations, or candidates for public office.

**Violation of Law and Regulations in the Socio-economic Field**

The Anritsu Group incurred no serious compliance violations, accompanying fines, or sanctions in fiscal 2019.

**Hotline (Reporting/Consultation Service)**

The Anritsu Group has set up two hotline systems inside the Company and outside the Company for the purpose of reporting and preventing violations of internal ethics laws. Reporting or consultations on the subject can be made anonymously, either via phone, dedicated e-mail, or letter. For overseas employees working in Japan, we have established a Workplace Hotline that accepts submissions in either Japanese or English.

The hotline appears to be functioning effectively, with the results of a recent survey showing that 97% of employees in fiscal 2019 knew about it. When a report or request for consultation is received, fact-checking is conducted through interviews with the individual who contacted the hotline. If any problems are found, the appropriate procedures and measures are implemented. Also, as the details and facts of any consultation or report are handled confidentially, the individual will not suffer any disadvantage as a result of using the hotline.

The external reporting and consultation service for overseas Group companies has been operating in the Americas since August 2016. With the establishment of a global operations system, it was also set up for other Anritsu Group companies in Europe and Asia in April 2020.

**Number of Cases at the Reporting/Consultation Service**  
Total Number of Cases (April 2019–March 2020)

	Reporting/Consultation Service	Number of Consultations
1	External reporting/consultation service Workplace Hotline	Phone 18
		E-mail 3
2	Internal reporting/consultation service In-house Hotline	Direct contact or phone 3
		E-mail 4
3	Interview conducted based on response in the Corporate Ethics Survey	13

**In-house Educational Efforts to Prevent Harassment (Domestic Anritsu Group)**

Anritsu's efforts in regard to sexual harassment and power harassment are not limited merely to defining the issue and educating employees about prohibited behavior. Rather, the company is focused on providing an education centered on determining what kind of behavior should be taken to improve the workplace culture, and how to effectively promote communication within the workplace and the organization as a whole. In addition to educational efforts targeting executives, we also hold lectures for all employees to learn how to prevent harassment of this type. In fiscal 2019, 260 employees attended the lectures (attendance was not limited).

**Number of Participants in Educational Efforts to Prevent Harassment for Executives and Business Division Leaders**

Fiscal 2017	Fiscal 2018	Fiscal 2019
72	88	73

**Education by Case Study Sheets**

The Domestic Anritsu Group references cases that have occurred or could occur in daily life and business, examples of scandals involving other companies reported in the mass media, and issues in the Case Study Sheets, which include concise notes of caution and brief explanations. A total of 200 cases have been introduced as of March 2020. In addition, the Case Study Sheets are posted on our intranet and used as tools for promoting a better understanding of compliance. During Corporate Ethics Promotion Month (October of every year), workplace discussions on the case studies, which are led by executives of each department, are set as part of in-house educational activities, and outcomes of the discussions are submitted to the Corporate Ethics Promotion Committee.