

Compliance

Fuji Electric employs thorough measures to ensure compliance with laws and corporate ethics and always acts with the highest ethical standards to achieve sustained corporate growth.

Basic Policies

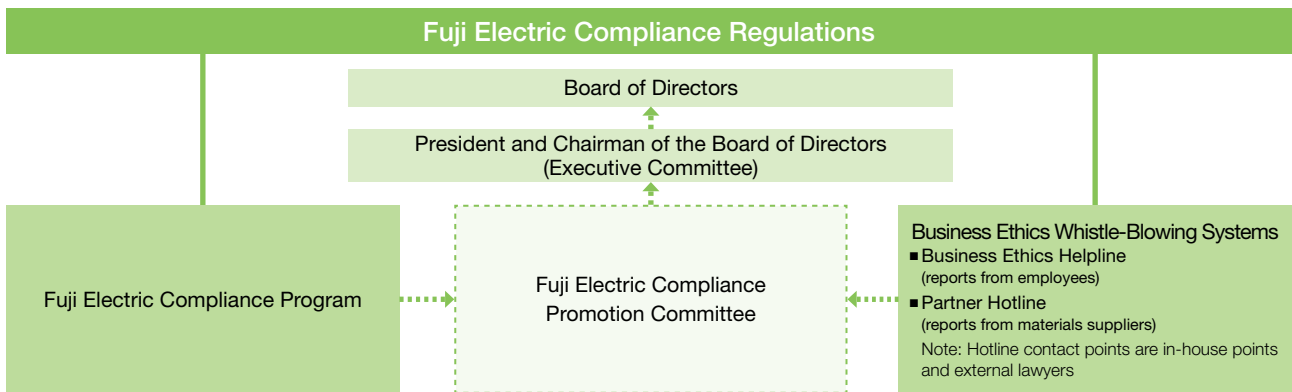
We state in the Fuji Electric Code of Conduct that we shall “make global compliance a top priority,” and this has been incorporated into our basic policy on compliance. Based upon this policy, we have established the Fuji Electric Compliance

Regulations, which is a concrete guideline for compliance, and we promote compliance through the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems.

Compliance Promotion System

The Fuji Electric Compliance Promotion Committee—headed by a representative director and composed of the managers (corporate general managers and general managers) responsible for regulating laws and/or acts, with Standing Auditors and outside experts (attorneys) as observers—has jurisdiction over compliance of Fuji Electric. With the goal of achieving full compliance with laws and social norms globally, the committee meets twice each fiscal year to deliberate on compliance execution and planning and reports the results of these deliberations to the

Board of Directors. Furthermore, in the event of a compliance infraction, the committee has a system in place to take any necessary measures after carrying out deliberations on conducting fact-finding investigations, taking corrective actions, taking measures to prevent a recurrence, dealing with the infraction internally, and internal and external disclosure.



Status of Compliance Promotion

(1) Fuji Electric Compliance Program

Fuji Electric has established the Fuji Electric Compliance Program, which brings together four aspects (see numbers 1–4 below) of domestic, overseas laws (laws regarding anti-corruption, fair competition, labor, human rights, product safety, the environment, taxation, accounting and information security, and export management as well as other areas) for the Company and Group companies in Japan and overseas. The Fuji Electric Compliance Promotion Committee implements the program while continuously reviewing it and making revisions.

1. Establishment, revision, abolition, and dissemination of internal rules
2. Constant monitoring of status of compliance with laws and internal rules
3. Auditing of status of compliance with respect to 1. and 2.
4. Compliance education regarding laws and internal rules

Compliance Education

Based on the Fuji Electric Compliance Program, Fuji Electric promotes wide-ranging compliance education and instruction through level-specific and job-specific group training and e-learning programs, as well as displaying posters internally and distributing pamphlets.



Training for newly appointed managers

Examples of Training Conducted in Fiscal 2018

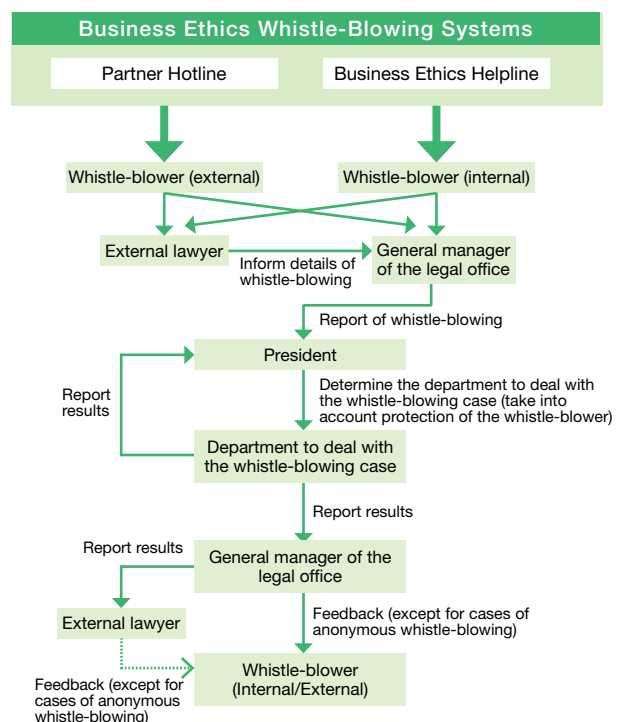
	Participants	Type and Subject of Training
Level-Specific Training	Newly appointed executives 27 Newly appointed managers 97 New employees 234	Classroom-based training on topics including the Fuji Electric compliance system and the Fuji Electric Compliance Program
Training for All Employees	All employees	e-learning program on the protection of personal information and other topics

(2) Fuji Electric Business Ethics Whistle-Blowing Systems

To prevent infractions of the aforementioned laws, regulations, and internal rules and ensure early detection, Fuji Electric has introduced, and is operating, the Fuji Electric Business Ethics Whistle-Blowing Systems. Under these systems, internal and external parties can report violations or suspected violations of laws, regulations, or internal rules to Fuji Electric's president via the department responsible for compliance or through an external lawyer. These systems rigorously protect whistle-blowers by concealing their identity and prohibiting them from being subject to disadvantageous treatment, retaliation, or discrimination on the grounds of whistle-blowing.

These systems are the Business Ethics Helpline, which handles notifications from our employees in Japan and overseas (including dispatch employees); and the Partner Hotline, which handles notifications from our suppliers about Fuji Electric's materials procurement operations. The Business Ethics Helpline is promoted among employees at all compliance training sessions and through postings on the Company's intranet and on internal bulletin boards. Awareness of the Partner Hotline among business partners is fostered through postings on the Company's website and at explanatory forums. Fuji Electric obtains reports of whistle-blowing cases filed every year and takes necessary measures—such as conducting fact-finding investigations, taking corrective actions, and taking measures to prevent a recurrence—aimed at resolving issues raised by whistle-blowers.

Framework of the Business Ethics Whistle-Blowing Systems



Results of Compliance Promotion

As a result of implementing the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems, there were no compliance infractions with the potential to seriously impact management in fiscal 2018.

We are enhancing prevention of the violation of competition laws by establishing as rules the regulations set forth in the Antimonopoly Act Compliance Manual, the Foreign Competition Law Compliance Manual, and other regulations, as well as daily monitoring through confirmation of quotations and estimates via an extensive information management system and thorough record-keeping. In addition, auditing divisions perform audits in accordance with auditing guidelines and extensive level-specific and job-specific training is conducted.

As a result of these initiatives, there were no serious problems that warranted disclosure in fiscal 2018.

In regard to the prevention of corruption, the Fuji Electric Code of Conduct and a directive on the prevention of

corruption established a rule that no employee is to offer or receive bribes to or from public- or private-sector officials in any country or region. Prevention of corruption is reinforced through thorough daily monitoring, auditing, and training. Stricter laws and regulations pertaining to corruption are being instituted in Southeast Asia and other regions. Fuji Electric is responding to this trend by constantly monitoring its operations through coordination with law firms and reflecting the new laws and regulations in its rules and education when necessary.

As a result of these initiatives, there were no serious problems that warranted disclosure in fiscal 2018.