



Compliance Program 2019-2022

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1. Program statement

Fujikura Automotive Europe, S.A.U. and its subsidiaries (FAE Group) adopt a zero-tolerance approach to illegal acts and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever FAE Group operates.

During March and April 2019 a **Risk Assessment Evaluation** was performed. The state of implementation of the mitigating controls resulting from the previous Risk Assessment Evaluation (2015) and included in the former Compliance Program period (2015-2018) has been assessed. By this means, the Company identified those activities which may cause particular risks to our organization at this moment, which should be the focus of newly implemented controls that will lead the Company to the maximum level of transparency.

To address the risks arising from the **Risk Assessment Evaluation** and to implement the improvements over the existing mitigating controls, the Board of Directors of FAE SAU, also applying to its current and future subsidiaries, has adopted the following decisions:

- To renew a **tailored and risk-based global Compliance Program** as the cornerstone of the Company's Compliance strategy for the period 2019 – 2022.
- Compliance Program is also composed by the **Risk Assessment Evaluation (including Risk Registers), the Code of Conduct, and the whistleblowing system**, and it is completed with other processes or documents arising from any of them (such as specific business procedures or new control activities).
- To **update the Risk Assessment** on regular basis, updating the rest of the compliance documentation and processes accordingly.
- To **update and publicize** the different documents related to the Compliance Program, with special mention to the Code of Conduct, focusing it on employees, directors, agents, business partners, suppliers, and clients.
- To delegate the **Conduct Committee** the primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness, promoting, training, and communication.

In order to fulfill the highest international standards, apart from specific legislation and local jurisdiction, Conduct Committee has taken as reference the values and rules of the **United Nation Office on Drugs and Crime**, and the principles in the program **UN Global Compact** which are strongly supported by the parent company in Japan, Fujikura Ltd.

2. Main principles of the Compliance Program

- **The Compliance Program is consistent with all applicable laws.** On June 2014, the external lawyers of FAE Group, from different law-firms and countries in Europe and Morocco, issued a report on crimes and illicit actions the Company could perpetrate. The illicit actions of the different jurisdictions were compiled within 24 global offences, constituting this system the basis for the current Risk Assessment. During 2019, a follow-up has been made in the different locations, to keep this information updated pursuant to the modifications and developments in the legal field.
- **The Compliance Program is adapted to specific requirement of the Company.** It is a tailored and risk based program, addressed to HQ in Spain and all its affiliated Companies and branches.
- **Compliance with the program is mandatory at all levels, functions and areas of the Company, and it is also directed to relevant business partners, clients, suppliers, and agents.**
- **The policies and procedures of the Compliance Program are easily accessible. Company publicity reports and updated documentation.** For this purpose, FAE Group implemented an Intranet for employees and directors, with all the necessary information and documentation, and a web site www.fujikura-automotive.com/compliance accessible to employees, clients, suppliers, business partners, and agents with the last version of the Senior Management Zero tolerance statement, the Compliance Program, Code of Conduct, and any other relevant documents if necessary.
- **The Compliance program is clear and uses easy-to-understand language. It is translated into all major operating languages.** Compliance Program, and all the main documents will be written in English and translated into all major operating languages within FAE Group.
- **The Compliance program will have the necessary human and financial resources for its implementation and execution.**

3. Who is responsible for the Compliance Program?

The **Board of Directors** of Fujikura Automotive Europe SAU has overall responsibility for ensuring this Program complies with our legal and ethical obligations, and that all those under our control comply with it.

In June 2015 the Board of Directors of FAE SAU approved the constitution of the **Conduct Committee**, which is established to oversee and promote the implementation and operation of the Compliance Program. This decision was ratified in June 2019.

4. Conduct Committee

The composition, operation and functions of this body is regulated in the Conduct Committee Statutes, version 1.06.2016.

Conduct Committee Composition

- CEO, as Head of the Committee
- VP Corporate
- Internal Audit Manager

Other individuals may be invited to join the committee or participate in Conduct Committee meetings as determined by the Conduct Committee.

The Conduct Committee has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness, promoting, training, and communication.

Preventing roles:

- Overseeing the implementation and operation of the Compliance Program.
- Receiving and acting on reports and recommendations from legal advisors.
- Updating the Risk Assessment on regular basis.
- Reviewing and approving Compliance Policies as well as other documents relating to the Compliance Program.
- Conduct quarterly meetings, promote training to employees, and update the website content.
- Perform events and activities for the promotion of the Compliance Program.
- Interpreting, reviewing, and updating the content of the Management, Investigation and Response Procedure.
- Compiling statistics on the main data of each incident's report, referred between the detecting roles.

Detecting roles:

- Evaluating the performance and effectiveness of the Compliance Program.
- Reception and analysis of the communications of the incidents pursuant to the Management, Investigation and Response Procedure.
- To prepare a record for each incident, collecting all relevant information about it.

- To take a preliminary decision regarding the communications mentioned above.

Response against crisis:

- To determine the Company's response and, where appropriate, to take immediate actions, pursuant to the rules stated in the Management, Investigation and Response Procedure.
- To communicate the person under investigation, the supervisors, and Internal Audit Department the final decision, including, if exist, the actions or sanctions adopted.
- To strategically communicate with affected parties, public administrations, investigators, workers, or media communication is crucial.

5. Crimes, Offences & Corporate Property

a) Crimes and Offences

Considering the different locations in which FAE Group operates, 24 global offenses were compiled, based on the illicit actions arising from such jurisdictions. This system is used for the performance of the present Risk Assessment.

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24 global offences

Do find below the 24 global offenses:

1.- Bribery	13.- Crimes against intellectual property, the market, or consumers
2.- Conflict of interests	14.- Money-laundering
3.- Collusion	15.- Crimes against workers and Social Security.
4.- Revolving doors	16.- Crimes against foreign citizens
5.- Patronage	17.- Crimes of illegal construction, building or zoning
6.- Illegal information brokering	18.- Crimes against the environment
7.- Tax evasion	19.- Falsehood in means of payment
8.- Illegal trafficking in organs	20.- Drug trafficking and crimes against public health
9.- Trafficking in human beings	21.- Influence pending
10.- Crimes against privacy and computer trespassing	22.- Smuggling
11.- Fraud	23.- Offences against fundamental rights and public freedoms
12.- Criminal insolvency	24.- Terrorism financing

b) Corporate property

- All the employees and directors shall handle and endeavor to ensure the general upkeep of all Company property, avoiding its losing, stealing, or misusing.
- The Code of Conduct states the rules and guidelines for conduct to protect corporate assets.

6. Application of the Program to business partners

All business partners are to make aware of the Company's Compliance Program policies and procedures. For that purpose, the following clause is included in the General Conditions of the Company, and any other negotiated contracts, when possible.

General Purchase Conditions

Fujikura declares hereby its zero-tolerance with corruption and illegal practices. The Supplier is obliged to desist from all practices which may lead to penal liability due to fraud or embezzlement, insolvency crimes, collusion practices, bribery, acceptance of bribes or any other illegal offence contained in Fujikura's Code of Conduct available at www.fujikura-automotive.com/compliance. On the event of violation of the above, Fujikura has the right to immediately withdraw from or terminate all legal transactions existing with the Supplier and the right to cancel all negotiations.

Notwithstanding the above, the Supplier is obliged to adhere to all laws and regulations applicable.

General Sales Conditions

Fujikura declares hereby its zero-tolerance with corruption and illegal practices. The Client is obliged to desist from all practices which may lead to penal liability due to fraud or embezzlement, insolvency crimes, collusion practices, bribery, acceptance of bribes or any other illegal offence contained in Fujikura's Code of Conduct available at www.fujikura-automotive.com/compliance. On the event of violation of the above, Fujikura has the right to immediately withdraw from or terminate all legal transactions existing with the Client and the right to cancel all negotiations.

Notwithstanding the above, the Client is obliged to adhere to all laws and regulations applicable.

Service Providers

Fujikura declares hereby its zero-tolerance with corruption and illegal practices. The Service Provider is obliged to desist from all practices which may lead to penal liability due to fraud or embezzlement, insolvency crimes, collusion practices, bribery, acceptance of bribes or any other illegal offence contained in Fujikura's Code of Conduct

available at www.fujikura-automotive.com/compliance. On the event of violation of the above, Fujikura has the right to immediately withdraw from or terminate all legal transactions existing with the Service Provider and the right to cancel all negotiations.

Notwithstanding the above, the Service Provider is obliged to adhere to all laws and regulations applicable.

- **Subsidiaries are required to implement FAE Group Compliance Program.**
- **Agent, intermediaries, contractors, clients, and suppliers are also required to comply with the Compliance Program accessible at www.fujikura-automotive.com/compliance**
- **Due diligence will be applied when a new business alliance is selected.**

7. Internal control and records keeping

- Conduct Committee will implement organizational measures and internal controls contained in the Risk Register, under Mitigating Control section, and will assess the performance and effectiveness of such controls on a regular basis.
- Accurate books and records will be maintained, updated, and kept safe by the Conduct Committee. The term “books and records” does not only relate to the documentation of financial transactions, but also contract records, gift traceability, whistle blowing historical records, and any other.
- All accounts, invoices, memoranda, and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.
- Any type of off-the-books accounts, the recording of non-existent expenditure, and the use of false documents are prohibited.
- Books and records will be available for inspection by the Board of Directors at any time.

8. Communicating and training

- All existing workers operating in areas that are perceived as high risk as far as the Risk Assessment Report is concerned will receive regular, easy, and relevant training on how to comply with the Compliance Program. Training on anti-corruption shall have special relevance.
- Our Compliance Program values and obligations shall be communicated to employees, suppliers, contractors, agents and business, and other partners at the beginning of our relationship with them.



9. Detecting and reporting violations. Whistle blowing system

Whistle blowing is the disclosing of information that an employee reasonably believes to be evidence of illegality or misconduct. In other words, it is a reporting mechanism that uses employees to report malfeasance (illegal or dishonest activity).

According to the Management, Investigation and Response Procedure, incidents may be communicated by means of:

- The **external whistle blowing system**, managed by an external and independent law firm that has the responsibility to receive the communications, analyze them and keep the confidentiality on the identity of the whistleblower.
- The **internal communication to the Conduct Committee**.
- **Fujikura Group Overseas Offices Hotline** (external channel of Fujikura Ltd.): for reports related to **Vice Presidents, members of the Board of Directors, members of the Executive Committee**, including the **Legal Advisor of the BOD**, which will be communicated directly to this channel by the external whistle blowing system. Furthermore, details of reports referred to other employees at levels lower than Vice Presidency will be reported to this channel on a quarterly basis.

The outsourcing of the Whistle blowing channel allows whistleblowers to freely report any illegal or dishonest activities.

What to report	What NOT to report
-Violations of Compliance Program or Code of Conduct, - Breach of corporate ethics, - Breach of internal controls, - Abuse of authority, - Any other activities prohibited by Law.	-Doubts regarding issues out of the Compliance Program, such as ordinary labor questions, - Complaints regarding the day-by-day activity (<i>labor, ordering, governance issues, technical matters, etc</i>)
	
Whistleblowing	<i>customary communication channels</i> (Suggestion boxes, etc)

Who can be a whistleblower?

- Employees and directors
- Business partners
- Clients
- Suppliers

Whistle blowing system principles

- All employees must be obliged to report any whistle blowing concerns. Any possible retaliation is never allowed.
- The external Law Firm must guarantee that the complainant's identity will be managed confidentially towards the Company.
- False reports are strictly prohibited. The Company will take disciplinary measures when reports are proved to be false.
- Any individuals involved in an investigation of suspected whistle blowing concern shall keep the content of the investigation strictly confidential to the full extent provided by law. In the course of the investigation, there might be required to contact or identify the complainant as, the non-possibility of this fact, it may lead on the prompt termination of the case. Investigation results shall not be disclosed or discussed with anyone other than those who have a legitimate need to know.

When a report is received by the external whistle blowing system

In case the law firm is informed about a whistle blowing concern, a preliminary analysis of the incident received will be carried out in order to verify the importance of the information, its authenticity, the credibility of the complainant and the relevance of the reported facts for that purpose, determining whether they can be grounding facts for any legal offence or any internal normative offence, as well as whether they form an ethical or behavioural dilemma in FUJIKURA.

They will prepare a memo of a preliminary legal analysis of the reported facts as well as a proposal to adopt appropriate urgent measures, which will be sent to the Conduct Committee without revealing the identity of the whistleblower, or the Fujikura Group Overseas Offices Hotline, in the cases abovementioned.

The Conduct Committee, where appropriate, will indicate to the law firm whether an incident reporting internally needs preliminary investigation.

Management of reports

- The *Internal Audit Manager* will conduct the investigation, pursuant to the provisions of the Management, Investigation and Response Procedure, and will submit a final investigation report to the Conduct Committee.
- The Conduct Committee will take the final decision regarding the imposition, where appropriate, of the corresponding disciplinary measures. For these purposes, the Internal Audit Manager shall be replaced by the legal advisor of the Board of Directors of FAE SAU.
- The Conduct Committee should be responsible for reporting to the person under investigation, the supervisors, and Internal Audit Department the final decision,

including, if exist, the actions or sanctions adopted, as well as for maintaining appropriate documentation regarding reported incidents.

- Annually, the Conduct Committee shall inform the Board of Directors of FAE of the data of files closed during the fiscal year.

10. Disciplinary Policy

- Failure to comply with the Company's ethical standard should demand for disciplinary actions that may include immediate termination. Conduct Committee will issue a disciplinary policy, including a catalogue of sanctions, guidelines on procedures and responsibilities, and opportunities to appeal.
- At the same time, any members of management who do not communicate to the Conduct Committee each and every report of suspected fraud made by an employee or other individuals are subject to disciplinary action, including immediate termination.
- Individuals who are the subject of an investigation will be treated with confidentiality and they will have access to legal advice at their own expense.

11. Review schedule

Every three years, the following documents will be updated:

- Risk Assessment Report
- Compliance Program
- Code of Conduct
- Management, Investigation and Response Procedure
- Conduct Committee Statutes

The aforementioned documents will be revised in a shorter term If the circumstances require so.

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Zaragoza, June 28th 2019