



# Compliance Program Report 2023-2025

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# Compliance Program 2023 - 2025

## 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 July 2022 a **Risk Assessment Evaluation** was performed. The state of implementation of the mitigating controls resulting from the previous Risk Assessment Evaluation (2019) and included in the former Compliance Program period (2019-2022) 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 Criminal Compliance Management System -hereinafter, Compliance Program-** as the cornerstone of the Company's Compliance strategy for the period 2023 – 2025.

Compliance Program is composed, apart from **specific controls**, of the **general controls** detailed below:

- Code of Conduct,
  - Risk Assessment Report,
  - Zero Tolerance Statement,
  - Conduct Committee,
  - Internal Whistleblowing System,
  - Procedure for managing, investigating, and responding to reports received through the internal whistleblowing system (MIR)
  - Disciplinary Code,
  - Delegation of Authority (DoA)
  - Training Plan,
  - Audit Plan.
- 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 fulfil the highest international standards, apart from specific legislation and local jurisdiction, Conduct Committee has taken as reference the values and rules of the **UNE 19601:2017, *Criminal Compliance Management Systems*** and the **ISO 37001 *Anti-bribery management systems*** 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 adapted to specific requirements 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 Management System 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](http://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 Report, 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.** The Compliance Program Report 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 System 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.

### 4. Conduct Committee

The composition, operation and current functions of this body is regulated in the Conduct Committee Statutes, version 30.06.2023.

The Committee will consist of the following **members**:

- CEO, as Head of the Committee
- VP COO
- CSCO

**Guests.-** Other individuals may be invited to join the Committee, or participate in the 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:**

- To oversee the implementation and operation of the Compliance Program.
- To receive and act on reports and recommendations from legal advisors.
- To update the Risk Assessment on regular basis.
- To review and to propose the Board of Directors to approve the Compliance General Policies as well as other documents relating to the Compliance Program.
- To conduct quarterly meetings, promote training to employees, and update the website content.
- To perform events and activities for the promotion of the Compliance Program.
- To interpret, review, and propose the Board of Directors to update the content of the Procedure for managing, investigating and responding reports received through the internal whistleblowing system (MIR).
- To compile statistics on the main data of each incident's report, referred between the detecting roles.

**Detecting roles:**

- To evaluate the performance and effectiveness of the Compliance Program.
- To review the Compliance Audit Report findings and approve actions to assure consistency and compliance.
- To receive and review the final investigation report from FAE's System Management Body as mentioned in clause 9.6 of the MIR procedure.

**Response against crisis:**

- To determine the Company's response and, where appropriate, to take immediate actions.
- To strategically communicate with affected parties, public administrations, employees, or media.

**5. Risk Assessment: Crimes & Offences**

The Risk Assessment has been performed considering the 35 crimes that a legal Entity can commit, according to the Spanish Criminal Code.

After evaluating the probability and impact factor, along with the existing mitigation controls, the Risk Assessment has identified both weak and strong points within the Company.

An **Action Plan** has been devised, through which the weak points will be reinforced to enhance the system and reduce the exposure to risk.

Below, the 35 crimes that have been assessed:

Crimes					
1		Trafficking of human organs	17		Crimes involving risk caused by explosives
2		Trafficking of human beings	18		Public health crimes
3		Sexual exploitation	19		Trafficking of drugs
4		Computer hacking	20		Counterfeiting of currency
5		Scams and frauds	21		Counterfeiting of credit and debit cards
6		Impeding execution in bankruptcy	22		Bribery
7		Insolvency crimes	23		Trading of influence
8		Computer damage	24		Embezzlement
9.1		Corruption in business	25		Crimes of hate
9.2		Disclosure of confidential information	26		Criminal organisations
9.3		Intellectual property rights theft crimes	27		Financing of terrorism
9.4		Market and consumer crimes	28		Crimes of terrorism
9.5		Crimes related to the market of securities	29		Smuggling
10		Money laundering	30		Genetic manipulation
11		Illegal financing of political parties	31		Price-fixing in public tenders and auctions
12		Crimes against the Public Treasury and Spanish National Health System	32		Refusal of inspections
13		Crimes against the rights of foreign citizens	33		Crimes against the rights of the employees
14		Crimes on urban planning	34		Harassment crimes
15		Environmental crimes	35		Unlawful association
16		Crimes regarding nuclear energy			

## 6. Application of the Program to business partners

All business partners (agents, intermediaries, contractors, clients, and suppliers) are required to comply with the Compliance Program applicable policies<sup>1</sup>. For that purpose, the following clause is included in the General Conditions of the Company, and any other negotiated contracts, when it shall be possible.

### General Purchase Conditions

*Fujikura declares hereby its zero-tolerance with corruption and illegal practices. The Vendor 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](http://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 Vendor and the right to cancel all negotiations.*

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

### General Terms and Conditions of Business

*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](http://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.*

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<sup>1</sup> More information available at [www.fujikura-automotive.com/compliance](http://www.fujikura-automotive.com/compliance)

## **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, whistleblowing 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. Communication Plan and training**

- All existing employees 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 Policies and rules of the Compliance Program which specifically apply to them. Training on anticorruption 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: Internal Whistleblower System

Within the framework of its Compliance Program and in accordance with the Whistleblower Protection Act, FAE Group has implemented an Internal Whistleblower System that any member of the Company (including shareholders or owners) or any third party outside FAE Group (such as suppliers) who knows of or suspects a regulatory breach (either of the legislation or its implementing regulations, or of the internal corporate regulations) committed by a member of the Company or by third parties in contact with it within the framework of their employment or professional activities can use it to notify FAE, either anonymously or identifying themselves.

The Internal Whistleblower System protects individuals who report:

1. Actions or omissions that may constitute a **breach of EU law, if:**
  - a. They fall under the scope of the EU acts listed in the Annex to Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report breaches of Union law, regardless of their classification under the internal legal system.
  - b. They affect the financial interests of the European Union as envisaged in Article 325 of the Treaty on the Functioning of the European Union (TFEU).
  - c. They impact the internal market, as envisaged in Article 26(2) of the TFEU, including infringements of European Union competition and state aid rules, and infringements relating to the internal market regarding acts that infringe corporate tax rules or practices aiming to obtain a tax advantage that distorts the object or purpose of the applicable legislation on corporate income tax.
  
2. Actions or omissions that may constitute a **serious or very serious criminal or administrative offense**. In any case, any serious or very serious criminal or administrative offenses that involve a financial loss for the Public Treasury and Social Security will be considered included.

In addition, the internal whistleblower system may also be used to report issues relating to the following matters, although in these cases neither the whistleblower nor the report will be subject to the protection granted in the Whistleblower Protection Act and in this Policy:

3. Report any actions or omissions that may constitute a **breach of internal regulations** of the Company (i.e., the Code of Conduct)— which do not constitute a breach of EU law or a serious or very serious criminal or administrative offense —, including the principles and values assumed as conduct guidelines for all employees.

4. Submit **any queries** related to the scope, compliance and interpretation of the applicable regulations FAE.

**System Management Body.**- The **Board of Directors of Fujikura Automotive Europe S.A.U.** has appointed a collective body to manage the system, comprising of:

- The CEO (and VP Corporate),
- The Human Resources Director in Europe,
- The Manager of Internal Audit.

According to the *Internal Whistleblower System Policy*, incidents may be communicated by means of:

1. *The complaint channel that Cuatrecasas, Gonçalves Pereira law office has prepared via this email address: **fujikura.automotive.europe@cuatrecasas.com** or through **post** that should be directed to CONDUCT FUJIKURA AUTOMOTIVE EUROPE Cuatrecasas, Gonçalves Pereira, C/ Almagro, nº 9, C.P 28010 Madrid (Spain), that will receive the complaints made, without any geographical limitation and without any intervention by FAE Group.*
2. *Reporting directly to any of the members of the **System Management Body**, **verbally or in writing** via this email address: **compliance@eu.fujikura.com**.*
3. *In addition, the whistleblower may request the system manager to hold a **face-to-face meeting** to submit the notice to be issued within seven days of the request. The meeting must be duly documented, either by recording or transcription.*

**FAE will take the necessary measures to prohibit any act constituting reprisals, including threats of reprisals and attempted reprisals, against the persons submitting a report regarding actions or omissions**

## **10. Disciplinary Policy**

- Failure to comply with the Company's ethical standard demands for disciplinary actions that may include immediate termination. Conduct Committee will apply the Disciplinary Code, which includes a catalogue of sanctions, and guidelines on procedures and responsibilities.
- 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 Compliance Program will be reviewed and the following documents will be updated:

- Risk Assessment Report
- Compliance Program Report
- Management, Investigation and Response Procedure (MIR)
- Conduct Committee Statutes

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

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*Zaragoza (Spain) June 30, 2023*