

On the Establishment of the "SHI Group Anti-Bribery Basic Policy"

The SHI Group requires that its executives and employees maintain thorough compliance with laws, regulations, and corporate ethics, and to act at all times with a high degree of good sense. In recent years, alongside increased global development of business, we have been making efforts to enhance our international anti-bribery system, making it an important issue for the entire SHI Group.

At this time, we are clarifying the rules related to anti-bribery measures that our executives and employees must comply with, formulating the Anti-Bribery Basic Policy with the goal of preventing acts of bribery before they occur. This policy applies to every SHI Group company and all of their executives and employees. Moving forward, we plan to continue our anti-bribery initiatives by disseminating this policy and responding to the characteristics of and risks present in different countries and regions.

July 1, 2021
President and CEO
Shinji Shimomura

SHI Group Anti-Bribery Basic Policy

Promulgated: July 1, 2021
Effective date: July 1, 2021

The SHI Group has established this Anti-Bribery Basic Policy to prevent bribery of public officials and their equivalents (hereinafter, "Public Officials"), as well as private citizens and companies, both in Japan and other countries, by SHI Group companies and their executives and employees. By conforming to this policy, the SHI Group aims to prevent bribery and engage in fair competition and transactions.

1. Compliance with laws

SHI Group companies, as well as their executives and employees, will comply with all of a country's laws related to anti-bribery.

2. Prohibition of bribery

SHI Group companies, as well as their executives and employees, will not engage in any acts of bribery (including facilitation payments); and furthermore, will not pursue any goals that cannot

be accomplished without the aid of acts of bribery. In the event that an SHI Group company, its executive, or employee is requested to provide unlawful benefits to a Public Official or to a private citizen or private company in any of the countries or regions in which the SHI Group conducts business, the SHI Group company, executive, or employee will firmly reject the request and report the incident as necessary to the appropriate authorities.

3. Prohibition of bribery via third parties

When an SHI Group company conducts business through a third party such as an agent or consultant, or conducts business in partnership with a third party, the SHI Group company will approve it after verifying that the standards provided in the SHI Group company's regulations are met and that compensation is commensurate with the work performed. Further, the SHI Group company will implement measures to prevent bribery through the third party, such as by including anti-bribery clauses in the contract with the third party.

In addition, payments made to third parties are prohibited from being used entirely or partially for bribery, bribery-related acts, or acts that might constitute bribery. SHI Group companies and their executives and employees are prohibited from instructing third parties to commit acts of bribery, as well as instigating or assisting any such acts.

4. Prohibition of excessive entertainment and gifts

If an SHI Group company or its executive or employee provides anyone with entertainment or gifts, they will comply with all relevant laws and company regulations. Any entertainment or gifts shall not be extravagant or excessive in light of socially acceptable norms.

5. Proper procedures and keeping of records

When appointing third parties such as an agent or consultant, or conducting business in partnership with a third party, or providing entertainment and gifts, SHI Group companies will properly conduct and appropriately keep the records of the inspection, approval, and decision-making procedures and accounting processes in accordance with company regulations.

6. Bribery prevention training

SHI Group companies will provide ongoing training to their executives and employees in order to disseminate bribery prevention efforts.

7. Whistleblower system

SHI Group companies will implement and operate a whistleblower system to swiftly identify bribery and take corrective action.

8. Monitoring and ongoing improvement

SHI Group companies will monitor their own compliance with this Anti-Bribery Basic Policy and other company regulations related to bribery prevention, as well as monitoring compliance by

affiliated companies they control. Ongoing improvements will be implemented based on the results of this monitoring.

9. Actions against offenders

In accordance with relevant company regulations such as employment regulations, SHI Group companies will take strict action against any of their executives or employees who break the law or company regulations related to bribery prevention. Other strict measures will also be taken as required, such as reporting the offense to the relevant authorities and seeking damages from the offending executive or employee.