

Compliance and Risk Management

Basic Stance

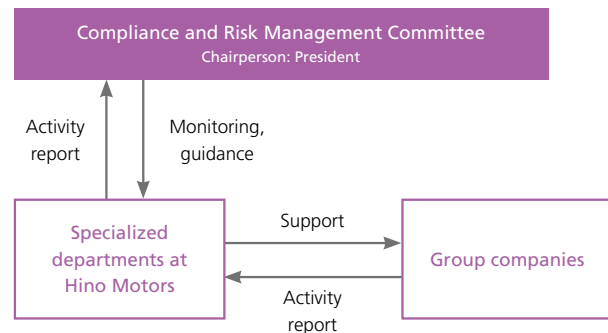
Hino Motors recognizes that earning the trust and cooperation of stakeholders is essential for promoting its CSR activities. Based on this perspective, the Company pursues stringent compliance as a priority management issue, and it is committed to the observance of laws and regulations along with ethical and appropriate business conduct that meets social expectations.

In addition, founded on the basic policy for risk management that seeks to avoid or reduce risks and minimize damage and losses as a result of risks, the Company identifies major risks in corporate management and takes the necessary steps to counter them.

Based on this stance and policy, Hino Motors strictly complies with laws and regulations, thoroughly maintains and improves its ethical character, and strives to be a company that continues to be trusted by customers and society.

Compliance and Risk Management Promotion System

The Compliance and Risk Management Committee is comprised of directors and headed by the president. The committee provides guidance and monitors activities related to corporate ethics, compliance and risk management, as well as other activities such as supporting compliance and risk management in Group companies.



Educating Employees in the Complexities of Compliance

To foster awareness of compliance in each and every employee, Hino Motors has introduced compliance training into the employee education curriculum.

There are several training tools available for carrying out thorough in-house education. They include the CSR Charter, which is the CSR commitment to all stakeholders, the Hino Code of Conduct, which clarifies the evaluation criteria for actions that should be taken by all employees, and the Compliance Guidebook, which imagines a variety of situations that could arise in everyday work and explains specific coping methods. These training tools are distributed by pamphlet and other means to all employees and can be viewed anytime via the company intranet.

The Company will continue endeavors to further enhance training content to nurture human resources possessing a high awareness of compliance.

 [Click here for the CSR Charter.](#)

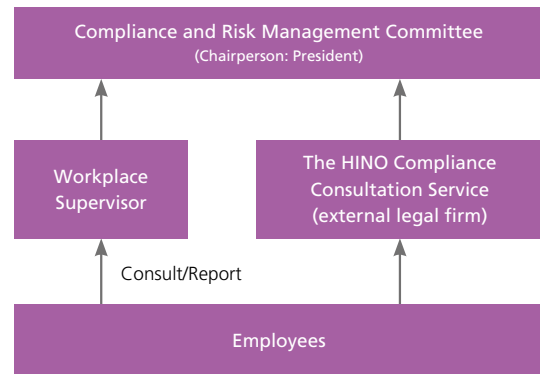
 [Click here for the Hino Code of Conduct.](#)

Preventing and Swiftly Resolving Compliance Issues Using an Internal Reporting System

Hino Motors utilizes an internal reporting system to provide consultation on employee compliance and swiftly resolve issues from an objective viewpoint. With the cooperation of an external legal firm, this system has established the HINO Compliance Consultation Service. It endeavors to maintain a system that facilitates consultation through efforts such as providing advice whenever needed on problems that are difficult to discuss in the workplace.

In fiscal 2017, there were 75 reports and consultations received that included inquiries from Group companies. Each of them was treated appropriately by taking immediate measures or other action. Hino Motors aims to prevent and swiftly resolve compliance issues by properly implement this system on an ongoing basis.

● Flow of Consultations/Reports in the Internal Reporting System



Identifying and Managing Major Risks

Hino Motors regularly identifies major risks, based on changes in laws, regulations and the business environment. Identified risks are managed by the Compliance and Risk Management Committee (drawing up preventive measures for said risks and measures to reduce impact or prevent recurrence when risks occur).

Refer to the following for cases of major risk management.

◆ Disaster Preparedness

With regard to making an immediate response to a large-scale disaster, Hino Motors has established systems that place top priority on human life.

In particular, having learned from its experiences during the Great East Japan Earthquake in 2011, Hino Motors is working to further enhance its own disaster response capabilities, aiming to anticipate disaster scenarios that may impact the Group and implement more practical activities.

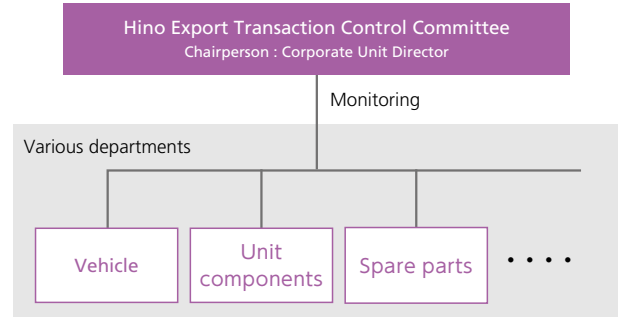


Practicing fire drills

◆ **Managing Export Transactions**

Hino Motors fulfills its duties related to maintaining international peace and security, practicing comprehensive management of export transactions to prevent the risk of exported vehicles, units and other products being diverted to weapon use.

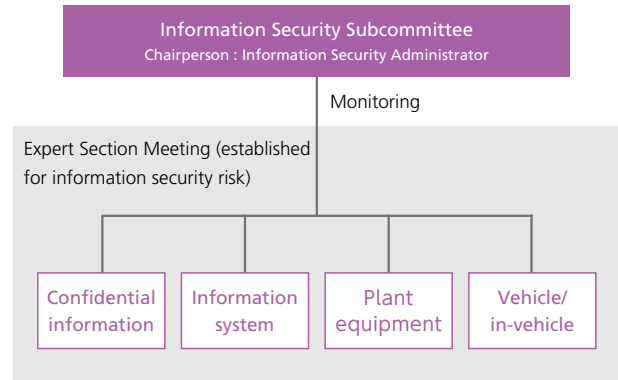
Confirmation of strict legal compliance is conducted in every department, and management conditions are monitored by the Hino Export Transaction Control Committee to ensure company-wide implementation of export transactions that comply with various laws and regulations.



◆ **Information Security Management**

Hino Motors understands the social responsibility of protecting customers’ personal information and employees’ assets from threats such as cyber-attacks, and is working to strengthen information security initiatives.

In September 2017, a Basic Stance Toward Information Security was established that summarizes the approach to information security, and at each section meeting risk management is carried out that adheres to that policy. Furthermore, the risk management state in each section meeting is monitored by the Information Security Subcommittee to manage thoroughly information security risks throughout the company.



 [Click here for the Basic Stance Toward Information Security.](#)

Future Initiatives

Hino Motors must be a company that maintains the trust of our customers and society, in order to contribute to them through its business in the future.

The Company continually strives to develop the awareness of each member of Team Hino of compliance risk management to strictly comply with laws and regulations, and thoroughly maintain and improves its ethical character.