

CSR Management

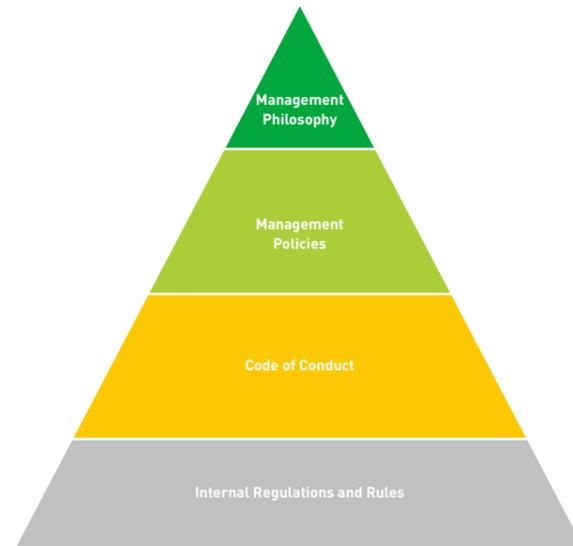
To ALSOK, CSR entails remaining ever mindful of the expectations of customers and society at large and exercising its management philosophy based on the principles of *arigato no kokoro*, an ever-present feeling of gratefulness and gratitude, and *bushi no seishin*, a strong and noble samurai spirit that emphasizes toughness, fairness, and generosity as well as teamwork and unity.

ALSOK's CSR Policy

Since its founding in July 1965, the Company has continued to develop its security services business based on its fundamental spirit, which is defined by the two principles set out in its management philosophy of *arigato no kokoro* and *bushi no seishin*, and with a strong sense of commitment to protecting the safety and security of customers and society.

We believe that CSR entails protecting the safety and security of society by contributing to the resolution of the issues faced by customers and society through our business activities. To facilitate this undertaking, ALSOK has established its management policies and code of conduct as well as a framework of internal regulations and rules. Furthermore, the Company has outlined issues to address in its CSR activities, giving a clear structure to its CSR ideals.

The management policies set out the principles of how the ALSOK Group should engage with its stakeholders. The code of conduct defines how all members of the Company, including employees and executive officers, should act in carrying out their daily business activities. The Company has also established various internal regulations and rules related to specific issues. Based on these guidelines, we are incorporating CSR activities into all areas of our business operations.



Initiatives for Strengthening and Inculcating the CSR Promotion Framework

In April 2011, the Company established the CSR Office. This office is responsible for all areas of the Group's CSR activities and undertakes such tasks as managing the implementation of CSR activities and communicating CSR-related information to stakeholders. The office also implements initiatives for strengthening the CSR promotion framework. Moreover, by distributing our in-house quarterly magazine, *ALSOK CSR Newsletter*, and our CSR Activities Guide, we strive to inculcate CSR in all employees.

We also incorporate lectures on basic CSR principles and the importance of CSR into training for newly promoted managers and hold group training sessions to allow employees to think together about how to incorporate CSR activities into our business. Through such efforts, we are working to cultivate a CSR-based mind-set.

Furthermore, we have been conducting CSR activity surveys targeting employees at the Head Office, branches, and all Group companies since 2014. These surveys help us collect quantitative and qualitative information on the state of ESG matters within the Group. Moreover, initiatives such as this provide an opportunity to promote CSR, and CSR awareness has been improving with each coming year as a result.

Since the fiscal year ended March 31, 2015, the Company has published ALSOK Reports, a series of yearly reports that compile, in an easy-to-understand manner, both financial and non-financial information on the ALSOK Group's activities to provide a more integrated view of the link between the Group's business activities and CSR activities. Meanwhile, we provide more robust disclosure of information related to CSR activities and ESG initiatives through our corporate website.

As a result of these efforts, ALSOK has been recognized by external institutions as a company that exercises its social responsibility from an ESG perspective. Such institutions have thus selected the Company for inclusion in various investment indexes.

External Recognition



FTSE4Good

ALSOK has been included in the FTSE4Good Index Series, a socially responsible investment index, for 10 consecutive years.



FTSE Blossom Japan

ALSOK is included in the FTSE Blossom Japan Index, an ESG investment index.



MSCI Japan ESG Select Leaders Index

ALSOK is included in the MSCI Japan ESG Select Leaders Index, an ESG investment index.

2017 Constituent

MSCI Japan ESG Select Leaders Index

Initiatives for Realizing Sustainable Improvement in Corporate Value

A keyword for the ALSOK Group is to "protect."

As ALSOK has proceeded to expand its business while responding to social change, it has kept true to its mission of protecting the safety and security of customers and society, which has remained unchanged since the Company's founding. Today, we continue striving to live up to the expectations of customers and society by supplying products and services that address diversifying needs and issues. Recognizing the importance of working to secure the talented human resources needed to support our business, we are also avidly building workplaces in which employees can fully exercise their talents. At the same time, ALSOK will aspire to contribute, in its own unique way, to the creation of safer and more secure communities and to the development of these communities.

In 2014, we defined four material CSR themes with the aim of fulfilling our social responsibilities and sharing our social values with

shareholders and other stakeholders. Based on these themes, we will pursue ongoing improvements in corporate value while developing our business.

Moreover, we realize that a large number of the 17 Sustainable Development Goals (SDGs), which were adopted by the United Nations to guide efforts to address global issues, coincide with the CSR activities the Group is advancing with the goal of achieving sustainability.

As it seeks to continue protecting the safety and security of customers and society, ALSOK will broaden its perspective beyond its conventional security services operations to look to the safety and security requiring protection in a wide range of other fields. Adopting this perspective while looking to the future, we will foster wide-ranging innovation as we endeavor to create value for protecting the future.

Relationship Between Four Material CSR Themes and SDGs

<p>Material CSR Theme 1</p> <p>Consumer: Providing Products and Services that Help Resolve Social Issues</p>	    
<p>Material CSR Theme 2</p> <p>Labour Practice: Cultivating Human Resources and Building a Comfortable Workplace Environment</p>	    
<p>Material CSR Theme 3</p> <p>Community: Contributing to Local Communities through Active Communication</p>	   
<p>Material CSR Theme 4</p> <p>Operating Practice: Providing Trustworthy Security Services</p>	  

Transforming our world: the 2030 Agenda for Sustainable Development

At the United Nations General Assembly held in September 2015, *Transforming our world: the 2030 Agenda for Sustainable Development* was adopted by all 193 UN member states through a unanimous decision.

The agenda defines the SDGs, 17 goals that form an action plan meant to guide the actions of the entire international society in addressing the various issues facing the world from the perspectives of economic, social, and environmental matters up until 2030. The accomplishment of each of the 17 goals is incredibly important to ensuring that everyone can enjoy safety and security in their lives.

