

Initiatives for Realizing Sustainable Improvement in Corporate Value

Material CSR Theme **4** Operating Practice: **Providing Trustworthy Security Services**

ALSOK is expected to maintain high levels of social trust while acting in a highly ethical and disciplined manner. We therefore position compliance and business continuity as management issues of extreme importance, and are advancing various initiatives in relation to these matters.

Relationship with SDGs



**Stringent Compliance**

**Focus on Compliance**

The Company has established the Compliance Committee, which is headed by the executive officer in charge of compliance. The committee strives to spread and install an unwavering awareness of compliance in all executive officers and employees based on the compliance rules formulated in 2002, and periodically verifies the status of compliance in business and other activities. In addition, Groupwide training sessions are held to provide education centered on fostering understanding of ALSOK's management philosophy and corporate ethics with the aim of promoting compliance throughout the Group.

**Compliance-Related Campaigns in the Fiscal Year Ended March 31, 2017**

Period	Theme
Apr.–May	Education on compliance (basic)
Jun.–Jul.	Education on compliance (case studies)
Aug.–Sep.	Thorough labor management to prevent excessive work hours and unpaid overtime
Oct.–Nov.	Compliance with business-related laws (Act against Unjustifiable Premiums and Misleading Representations and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors)
Dec.–Jan.	Prevention of information leaks through appropriate use of information systems
Feb.–Mar.	Prevention of insider trading

**ALSOK Hotline**

The ALSOK Hotline was set up in April 2004 to facilitate reporting and consultation regarding harassment and other inappropriate corporate behavior. If employees encounter legal issues, improper conduct, or unethical behavior, they are able to report such instances using this venue without fear of detrimental treatment. The ALSOK Hotline is based on the principles of the protection of the reporter, the prevention of detrimental treatment, and the ability to report anonymously and is thus able to safeguard corporate value by ensuring that illegal or improper conduct is quickly detected.

We view compliance as an important issue needing to be addressed on a Groupwide basis. As of March 31, 2017, the ALSOK Hotline was available to employees of 63 Group companies. In addition, the hotline was expanded on April 1, 2016, to include a venue for consultation with a third-party institution in addition to the prior internal reporting venue. We have also prepared ethical education booklets, include those detailing ALSOK's approach toward corporate ethics and methods for preventing harassment and improper conduct. These booklets are distributed to employees as part of our efforts to ensure strict compliance.

**Improvement of Security Services Quality and Customer Satisfaction**

**Initiatives for Improving Quality**

ALSOK has continued to hold the Sohgo Security Alliance Quality Improvement Tournament since 2010 to encourage employees to improve their skills, and subsequently security services quality, and to increase customer satisfaction.

The seventh annual tournament, held in November 2016, expanded upon the belongings searching competition, which is designed to help prepare for access management operations at large-scale events, by introducing a new Chinese-language service category in addition to the existing English-language service category. The event also saw a completely new competition: a telephone manner contest aimed at improving service quality from the perspective of customers. A total of 222 employees advanced from preliminary tournaments held across Japan to put their skills, which had been honed through daily operations, to the test in the main tournament's 17 events.

Since 2016, presentations of quality improvement initiatives at ALSOK Group long-term care service companies have been held to promote initiatives for improving service quality and customer satisfaction in the long-term care services business.



Foreign-language service competition simulating security service operations at events

**Enhancement of Customer Service**

We strive to reflect both positive and negative opinions, requests, and feedback from customers in our security services. To accomplish this, we compile customer input on a daily basis and issue reports to the relevant officers and to the president. In addition, improvements are pursued through awareness-raising activities and guidance by related divisions. Compiled customer input reports are also displayed on the Company intranet to share this information with all employees.

Furthermore, presentations of customer service improvement activities are held to identify offices that have been particularly successful in enhancing customer service and to report on the results of these activities. Awards are presented to offices conducting exemplary initiatives to encourage further service quality improvements.

**Breakdown of Customer Input Reports Compiled by ALSOK (Fiscal year ended March 31, 2017)**



Note: Immediate action is taken to pursue improvements in response to complaints.

**Measures for Protecting and Managing Information Assets**

**Basic Policies for Information Security**

The ALSOK Group receives important information from customers when concluding security contracts. Therefore, appropriate protection and management of information assets is essential to conducting security operations.

With this in mind, we established the Basic Information Security Policy in 2004. Forming the basis for Companywide information security efforts, this policy is applied to all employees, including executive officers, and all the information assets that we hold.

In addition, the ALSOK Group has established the Personal Information Security Policy as well as developed internal personal information security regulations and management systems. Also, related training and educational programs are conducted. In these ways, we ensure that personal information is properly protected.

Furthermore, aiming to reinforce the protection and management of information assets, the ALSOK Group is promoting the acquisition of certification under ISO 27001, which is the international standard for information security management systems. As of March 31, 2017, 16 Group companies had acquired this accreditation. In addition, the Company has established an internal computer security incident response team (CSIRT) as a precaution for the risk of serious information security breaches.

**Reinforcement of Information Security**

The ALSOK Group conducts periodic security diagnosis of all systems necessary for providing services and all internal systems. We have also constructed frameworks that allow security measures to be implemented immediately should threats to information security be detected. In addition, internal drills are instituted to ensure that employees are able to respond appropriately to ever-changing cyberattacks as part of our efforts to quickly detect threats and prevent their damages from spreading.

As a security company responsible for protecting customers' lives and assets, ALSOK realizes that trustworthiness and reliability form the basis for its operations. Striving to achieve even higher levels of personal information management, the Company acquired PrivacyMark® accreditation in July 2013.



The PrivacyMark System® was established by JIPDEC to acknowledge private enterprises that take appropriate measures to protect personal information. Compliant enterprises are granted the right to display the "PrivacyMark" logo in the course of their business activities.

**Business Continuity Initiatives**

**Business Continuity—A Crucial Concern for Security Companies**

ALSOK's main business is to protect the safety and security of people, meaning that the Company supports an important part of social infrastructure. For this reason, it is absolutely essential that we prepare for unpredictable disasters and accidents and ensure that we can continue business operations even under extreme circumstances.

The Company has established a business continuity plan (BCP) in preparation for a wide range of potential disruptions, such as major earthquakes, typhoons, and other natural disasters; system malfunctions; and outbreaks of new strains of influenza. Based on this BCP, we acquired certification under ISO 22301, the international standard for business continuity management systems (BCMSs), in March 2014. The Company remains vigilant in implementing ongoing improvements, such as introducing terrorism as a new threat its BCP must address, to ensure preparedness for all potential risks. Under the BCP, a disaster response correspondence office is to be promptly established in cases when the damages of a natural disaster threaten to spread or when a disaster warranting Company response has been predicted. Once this office is set up, we strive to gather information and secure the necessary staff. Such offices were formed 11 times in the year under review as necessary to respond to natural disasters, including earthquakes and typhoons, and we were thereby able to provide swift responses to these disasters.

**BCP Drills in Preparation for Emergencies**

Natural disasters cannot be prevented. For this reason, it is crucial for ALSOK to be able to effectively carry out its BCP and quickly resume operations when disasters strike. Regular drills are required to ensure these capabilities. The ALSOK Group conducts comprehensive disaster response drills to prepare for natural disasters twice a year and also institutes drills on assembling employees via travel by foot and safety confirmation drills to ensure preparedness for any emergency. In addition, individual offices prepare for emergencies by creating their own disaster manuals based on the characteristics of their region. Offices also coordinate disaster response drills with community members and otherwise partner with the community to increase its disaster resilience.



Comprehensive disaster response drill



Disaster response drill conducted together with the community