

Focus Area 5

Maintain Customer Trust as a Financial Institution

As a financial institution whose business is founded first and foremost on trust and confidence, the Norinchukin Bank places a priority on ensuring that individual directors and employees conduct their business with a heightened sense of ethical responsibility. Amidst increased social interest in diverse workstyles, we strive to ensure compliance with laws and regulations.

Topics		Medium-Term Goals
Topic 5-1	Further reinforce our compliance framework	Striving to ensure compliance includes appropriate responses to laws and regulations, measures against money laundering, severing anti-social forces, and the enhancement of information security

Major Initiatives

- Ensure compliance
- Protect human rights

Related SDGs



Further Reinforce our Compliance Framework

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As a financial institution whose business is founded first and foremost on trust and confidence, the bank recognizes the importance of not only creating an effective compliance framework, but also of continuing to improve effectiveness. To fulfill our fundamental mission and social responsibility as well as prove ourselves worthy of customer and member trust and expectations in light of changes in the social and business environment, we continue our its unceasing efforts in the area of compliance by managing its business in accordance with societal norms by fully complying with laws and regulations based on the principle of total self-reliance. We also constantly endeavor to achieve a higher degree of transparency by emphasizing proper disclosure and accountability. In addition, we disseminate the Compliance Manual to all directors and employees to ensure that compliance awareness is high and practiced in all aspects of business.

Provision of Compliance Seminars

The Bank provides compliance seminars to all employees to raise compliance awareness and promote ethical practices in business activities. In FY2020, we invited a specialist from a law firm to further the knowledge of our executives regarding harassment prevention and the compliance required of management. Employees learned about smooth communication based on diversity, and the necessity of acting appropriately both in public and private while addressing day-to-day risks.

Measures against Counter Money Laundering and Financing of Terrorism

The Bank has positioned measures against counter money laundering and the financing of terrorism as important issues for management, and by appointing a manager in charge, is developing a more robust risk management system to handle these issues, and to maintain and develop the sound financial system.

We also take appropriate measures against the use of financial institutions for crimes such as the use of bank accounts to receive money generated by fraud or other crimes, to contribute to the establishment of a safe and secure society.

Prohibiting Relations with Anti-Social Forces

The Bank has a zero-tolerance policy regarding anti-social forces, which threaten the safety and order of civil society, and thoroughly prohibits relations therewith. We reinforce our organizational framework to systematically avoid transactions related to anti-social forces under unified cooperation among the front (Divisions in charge of business transactions), middle (Management and Compliance sections), and back (Internal Audit section).

Strict Information Management

Directors and employees of the bank have access to records concerning customer assets, credit, privacy, and other sensitive information. Strict measures are in place to ensure that such customer information is not leaked by the relevant persons while employed or after leaving. Extra care is taken to ensure compliance with the rules and regulations to prevent insider trading when significant but not yet announced facts concerning listed or other important customers is obtained.

Protection of Personal Information

As a Business Operator Handling Personal Information and Person in Charge of Processes Related to Individual Social Security and Tax Numbers, the Norinchukin Bank has created a framework to facilitate the proper handling of such material and provides education and training for employees to ensure compliance.

Whistle-Blowing System

The Bank has installed a Compliance Hotline to enable employees to report on compliance issues to the Legal Affairs and Compliance Division or outside lawyers by telephone or e-mail. When a compliance issue is reported, we maintain close contact with the whistleblower and make necessary improvements and implement corrective measures. The Bank's compliance operation prioritizes protecting whistleblowers such as prohibiting disadvantageous treatment of a whistleblower and keeping the information of reported content secret. Thus, we are making efforts to improve employees' trust in the Bank. On May 14, 2021, the Bank's Compliance Hotline was registered as conforming to Japan's Consumer Affairs Agency's Whistleblowing Compliance Management System (WCMS) certification (self-declaration of conformity registration system). WCMS certification (self-declaration of conformity registration system) is a system via which a business operator evaluates its own whistleblowing system against the Guidelines for Business Operators Regarding the Establishment, Maintenance and Operation of Internal Reporting Systems, which is based on the Whistleblower Protection Act of CAA Japan. If the business operator concludes that its whistleblowing Compliance Management System satisfies the guideline's requirements as a result of its self-assessment, the system undergoes auditing and confirmation by the Japan Institute of Business Law, an institution designated by the CAA, and is registered as authenticated if confirmed.



Symbol Mark for a business operator with an authenticated and registered with Whistleblowing Compliance Management System.

Fostering a Sound Corporate Culture

To prevent large-scale scandals that may damage trust among customers and in financial markets, we strive to foster and enshrine a sound corporate culture as a part of our business strategy. We have clearly defined desirable and sound corporate culture, and we have established the Code of Ethics and Code of Conduct to ensure the full awareness of all directors and employees and to ensure that all employees engage in legal and ethical practices in every aspect of business.

Definition of Sound Corporate Culture

1. Respecting risk management while continuing to pursue approaches to new tasks and ensuring appropriate returns

Individual directors and employees are expected to fulfill their basic roles for the bank and aggressively attempt new business to establish a stable profit structure that ensures organization-wide sustainability. Individual directors and employees are expected to fully recognize the risks they take on or that may arise, and always be aware of the need to maintain a balance of returns, corporate strength, and risk.

2. Securing business transparency and acting with a heightened awareness of responsibility

Individual directors and employees are expected to act with strict discipline and responsibility to achieve a higher degree of transparency and accountability through appropriate internal and external communication in order to serve the needs of society.

3. Respecting diverse ideas through communication to promote cooperation

Individual directors and employees are expected to develop a work environment that encourages active, free communication as well as respect for diverse ideas while promoting a sense of cooperation that enables all employees to fulfill their potential.

4. Understanding the Norinchukin Bank sense of value and management policy to execute business with a spirit of unity

Individual directors and employees are expected to share our sense of value while directors and managers are expected to practice strong leadership in providing clear and easy-to-understand communication to ensure that all employees fully understand management policy.

5. Developing a sound corporate culture as a part of corporate governance

Directors and managers are expected to take account of the business environment and employee awareness to develop a sound corporate culture based on an appropriate system for business performance evaluations and remuneration.

Formulated Environmental Policy, Human Rights Policy

The Bank has formulated human rights and environmental policies that clarify its basic position on environmental issues and respect for human rights, and is working to resolve such issues.

Respect for Human Rights

In the Code of Conduct, the Norinchukin Bank emphasizes respect for human rights and the building of a workplace that enables employees to work with a sense of security. Discriminatory words and acts based on race, creed, gender, age, nationality, ethnic group, religion, social status, and physical features are unacceptable in or outside the workplace. All directors and employees of the bank are strictly prohibited from engaging in such acts or using such language under any circumstances.

In addressing global human rights, we adhere to and respect international standards, including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. We also comply with the domestic laws of the nations in which we operate, and we prepare or update rules and regulations on operations concerning human rights in the course of our business activities. Recently, awareness of human rights is increasing not only within bank operations, but also throughout the entire supply chain. While referring to the UN Guiding Principles on Business and Human Rights, the bank will continue to address issues from various angles, including Compliance, with the UK Modern Slavery Act 2015.

Response to UK Modern Slavery Act 2015

The UK Modern Slavery Act 2015 requires any commercial organization with a certain annual turnover to produce a statement detailing their approaches to the prevention of slavery, forced or compulsory labor, and human trafficking in their business and their supply chain. This important statement has been posted on our English website since September 2016. The statement stresses that acts of slavery, forced or compulsory labor, and human trafficking are contrary to the Bank's mission and sets out our efforts to prevent such acts.

Educational Activities to Heighten Awareness of Human Rights

The Bank’s business operations are supported by its stakeholders. It is important that all directors and employees of the Bank have a heightened sense of human rights with respect for the position and personality of others. To fulfill the Bank’s fundamental mission, each director and employee are expected to respect the position of individual stakeholders and treat all with sincerity, acquire deep insights and highly professional knowledge, and behave as valued members of society.

Toward the establishment of a highly transparent organizational culture based on the concept of respect for human rights, we continue conducting educational activities on human rights in line with the policy decided by the Board of Directors after discussion at the Human Rights Subcommittee.

To prevent sexual or power harassment as well as harassment on the basis of pregnancy, childbirth, and child- or nursing care leaves, we engage in a wide range of activities such as providing e-learning and position-by-position education, guidance and consultation by the persons in charge of human rights issues throughout the organization, and external contacts for consultation.

In light of the Act for Promotion of the Employment of Persons with Disabilities and the Act for Eliminating Discrimination against Persons with Disabilities, we have set up a Consultation Desk for People with Disabilities at each branch and in the Legal Affairs and Compliance Division, and this is working to respond to actual issues faced by people with disabilities.

Human Rights Seminars

The Bank provides human rights seminars annually, and all directors and employees at the Bank are required to participate in at least one.

We invite specialists from a wide range of fields to present seminars to enlighten and disseminate the concept of respect for human rights under broad themes.

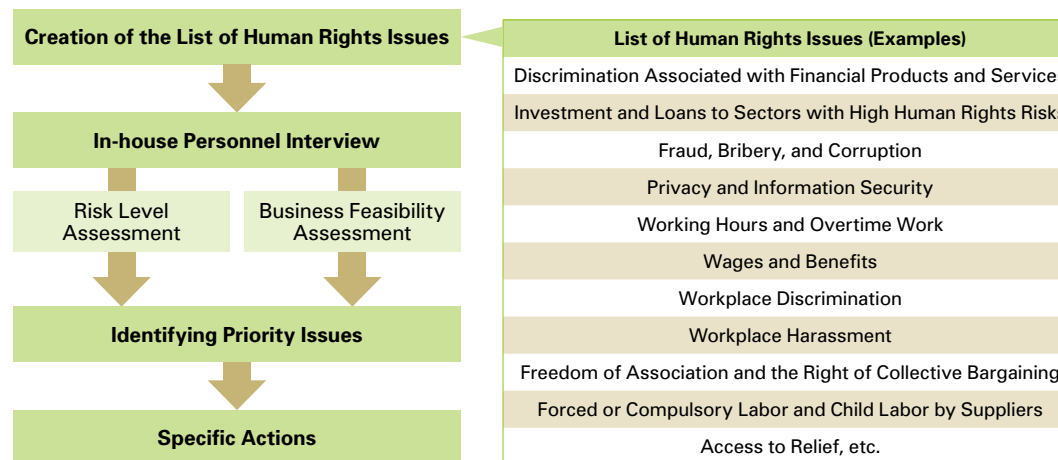
In FY2020, in view of COVID-19 restrictions, we provided 7 online sessions delivered to all business sites via the remote conference system.

Human Rights Impact Assessment (HRIA)

The UN Guiding Principles on Business and Human Rights (UNGPs) endorsed by the UN Human Rights Council in 2011 clarifies the corporate responsibility for human rights protection stating that business enterprises should carry out human rights due diligence, avoid infringing on the human rights of others and address adverse human rights impacts with which they are involved.

Based on this concept, we clearly state Human Rights Policy that we strengthen efforts to carry out human rights due diligence to prevent or reduce adverse human rights impacts that its financial services may have, and conducts human rights impact assessment by the entire organization and in business activities. We choose priority human rights issues and implement specific actions in order.

Human Rights Impact Assessment Processes



Respect for Customers

The Norinchukin Bank considers it important to provide smooth access to necessary funds to customers engaging in the AFF industries, and small and medium-sized enterprises. To meet the needs of customers through the provision of customer-oriented services, we engage in ongoing efforts to enhance our functions and services with careful attention to customer requests.

As a provider of financial products and services, the bank regards it as important to seriously consider customer protection from the customer's perspective and to provide information that helps customers make appropriate decisions. In particular, when we help customers carry out transactions for financial products that require highly specialized knowledge, it is essential that we carefully explain contracts in easy-to-understand language. For this purpose, we have established a wide range of committees and set rules and regulations for customer protection.

Customer Consultations and Complaints

Customer consultations and complaints are systematically handled by the relevant departments, and the relevant departments communicate with and report to concerned departments in accordance with the rules and regulations for customer support and related services that specify the use of financial alternative dispute resolution (ADR) measures to resolve financial disputes out of court.

The Consultation Service Center of the Bank publicizes the content of the consultations and complaints from customers via our official website, etc.

JA Bank Consultation Service Center

JA Bank has internal rules and systems in place for the handling of customer consultations and complaints in a swift, fair and appropriate manner in consideration of financial ADR measures. Customer consultations and complaints are accepted through the JA Bank Consultation Service Center, a fair and neutral third-party organization, as well as the Consultation Service Centers at the Japan Agricultural Cooperatives (JA) and JA Shinnoren. With the consent of the customer, we urge the relevant JA or JA Shinnoren to promptly resolve all issues. In addition, we address areas of operation that might require improvement relative to consultations and complaints we receive and take measures to prevent recurrence by uniting the entire JA Bank organization.

JF Marine Bank Consultation Service Center

JF Marine Bank has internal rules and systems in place for the handling of customer consultations and complaints in a swift, fair and appropriate manner in consideration of financial ADR measures. Customer consultations and complaints are accepted through the JF Marine Bank Consultation Service Center, a fair and neutral third-party organization, as well as the Consultation Service Centers at the Japan Fishery Cooperatives (JF) and JF Shingyoren. With the consent of the customer, we urge the relevant JF or JF Shingyoren to promptly resolve all issues. In addition, we address areas of operation that may require improvement relative to consultations and complaints we received and take measures to prevent recurrence by uniting the JF Marine Bank.