

Kowa Group Code of Conduct

Introduction

The Kowa Group has established the “Kowa Group Charter of Corporate Behavior,” its basic principles, and declares that it will fulfill its social responsibilities by meeting high ethical standards while observing, in letter and in spirit, all relevant laws of each country and region in which it does business, as well as all applicable international rules.

The set of sincere actions that each and every executive and employee working at the Kowa Group around the world must implement in order to make this vision a reality is the “Kowa Group Code of Conduct.”

Every employee of the Kowa Group must observe the “Kowa Group Code of Conduct” and, if any violation is discovered, must report promptly to their superior and related departments.

The Code of Conduct consists of the following six items

- 1. Trust from society**
- 2. Fair business activities**
- 3. The protection and use of information and assets**
- 4. Human rights and the workplace environment**
- 5. Environmental conservation and social contribution**
- 6. Risk management**

1. TRUST FROM SOCIETY

[Basic way of thinking]

We seek the trust of society through business activities providing products and services. To this end, we place the highest priority on the quality and safety of our products and services, use appropriate methods to provide the information on safety and other matters that customers require, and communicate sincerely with customers. Moreover, we also strive, through innovation, to meet the essential needs of society and to resolve social issues.

Related items in the Charter of Corporate Behavior ... 1, 5

1.1 The quality and safety of products and services

We place the highest priority on the quality and safety of our products and services, and provide products and services that customers can always trust.

1.2 Provision of appropriate information

We provide information about our products and services that is appropriate and easy to understand. In advertising and sales-promotion activities, we do not use expressions or labeling that could lead to mistaken assumptions or misunderstandings.

1.3 Handling of enquiries from customers

We respond to enquiries from customers sincerely, promptly, and appropriately. If we become aware of an accident or problem with safety concerning a product or service, we report it promptly to the company, conduct an investigation into the facts, take appropriate action, and strive to prevent reoccurrence.

1.4 The creation of innovation

We strive to grasp the needs of society accurately, and to develop and provide products and services useful to society through innovation, with respect both to R&D and otherwise.

2. FAIR BUSINESS ACTIVITIES

[Basic way of thinking]

We recognize that we should give compliance top priority among all values in our business activities; observe related laws, regulations and rules in each country and region; and also engage in fair business activities based on high ethical standards.

[Related items in the Charter of Corporate Behavior ... 2](#)

2.1 Free competition and fair trade

We always maintain fair and transparent relationships with our business partners, and observe all applicable laws and regulations concerning the prohibition of monopolies, fair competition, and fair trade. We do not engage in activities that might impede (or appear to impede) fair and free competition with our competitors (such as promising product prices).

2.2 Prevention of bribery

We comply with laws and regulations concerning bribery in each country and region, and do not, either directly or indirectly, offer civil servants or other equivalent persons in Japan or overseas any economic benefit or entertainment for the purpose of obtaining unfair or dishonest profit for the Company. We respect social norms in offering gifts or entertainment to customers or business partners. In addition, we do not give preferential treatment to specific customers or business partners in exchange for gifts or entertainment.

2.3 Prohibition on conflicts of interest

We do not act against the interests of the Company to benefit ourselves, relatives, or other parties. If there is a risk of a conflict of interest, we report that risk promptly to the company.

2.4 Export and import management

We observe laws and regulations on exporting and importing. We do not engage in cargo and technology transactions that might interfere with international peace and security.

2.5 Responsible procurement

We conduct fair and transparent transactions with suppliers and strive to implement our values, such as legal compliance, quality and safety of our products and services, human rights, and environmental protection, throughout the entirety of the supply chain.

3. THE PROTECTION AND USE OF INFORMATION AND ASSETS

[Basic way of thinking]

We have various tangible and intangible corporate assets that are extremely valuable in our business activities. We must protect these corporate assets and use them only for legitimate business purposes.

In addition, aiming to be a highly transparent company, we disclose corporate information and other information required positively, effectively and fairly, and engage in constructive dialogue with stakeholders, including customers, business partners, shareholders, and investors.

Related items in the Charter of Corporate Behavior ... 2, 3

3.1 Management of corporate assets

We manage the tangible and intangible assets of the Company properly and do not use them for private purposes.

3.2 Respect for intellectual property rights

We respect intellectual property rights owned by others and do not infringe upon them. Further, and in the same way, we recognize that the intellectual property rights of the Company are important corporate property, and strive to protect those rights and use them effectively.

3.3 The protection of confidential information

We protect and manage the Company's confidential information appropriately so that it is not leaked to third parties.

3.4 The protection of personal information

In each country and region where we do business, we observe all relevant laws and regulations on personal information, and manage personal information strictly so that it is not acquired by unauthorized parties, used or disclosed fraudulently, lost, or leaked.

3.5 Prohibition on insider trading

We do not buy or sell shares in the Company or other companies by making use of undisclosed information (insider trading).

3.6 Proper accounting procedures

We engage in proper accounting procedures and reporting in accordance with applicable laws and regulations on accounting and internal regulations.

3.7 Timely and appropriate information disclosure

Aiming to be a highly transparent company, we strive to disclose corporate information to stakeholders, including customers, business partners, shareholders and investors, in a timely and appropriate manner.

4. HUMAN RIGHTS AND THE WORKPLACE ENVIRONMENT

[Basic way of thinking]

We understand and respect the internationally-recognized human rights of all people. In our workplaces, we respect the diversity, personality and individuality of employees and realize ways of working that enable each and every employee to reach their potential. In addition, we strive to create workplaces that are easy to work in and considerate of health and safety.

[Related items in the Charter of Corporate Behavior ... 4, 6](#)

4.1 Respect for human rights

We respect human rights and do not discriminate on the basis of nationality, race, skin color, ethnicity, religion, gender, age, educational background, disability, sexual orientation, gender identity, or for any similar reason.

4.2 Prohibition on abuse and harassment

We respect human rights and do not engage in abuse, corporal punishment, or harassment, whether psychological, physical, or sexual.

4.3 Prohibition on child labor and forced labor

We do not make use of forced labor, coerced labor, or labor by children under the minimum age of employment established by the laws and regulations of the relevant country or region.

4.4 Occupational safety and health

We observe the laws and regulations on labor of each country and region, and strive to create safe and healthy workplaces.

5. ENVIRONMENTAL CONSERVATION AND SOCIAL CONTRIBUTION

[Basic way of thinking]

We act proactively in addressing environmental issues as matters of common concern to all humankind and as an essential requirement for the survival and activities of the Company. In addition, as a “good corporate citizen,” we engage actively in social contribution activities and aim for the realization of a society that enables sustainable development.

[Related items in the Charter of Corporate Behavior ... 7, 8](#)

5.1 Environmental conservation

We observe laws and regulations concerning the environment, strive for the effective use of limited resources, and work actively toward the conservation of the global environment.

5.2 Social contribution

As a good corporate citizen, we seek harmony with local and international society and engage actively in social contribution.

6. RISK MANAGEMENT

[Basic way of thinking]

We grasp the risks in our business activities, establish systems to prevent risk occurrence, and take active steps to manage risk. Even if a risk does materialize, we respond promptly and appropriately to minimize any harm done.

Related items in the Charter of Corporate Behavior ... 9

6.1 Risk management

We identify and evaluate risks that may occur in the workplace and work continuously to prevent risks from being realized. When a crisis does occur, we respond promptly and appropriately to minimize damage.

6.2 Handling of antisocial forces

We respond with a firm attitude to antisocial forces that threaten the order and safety of civil society and do not engage in any business with them.

6.3 Reporting when a risk occurs

If we become aware of the occurrence of an act that violates this Code of Conduct, or a possibility of such an occurrence, we report promptly to our manager and related departments.