

Taiyo Kogyo Code of Conduct

Chapter 1. Code of Conduct

I Promotion of business activities to fulfill social responsibility.

We will realize importance of social mission that is imposed on us, and will conduct business activities to fulfill responsibilities to employees, stock holders, the society and the government, and will enhance corporate value.

II Compliance with Laws and high standard of ethics.

We will realize that compliance with Laws and maintenance of high standard of ethics is fundamental requirement to execute all business activities, and we will follow these requirements in every aspect of business activities. We will conduct our business sincerely in accordance with Code of Conduct, various rules including Rules of Employment.

III Human Rights and Labor.

(III-1) Prohibition of forced labor.

We will never use labors which are forced, bonded, indentured, involuntary or exploitative prison labor, slavery or trafficking of persons. We will not force labor, and will guarantee a employees' right to leave the job and to terminate employment contract.

(III-2) Prohibition of child labor and Consideration to young workers.

We will not use child labor under the lowest employment age, and will not use labor to spoil growth of young workers.

(III-3) Consideration of working hours.

We will manage properly working hours of employees not to exceed maximum legal working hours and will manage employees' holiday and vacation allowances.

- (III-4) Appropriate wage and allowance.
We will comply with all laws applicable to payment to be made to employees.
We will consider salary to employees must be enough for them to buy necessary things for living.
- (III-5) Prohibition of inhumane treatment.
We will respect human rights of employees, and will not make non-humanitarian treatments such as mental and physical abuse, threatening and harassment. Also, we will not do any thing which might be considered to be inhumane treatments.
- (III-6) Prohibition of discrimination.
We will prohibit discrimination in job offer and employment, and realize equal opportunity and fair treatment. Specifically, we will not discriminate in employment, promotion and treatment because of things not related to one's ability such as race, ethnicity, nationality, family origin, skin color, age, sex, sexual orientation, disability, pregnancy, religion, ideology, belief, political orientation, marital status, family status, infectious diseases, etc.
- (III-7) The right of organization of the worker.
We will comply with Japanese laws and regulations, and respect worker's right of organizing union as means for realizing discussion about working environment and wages between the labor and management.
- (III-8) Consideration to foreign workers.
We will pay special care to protect human rights of foreign workers and trainees for whom we would need special personnel and employment management.

IV Safety and Health.

We will work on minimizing injury and mental diseases of workers at their work, and work on preparing safe and hygienic working conditions.

(IV-1) Safety at work.

We will locate and evaluate risk against safety at work, and work on securing safety utilizing proper design and technology and management method. Also, we will pay reasonable consideration to pregnant persons and nursing mothers.

(IV-2) Preparation to emergency.

We will prepare for emergency of disaster and accident which might damage human life or body, and identify possibility of happening. We will make action standard in the emergency to minimize employee's and assets' damages as well as making necessary equipment and facilities. And, we will do education and training for emergency.

(IV-3) Occupational hazard and illness.

We will locate, evaluate and report the conditions of occupational hazard and illness, and make proper countermeasures and corrective actions.

(IV-4) Occupational Health.

We will understand the situations of creatures and chemical substances harmful to human body and noises and odors in working environment, and will make proper countermeasures to maintain employee's health.

(IV-5) Consideration to the work with physical load on workers.

We will locate and evaluate the work with physical load, and make proper management to avoid occupational hazard and illness.

(IV-6) Safety measures for machines and equipment.

We will evaluate safety risk for the machines which workers operate for work, and make proper safety measures.

(IV-7) Safety and sanitation of facilities.

We will maintain safety and sanitation of facilities prepared for employees

such as dining halls and the restrooms.

(IV-8) Health care of the employee.

We will make proper health preservation for all employees. We will offer medical check-up and mental health care to all employees based on laws and ordinances for illness prevention and early detection of illness.

V. Environmental Conservation.

We will actively work on global environmental problems such as exhaustion of natural resources, climate change, and environmental pollution. Also, we will take care of regional environmental problems considering securing of health and safety of related local people.

Also, in order to minimize load to environment, we will build environmental management system (such as ISO14001) and promote to operate it.

(V-1) Permit and Report on Environmental Conservation.

We will obtain necessary permit and approval based on laws and regulations for environment, and will register and report to the authority.

(V-2) Reduction of energy consumption and greenhouse gas emissions.

We will try to improve energy utilization efficiency, and will continuously try to reduce energy consumption and greenhouse gas emissions by setting up our reduction target.

(V-3) Emission to the atmosphere.

We will observe related laws and regulations, and make necessary measures to reduce emissions of hazardous materials to the atmosphere.

(V-4) Water management.

We will observe laws and regulations, and will monitor water source, water usage and emission and try to reduce water usage. We will monitor, control and process all water emissions with necessary evaluation of water characters before water emissions and disposal. Also, we will identify pollution source which might cause water pollution and make proper management.

(V-5) Effective use of resources and waste management.

We will observe laws and regulations, and will make efficient use of energy and minimize industrial wastes by proper management system and promote “Reduce, Re-use and Recycle”.

(V-6) Management of chemical materials.

We will observe laws and regulations, and will identify, label and manage all chemical materials and other materials which might cause danger to human body and environment. And, we will manage and make sure for safe handling, transfer, storage, use, recycling, re-use, and disposal.

(V-7) Management of chemical materials contained in the product.

We will observe all applicable laws and regulations and customer's demand related to prohibition of use or control of specific materials contained in the product.

VI. Fair trading and ethical standards.

We will not only observe laws and regulations, but also make business activities based on high ethical standards.

(VI-1) Prevention of Corruption.

We will not make any kinds of bribe offering and receiving, corruption, threats and embezzlement.

(VI-2) Prohibition of corrupt supply and receipt of profit.

We will not offer nor accept any kind of promise, offer or permission to the means to obtain bribe or other corrupt profit.

(VI-3) Proper Disclosure of Information.

We will follow applicable laws and regulations and follow custom of the industry, and will disclose information regarding labor, safety, health, environmental activities, business activities, corporate organization, financial conditions, and business results. We will not make falsification of record and altered information disclosure.

(VI-4) Respect for intellectual property.

We will respect intellectual property and will transfer technology and know-how in a manner so that intellectual property is protected. Also, we will protect intellectual property of the third party such as customers and suppliers.

(VI-5) Execution of fair trade.

We will carry out our business in accordance with international standard and laws and regulations, and do fair trade and fair competition. We will not make competition restrictive agreements such as cartel and bid rigging. We forbid all contacts with antisocial forces and organizations which cause bad effects to social order and healthy business activities.

(VI-6) Prevention of abuse of superior bargaining position.

We will not act to give disadvantages to suppliers with abuse of superior bargaining power. We will make procurement trade based on contracts in sincere, fair and right manner.

(VI-7) Whistle-blower protection.

We will protect information confidentiality related to whistleblowing and anonymity of whistle-blower, and will not revenge whistleblower. We will build internal reporting program with which employees can report without being afraid of revenge.

(VI-8) Responsible procurement of minerals.

We will promote due diligence to clarify whether minerals such as tantalum, tin, tungsten, gold, etc. which are used in our manufacturing products, come from conflict areas and high risk regions where serious violation of human rights, environmental destruction, corruption, conflict are taking place or are involved.

VII. Quality and safety.

We will secure safety and quality of our products and service, and supply accurate information.

(VII-1) Securing product safety.

We will make sure the products meet safety standard designated by laws and regulations, and will be responsible as supplier for ensuring product safety with design, manufacturing and sale.

(VII-2) Quality assurance.

We will not only observe all laws and regulations applicable to product and service quality, but also observe our own quality standard and customer's demand. We will try to obtain certifications for quality management system from the third party (such as ISO9001).

(VII-3) Supply of accurate product and service information.

We will supply to customers accurate information regarding specifications and quality of our products and service. We will supply accurate information about chemical substances contained in our product.

VIII. Information security.

We will avoid leakage of confidential information and personal information, and make enhancement of information security.

(VIII-1) Protection against cyber attack

We will establish protective measures against threat on computer network, and carry out measures not to damage the company and customers.

(VIII-2) Protection of private information.

We will observe related laws and regulations, and will manage and protect all private information of suppliers, customers and employees properly.

(VIII-3) Prevention of leakage of confidential information.

We will manage and protect confidential information of the company and confidential information supplied from customers and the third party properly.

Chapter 2. Building management system.

I. Dissemination.

Company will make sure Corporate Code of Conduct to be known and understood by directors and employees.

II. Improvement of company system.

Company will build “Compliance Committee” and at headquarters and each business division, will build “Compliance Promotion Office” in order to make sure directors and employees will observe Corporate Code of Conduct.

Also, we will positively act to observe intra-company “Harassment Prevention rules”, “Safety and Health Committee rules” and “Environmental Protection Promotion Committee rules”.

III. Measures for the violation.

When directors or employees violate Corporate Code of Conduct, Company will make strict disciplinary action to directors based on board of directors meeting and to employees based on working rules. Also, top management himself will act to solve the problem, act to search the cause, and act for prevention of reoccurrence of the violation.

Ryuichi Nakagawa,
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Taiyo Kogyo Co., Ltd.
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